



BSM TECHNOLOGIES INC.

**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

December 16, 2015

**Suite 100, 75 International Boulevard
Toronto, ON M9W 6L9**

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1 GENERAL INFORMATION

1.1 Forward Looking Statements

Certain statements and information in this annual information form (“AIF”) and documents incorporated by reference herein are not based on historical facts and constitute “forward-looking information” within the meaning of Canadian securities laws, including statements and information relating to, among other things, the plans of BSM Technologies Inc. (“BSM” or the “Company”) with respect to its products and services, including timing, content and pricing; market and industry expectations; wireless communications, mobile fleet and telematics industries; general economic, business and political conditions; loss or addition of key employees; stock market volatility; changes in laws and regulations; and the Company's ability to compete successfully, adapt to technological advances, changing industry standards and other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue or incorrect, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the Company's plans with respect to its products and services, including timing, content and pricing; market and industry expectations; the wireless communications, mobile fleet and telematics industries; general economic, business and political conditions, stock market volatility, changes in laws and regulations, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, among others, product development risks, litigation risks, regulatory restrictions, activities by governmental authorities (including changes in taxation), currency fluctuations, the global economic climate, competition, loss of key employees and additional funding requirements. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions; risks related to international operations, including economic and political instability in foreign jurisdictions in which the Company operates; risks related to current global financial conditions; environmental risks, as well as those factors discussed in the section entitled “Risk Factors” in this AIF. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained in this AIF are made as of the date of this AIF and, accordingly, are subject to change after such date. Except as otherwise indicated by the Company, these statements do not reflect the potential impact of any non-recurring or

other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof.

Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

1.2 General

The fiscal year end of BSM is September 30.

Except as otherwise indicated in this AIF, the information herein is given as of September 30, 2015.

Unless otherwise indicated or the context otherwise requires, all references in this AIF to "**BSM**" or the "**Company**" refer to BSM Technologies Inc. and/or its Subsidiaries (as defined herein).

Unless otherwise stated herein, all references in this AIF to "dollars" or "\$" are to Canadian dollars and all financial information reflected herein is determined on the basis of, and prepared in accordance with International Financial Reporting Standards ("**IFRS**"), unless otherwise indicated.

1.3 Information Incorporated by Reference

Certain information contained in the following documents of BSM are incorporated by reference into this AIF:

- The Company's consolidated financial statements for the fiscal years ended September 30, 2015 and 2014 (the "**F2015 F/S**") dated December 16, 2015;
- The Company's management's discussion and analysis for the three and twelve months ended September 30, 2015 (the "**F2015 MD&A**") dated December 16, 2015;
- The Company's consolidated financial statements for the fiscal years ended September 30, 2014 and 2013 (the "**F2014 F/S**") dated December 15, 2014; and
- The joint management information circular of BSM and Webtech Wireless Inc. ("**Webtech**") dated August 19, 2015 (the "**Joint Circular**").

The table below identifies information from the above reports which are incorporated by reference into this AIF. See Section 15 of this AIF for particulars for obtaining copies of these documents from the Company. These documents are also available for viewing on SEDAR at www.sedar.com and on the Company's website at www.bsmwireless.com. The content of the Company's website is not incorporated by reference into this AIF.

AIF Item	BSM Report on SEDAR	Page, Section
Risk Factors	F2015 MD&A	Section 10.2
Risk Factors	F2015 F/S	Note 13
Risk Factors	F2014 F/S	Note 13
Additional Information	Joint Circular	Appendix E

2 CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

The Company was incorporated on July 29, 1996 under the name “Faymar Capital Corporation” under the *Business Corporations Act* (Alberta). On December 23, 1996, the Company filed Articles of Amendment to, among other things, remove the private company share transfer restrictions. On October 15, 1997, the Company filed Articles of Amendment to change its name to “Valu-Net Corporation”. On October 14, 1999, the Company filed Articles of Continuance under the *Business Corporations Act* (Ontario) (the “**OBCA**”) and was continued in the Province of Ontario. On April 17, 2000, the Company filed Articles of Amendment to create 16,000,000 First Preferred Shares, Series I. On July 19, 2001, the Company filed Articles of Amendment to change its name to “BSM Technologies Inc.”. On September 24, 2009, the Company filed Articles of Amendment to increase the authorized capital of the Company by creating the first series of First Preferred Shares consisting of an unlimited number of Series A First Preferred Shares, along with certain rights contained therein. On August 30, 2012, the Company filed Articles of Amendment to consolidate all of the issued and outstanding common shares in the capital of the Company (the “**BSM Shares**”) on a 10:1 basis, being one post-consolidation BSM Share for each ten pre-consolidation BSM Shares outstanding; provided, however, that all fractional shares resulting from the consolidation were rounded up to the nearest whole number of BSM Shares (the “**2012 Share Consolidation**”).

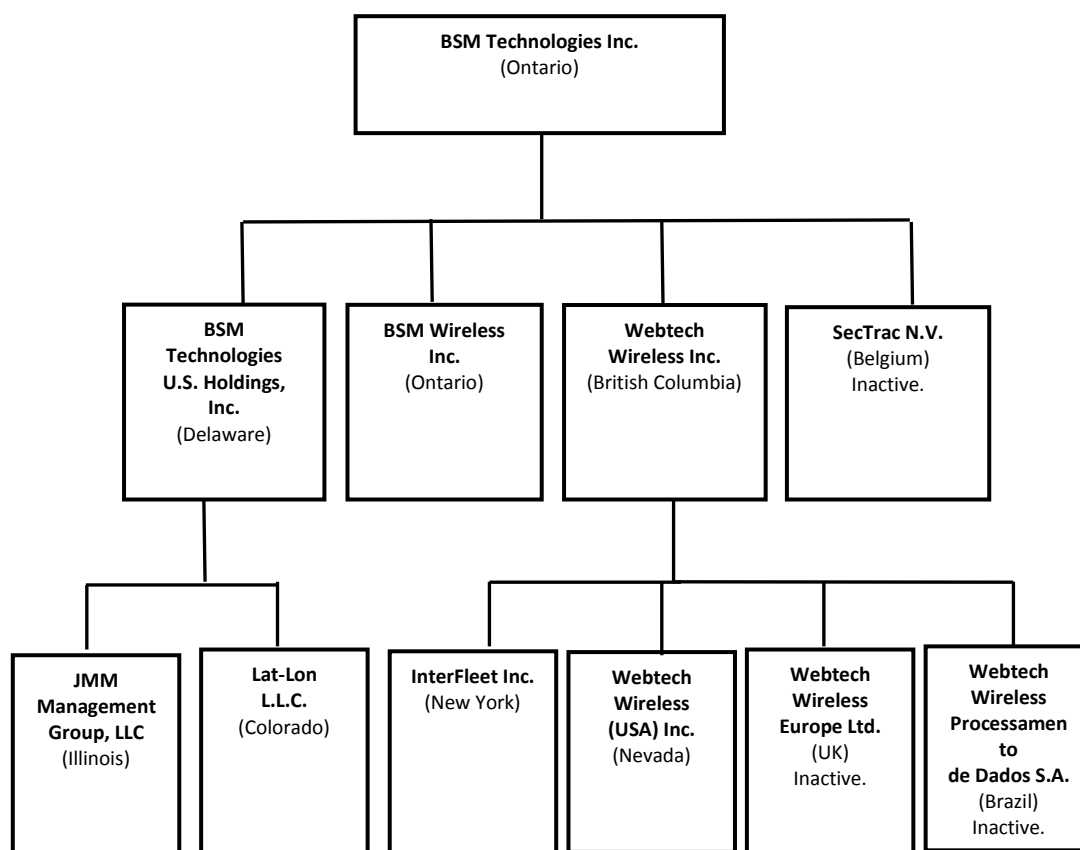
BSM’s head and registered office is located at 75 International Blvd., Suite 100, Toronto, Ontario, Canada, M9W 6L9. The Company also has operating offices in: (i) Toronto, Ontario, Canada (ii) Burnaby, British Columbia; Canada (iii) Laval, Québec, Canada; (iv) Edmonton, Alberta, Canada; (v) Chicago, Illinois, United States; and (vi) Denver, Colorado, United States. The Company’s website address is www.bsmwireless.com.

2.2 Inter-corporate Relationships

As of the date of this AIF, the Company has the following nine subsidiaries, all of which are wholly-owned (directly or indirectly): (i) BSM Wireless Inc., an Ontario corporation; (ii) Webtech Wireless Inc., a British Columbia corporation; (iii) SecTrack N.V., a Belgium corporation; (iii) BSM Technologies U.S. Holdings, Inc. (“**BSM U.S.**”), a Delaware corporation; (iv) JMM Management Group, LLC, an Illinois limited liability company; (v) Lat-Lon, L.L.C., a Colorado limited liability company; (vi) InterFleet Inc., a New York corporation; (vii) Webtech Wireless (USA) Inc., a Nevada corporation; (viii) Webtech Wireless Europe Ltd., a United Kingdom corporation; and (ix) Webtech Wireless Processamento de Dados S.A., a Brazil company (collectively, the “**Subsidiaries**”). Webtech Wireless Europe Ltd. and Webtech Wireless Processamento de Dados S.A. are in the process of being wound up and are inactive as of the date of this AIF. SecTrack N.V. is inactive.

All of the Subsidiaries are 100% owned and/or controlled by the Company. The financial statements of each of the Subsidiaries are consolidated within BSM’s consolidated financial statements.

The chart below illustrates the Company's inter-corporate relationships, together with the governing law of each company, as of the date of this AIF:



3 GENERAL DEVELOPMENT OF THE BUSINESS

BSM is a North American leading provider of real-time global positioning systems (“GPS”) fleet and asset management solutions. As an end-to-end solution provider, BSM offers flexible solutions to its customers from hardware solutions to software solutions. BSM provides real-time, web-based management and tracking of enterprise fleet assets, along with a host of solutions for commercial and government organizations who manage and operate large fleets and who seek to enhance customer service, improve the security of their drivers and vehicles, and lower business costs.

3.1 Recent Developments

BSM Graduates to the Toronto Stock Exchange

On October 5, 2015, BSM announced that it had received final approval from the Toronto Stock Exchange (the “TSX”) to graduate from the TSX Venture Exchange (the “TSXV”) and list the BSM Shares on the TSX (the “TSX Graduation”). The BSM Shares were listed and posted for trading on the TSX at the opening of markets on October 6, 2015. In connection with the listing of the BSM Shares on the TSX, the BSM Shares were delisted from the TSXV on October 6, 2015. The BSM Shares continue to trade under the symbol “GPS”.

Appointment of Chief Sales Officer

On October 5, 2015, BSM announced that Mr. Peter Callaghan had assumed the new role of Chief Sales Officer and that Mr. Stewart Pinos had left his role as Chief Commercial Officer.

Appointment of Chief Operating Officer

On October 1, 2015, BSM announced that Mr. Larry Juba had assumed the role of Chief Operating Officer that had been vacant since Mr. Periyalwar's retirement in April 2015.

Arrangement with Webtech

On July 30, 2015, BSM entered into an arrangement agreement with Webtech and 1044266 B.C. Ltd. ("**Subco**"), a wholly-owned subsidiary of BSM (the "**Arrangement Agreement**") in connection with a business combination of BSM and Webtech by way of a court-approved plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia).

On September 30, 2015, BSM acquired all of the issued and outstanding common shares of Webtech (the "**Webtech Shares**") and Webtech became a wholly-owned subsidiary of BSM. As part of the Arrangement, Webtech was amalgamated with Subco to form a new corporate entity continuing under the name of Webtech Wireless Inc.

Under the terms of the Arrangement, each Webtech Share was exchanged for the issuance by BSM of \$0.52 in cash plus 2.136 BSM Shares. In addition, all of the outstanding options of Webtech, whether vested or unvested, were deemed to have been exchanged under the Arrangement for an option (a "**BSM Replacement Option**") to acquire BSM Shares. The term to expiry, conditions to and manner of exercising the BSM Replacement Options are the same as the Webtech option for which it was exchanged.

In connection with the closing of the Arrangement: (i) 43,180,516 BSM Shares were issued to Webtech shareholders in exchange for their Webtech Shares; and (ii) 1,636,042 BSM Shares were reserved for issuance pursuant to the exercise of the BSM Replacement Options.

In addition, in connection with the closing of the Arrangement, Messrs. Andrew Gutman, Leonard Metcalfe and John Gildner were appointed as directors of BSM and Messrs. Yach and Rokos and Ms. McDougald resigned as directors of BSM.

Update on Brazil Litigation

Since 2008, Webtech, a wholly-owned subsidiary of BSM, has been involved in litigation in Brazil with a former distributor, Crown Processamento De Dados S.A. ("**Crown**"). In 2008, Crown obtained judgment against Webtech. Following the 2008 decision, Crown entered into receivership administered by a Trustee. Following a series of legal proceedings, Webtech filed an appeal with the Court of Justice of the State of Minas Gerais, which, by unanimous decision on or around May 14, 2015, decided in favour of Webtech, overturned the lower court judgment and stated that no indemnification was owed by Webtech.

On or around June 10, 2015, Crown filed a motion to clarify with the Court of Justice of the State of Minas Gerais. On or around September 1, 2015, the motion to clarify was denied. Following this denial, on or around September 1, 2015, Crown filed an appeal to the President Judge of the Court of Appeals of the State of Minas Gerais. On or around November 4, 2015, Webtech filed its response to Crown's appeal to the President Judge.

See "*Legal Proceedings and Regulatory Actions*" for further information with respect to these legal proceedings.

Appointment of Kelly McDougald to the Board of Directors

On April 20, 2015, BSM announced the appointment of Ms. Kelly McDougald to the Board of Directors of BSM (the “**Board**”), leaving the number of directors at six.

Retirement of Chief Operating Officer

On March 30, 2015, BSM announced that Mr. Suresh Periyalwar was retiring from his role as Chief Operating Officer, to be effective April 30, 2015.

Normal Course Issuer Bid

On December 18, 2014, BSM announced that the TSXV had accepted BSM’s notice of intention to make a normal course issuer bid (the “**2015 NCIB**”) to purchase for cancellation, from time to time, up to 4,287,465 BSM Shares, representing approximately 10% of the total public float (as defined in the policies of the TSXV). On December 18, 2014, BSM had a total of 47,713,726 BSM Shares outstanding out of which a total of 4,839,074 BSM Shares were non-public shares held by directors and senior officers or held in escrow. The 2015 NCIB commenced on December 23, 2014, and will terminate on December 23, 2015, or on such earlier date as the 2015 NCIB is complete.

BSM initiated the 2015 NCIB in accordance with its belief that the market price of the BSM Shares at certain times may be attractive and that the repurchase of BSM Shares at such market prices is an appropriate use of corporate funds.

On October 6, 2015, in connection with the TSX Graduation, the TSX accepted BSM’s notice of intention to make a normal course issuer bid under the same terms as the 2015 NCIB. All purchases and payments of BSM Shares through the 2015 NCIB have been made through the facilities of the TSXV or TSX, as applicable, in accordance with their respective rules. Daily purchases are limited to 44,312 BSM Shares, other than block purchase exemptions. The price that BSM may pay for any BSM Shares purchased under the 2015 NCIB will be the prevailing market price at the time of purchase and any BSM Shares purchased by BSM will be cancelled.

BSM appointed Paradigm Capital Inc. as its broker to conduct the 2015 NCIB. As of December 16, 2015, 348,300 BSM Shares were purchased and cancelled by BSM pursuant to the 2015 NCIB.

Departure of Executive Vice-President, Sales

On October 22, 2014, BSM announced that Mr. Owen Moore left his role as Executive Vice-President, Sales.

Appointment of Chief Commercial Officer

On October 1, 2014, BSM announced that Mr. Stewart Pinos was appointed as the Chief Commercial Officer of BSM.

Acquisition of Praxis Transportation Solutions Inc.

On August 11, 2014, BSM announced that it had acquired all of the issued and outstanding shares of privately-held Praxis Transportation Solutions Inc. (“**Praxis**”), an Alberta corporation (the “**Praxis Acquisition**”). Praxis provides driver compliance solutions, primarily to a Class I railroad customer. Consideration for the Praxis Acquisition included \$300,000 in cash paid on closing and \$47,655 for working capital adjustments. Further deferred consideration consists of up to \$1,975,000 in cash and \$1,000,000 in BSM Shares. The cash portion of the consideration is contingent on Praxis successfully securing a long-term contract with its existing Class I railroad customer and the amount of the cash

consideration to be paid is directly tied to the term and the annual amount of revenue generated by such contract, if any. With respect to the deferred contingent share consideration, BSM placed 500,000 BSM Shares, based on a price of \$2.00 per BSM Share, in escrow pursuant to the terms of an escrow agreement (the “**Praxis Escrowed Shares**”). The Praxis Escrowed Shares will be released from escrow upon attaining certain enumerated driver compliance revenue targets. Subsequently, on October 1, 2014, BSM’s wholly-owned subsidiary, BSM Wireless Inc., amalgamated with Praxis to form one corporate entity with the name “BSM Wireless Inc.”.

Amended and Restated Credit Facility

On June 30, 2014, in connection with the Lat-Lon Acquisition (as defined below), BSM and its wholly-owned subsidiary, BSM U.S., entered into an amended and restated credit agreement (the “**ARCA**”) with The Toronto-Dominion Bank (“**TD**”) and the Toronto-Dominion Bank (New York Branch) amending and restating the Original Credit Agreement (as defined below) whereby BSM U.S. became an additional borrower and a new five year term credit facility for US\$7,000,000 was added. The ARCA was further amended by way of a first amendment to the ARCA made as of December 22, 2014, a second amendment to the ARCA made as of May 15, 2015, and a third amendment to the ARCA made as of September 30, 2015.

Acquisition of Lat-Lon, L.L.C. and JMM Management Group LLC

On April 30, 2014, BSM, through its wholly-owned subsidiaries, acquired 100% of the membership interests of privately-held JMM Management Group, LLC (“**JMM**”), an Illinois limited liability company (the “**JMM Acquisition**”). In addition, on May 30, 2014, BSM, through its wholly-owned subsidiaries, acquired 100% of the membership interests of privately-held Lat-Lon, L.L.C. (“**Lat-Lon**”), a Colorado limited liability company (the “**Lat-Lon Acquisition**”, and together with the JMM Acquisition (as defined below), the “**2014 U.S. Acquisitions**”). JMM is a leading provider of storage tank management and regulatory compliance solutions. Lat-Lon provides wireless global positioning systems (“**GPS**”) which facilitate its tracking and monitoring solutions for mobile assets, with a specific focus on the rail sector.

Cumulative consideration for the 2014 U.S. Acquisitions included US\$8,125,000 in cash, plus US\$895,121 in working capital adjustments. Further deferred contingent consideration of US\$7,000,000 in cash and \$1,500,000 in BSM Shares are subject to the attainment of specified annual revenue and EBITDA targets, respectively. In connection with the 2014 U.S. Acquisitions, BSM issued 699,575 BSM Shares, at a price of \$2.35 per BSM Share, into escrow pursuant to the terms of an escrow agreement, pending the attainment of the above noted revenue and EBITDA targets.

New By-Laws

On April 7, 2014, BSM announced that it had, pending TSXV and BSM shareholder approval, approved a new by-law (“**By-Law No. 4**”) replacing the previous By-Law No. 2A and By-Law No. 3 of BSM. By-Law No. 4 was ratified by BSM shareholders at BSM’s annual and special meeting held on May 15, 2014. Specific enhancements to By-Law No. 4 included the addition of an advance notice provision (the “**Provision**”) for nominations of directors by BSM shareholders in certain circumstances. The Provision requires advance notice to BSM in circumstances where nominations of persons for election to the Board are made by BSM shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the OBCA, or (b) a BSM shareholder proposal made pursuant to the provisions of the OBCA. Among other things, the Provision fixes a deadline by which holders of record of BSM Shares must submit director nominations to BSM prior to any annual or special meeting of BSM shareholders and sets forth the information that a BSM shareholder must include in the notice to BSM.

\$22 Million “Bought Deal” Prospectus Offering

On February 6, 2014, BSM completed a prospectus offering on a “bought deal” underwritten basis and raised gross proceeds of approximately \$22,000,002 through the issuance of 7,333,334 BSM Shares at a price of \$3.00 per BSM Share (the “**2014 Financing**”). The 2014 Financing was led by a syndicate of underwriters co-led by Clarus Securities Inc. and Paradigm Capital Inc. and included Canaccord Genuity Corp., Cormark Securities Inc. and TD Securities Inc.

Appointment of New Chief Financial Officer

On January 14, 2014, BSM announced that it had appointed Mr. Louis De Jong as the Chief Financial Officer of BSM. In addition to his role as Chief Financial Officer, Mr. De Jong was also appointed as the Corporate Secretary of BSM on April 7, 2014.

Subsidiary Reorganization

On October 1, 2013, the following wholly-owned subsidiaries of BSM amalgamated to form one corporate entity with the name “BSM Wireless Inc.”: (i) BSM Wireless Inc.; (ii) AutoVision Wireless Inc.; (iii) Datacom Wireless Corporation; (iv) HGI Wireless Inc.; (v) HT Insight Consulting Inc.; and (vi) Netistix Technologies Corporation.

Commercial Contract with Metropolitan Transportation Authority

On September 24, 2013, BSM announced that it had been awarded a contract to provide its Sentinel FM Units to North America’s largest transportation network, the Metropolitan Transportation Authority (“**MTA**”). Under the terms of the agreement, BSM agreed to equip the MTA’s Long Island Rail Road, Metro-North Railroad and Bridges & Tunnels vehicles with up to 1,420 Sentinel FM Units and provide five years of service, with an option to extend the service for an additional five years. The contract is valued at up to \$4.2 million if all options are exercised.

Original \$7 Million Credit Agreement

On June 28, 2013, in connection with the AutoVision Acquisition (as defined below), BSM entered into a credit agreement with TD providing for a three-year, \$10 million credit facility (the “**Original Credit Agreement**”). The Original Credit Agreement included a \$7 million term facility to assist in financing the full up-front cash consideration for the AutoVision Acquisition, and a \$3 million operating line of credit. The Original Credit Agreement carried an interest rate of 3.75%. The interest rate varied based on the prime rate and a ratio of total debt to adjusted EBITDA.

Departure of Chief Financial Officer

On June 12, 2013, BSM announced the resignation of Ms. Jenny Stranges as Chief Financial Officer.

Acquisition of AutoVision Wireless Inc.

On May 31, 2013, BSM acquired all of the issued and outstanding shares of privately-held AutoVision Wireless Inc. (“**AutoVision**”) for \$5,700,000 in cash and 714,286 BSM Shares, which BSM Shares were issued at a price of \$1.40 per BSM Share (the “**AutoVision Acquisition**”). Additional contingent consideration of up to \$5,000,000 in cash and up to 2,142,858 BSM Shares at a price of \$1.40 per BSM Share was payable in the form of earn out payments based on AutoVision achieving specific service revenue targets in each of the three years following the acquisition. As part of the AutoVision Acquisition, BSM also paid \$1,689,360 as a working capital adjustment.

Appointment of Chief Operating Officer

On April 23, 2013, BSM announced that Mr. Suresh Periyalwar had been appointed as the Chief Operating Officer of BSM.

\$8.6 Million Prospectus Offering

On February 28, 2013, BSM announced that it had completed a fully-marketed prospectus offering and raised gross proceeds of approximately \$8,624,931 through the issuance of 6,160,665 BSM Shares at a price of \$1.40 per BSM Share (the “**2013 Financing**”). The 2013 Financing was led by a syndicate of agents led by Paradigm Capital Inc., and including MGI Securities Inc. and Loewen, Ondaatje, McCutcheon Ltd., along with PowerOne Capital Markets Limited as a member of the selling group.

3.2 Significant Acquisitions

BSM has not completed any significant acquisitions in the fiscal year ended September 30, 2015, for which disclosure is required under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

4 DESCRIPTION OF THE BUSINESS

4.1 General

BSM is a leading provider of real-time GPS fleet and asset management solutions. As an end-to-end solution provider, BSM offers flexible solutions to its customers from hardware solutions to software solutions. BSM provides real-time, web-based management and tracking of enterprise fleet assets, along with a host of solutions for commercial and government organizations who manage and operate large fleets and who seek to enhance customer service, improve the security of their drivers and vehicles, and lower business costs.

BSM, through its Subsidiaries and affiliates, develops and provides proprietary software-focused solutions to its customers predominantly in Canada and the United States, helping them better manage their assets – both stationary and moving. BSM’s customers operate in a broad range of markets, including rail, construction, utility, transportation, services, oil and gas and government. BSM continues to refine its development and go-to-market efforts around target verticals – with particular emphasis on the rail and construction markets. Ideal markets for BSM include, but are not limited to, enterprises that operate in rugged environments and have an affinity for big data. BSM’s software and hardware solutions are designed to provide a key link between the operations of BSM’s customers and the systems the customers use to run their business – facilitating cost reduction, improved customer service, greater efficiency, and enhanced security. BSM’s solutions promote safety and facilitate compliance with safety, workplace and environmental regulations. BSM’s services are delivered over a secure network utilizing the Internet.

BSM is an end-to-end solution provider, which means BSM designs and manufactures portions of its core solutions, including hardware, firmware and software. Customers typically purchase the hardware and installation services upfront, and then enter into long-term contracts for BSM’s software services (“**Recurring Revenue**”). BSM sells both its own proprietary hardware and select third-party hardware. BSM sources its components from a number of different suppliers, some of which are local and some offshore. Generally, BSM develops its own software which enables BSM to control its solutions from end-to-end and provide customized solutions to BSM’s customers. Recurring Revenue is priced based upon a fee matrix that includes certain base service levels derived from the number of users and options selected. Base service levels are typically designed to accommodate the perceived needs of a large

percentage of the target market, with incremental fees charged for additional services as selected by the customer. Customer pricing can vary depending on a number of factors, including, but not limited to, (i) the service package selected, (ii) the quantity of data transmitted, (iii) the wireless network utilized, and (iv) the number of subscriptions.

BSM relies on acquired, licensed and internally developed technologies to provide mobile resource management application services, along with wireless cellular and satellite data communications. BSM has several patents and has filed patent applications directed at different aspects of BSM's end-to-end solutions. See "*Risk Factors – Intellectual Property*".

BSM's solutions provide information that helps its customers' monitor and manage their assets in the following areas:

Telematics: The equipment captures and transmits vehicle parameters, logistical data and vehicle location in real time with the goal of facilitating improved return on investment.

Fuel and maintenance: BSM's proprietary algorithms enable its systems to track and evaluate vehicle fuel consumption. This information assists BSM's customers in monitoring fuel costs and preventing fraudulent fuel purchases. BSM has developed maintenance software that allows its customers to manage their asset preventative maintenance electronically, with the view to eliminating manual paperwork and tracking.

Winter Maintenance: Detailed tracking of de-ice and traction materials road application for government fleet expenses and material management, environmental compliance and contractor management.

Compliance: The software and hardware component of BSM's solutions connect directly through the engine control unit of a vehicle and capture real-time data to improve compliance with government regulations and company-specific standards. This includes tracking electronic logging device ("ELD")/hours-of-service ("HOS"), speeding, harsh or extreme acceleration or braking, as well as location and time spent at designated areas. BSM produces various reports to comply with government reporting requirements.

Routing and scheduling: By combining real-time vehicle location information with mapping and fuel usage data, BSM solutions assist companies in optimizing fleet operations by managing planned versus actual routes in real time. BSM's solutions are able to provide notifications when drivers deviate from defined routes and give customers tools to optimize a set of variables.

Work flow management: BSM continues to build out its mobile solution set with a view to developing tools to manage customers' workflow and/or mobile workforce optimization needs. Examples include event confirmation, signature verification and form processing.

Machine to machine: Machine to machine ("M2M") communication refers to information passing through two devices for the purpose of monitoring or delivering alerts. BSM has developed a portfolio of hardware products that allows its clients to get intelligence from their stationary and mobile assets in one platform.

System integration: As BSM continues to expand the amount of data it collects, it is increasingly focusing on integrating this data into its customers third party systems. Examples include ERP, CRM, inventory management, and payroll systems.

BSM's consolidated revenue in fiscal 2015 and fiscal 2014 was \$30,690,095 and \$29,872,718, respectively.

BSM operates as one reportable segment.

4.2 Products and Services

BSM's suite of solutions includes:

Sentinel Fleet Management Solution (“Sentinel FM”)

The Sentinel FM product line provides real-time fleet and asset tracking solutions. Specifically, the Sentinel FM products are offered as either: (i) a single mode cellular reporting device; (ii) a dual mode cellular and satellite device; or (iii) a dual mode cellular and satellite device with Wi-Fi reporting capabilities.

The Sentinel FM solution provides:

- Fleet and asset tracking
- Interactive mapping
- Landmarks and Geozones
- Real-time alerts
- Actionable reports
- Electronic logging device (ELD)
- Fuel and maintenance
- Safety and compliance
- Machine to machine
- Routing
- Workflow management
- Reefer Monitoring

Webtech Fleet Center™

The Webtech Fleet Center™ (“**Fleet Center**”) product line includes much complimentary functionality to the Sentinel FM solution. Launched in 2014, Fleet Center combines and enhances the functionality of Webtech's two legacy brands: InterFleet® and Quadrant®. With Fleet Center, fleet managers are able to track and communicate with their fleets and receive localized services such as navigation.

AutoVision Fleet Management Solution

The AutoVision fleet management solution delivers service and solutions to customers who manage many thousands of assets throughout North America. The solution addresses critical areas such as vehicle location, real-time alerts, dispatch, vehicle diagnostics and maintenance reporting.

The AutoVision fleet management solution provides:

- Real-time location tracking
- Engine diagnostics
- Driver identification
- Analysis of driver behaviour
- Ability to reduce idling time
- Equipment utilization optimization

iTrax Solution

The iTrax solution provides remote web-based tank monitoring solutions utilized by customers to monitor levels of pressurized gas and liquid tanks. iTrax's flexible hardware solutions enables customers to remotely monitor their tanks, and send status updates and alerts, reducing unnecessary trips to the tanks.

The iTrax solution provides:

- 24/7/365 visibility into the status of the tanks from any Internet connected device

- Automatic alerts for tank level, pressure, temperature and battery life
- Local sensor visualisation of all sensors connected to the gateway
- LCD display of tank elements
- Remote programming updates over-the-air

JMM Solutions

JMM's core product offering, APEC (Application Portal for Environmental Compliance), provides customers with the ability to manage compliance and regulatory requirements for both underground storage tanks (USTs) and aboveground storage tanks (ASTs). The key services provided by APEC include:

- Alarm monitoring
- Release detection reporting
- Event tracking
- Site inspection
- Operator training
- Compliance surveys/audits

Lat-Lon Solutions

Lat-Lon offers two main hardware devices: (i) a solar tracking unit; and (ii) a locomotive monitoring unit. These devices are installed on an asset (such as rail cars or locomotives) and are used to capture and report information which customers can access through Lat-Lon's software platform. The platform enables customers to view information such as:

- Location
- Impact detection
- Deceleration detection
- Pressure change
- Engine voltage
- Temperature

Other Solutions

Electronic logging device (ELD): Adopting an ELD solution is designed to give customers the necessary tools and visibility to make proactive fleet management decisions and completely automate current paper based log book and inspection processes. The potential benefits of the HOS solution include improved operational efficiencies and decreased costs due to violation breaches. BSM's HOS solution is also fully integrated into the Sentinel FM product line.

The HOS solution provides:

- Electronic On-Board Recorder (EOBR)
- In-cab Mobile Data Terminal (MDT)
- Graphical logs
- Web-based reports
- Customization for key verticals
- Driver identification

Reefer Monitoring: Caters to industries that require assets to be shipped within specific temperature ranges and controlled environments. This solution provides customers with the ability to

remotely make changes to mode of operation, change set point, change controlling sensors, configure parameters, set Automatic Fresh Air Exchange (AFEX) and even hook and unhook the door; enabling proper maintenance of shipped goods and automatic alerts to avoid errors. Remote monitoring is designed to improve utilization and performance and reduces errors to save on operational costs.

4.3 Business Operations

Revenues

Revenue by product category:

(in thousands of Canadian dollars)	Year ended September 30, 2015	Year ended September 30, 2014
Service revenue	\$20,572,543	\$17,440,876
Hardware & other	\$10,117,552	\$12,431,842
Total revenue	\$30,690,095	\$29,872,718

BSM derives the majority of its revenue from one comprehensive product line, Telematics, which provides monitoring of fixed and mobile assets. Telematics, generally, refers to the use of computers in concert with telecommunications systems used in automobiles that combine wireless communications with GPS tracking, navigation and other telecommunication functions that originate or end insure mobile assets.

Within these product lines, BSM has two main revenue streams:

- (1) **Recurring Revenue.** Recurring Revenue includes monthly application service provider fees, monthly monitoring fees and resale of cellular and satellite data. BSM enters into services contracts with its customers, most of which are for a duration of 36 months or longer. Recurring Revenue is recognized monthly as services are delivered; and
- (2) **Hardware and other revenue.** Hardware and other revenue is comprised of revenue recognized for outright hardware sales as well as for the hardware portion of multiple element arrangements. Development fees, project management fees, license fees and installation fees are ancillary one-time services, which are included in hardware and other revenue.

Functional Department Operating Expenses

(in thousands of Canadian dollars)	Year ended September 30, 2015	Year ended September 30, 2014	Increase (Decrease)	
Sales and marketing	\$5,573,874	\$3,965,420	\$1,608,454	41%
Research and development	6,096,365	4,143,768	1,952,597	47%
General and administrative	5,526,620	4,554,159	972,461	21%
Operations	3,783,344	3,092,367	690,977	22%
Total Functional Department Expenses	\$20,980,203	\$15,775,714	\$5,224,489	33%

Sales and marketing expenses include: amortization of customer contracts and relationships; salaries, commissions and share based compensation paid to sales staff; commissions paid to third parties; advertising; promotions; travel; meals and telephone. BSM has increased its sales and marketing operating expenses as a result of the amortization of intangible assets associated with the acquisitions of Lat-Lon, JMM and Praxis as well as to further invest in BSM's sales and marketing team.

Research and development (“**R&D**”) expenses consist of salaries and share based compensation paid to employees and other expenses related to development such as consultant fees and expenses associated with software and hardware development. R&D expenses also include amortization of technology acquired in acquisitions. Scientific research and development investment tax credits are offset as a recovery against R&D expenses. BSM continues to expand its R&D team and invest in R&D activities to maintain its technical leadership and enhance BSM’s solutions roadmap, with a particular focus on the integration of Webtech, JMM, Lat-Lon and Praxis. BSM believes that investing in R&D will lower existing manufacturing costs as well as allow BSM to add new product features and services that will increase BSM’s revenues and margins in the future.

General and administrative (“**G&A**”) expenses consist of employee salaries and share based compensation related to the Company’s chief executive officers, finance and administration personnel, professional fees (legal, audit, tax, consultants), public company expenses (listing fees, compliance and Board related expenses) and overhead expenses associated with maintaining BSM’s premises. G&A expenses have increased year-over-year as a result of the increased headcount from the acquisitions of Lat-Lon, JMM and Praxis.

Operations expenses include the costs of providing customer support including, but not limited to: (i) call center; (ii) help desk and technical support; and (iii) project management and other support functions for BSM’s customers. The year-over-year increase is a result of additional headcount acquired with the acquisitions of JMM, Lat-Lon, and Praxis as well as a result of investments in key operational parts of BSM’s business including the customer care and project management functions to better support BSM’s growing customer base.

Research and Development

BSM conducts R&D activities related to its software, firmware and hardware. From time to time, BSM introduces next generation products as part of a continuous product management program. There are currently several products in various stages of development and headed towards commercial release in the normal course of business.

BSM’s hardware and firmware forms a part of an embedded system that is installed in a vehicle or other mobile asset and interfaces to BSM’s server infrastructure. By conducting its own R&D, BSM has been able to retain ownership of its intellectual property.

Production and Services

BSM provides fleet management services to its customers, primarily through its application’s portal. Utilizing data transmitted by the BSM hardware installed on a customer’s asset, the application portal provides an interface for a customer’s users to track, monitor and obtain reporting on their mobile and fixed assets.

BSM’s hardware is primarily manufactured by contract manufacturing suppliers. BSM uses both local and offshore manufacturers; however, BSM itself sources some major components, some long lead-time parts and some peripherals, such as mobile data terminals (MDTs), sensors and buzzers.

In addition, BSM provides professional services such as project management, technical account managers, training and installation. These services may be offered directly by BSM with the services performed by a BSM employee or subcontractor at the customer’s preferred locations or from BSM’s various offices. In regards to installations, these services may be provided by BSM authorized third-party installation companies located near the customer. BSM may also sell enterprise licenses for its online offering and services related to the installation of a licensed product into the customers environment or may partner with a third-party professional services organization to provide such installation services.

BSM's products require final assembly and configuration, testing, packaging and shipping, which is conducted at BSM's facilities or by BSM's contract manufacturer.

Specialized Skill and Knowledge

Due to the technical nature of its business and the dynamic market in which BSM competes, BSM's continued success depends on attracting and retaining highly skilled engineering, managerial, consulting and sales personnel. In particular, BSM's future success depends in part on the continued services of each of its current executive officers and other key employees.

Competitive Conditions

BSM operates in a highly competitive environment. BSM's key Telematics competitors are: (i) Telogis, Inc. ("**Telogis**"); (ii) Fleetmatics Group PLC ("**Fleetmatics**"); (iii) Trimble Navigation Limited ("**Trimble**"); (iv) Verizon Telematics, Inc. ("**Verizon**"); and (v) CalAmp Corp. ("**CalAmp**"). Telogis provides cloud based vehicle reporting services. Fleetmatics offers web-based tracking solutions to small and medium sized businesses. Trimble offers web-based vehicle tracking services, including PeopleNet Fleet Manager, which it acquired in 2011 and TMW Systems which it acquired in 2012. Verizon offers on-board diagnostic and Telematics solutions. CalAmp offers web-based fleet management solutions through FleetOutlook.

BSM has positioned itself with end-to-end Internet-based systems that provide a variety of services as opposed to having a single service offering. This flexibility coincides with BSM's open platform that permits the addition of other mobility applications and allows for customization, which BSM believes is critical to accessing various vertical market segments and providing fleet management reporting and services beyond vehicle tracking.

New Products

BSM continually updates its product solutions to meet evolving customer demands. As a part of this process, BSM has launched the following products in the previous 12 months from the date of this AIF: (i) an inspection application to streamline the installation process for customers; (ii) a camera solution for vehicle monitoring; (iii) enhancing mobile operating system functionality for various Sentinel FM products; and (iv) a rapid installation Sentinel FM product. Furthermore, BSM is in the process of consolidating all of its software platforms – creating a new business intelligence platform for its targeted verticals.

Component Pricing and Sourcing

BSM has supply relationships with a number of organizations including, among others, Cinterion Wireless Modules GmbH and Telit Communications PLC (modems), Sirf Technology Inc. (GPS chips) and Micronet (mobile data terminals), which supply the critical components of BSM's products and services. BSM's components are largely generic and have become commoditized as the global telematics market has grown. This is a benefit to BSM as it helps reduce the price of components and provides multiple vendors to select from.

BSM primarily uses third-party contract manufacturers for the production and assembly of its products, benefitting from the large scale that such contract manufacturers are able to achieve at their facilities. For small scale orders and for testing of prototypes and engineering runs, BSM has an in-house production team.

As sales volumes increase, BSM believes it will continue to benefit from volume discounts. As a majority of the components that BSM procures are denominated in U.S. currency, the costs of these components are subject to foreign currency risk. See “*Risk Factors – Foreign Exchange*”.

Intellectual Property

BSM currently protects its intellectual property through a mix of patents and the maintenance of a strict regime of trade secrecy. The trade secrets held by BSM, with respect to the copyright attached to its software, firmware and the assembly of its hardware products are important to BSM.

Sales Cycles

In addition to the AutoVision Acquisition, the JMM Acquisition, the Lat-Lon Acquisition, the Praxis Acquisition and the Arrangement, BSM has grown organically through direct sales to medium-sized customers as well as large organizations. BSM has also established “channel” relationships with major wireless carriers and through enterprise sales to global customers. The sales cycle to these customers can vary from weeks to a number of months. BSM also provides large customers with products on a trial or “pilot” basis. These pilots may last for a year or more. Moreover, the deployment of large sales orders through a customer’s fleet may take several months as the customers require planning to coordinate installation and monitoring. As a result, predicting sales for a quarter is difficult as sales cycles or pilots may close in a quarter or may move into a subsequent quarter or later. Moreover, Webtech’s sales are subject to some degree of seasonality, largely as a result of its strength in the winter maintenance vertical, with monthly recurring application revenues, generally, being lower in the summer months.

Change to Contracts

BSM services large commercial fleet enterprise customers, including various levels of government across North America. As a part of this process, the awarding of contracts with these customers is often subject to requests for proposals or other similar bidding processes. As a result, the sales process is lengthy, time consuming and subject to frequent renegotiations and uncertainty. From year to year, these contracts often expire and such customers’ procurement policies often required them to submit the contract to a new bidding process.

Economic Dependence

BSM depends on a single contract manufacturer for a large portion of its manufacturing production. However, BSM has manufacturing capacity in its Burnaby facility to which it could shift production in a reasonable amount of time thus minimizing business interruption from a failure of its contract manufacture. BSM also maintains inventories of long lead-time parts and some finished goods to avoid excessive dependence on this supplier.

Employees

As at the date of this AIF, BSM had the following employees and contractors:

Location	Employees (Full-time)	Contractors
Toronto	95	5
Burnaby	89	0
Edmonton	11	1
Laval	15	0
Chicago	18	4
Denver	20	0

Other locations	7	3
Total	255	13

All of BSM's employees are non-unionized. Generally, management believes that labour relations at all of BSM's locations are good.

Credit and Lending

BSM frequently requires that new customers make a whole or partial payment in advance of shipping any orders until such time as the customer has proven payment history. Exceptions to such credit policies may only be authorized by a senior executive in writing.

Foreign Operations

As of the date of this AIF, the majority of sales came from Canada and the U.S.

Revenues by geography (based upon customer location):

	Year ended					
	September 30, 2015		September 30, 2014		Variance	
	(\$ in Canadian dollars)	%	(\$ in Canadian dollars)	%	%	
Canada	\$16,241,857	53%	\$19,433,453	65%	(12%)	
United States	\$13,645,193	45%	\$9,504,224	32%	13%	
International	\$803,045	2%	\$935,041	3%	(1%)	
Total	\$30,690,095	100%	\$29,872,718	100%		

BSM increased its revenue from customers located in the United States by 44% in the fiscal year ended September 30, 2015 as compared to the prior period. United States based revenue represented 45% of BSM's total revenue in the fiscal year ended September 30, 2015. This is a reflection of BSM's Sentinel FM product growth in the United States market and as a result of BSM's 2014 U.S. Acquisitions.

4.4 Reorganizations

See "General Development of Business – Acquisition of Praxis Transportation Solutions Inc." and for "General Development of Business – Subsidiary Reorganization" for further information with respect to reorganizations.

4.5 Risk Factors

This AIF contains forward-looking statements regarding the Company, its business, prospects and results of operations that involve risks and uncertainties. The following risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The risks described below are not the only ones facing BSM. Additional risks and uncertainties not currently known to BSM, or that BSM currently deems immaterial, may also impair BSM's operations. If any of the following risks actually occur, BSM's business, financial condition and operating results could be adversely affected.

In addition to the risk factors outlined below, a discussion of financial risk factors related to BSM and its business appears under Section 10 – Financial Instruments and Capital Disclosure of the F2015 MD&A and in Note 13 – Financial Instruments and Capital Disclosure of the F2015 F/S which are incorporated by reference.

Technology

BSM operates in a highly competitive environment where its products and services are subject to rapid technological change and evolving industry standards. BSM's future success depends on its ability to design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry, and respond to its customer's increasingly sophisticated needs. The Company's products and services are comprised of complex technology that may not meet those standards, changes and preferences. If the Company is unable to respond to technological changes, fails or delays to develop products and services in a timely and cost-effective manner, the Company's products and services may become obsolete, which may negatively impact sales, profitability and the continued viability of the business.

Acquisitions Strategy

As part of BSM's business strategy, the Company has sought and will continue to seek new assets, businesses, products or technologies relating to, or complementary to, the Company's current operations. In pursuit of such opportunities, BSM may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into BSM. Ultimately, any acquisitions would be accompanied by risks. For example, BSM may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt BSM's ongoing business and its relationships with employees, suppliers, contractors and other stakeholders; the acquired business or assets may have unknown liabilities which may be significant; diversion of management's time and attention during the transaction and subsequent integration; there may be delays as a result of regulatory approvals; and BSM may be exposed to litigation (including actions commenced by shareholders) in connection with the transaction.

In the event that BSM chooses to raise debt capital to finance any such acquisition, BSM's leverage will be increased. If BSM chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, BSM may choose to finance any such acquisition with its existing resources.

BSM cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit BSM's business. Furthermore, there can be no assurance that BSM would be successful in overcoming the risks identified above or any other problems encountered in connection with such acquisitions.

Unable to successfully integrate and realize benefits of the Arrangement

BSM and Webtech completed the Arrangement to strengthen their position in the telematics industry. Achieving the benefits of the Arrangement depends in part on the ability BSM to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence growth prospects of its asset base and to maximize the potential of its improved growth opportunities. In addition, among other things, in order to achieve the benefits of the Arrangement BSM will need to successfully complete an efficient and timely network operating centre consolidation, complete a hardware and software consolidation and receive increased volume discounts from suppliers.

Competition

The telematics industry is a hyper competitive marketplace. Numerous factors affect BSM's competitive position, including, amongst other things, pricing of products and services. A number of BSM's existing competitors have substantially greater financial, marketing and other resources. A number of these competitors have greater name recognition and well established relationships with some of the Company's target customers. Furthermore, these competitors may be able to adopt more aggressive pricing policies and offer more attractive terms to customers than BSM is able to offer. As a result, BSM may face increasing price pressure from its competitors and customers.

Current and potential competitors have established, or may establish, cooperative relationships amongst themselves or with third parties to compete more effectively. In addition, existing and potential competitors may also develop enhancements to, or future generations of, competitive products and services that will have better performance features than the Company's product and services offerings. If BSM's competitors offer their products and services at prices and on terms that are more attractive than BSM is able to offer, BSM's sales may decrease and BSM's growth and profitability may be adversely affected.

Industry Growth and Market Demand

The overall market for wireless mobile data solutions has experienced significant growth in recent years. The Company's success is dependent on its ability to market its products and services in an effective manner. There can be no assurance that the Company's existing vertical and geographic markets will grow, or that BSM will be successful in establishing itself in new vertical and geographic markets. There is no guarantee that the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, the Company's growth may be adversely affected. In addition, if the various markets in which BSM's products and services compete fail to grow, or grow more slowly than BSM currently anticipates, or if BSM is unable to establish itself in new markets, BSM's growth plans could be materially adversely affected.

Government and Enterprise Vertical Demands

BSM services large commercial fleet enterprise customers, including various levels of government across North America. As a part of this process, the awarding of contracts with these customers are often subject to requests for proposals or other similar bidding processes. As a result, the sales process is lengthy, time consuming and subject to frequent renegotiations and uncertainty. From year to year, these contracts often expire and such customers often are required to submit the contract to an additional bidding process. There is no guarantee that BSM will, in the case of new customers, win the request for proposal or other similar bidding process or, in the case of existing customers, win a renewal or contract that is resubmitted for bidding. As a result, the number of customers may fluctuate from year to year.

2nd Generation Mobile Telecommunications (2G) and Code Division Multiple Access (CDMA) Network Shutdowns

Telecommunication carriers, generally, are shutting down their 2G and CDMA networks in North America over the next two to three years (the "**Network Shutdowns**"). Approximately, 15-20% of the Company's customers currently have 2G or CDMA products that will no longer be operational after the Network Shutdowns. Consequently, the Company has implemented a 2G and CDMA product replacement sales strategy to replace the expiring products (the "**Replacement Program**"). If BSM's customers do not repurchase BSM products pursuant to the pricing and terms of the Replacement Program, or at all, BSM's profitability may be adversely affected.

Intellectual Property

The trade secrets and copyrights held by BSM with respect to its products and services are important to BSM's success. Consequently, BSM protects its intellectual property through a combination of contract, copyright, patent, trademark and trade secret laws, confidentiality procedures and other measures to protect the Company's proprietary information. Despite the Company's best efforts, there can be no assurance that the steps taken will prevent misappropriation of BSM's proprietary rights. Filing patent applications may not result in enforceable patent rights in all jurisdictions that the Company does, or may, operate in. Moreover, any issued patents or third-party patents to which the Company has licensed rights, may be of a restricted scope that does not cover possible foundational technologies and/or technologies practiced by others. Competitors could also independently develop technology similar to the Company's technology.

Unauthorized parties may attempt to copy aspects of BSM's products or to obtain information BSM regard as proprietary. Monitoring unauthorized use of proprietary technology is difficult, time-consuming and costly. If a third-party misappropriates the Company's intellectual property, BSM may be unable to enforce its rights. Subsequently, if BSM is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on BSM's competitive position.

BSM may also be challenged by allegations of its infringement of the intellectual property of others, from time to time. There is no assurance that the Company will be successful in defending such claims and, if the Company is unsuccessful, there is no assurance that the Company will be successful in obtaining a license for the intellectual property in question. Intellectual property claims are expensive and time consuming to defend and, even if they are without merit, may cause delay in the introduction of new products or services. In addition, the Company's management resources could be diverted in order to defend the Company's rights, which could disrupt the Company's operations.

Variable Revenues/Earnings

The revenues and earnings of the Company may fluctuate from quarter to quarter, which could affect the market price of the BSM Shares. Revenues and earnings may vary from quarter to quarter as a result of a number of factors, including, but not limited to, the timing of releases of new products or services, the timing of substantial sales orders or deliveries, activities of the Company's competitors, cyclical fluctuations related to the evolution of wireless technologies, possible delays in the manufacture or shipment of current or new products, concentration in the Company's customer base and possible delays or shortages in component supplies.

Litigation

BSM is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. BSM cannot reasonably predict the likelihood or outcome of these actions. Adverse outcomes in some, or all of these, claims may result in significant monetary damages or injunctive relief that could adversely affect BSM's ability to conduct its business. Further, if BSM is unable to resolve these disputes favourably, it may have a material adverse impact on its financial performance, cash flow and results of operations.

Stock Price Volatility

The securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in market price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continued fluctuations in market prices will not occur. It may be anticipated that any quoted market for the BSM

Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's securities will be affected by such volatility. The Company's share price may also experience significant fluctuations due to operating performance, performance relative to analyst's estimates, disposition or acquisition by a large shareholder, litigation against the Company, the loss or acquisition of a significant customer or distributor, industry-wide factors and factors other than the operating performance of the Company. These factors, among others, may cause decreases in the value of the BSM Shares.

As a result of any of these factors, the market price of the BSM Shares at any given point in time may not accurately reflect BSM's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. BSM may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Warranty Claims and Product Liability

BSM provides its customers with a limited warranty on its products. Despite quality control procedures, there is no assurance that the Company's provision for this warranty is adequate. If there is a malfunction or error that affects a significant number of the Company's products, the cost to repair, replace or recall these products or component parts could materially adversely affect the operations and financial position of the Company.

BSM may be subject to claims arising from the use of its products and services. BSM products are highly complex and sophisticated and, from time to time, may contain design defects that are difficult to detect and correct. There can be no assurance that errors will not be found in BSM products or, if discovered, that the Company will be able to successfully correct such errors in a timely manner or at all. Correcting such errors and failures could require significant expenditure of capital. BSM products and services are generally critical to the Company's customers' businesses. The sale and support of these products and services may entail the risk of substantial product liability or warranty claims in the event of errors or failures. A product liability claim could adversely impact the Company's business due to the cost of settlements and due to the costs of defending such claims. Although the Company carries product liability insurance, there is no assurance that such insurance will be sufficient or will continue to be available on reasonable terms.

Insurance and Uninsured Risks

Although BSM maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with the Company's operations. BSM may also be unable to maintain insurance to cover these risks at economically feasible premiums or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. BSM may also become subject to liability for pollution or other hazards which may not be insured against or which BSM may elect not to insure against because of premium costs or other reasons.

Foreign Exchange

Exchange rate fluctuations may affect the costs that the Company incurs in its operations. The Company's product and services are sold principally in Canadian dollars and the Company's product costs are incurred principally in United States dollars. Although the Company reports its financial results in Canadian dollars, for the fiscal year ended September 30, 2015, 45% (September 30, 2014 – 32%) of revenues were United States dollars denominated. A strengthening of the Canadian dollar against these currencies decreases revenues when reported in Canadian dollars.

Distributors and Resellers

BSM relies on distributors to sell its products in various countries around the world and there is a risk that certain of these distributors may terminate their relationship with the Company. If such relationships are terminated, the Company's ability to generate revenues may be negatively impacted.

Credit Concentration and Credit Risk

BSM provides credit to its customers in the normal course of operations. Credit risk arises from the potential that a customer or counterparty will fail to meet its contractual obligations. The Company is exposed to credit risk from its customers on its trade receivables and unbilled revenue. Accounts receivable include amounts due from customers in both the government and private industry sectors, which exposes the Company to risk of non-payment. Government accounts are considered secure and are normally not subjected to extensive credit reviews. Industry accounts are subjected to internal credit reviews to minimize risk of non-payment. The Company estimates probable losses on a continuing basis, and records a provision for such losses based on the estimated realizable value. Although the Company attempts to manage its credit risk exposure, there is no assurance that this provision will be adequate.

Dependence on Personnel

Due to the technical nature of the Company's business and the dynamic market in which the Company operates, the Company's success depends on its ability to attract and retain highly skilled personnel. BSM is dependent on the services of key executives. The success of BSM's operations is also dependent on its highly skilled and experienced workforce. There is competition over highly skilled experienced workers (in addition to increased labour costs). Although BSM places a high priority on hiring and retaining key talent, the loss of these persons or BSM's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations. Competition for qualified personnel in the wireless and wireless data industries is intense.

Operations

BSM's operations are dependent upon its ability to protect its services portal system, network infrastructure and customer equipment against damage from human error, telecommunications failures, fire, earthquakes, floods, power loss, sabotage, intentional acts of vandalism and similar events. Despite precautions taken by, and planned to be taken by the Company, the occurrence of a natural disaster or other unanticipated problem at one or more of the Company's network facilities could result in interruptions to the services provided by the Company. Such an event could significantly impact the ability of suppliers to provide the data communications capacity required by the Company and, in turn, could impact the Company's sales and customer relations. The Company could be adversely affected by a reduction in customer satisfaction, loss of business and customer claims.

Suppliers

BSM has relationships with several suppliers and service providers upon which it depends to provide critical components for its products and services. In particular, the Company relies on a single contract manufacturer for a large portion of its basic manufacturing production. In the event that the Company is unable to maintain these relationships or establish relationships with new suppliers or service providers as required, the availability, pricing and quality of its products and services may be adversely affected causing an adverse effect on the Company's business, operating results and financial condition. Relationships with third-party suppliers and service providers expose the Company to risks associated with the integrity, quality, reputation, solvency and performance of such parties.

The components that BSM sources for its products and services are highly specialized. In the event that a supply relationship is terminated, there is a risk that a replacement supply may not be found on a timely basis or at all. If supply is not available, there is a risk that BSM may be unable to service its customers resulting in, among other things, a loss of business, penalties and claims for damages.

Government Regulations

BSM operates in a global marketplace, with sales in numerous countries. BSM may be required to incur additional costs in order to comply with foreign and state government regulations as they might pertain to certain issues concerning compliance with local regulations governing its devices, content, privacy, taxation and other considerations. In addition, regulatory requirements may change or BSM may not be able to obtain regulatory approvals from countries in which the Company may desire to sell products and services in the future.

Reputational Risk

Damage to BSM's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not. Reputation loss may result in decreased customer confidence and an impediment to BSM's overall ability to advance its product and services with customers, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

General Economic Conditions

BSM's results could be adversely affected by changing economic conditions in the countries in which it operates. The market turmoil and tightening of credit have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, cuts in government spending, increased market volatility and widespread reduction of business activity generally. To the extent that the Company experiences further global economic deterioration in these markets, the resulting economic pressure on BSM's customers may cause them to end their relationship with the Company, reduce or postpone current or expected purchase orders for BSM products, or suffer from business failure, resulting in a decline in BSM's revenues and profitability that could be material. Continued difficult or uncertain economic conditions could adversely affect the Company's revenue and profitability.

Market Demand for the Product and Services

BSM's success is dependent on its ability to market its products and services. There is no guarantee the Company's products and services will remain competitive. There is no guarantee the Company will be able to respond to market demands. If the Company is unable to effectively develop and expand the market for its products and services, its growth may be adversely affected.

Additional Funding Requirements

The Company's success is predicated on its ability to finance growth. Management believes that operations and commitments will be adequately financed over the coming years; however, the Company's ability to satisfy its future growth activities may be dependent on the availability of future financing. There can be no assurance that, if, and when, the Company seeks additional equity or debt financing, the Company will be able to obtain the additional financial resources required on satisfactory commercial terms or at all. If additional financing is raised by the issuance of equity securities from the treasury of

the Company, existing shareholders will suffer dilution and a change of control of the Company may occur.

Inventory Management

The Company's hardware is comprised of component parts with long lead times. The Company typically purchases component parts and out-sources manufacturing in advance of receiving confirmed purchase orders. As a result, the Company may have significant inventory volumes that could be subject to write down from obsolescence.

The Company has significant amounts of inventory on hand, some of which the Company has previously written down to the value, which the Company estimates to be the inventory's fair market value. Given the large quantity of this inventory, there is no guarantee that the Company will be successful in selling all of it, or realizing the full value of its current carrying cost. This might result in further write-offs and charges to the Company's net income.

Customer Concentration

BSM has a broad base of customers including small and medium sized business as well as large enterprise customers. In recent years, BSM has focused its sales and marketing initiatives toward larger enterprise customers. If any of the Company's significant customers, for any reason, discontinues their relationship with BSM or reduces or postpones current or expected purchase orders for products and services, or suffers from business failure, the Company's revenues and profitability could decline, and could be potentially material. The loss of any significant customers could adversely affect the Company's revenue and profitability, and therefore shareholder value.

Third Party Dependence

Many of BSM's products rely on signals from satellites, and other ground support systems, that the does not own or operate. Such satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites have limited design lives and are subject to damage by the hostile space environment in which they operate. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites would impair the current utility of BSM's products and services and/or the growth of current and additional market opportunities, which would adversely affect the results of BSM's operations. In addition, there is no assurance that the United States government will remain committed to the operation and maintenance of GPS satellites over a long period of time; or that the policies of the United States government for the commercial use of GPS without charge will remain unchanged.

International Operations and Sales

BSM conducts operations outside of Canada and the United States, and as such BSM's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; changes in taxation policies; changing political conditions, the costs and risks of customizing products and business practices to local requirements, compliance with foreign regulatory requirements, tariffs and other trade barriers, limitations on the repatriation of earnings, potential adverse tax consequences and various political, credit and other country-specific risks, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

In addition, there are internal risks relating to the control over foreign offices and employees in foreign offices. To the extent that the Company is unable to manage its international operations or expand international sales in an effective manner, the Company could be materially adversely affected.

Interest Rate Risk

Interest rate risk arises because of the fluctuation in interest rates. Fluctuations in interest rates impact the future cash flows and fair values of various financial instruments. The Company is exposed to fluctuations in interest rates on the outstanding principle balance of its term credit facilities as well as on short term cash deposits.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due. The Company facilitates this in part by maintaining a line of credit with a major Canadian bank.

Accounting Estimates

The Company's financial statements are presented in Canadian dollars, its reporting currency and are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Management makes various estimates and judgements in determining the reported amounts of assets and liabilities, the valuation of intangible assets including goodwill, the valuation of acquired intangibles in connection with acquisitions, the valuation of contingent consideration classified as a liability, the recognition and valuation of deferred tax assets, and the classification of revenues and expenses for each year presented. Changes in estimates and assumptions will occur based on the passage of time and the occurrence of certain events.

Internal Controls

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. However, the system of internal controls over financial reporting is not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements.

Subsidiaries

BSM is a holding company that conducts operations through Canadian and foreign subsidiaries, and a significant portion of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict BSM's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on BSM's valuation and stock price.

Conflicts of Interest

Certain of the directors and officers of BSM also serve, or may serve in the future, as directors and/or officers of other companies involved in technology based companies; consequently, there exists the possibility for these directors and officers to be in a position of conflict. Any decision made by any of these directors and officers involving BSM will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of BSM and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which these directors

may have a conflict of interest in accordance with the procedures set forth in the OBCA and other applicable laws.

Risks relating to integrating existing businesses in connection with the Arrangement

The ability to realize the benefits of the Arrangement will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities following the Arrangement, and from operation matters during the integration process.

5 DIVIDENDS

5.1 Dividends

No dividends were paid to BSM shareholders in the three most recently completed fiscal years. There are no significant restrictions on BSM's ability to pay dividends, other than the requirement to seek approval from BSM's lender pursuant to the terms of the ARCA.

The decision on whether to declare, adjust or eliminate a dividend is subject to the Board's discretion. In determining whether to declare and the amount of any dividend, the Board takes into account, among other criteria, BSM's financial condition, results of operations, capital requirements and such other factors as the Board deems relevant at such time.

6 DESCRIPTION OF CAPITAL STRUCTURE

6.1 General Description of Capital Structure

The authorized share capital of the Company consists of (i) an unlimited number of BSM Shares; (ii) an unlimited number of first preferred shares issuable in series (the "**First Preferred Shares**"); and (iii) unlimited number of second preferred shares issuable in series (the "**Second Preferred Shares**"), all without nominal or par value.

BSM Shares

The BSM Shares carry and are subject to the following rights, privileges, restrictions and conditions described below:

Voting: Each BSM Share entitles its holder to receive notice of and to attend all general and special meetings of shareholders of BSM, other than meetings at which only the holders of a particular class or series of shares are entitled to vote, and each such BSM Share entitles its holder to one vote.

Dividends: The holders of BSM Shares are, at the discretion of the Board, entitled to receive dividends. If the Board declares and pays dividends, it must do so in equal amounts per share on all BSM Shares, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of BSM ranking in priority to the BSM Shares in respect of dividends.

Dissolution: The holders of BSM Shares are entitled to participate in any distribution of rights of BSM's net assets if it liquidates, dissolves or winds up, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of BSM ranking in priority to the BSM Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any class of shares of BSM ranking equally with the BSM Shares in respect of return on capital, in such assets of BSM as are available for distribution.

As at September 30, 2015, there were 89,855,602 BSM Shares outstanding, including, in the aggregate, 1,968,656 BSM Shares remaining in escrow pursuant to the following agreements: (i) 54,795 BSM Shares pursuant to an escrow agreement dated October 16, 1997, the release of which are subject to BSM attaining certain cash flow levels; (ii) 714,286 BSM Shares pursuant to an escrow agreement dated May 31, 2013, the release of which are subject to the attainment of specified service revenue targets in the Third AWI Earn-out Period (as defined below); (iii) 699,575 BSM Shares pursuant to an escrow agreement dated May 14, 2014, the release of which are subject to the attainment of specified revenue and EBITDA targets in the five years following the JMM Acquisition; and (iv) 500,000 BSM Shares pursuant to an escrow agreement dated August 8, 2014, the release of which are subject to specified revenue growth targets in the three years following the Praxis Acquisition.

As at September 30, 2015, there were: (i) 1,575,623 options to purchase BSM Shares (“**BSM Options**”) held by directors, consultants and employees of BSM, having a weighted average exercise price of \$1.79; (ii) \$1,636,042 BSM Replacement Options to purchase BSM Shares held by former directors and employees of Webtech, having a weighted average exercise price of \$0.60; (iii) 697,906 restricted share units of the Company (“**RSUs**”) held by consultants and employees of BSM; and (iv) 47,500 deferred share units of the Company (“**DSUs**”) held by directors of BSM.

Preferred Shares

The Board may issue First Preferred Shares or Second Preferred Shares, (collectively, the “**Preferred Shares**”) at any time and in one or more series. Before any Preferred Shares of a particular series are issued, the Board shall, by resolution, fix the number of shares that will form such series and shall, subject to certain limitations, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the First Preferred Shares and the Second Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends, the time and place of payment of dividends, the consideration for and the terms and conditions (if any) of any purchase for cancellation, retraction or redemption of, conversion or exchange rights, and whether into or for securities of BSM or otherwise, the voting rights attached thereto (if any), the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares in the capital of BSM or creation or issue of debt or equity securities.

The Board may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of First Preferred Shares or Second Preferred Shares.

The First Preferred Shares of each series shall rank on parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over the Second Preferred Shares, the BSM Shares and over any other shares of BSM ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in any distribution of assets in the event of the liquidation, dissolution or wind-up of BSM among its shareholders for the purpose of winding-up its affairs.

Second Preferred Shares shall be entitled to a preference over the BSM Shares and over any other shares of BSM ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in any distribution of assets in the event of the liquidation, dissolution or wind-up of BSM among its shareholders for the purpose of winding-up its affairs.

BSM cannot amend the First Preferred Shares’ and the Second Preferred Shares’ special rights and restrictions as a class without obtaining any approval required by law, and the approval of at least two-thirds of the vote cast at a meeting of holders of Preferred Shares called and held for the purpose, with at least 21 days’ notice provided and at which a quorum is present comprising of at least two persons

present holding or representing by proxy at least 20% of the outstanding First Preferred Shares or Second Preferred Shares (as applicable).

As at September 30, 2015, there were no First Preferred Shares or Second Preferred Shares outstanding.

6.1.1 Share consolidations

On March 19, 2012, BSM, by a special resolution, approved the 2012 Share Consolidation. On August 24, 2012, the TSXV approved the 2012 Share Consolidation and, on August 31, 2012, BSM started trading shares on a consolidated basis. BSM amended its disclosure in the consolidated financial statements to reflect the share consolidation as if it had occurred on October 1, 2010.

6.1.2 Share repurchase program

On March 20, 2012, the Board authorized, and subsequently received approval from the TSXV to proceed with a normal course issuer bid to repurchase up to 2,932,561 BSM Shares for cancellation during the subsequent 12 month period (the “**2012 NCIB**”). During the fiscal year ended September 30, 2012, BSM repurchased 746,900 BSM Shares for \$378,677 under the 2012 NCIB. All repurchased BSM Shares were returned to treasury.

Pursuant to the 2015 NCIB, as of the date of this AIF, BSM has repurchased 348,300 BSM Shares for \$347,364. All repurchased BSM Shares were returned to treasury and cancelled.

7 MARKET FOR SECURITIES

7.1 Trading Price and Volume of BSM Shares

The BSM Shares are currently listed and posted for trading on the TSX under the symbol “GPS”. The BSM Shares were listed and posted for trading on the TSXV prior to October 6, 2015, the day on which the BSM Shares began trading on the TSX.

The following table sets forth the intraday high and low sale prices per BSM Share and the composite volume of trading of the BSM Shares as reported by the TSX or TSXV, as applicable, for periods listed below.

Date	High (\$)	Low (\$)	Volume
October 2014	1.80	1.26	3,039,100
November 2014	1.74	1.15	2,812,200
December 2014	1.63	1.15	4,566,800
January 2015	1.65	1.11	2,643,000
February 2015	1.37	1.03	5,253,500
March 2015	1.35	1.15	2,097,100
April 2015	1.17	0.82	4,438,700
May 2015	1.06	0.81	3,517,200
June 2015	1.22	0.95	1,955,000
July 2015	1.08	0.91	2,969,900
August 2015	0.95	0.75	1,947,382
September 2015	0.98	0.85	973,745
October 1-5 2015	0.91	0.85	10,538
October 6-31 2015	0.94	0.88	2,924,959
November 2015	0.9	0.80	5,139,038
December 1-16, 2015	0.85	0.78	663,899

The closing price of the BSM Shares on the TSX on December 16, 2015 was \$0.81.

7.2 Prior Sales

Other than: (i) the issuance of BSM Shares in connection with the Arrangement; (ii) the granting of BSM Replacement Options and BSM Shares issued pursuant to the exercise of BSM Replacement Options; (iii) the granting of BSM Options and BSM Shares issued pursuant to the exercise of BSM Options; (iv) the granting of RSUs and BSM Shares issued pursuant to the redemption of RSUs; (v) the granting of DSUs and BSM Shares issued pursuant to the redemption of DSUs; and (vi) the escrow of BSM Shares, as applicable, in connection with the Praxis Acquisition and the 2014 U.S. Acquisitions, there were no issuances of securities of BSM during the fiscal year ended September 30, 2015, except as otherwise disclosed herein.

BSM Shares

The following table summarizes the number of BSM Shares issued during the fiscal year ended September 30, 2015:

Date of issuance	Price per BSM Share	Number of BSM Shares	Reasons for issuance
November 5, 2014	\$1.45	75,000	Issued upon exercise of previously issued BSM Options
April 13, 2015	\$1.19	10,000	Issued to settle vested RSUs
May 14, 2015	\$0.98	13,946	Issued to settle vested RSUs
September 30, 2015	\$0.90	43,180,516	Issued in connection with the Arrangement

BSM Options

The following table summarizes the number of BSM Options granted by BSM during the fiscal year ended September 30, 2015:

Date of grant	Exercise Price per BSM Share	Number of BSM Shares Underlying BSM Options
December 18, 2014	\$1.48	325,000
May 15, 2015	\$0.93	25,000

BSM Replacement Options

The following table sets out the 1,636,042 outstanding BSM Replacement Options granted during the fiscal year ended September 30, 2015:

Date of grant	Exercise Price per BSM Share	Number of BSM Shares Underlying BSM Replacement Options	Expiry Date of BSM Replacement Option
September 30, 2015	\$0.65	24,564	December 15, 2015
September 30, 2015	\$0.81	245,207	March 24, 2016
September 30, 2015	\$0.55	333,638	June 14, 2016
September 30, 2015	\$0.51	30,756	August 17, 2016
September 30, 2015	\$0.42, \$0.58, \$0.65 \$0.84	310,147	September 30, 2016 ⁽¹⁾
September 30, 2015	\$0.44	10,249	November 24, 2016
September 30, 2015	\$0.41	6,408	November 28, 2016
September 30, 2015	\$0.32	11,427	June 7, 2017
September 30, 2015	\$0.25	3,203	August 14, 2017
September 30, 2015	\$0.58	58,733	November 18, 2018
September 30, 2015	\$0.58	53,400	December 16, 2018
September 30, 2015	\$0.83	108,508	March 28, 2019
September 30, 2015	\$0.44	106,800	November 10, 2019
September 30, 2015	\$0.42	226,202	December 3, 2019
September 30, 2015	\$0.64	106,800	May 12, 2020

Note:

(1) Following the Arrangement, the Board approved the extension of the expiry date for vested BSM Replacement Options for certain director and officers of Webtech until September 30, 2016; or the original date of expiry if the expiry date occurred prior to September 30, 2016.

RSUs

The following table summarizes the number of RSUs issued by BSM during the fiscal year ended September 30, 2015:

Date of issuance	Number of BSM Shares Underlying RSUs
December 18, 2014	747,725
May 15, 2015	40,000

DSUs

The following table summarizes details of the DSUs issued by BSM during the fiscal year ended September 30, 2015:

Date of issuance	Number of BSM Shares Underlying DSUs
December 18, 2014	47,500

8 ESCROWED SECURITIES

On October 16, 1997, BSM entered into an escrow agreement with the former President of BSM and certain other parties whereby 1,509,900 pre-consolidation BSM Shares (150,990 BSM Shares after the 2012 Share Consolidation) were deposited into escrow with the escrow agent, Montreal Trust Company of Canada (now Computershare Investor Services Inc.), and will be released once BSM attains certain cash flow levels. During the years ended September 30, 2001, 2002 and 2003, BSM cancelled 96,208 of these shares pursuant to settlements reached with these parties. As of the fiscal year ended September 30, 2015, 54,795 BSM Shares remain in escrow subject to the achievement of the performance targets.

On May 31, 2013,, as part of the consideration in the AutoVision Acquisition, 2,142,858 BSM Shares were deposited into escrow with the escrow agent, Computershare Trust Company of Canada, and will be released subject to AutoVision meeting recurring revenue milestones in the following three time periods: (i) June 1, 2013 to May 31, 2014 (the “**First AWI Earn-out Period**”); (ii) June 1, 2014 to May 31, 2015 (the “**Second AWI Earn-out Period**”); and (iii) June 1, 2015 to May 31, 2016 (the “**Third AWI Earn-out Period**”). In June, 2014, the escrow agent released 714,286 BSM Shares to the applicable AutoVision vendors after the specified recurring revenue milestones for the First AWI Earn-out Period were met. In July 2015, the escrow agent released 714,286 BSM Shares from escrow to BSM and such shares were forthwith cancelled after the specified recurring revenue milestones for the Second AWI Earn-out Period were not achieved. As of the fiscal year ended September 30, 2015, 714,286 BSM Shares remain in escrow subject to the specified performance condition for the Third AWI Earn-out Period.

On May 14, 2014, as part of the consideration for the JMM Acquisition, 699,575 BSM Shares were deposited into escrow with the escrow agent, Computershare Investor Services Inc., and will be released subject to specified revenue and EBITDA performance conditions in the five-year period following the JMM Acquisition. As of the fiscal year ended September 30, 2015, 699,575 BSM Shares remain in escrow subject to these performance conditions.

On August 8, 2014, as part of the consideration for the Praxis Acquisition, 500,000 BSM Shares were deposited into escrow with the escrow agent, Computershare Trust Company of Canada, and will be released subject to specified revenue growth targets in the six year period following the closing of the Praxis Acquisition. As of the fiscal year ended September 30, 2015, 500,000 BSM Shares remain in escrow subject to these performance conditions.

The following chart summarizes the BSM Shares which remain in escrow as of the fiscal year ended September 30, 2015:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class ⁽¹⁾
BSM Shares	1,968,656	2.19%

Note:

(1) % of total BSM Shares is based on 89,855,602 BSM Shares outstanding as of September 30, 2015.

9 DIRECTORS AND OFFICERS

9.1 Name, Occupation and Security Holdings

The following table sets forth the directors and officers of the Company, together with their province or state and country of residence, positions and offices held, principal occupations during the last five years, the years in which they were first appointed as directors and/or officers of BSM and the number and percentage of BSM Shares, and the number of BSM Replacement Options, RSUs and DSUs

beneficially owned, directly or indirectly, or over which control or direction is exercised by them, as of the date of this AIF:

Name and place of residence	Director and/or Office since⁽¹⁾	Principal occupations during the last five years⁽²⁾	BSM Options, BSM Replacement Options, DSUs and RSUs beneficially owned⁽³⁾⁽⁴⁾⁽⁵⁾
Andrew Gutman ⁽⁶⁾ Utah, United States <i>Non-executive Chairman</i>	September 30, 2015	Chief Executive Officer of Webtech; Consultant	90,139 BSM Shares 234,960 BSM Replacement Options
Aly Rahemtulla Ontario, Canada <i>Director, President and Chief Executive Officer</i>	January 23, 2006	President and Chief Executive Officer of BSM	1,062,635 BSM Shares 270,500 Options 295,587 RSUs
Frank Maw ⁽⁷⁾ Ontario, Canada <i>Director</i>	June 10, 2008	Consultant to IT industry	82,000 BSM Shares 75,000 Options 17,500 DSUs
Leonard Metcalfe ⁽⁸⁾ British Columbia, Canada <i>Director</i>	September 30, 2015	Retired; Former Chairman of LMI Technologies Inc.	64,432 BSM Shares 32,040 BSM Replacement Options
Pierre Bélanger ⁽⁹⁾ Québec, Canada <i>Director</i>	September 25, 2009	President, Bel-Go Conseil Inc	40,000 BSM Shares 54,877 Options 10,000 DSUs
John Gildner ⁽¹⁰⁾ Ontario, Canada <i>Director</i>	September 30, 2015	Director of The Westaim Corporation; Former Managing Director of CIBC World Markets Inc.	131,150 BSM Shares 42,720 BSM Replacement Options
Louis De Jong Ontario, Canada <i>Chief Financial Officer and Corporate Secretary</i>	January 15, 2014	Managing Partner at De Jong & Co, Managing Director, Jemekk Capital Management	846,500 BSM Shares 325,000 Options 114,819 RSUs
Larry Juba British Columbia, Canada <i>Chief Operating Officer</i>	September 30, 2015	Chief Operating Officer of Webtech; Former Vice President-Operations of Webtech	61,944 BSM Shares 364,828 BSM Replacement Options
Peter Callaghan British Columbia, Canada <i>Chief Sales Officer</i>	September 30, 2015	Senior Vice-President, Sales and Marketing of Webtech	106,800 BSM Replacement Options
Alban Hoxha Ontario, Canada <i>Chief Technology Officer</i>	May 16, 2011	Chief Technology Officer of BSM	142,500 Options 55,000 RSUs

Notes:

- (1) Each director's term will continue until the next annual meeting of BSM shareholders at which time it will expire or until the director resigns, becomes ineligible, unable to serve or until his or her successor is elected or appointed.
- (2) The information as to principal occupations has been furnished by each director and/or officer individually.

- (3) The information as to the number of BSM Shares, BSM Options, BSM Replacement Options, DSUs and RSUs beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of BSM, has been furnished by the respective individuals or obtained from the System for Electronic Disclosure by Insiders (“SEDI”) and may include BSM Shares or other securities owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) DSUs are granted pursuant to the Company’s DSU Plan and are not exercisable until there is loss of directorship.
- (5) RSUs are granted pursuant to the Company’s RSU Plan and do not vest until the third anniversary of the RSU grant date.
- (6) Member of the Compensation, Governance and Nominating Committee (the “CGN Committee”).
- (7) Member of the CGN Committee and the Audit Committee.
- (8) Member of the CGN Committee.
- (9) Member of the Audit Committee.
- (10) Member of the Audit Committee.

As at the date of this AIF, to BSM’s knowledge, the directors and officers of BSM, as a group, beneficially own, directly or indirectly, or exercise control or direction over 2,378,550 BSM Shares, representing approximately 2.6% of the issued and outstanding BSM Shares (on a non-diluted basis).

9.2 Biographies of Directors and Officers

Andrew Gutman, Non-Executive Chairman of the Board

Mr. Gutman was the Chief Executive Officer of Webtech and has more than ten years of experience in private equity/venture capital, as well as 15 years of experience in managing and/or advising profitable, growth and acquisition oriented software companies. Mr. Gutman was the Chief Executive Officer of Speedware Corporation (“Speedware”) from 2001 to 2005 where he led the growth of the company from approximately \$15 million in revenues to \$62 million (\$16 million EBITDA) through a combination of acquisitions and successful execution of internal growth strategies. During this period, Speedware’s market capitalization increased from about \$5 million in 2001 to \$143 million in 2005 when it was sold to Activant Solutions Inc. and its subsidiary Onbelay Automotive Inc.

Aly Rahemtulla, Director, President and Chief Financial Officer

Mr. Rahemtulla is the President and Chief Executive Officer of BSM and also serves as a director of BSM. In addition to his role with BSM, Mr. Rahemtulla is also Chairman of ANR Capital Inc. and its subsidiary Onbelay Automotive Inc. Prior to joining BSM, Mr. Rahemtulla was a management consultant with A.T. Kearney Limited providing direction on corporate strategy to Fortune 100 corporations until 2004. With 12 plus years of experience in executive roles, Mr. Rahemtulla has led numerous strategic initiatives and corporate developments. Mr. Rahemtulla holds an honours degree in business administration from the Richard Ivey School of Business at the University of Western Ontario, is a local chapter and international member of the Young Presidents of Ontario and is a member of the Institute of Corporate Directors (ICD.D.)

Frank Maw, Director

Mr. Maw is the past President of Motorola Canada Limited having retired after 35 years of senior management experience in the information and communications technology and the consumer products industries. Mr. Maw is a graduate of the University of Western Ontario and has served as the Chairman of ITAC (Information and Telecommunications Technology Association of Canada), as a director on the Toronto Board of Trade, as the Chairman of the Canadian Wireless Telecommunications Association and President of the original Paging Services Council of Canada. Mr. Maw was the Chairman of Netistix Technologies Corporation which was acquired by BSM in December 2007.

Leonard Metcalfe, Director

Mr. Metcalfe is the former Chairman, Chief Executive Officer and director of LMI Technologies Inc. (“LMI”) and was with LMI from 1997 to 2011, when it was acquired by AUGUSTA Technologie AG. LMI supplied machine vision systems for various manufacturing industries from its offices in

Canada, USA, Sweden, Ireland and The Netherlands. Mr. Metcalfe is a member of the International Society of Optical Engineers. Mr. Metcalfe received a Diploma of Technology in Control Electronics from the British Columbia Institute of Technology in Vancouver, in 1973.

Pierre Bélanger, CPA, Director

Mr. Bélanger is a Chartered Professional Accountant who brings more than 30 years of experience in senior management within renowned organizations such as Groupe Québecor, Télé-Métropole Inc. and Vidéotron Ltd. where he successfully managed the merger of CF Cable TV Inc. from 1996 to 1997. He was also President of Capital Communications CDPQ from 1997 to 2002. During Mr. Bélanger's five years of leadership, the unit completed investments of over \$2 billion in partnership with major financial groups including The Blackstone Group L.P., The Carlyle Group, L.P. and GE Capital. Currently, Mr. Bélanger serves as president of Bel-Go Conseil Inc., a consulting services firm. Mr. Bélanger holds a Bachelor of Business Administration from the University of Sherbrooke.

John Gildner, Director

Mr. Gildner has served as an Independent director of The Westaim Corporation since May 2009. Mr. Gildner holds a BBA from Wilfrid Laurier University, having specialized in Economics. Mr. Gildner is currently a private investor. Prior to 2009, Mr. Gildner was a Managing Director of CIBC World Markets Inc., an investment bank, where he worked for 25 years (at both CIBC World Markets Inc. and Wood Gundy Limited, which was purchased by the Canadian Imperial Bank of Commerce in 1988) in various roles within the trading operations. Most recently at CIBC World Markets Inc., Mr. Gildner was head of the firm's equity division proprietary trading groups, where he had oversight of the firm's equity-related proprietary investing and trading strategies and activities. Mr. Gildner also served on several management, risk management, due diligence, and investment committees at the company. In these capacities, Mr. Gildner has had experience analyzing and evaluating financial results and the financial statements of public companies. In 2010, Mr. Gildner obtained the Chartered Director (C.Dir.) designation from the Directors College (a joint venture of McMaster University and The Conference Board of Canada).

Louis De Jong, CPA, CA, Chief Financial Officer and Corporate Secretary

Mr. De Jong has over 20 years of experience in the financial and investment industries. Mr. De Jong's previous roles include Managing Director at Jemekk Capital Management, Head of Canadian Equities at Credit Suisse, and Head of Institutional Sales at Spratt Securities. Mr. De Jong started his career as an accountant with PricewaterhouseCoopers LLP. Most recently Mr. De Jong founded and was the Managing Partner at De Jong & Co., a boutique merchant bank engaged in principal investment and financial advisory services. Mr. De Jong is both a CPA and CA Charterholder and he earned his Economics degree from the University of Western Ontario.

Larry Juba, Chief Operating Officer

Mr. Juba was the Chief Operating Officer of Webtech since January 2011 and a member of the Office of the President of Webtech since October 2014. Previously, Mr. Juba had been the Vice-President of Operations of Webtech from March 2008 to January 2011 after joining Webtech in April 2007. Mr. Juba has over 20 years of experience in building and leading engineering, operations and professional services teams for wireless technology companies. He has extensive experience international operations, project management, systems and applications engineering, software engineering, hardware engineering, customer service, manufacturing, and information technology. Mr. Juba has held Vice-President and Director roles and has been responsible for deploying and supporting large wireless enterprise systems in companies such as Digital Dispatch Systems and Glenayre.

Alban Hoxha, Chief Technology Officer

Mr. Hoxha has accumulated over 17 years of IT experience, including serving as the Vice-President of Systems and Development at InterFleet Inc. (“**Interfleet**”), a division of Webtech. During his time at Interfleet, Mr. Hoxha led development teams and directed IT operations for both domestic and international operations. Mr. Hoxha provides a wealth of industry experience as he has devoted the last 11+ years to designing and developing market leading products in the telematics and GPS fleet management industry. As part of his duties at BSM, Mr. Hoxha leads all aspects of architecture and product development according to BSM’s strategic direction and growth objectives, including hardware and software design, make vs. buy analyses and overseeing the delivery schedule for high volume data warehousing.

Mr. Hoxha holds a Bachelor of Science in Computer Science from Tirana University in Albania.

Peter Callaghan, Chief Sales Officer

Mr. Callaghan was the Senior Vice-President of Sales and Marketing at Webtech and a member of the Office of the President since October 2014. Prior to joining Webtech, Mr. Callaghan served as the Vice-President of Worldwide Sales, Transit Division at DDS Wireless International Inc., a global provider of wireless mobile data solutions for vehicle fleet applications from 2013 to 2014. Mr. Callaghan has also served as the Chief Executive Officer of HuStream Technologies Inc. from September 2009 to October 2013. He has over 25 years of experience in sales, marketing, service, product management and public relations and has held senior positions with Maximizer Software Inc., Pivotal Corporation, Cognos Incorporated and other notable technology-focused organizations. Mr. Callaghan is a graduate of the University of Waterloo with a Bachelor of Science in Kinesiology.

9.3 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of BSM, no director or executive officer of BSM is, as at the date of this AIF, or was within ten years before the date of this AIF, a director or chief executive officer or chief financial officer of any company (including BSM) that: (a) was the subject of an order that was issued while the director or proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

To the knowledge of BSM, no director or executive officer of BSM: (a) is, or within ten years before the date of this AIF has been a director or executive officer of a corporation (including BSM) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director.

To the knowledge of BSM, no director or executive officer of BSM has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities

regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investor decision.

9.4 Conflicts of Interest

To the best of BSM's knowledge there are no known existing or potential conflicts of interest between BSM and any director or officer of BSM. See "*Risk Factors — Conflicts of Interest*".

10 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

10.1 Legal Proceedings

Since 2008, Webtech, a wholly-owned subsidiary of BSM, has been involved in litigation in Brazil with a former distributor, Crown. Prior to that date, Webtech had entered into a distribution agreement with Crown granting Crown the right to sell Webtech's product in Brazil. In addition to the distribution agreement, Webtech also entered into a loan agreement with Crown, whereby Webtech agreed to loan funds to Crown. Crown later defaulted on its loan obligations and, as a result, Webtech initiated a claim against Crown. Crown subsequently filed a claim seeking business interference damages of BBR\$109 million (currently, approximately CDN\$39 million). In 2008, Crown obtained a judgment against Webtech with damages to be calculated at a later date. Following this 2008 decision, Crown entered into receivership administered by a Trustee. Webtech then successfully appealed the 2008 decision and the matter was referred back to the lower court in 2010 for retrial. In September 2013, judgment was rendered in favour of the Trustee for Crown, with damages to be determined at a later date. After this 2013 decision, Webtech filed an appeal with the Court of Justice of the State of Minas Gerais, which, by unanimous decision on or around May 14, 2015, decided in favour of Webtech and overturned the lower court judgment and stated no indemnification or damages were owed by Webtech. On or around June 10, 2015, Crown filed a motion to clarify with the Court of Justice of the State of Minas Gerais and on or around September 1, 2015, the motion to clarify was denied. Following the denial, on or around September 1, 2015, Crown filed an appeal to the President Judge of the Court of Appeals of the State of Minas Gerais. On or around November 4, 2015, Webtech filed its response to Crown's appeal to the President Judge.

Except for the matter outlined above, during the fiscal year ended September 30, 2015, BSM was not a party to any material legal proceedings during the year ended September 30, 2014, nor was any of BSM's property the subject of any material legal proceedings for the fiscal year ended September 30, 2014.

By virtue of the nature of BSM's business, BSM is involved in other legal matters which arise from time to time in the ordinary course of business. At this time, there are no legal matters of this type which are believed to be material to BSM's results of operations, liquidity or financial condition.

10.2 Regulatory Actions

On May 21, 2015, BSM was selected for a continuous disclosure review by the Ontario Securities Commission ("**OSC**") with respect to its non-GAAP financial measures disclosed in its F2014 MD&A. The OSC noted certain items which were included in the definition of EBITDA which were not in compliance with its guidance regarding disclosure of non-GAAP financial information. BSM complied with the continuous disclosure review and has amended its disclosure on a going forward basis.

Except as outlined above, during the fiscal year ended September 30, 2015, and as of the date of this AIF, there have been no penalties or sanctions imposed against BSM (a) by a court relating to securities legislation or by a securities regulatory authority; or (b) by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision in BSM.

BSM has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended September 30, 2015 and as of the date of this AIF.

11 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since October 1, 2012, no director, executive officer or 10% shareholder of BSM or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect BSM or any of its subsidiaries.

12 TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the BSM Shares is Computershare Investor Services Inc., at its offices at 600, 530 – 8th Avenue SW, Calgary, AB T2P 3S8.

13 MATERIAL CONTRACTS

Other than described in this AIF, BSM did not enter into any material contracts during the fiscal year ended September 30, 2015 other than in the ordinary course of business.

14 INTEREST OF EXPERTS

PricewaterhouseCoopers LLP (Canada) (“**PwC**”) has prepared or certified a report, valuation, statement or opinion described or included in a filing or referred to in a filing, made under NI51-102 during the fiscal year ended September 30, 2015 and PwC’s profession or business gives authority to the report, valuation, statement or opinion made by PwC. BSM’s financial statements for the fiscal years ended September 30, 2015 and 2014 were audited by PwC, independent auditors appointed by the BSM shareholders upon the recommendation of the Board. To the knowledge of the Board, PwC has advised BSM that it is independent of BSM in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. Neither PwC, nor any partner, director or employee of PwC is, or is expected to be elected, appointed or employed a director, officer or employee of BSM or of any associate or affiliate of BSM. A copy of the F2015 F/S, together with the auditors' report thereon, is available under the Company’s profile on SEDAR at www.sedar.com.

15 ADDITIONAL INFORMATION

Additional information about BSM, including directors’ and officers’ remuneration and indebtedness, principal holders of BSM securities, stock options to purchase securities and interests of insiders in material transactions (where applicable), and BSM’s corporate governance approach and procedures, may be found in the Joint Circular. Additional financial information can also be found in the F2015 F/S, and in the related F2015 MD&A.

BSM will provide, to any person, upon request to investor relations at 75 International Blvd., Suite 100, Toronto, Ontario, M9W 6L9; phone at (416) 675-1201; or fax at (416) 679-8992, any document that is incorporated by reference hereto, a copy of BSM’s F2015 F/S, together with notes thereto and the accompanying auditors’ report thereon, BSM’s related F2015 MD&A, a copy of BSM’s subsequent interim financial reports. If you are not a BSM Shareholder, BSM may require you to pay a reasonable charge for a copy of any of these documents.

Additional information about BSM, including copies of these documents may be found on BSM’s website at www.bsmwireless.com and under the Company’s profile on SEDAR at www.sedar.com.

16 AUDIT COMMITTEE

16.1 Audit Committee Mandate

BSM's audit committee (the "**Audit Committee**") is responsible for monitoring BSM's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of BSM's external auditors. The Audit Committee is also responsible for reviewing BSM's annual audited consolidated financial statements, unaudited interim consolidated financial statements and management's discussion and analysis of financial results of operations for both annual and interim consolidated financial statements and review of related operations prior to their approval by the full Board.

The Audit Committee has a charter that sets out its mandate and responsibilities. A copy of the charter is attached as Schedule A to this AIF.

16.2 Composition of the Audit Committee

The current members of the Audit Committee are Messrs. Bélanger, Gildner, and Maw. All members of the Audit Committee are independent directors in accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and are "financially literate" within the meaning of Section 1.6 of NI 52-110, as a result of their prior financial experience in a management capacity or as members of audit committees of public companies.

The Audit Committee held meetings during the fiscal year ended September 30, 2015. The members of the Audit Committee and their attendance are set forth below:

Name of Director	Independent/Financially Literate ^{(1) (2)}	Meeting Attendance
Pierre Bélanger ⁽³⁾	Yes	4 of 4
Frank Maw	Yes	4 of 4
David Yach ⁽⁴⁾	Yes	4 of 4 ⁽⁴⁾
Greg Rokos ⁽⁵⁾	Yes	4 of 4 ⁽⁵⁾
Kelly McDougald ⁽⁶⁾	Yes	1 of 1
John Gildner ⁽⁷⁾	Yes	0 of 0

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Chair of the Audit Committee.
- (4) Mr. Yach became a member of the Audit Committee on May 15, 2014. Pursuant to the Arrangement, Mr. Yach resigned from the Board and the Audit Committee as of September 30, 2015.
- (5) Mr. Rokos became a member of the Audit Committee on May 15, 2014. Pursuant to the Arrangement, Mr. Rokos resigned from the Board and the Audit Committee as of September 30, 2015.
- (6) Ms. McDougald became a member of the Audit Committee on May 13, 2015. Pursuant to the Arrangement, Ms. McDougald resigned from the Board and the Audit Committee as of September 30, 2015.
- (7) Mr. Gildner became a member of the Audit Committee on November 6, 2015.

16.3 Relevant Education and Experience

Set out below is a general description of the education and experience of each current Audit Committee member which is relevant to the performance of his or her responsibilities as an Audit Committee member, as set out in Form 52-110F1 – *Audit Committee Information Required in an AIF*. See "*Directors and Officers – Biographies of Directors and Officers*" for additional biographical details.

Pierre Bélanger

Mr. Bélanger holds a Bachelor of Business Administration from the University of Sherbrooke and acquired significant financial experience and exposure to accounting and financial issues while serving in a variety of different executive capacities with companies such as Group Québecor, TéléMétropole Inc., Vidéotron Ltd. and Capital Communications CDPQ.

John Gildner

Mr. Gildner holds a BBA from Wilfrid Laurier University, having specialized in Economics. Mr. Gildner served as a Managing Director of CIBC World Markets Inc., an investment bank, where he worked for 25 years (at both CIBC World Markets Inc. and Wood Gundy Limited, which was purchased by the Canadian Imperial Bank of Commerce in 1988). Mr. Gildner is also the Chairman of an Audit Committee of another Canadian publicly-listed company.

Frank Maw

Mr. Maw acquired significant financial experience and exposure to accounting and financial issues while serving in a variety of different executive capacities, including past President of Motorola Canada Limited and President of the original Paging Services Council of Canada, in addition to being a graduate of the University of Western Ontario.

16.4 Reliance on Certain Exemptions

BSM did not at any time since the commencement of the most recently completed fiscal year rely on an exemption contained in NI 52-110, in whole or in part.

16.5 Audit Committee Oversight

The Board accepted all recommendations of the Audit Committee since the commencement of the most recently completed fiscal year regarding the recommendation to nominate or compensate an external auditor.

16.6 Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by BSM's external auditor. The Audit Committee has responsibility for overseeing the pre-approval of all non-audit services to be provided to BSM or its Subsidiaries by the external auditors or the external auditors of the Company's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee.

16.7 External Auditor Service Fees

PwC was first appointed as the auditor of BSM effective October 14, 2011.

PwC provides professional services for audits relating to statutory and regulatory requirements. In the past, the Board has negotiated with the auditors of BSM on an arm's-length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The Board believes that the fees negotiated in the past with the auditors of BSM were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

The following table sets forth the various services provided by PwC or Deloitte and their respective affiliates to BSM during each of BSM's last two fiscal years, together with the fees (exclusive of HST) billed during the year for such services:

Fee Type	Fiscal Year Ended September 30, 2015 (\$)	Fiscal Year Ended September 30, 2014 (\$)
Audit Fees⁽¹⁾	236,250	162,616
Audit Related Fees⁽²⁾	16,800	Nil
Tax Fees⁽³⁾	34,270	27,529
All Other Fees⁽⁴⁾	21,000	127,078

Notes:

- (1) Audit Fees consist of fees paid or accrued for the annual audit of BSM's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditor reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.
- (2) Audit Related Fees consist of fees paid or accrued for assurance and related services that are reasonably related to the performance of the audit or review of BSM's financial statements or that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards; review of security controls and operational effectiveness of systems; due diligence related to acquisitions; and employee benefit plan audits.
- (3) Tax Fees include fees paid or accrued for tax compliance services, including the preparation of original and amended tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.
- (4) All Other fees include fees for products and services other than the services reported in Audit Fees, Audit Related Fees and Tax Fees. Other fees include fees paid in connection with: (i) the Arrangement; (ii) the 2014 Financing; and (iii) an operational IT security audit.

The Audit Committee has considered whether the provisions of the above-captioned services is compatible with maintaining the auditors' independence and has determined that such services were fully compatible with the maintenance of their independence.

SCHEDULE A

AUDIT COMMITTEE CHARTER

A. Overview and Mandate

The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of BSM Technologies Inc. (the “Company”). The purpose of the Committee is to assist the Board in fulfilling its statutory responsibilities and the Committee shall review the quarterly and annual consolidated financial statements of the Company and shall report thereon to the Board before such quarterly and annual consolidated financial statements are approved by the Board, and shall oversee the accounting and financial reporting processes of the Company and the reviews and audits of the financial statements of the Company. The Committee also shall perform the duties as described under "Duties and Responsibilities" below.

The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including for the resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the “auditor”), and each auditor must report directly to the Committee.

It is recognized that the Committee will be acting only within the terms of reference set out herein and it is not intended that the Committee shall usurp any of the powers or responsibilities of the Board as set out in the *Business Corporations Act* (Ontario) and/or the By-laws of the Company.

The Committee may engage independent counsel or other advisors as it determines necessary to carry out its duties.

The Company shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of:

- (a) compensation to any auditor;
- (b) compensation to any independent counsel or adviser employed by the Committee pursuant to this charter; and
- (c) ordinary administrative expenses of the Committee that are necessary or appropriate in respect of the performance by the Committee of its duties.

B. Membership and Attendance at Meetings

- 1. The members of the Committee shall consist of not fewer than three (3) members each of whom shall be a director of the Company.
- 2. A majority of members of the Committee shall be resident Canadians.
- 3. Each member of the Committee shall have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of the member’s independent judgment. Each member shall otherwise satisfy the independence requirements applicable to members of audit committees under National Instrument 52-110 – *Audit Committees* of certain of the Canadian Securities Administrators and the requirements of any other applicable legislation or stock exchange rules, subject to any exemptions or relief that may be granted from such requirements.

4. Each member of the Committee shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
5. The Chairman of the Committee shall be appointed by the Board and shall be responsible for the overall operation of the Committee.
6. Members shall serve one-year terms and may serve consecutive terms.
7. The auditor of the Company is entitled to receive notice of every meeting of the Committee in which a matter related to the audit of the financial statements of the Company is to be discussed, and shall be entitled to attend such meetings, subject to a determination by the Committee to exclude them from all or any part of the meeting to the extent permitted under applicable law.
8. In its discharge of its responsibilities and duties set out herein, the Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the relevant accounting books, records and systems of the Company and shall discuss with the officers of the Company such books, records, systems and other matters considered appropriate.

C. Duties and Responsibilities

The Committee shall fulfil the following duties arising from its mandate set out above:

1. Review and assess the adequacy of this charter on an annual basis, or more often if deemed appropriate.
2. Review and approve the annual consolidated financial statements of the Company and the notes thereto following the examination thereof by the auditor and prior to their approval by the Board and report to the Board thereon.
3. Review and approve the quarterly financial statements, notes thereto and quarterly management discussion and analysis (MD&A) and related press releases of the Company prior to their approval by the Board and report to the Board thereon.
4. Review and approve the annual MD&A, and other public disclosure documents and related press releases, including any prospectus prior to their approval by the Board and report to the Board thereon.
5. Review, and approve, the planned scope of the examination of the annual and quarterly consolidated financial statements and all related audit activities by the auditor of the Company, including expected related audit fees.
6. Review the disclosure in the annual information form.
7. Review the accounting principles and practices to be applied and followed by the Company during the fiscal year and any significant changes from those applied and followed during the previous year.
8. Review the adequacy of the systems of internal accounting and audit policies, practices and controls established by the Company, and discuss with the auditor the results of its reviews and reports.

9. Review all litigation and claims involving or against the Company which could materially adversely affect its financial position and which the auditor or any officer of the Company may refer to the Committee.
10. Ensure the auditor's ultimate accountability to the Board and the Committee as representatives of the shareholders and as such representatives, to evaluate the performance of the auditor and review and report to the directors regarding the nomination and the remuneration and other material terms of the engagement of the auditor, and the performance by the auditor thereunder, and to recommend to the shareholders the reappointment or replacement of the auditor.
10. Ensure that the auditor submits on a periodic basis to the Committee, a formal written statement delineating all relationships between the auditor and the Company, consistent with Canadian auditor independence standards, and to review such statement and to actively engage in a dialogue with the auditor with respect to any disclosed or undisclosed relationships or services that may impact on the objectivity and independence of the auditor, and to review the statement and the dialogue with the Board of Directors and recommend to the Board of Directors appropriate action to ensure the independence of the auditor.
11. Provide a line of communication between the auditor and the Board, and communicate directly with the auditor and with any internal auditor of the Company.
12. Meet with the auditor at least once per year without management present to allow a candid discussion regarding any concerns the auditor may have and to resolve any disagreements between the auditor and management regarding the Company's financial reporting.
13. Review and pre-approve non-audit services provided by the auditor; provided that the pre-approval of non-audit services is satisfied if:
 - (a) the aggregate amount of non-audit services not pre-approved are expected to constitute no more than 5% of total fees paid by issuer and subsidiaries to the independent auditor during fiscal year in which the services are provided;
 - (b) the Company or a subsidiary did not recognize services as non-audit at the time of the engagement; and
 - (c) the services are promptly brought to Audit Committee's attention and approved prior to completion of the audit.
14. Review and approve hiring policies regarding partners, employees, and former partners and employees of the present and former external auditors of the Company.
16. Approve the Company's Disclosure Policy and review and assess the adequacy of the policy on an annual basis, or more often if deemed appropriate.
17. Review and approve all "related party" transactions, as defined by the rules of the applicable regulatory authorities.
18. Review the status of taxation matters of the Company and its major subsidiaries.
19. Review the short term investment strategies respecting the cash balance of the Company.
20. Review the hedging strategies of the Company.

21. Review the adequacy of all insurance policies maintained by the Company.
22. Establish procedures for:
 - (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
23. Review regular reports from management and others with respect to the Company's compliance with laws and regulations having a material impact on the financial statements of the Company.
24. Review annually the Company's reserves with respect to environmental, health and safety matters.
25. Conduct or undertake such other duties as may be required from time to time by any applicable regulatory authorities, including the Toronto Stock Exchange or any other stock exchange.
26. At least annually, undertake a self-assessment of the Committee's performance of its duties.

D. Meetings

1. The Committee shall meet at least four times annually, or more frequently as circumstances require. The Audit Committee shall meet: (i) within 45 days following the end of each of the first three fiscal quarters to review and discuss the unaudited financial results for the preceding quarter, earnings release, and the related MD&A; and (ii) within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the fiscal year, the earnings press release, and the related MD&A prior to their publishing.
2. Committee meetings may be called by the Committee Chairman or by a majority of the Committee members.
3. The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board. Notwithstanding such procedures, a meeting of the Committee may also be called by the external auditor.
4. A quorum for the transaction of business at any meeting of the Committee is a majority of appointed members.
5. The Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.
6. Meetings may be held by way of telephone conference call.
7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.
8. The Corporate Secretary will ensure that minutes of the proceedings of all meetings of the Committee are maintained and available to the Board when requested.

E. Reporting

The Committee shall report on its review of the quarterly consolidated financial statements and annual audited consolidated financial statements of the Company to the Board prior to the approval of financial statements by the Board. In addition, the Chairman of the Committee shall, when deemed necessary or when requested by the Chairman of the Board, report to the Board from time to time on the activities of the Committee.