CSI WIRELESS INC.

NOTICE OF SPECIAL AND ANNUAL GENERAL MEETING

and

MANAGEMENT PROXY CIRCULAR

WITH RESPECT TO THE

SPECIAL AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 14, 2001

CSI WIRELESS INC.

NOTICE OF
SPECIAL AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that a Special and Annual General Meeting (the "Meeting") of the shareholders of CSI Wireless Inc. (the "Corporation" or "CSI") will be held at the Eau Claire Room, Westin Hotel, 4th Avenue and 3rd Street S.W., Calgary, Alberta on Monday, May 14, 2001 at 3:30 p.m. in the afternoon (Calgary time) for the following purposes:

1. To receive and consider the financial statements of the Corporation, together with the report of the auditors thereon, for the year ended December 31, 2000;

2. To fix the number of Directors to be elected at the Meeting at seven (7);

3. To elect Directors for the ensuing year;

4. To appoint auditors for the ensuing year and to authorize the Board to fix their remuneration;

5. To consider and, if thought advisable by the shareholders, to approve certain amendments to the Share Option Plan of the Corporation, all as more particularly described in the Information Circular;

6. To consider and, if thought advisable, to pass an ordinary resolution approving the future issuance of Common Shares of the Corporation by way of private placement in excess of 25% of the outstanding Common Shares of the Corporation, all as more particularly described in the Information Circular;

7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular - Proxy Statement accompanying and forming part of this Notice.

The directors of the Corporation have fixed a record date for the purpose of determining the shareholders entitled to receive notice of the Meeting. Each person who is a holder of common shares of record at the close of business on April 6, 2001 (the "Record Date") will be entitled to notice of, and to attend and vote at, the Meeting except, to the extent that such a shareholder transfers the ownership of any of his/her shares after the Record Date and the transferee of those shares establishes that he/she owns such shares and demands, not later than ten days before the Meeting, that his/her name be included in the list of shareholders entitled to vote at the Meeting, such transferee will be entitled to vote such shares at the Meeting.

Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and to mail it to or deposit it with the Corporation, c/o Computershare Trust Company of Canada, 600, 530 - 8th Avenue S.W., Calgary, Alberta, T2P 3S8. In order to be valid and acted upon at the Meeting, instruments of proxy must be returned to the aforesaid address not less than 48 hours, excluding Saturdays and holidays, preceding the Meeting or any adjournment thereof.

DATED at Calgary, Alberta, this 6th day of April, 2001.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Stephen A. Verhoeff"
Chief Executive Officer

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GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular.

“Board” means the board of directors of CSI as presently constituted;

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday when banks are generally open for the transaction of banking business;

“Common Shares” means the common shares of CSI, as presently constituted;

“Corporation” or **“CSI”** means CSI Wireless Inc., a corporation incorporated pursuant to the laws of the Province of Alberta;

“Guidelines” means the guidelines adopted by the TSE relating to corporate governance matters;

“Information Circular” means this management proxy circular in respect of the Meeting;

“Meeting” means the special and annual general meeting of the shareholders of CSI to be held on May 14, 2001;

“Record Date” means the record date for the Meeting, being April 6, 2001;

“TSE” means The Toronto Stock Exchange;

“Wireless Link” means the Corporation's wholly-owned subsidiary, Wireless Link Corporation;

CSI WIRELESS INC.

INFORMATION CIRCULAR - PROXY STATEMENT

Special and Annual General Meeting of Shareholders to be held on May 14, 2001

PART I - INTRODUCTION

This Information Circular - Proxy Statement is furnished in connection with the solicitation of proxies by the management of CSI Wireless Inc. (the "Corporation" or "CSI") for use at the Special and Annual General Meeting of Shareholders of the Corporation (the "Meeting") to be held at the Eau Claire Room, Westin Hotel, 4th Avenue and 3rd Street S.W., Calgary, Alberta on Monday, May 14, 2001 at 3:30 p.m. in the afternoon (Calgary time) and at any adjournment thereof, and on every ballot that may take place in consequence thereof, for the purposes set forth in the Notice of Special and Annual General Meeting of Shareholders.

Unless otherwise stated, the information contained in this Information Circular is given as at April 6, 2001.

No person has been authorized by CSI to give any information or make any representations in connection with the transactions herein described other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by CSI.

PART II - GENERAL PROXY INFORMATION

Solicitation of Proxies

The board of directors of CSI has fixed the record date for the Meeting at the close of business on April 6, 2001 (the "Record Date"). Only holders of common shares of the Corporation (the "Common Shares") of record as at that date are entitled to notice of the Meeting. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

At the close of business on April 5 2001, there were 15,217,572 Common Shares issued and outstanding. Two persons present in person and holding or representing not less than five (5%) percent of the Common Shares entitled to vote thereat will constitute a quorum at the Meeting.

Appointment of Proxies

Instruments of proxy must be mailed so as to reach or be deposited with the Corporation, % Computershare Trust Company of Canada, 600, 530 - 8th Avenue S.W., Calgary, Alberta, T2P 3S8, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof.

Instruments of proxy must be in writing and must be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as executors, administrators, trustees, etc. should so indicate and give their full title as such.

The persons named in the enclosed Instrument of Proxy are officers and directors of the Corporation. Each shareholder has the right to appoint a person or persons, who need not be shareholders of the Corporation, other than the persons designated in the Form of Proxy furnished by the Corporation, to attend and act on such shareholder's behalf at the Meeting. To exercise such right, the names of management's nominees may be crossed out and the name(s) of the shareholder's nominee(s) legibly printed in the blank space provided, or another appropriate instrument of proxy may be submitted.

Revocability of Proxy

An instrument of proxy may be revoked at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by depositing an instrument in writing executed by the shareholder or by its attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation (1200 - 58th Avenue S.E., Calgary, Alberta, T2H 2C9) at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked.

Persons Making the Solicitation

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, the Notice of Special and Annual General Meeting of Shareholders and this Information Circular - Proxy Statement will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, telephone or other means of communication by directors, officers and employees of the Corporation, none of whom will be specifically remunerated therefor.

Exercise of Discretion

The shares represented by the Instrument of Proxy furnished by the Corporation, where the shareholder specifies a choice with respect to any matter to be acted upon, will be voted or withheld from voting on any ballot in accordance with the specification so made. In the absence of such specification, such shares will be voted in favour of the matters described in the Notice of Special and Annual General Meeting of Shareholders. **The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of the printing of this Information Circular - Proxy Statement, the management of the Corporation knows of no such amendment, variation or other matter.**

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many public shareholders of CSI, as a substantial number of the public shareholders of CSI do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of CSI as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of CSI. Such shares

will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of CSI do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with an IICC sticker on it cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to IICC well in advance of the Meeting in order to have the shares voted.**

PART III - MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The board presently consists of seven (7) directors, the term of office of each of whom will expire at the Meeting unless directors are not elected at the Meeting (in which case the incumbent directors continue in office until their successors are elected).

The Articles of the Corporation specify that the board of directors shall consist of a minimum of three and a maximum of eleven directors. At the Meeting, shareholders will be asked to fix, at seven (7) members, the number of directors to be elected at the Meeting and to elect seven (7) directors to hold office until the next annual general meeting of the Corporation or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at seven (7) members and in favour of the election as directors of the seven (7) nominees hereinafter set forth:

Stephen A. Verhoeff
Brian J. Hamilton
Hamid Najafi
Michael W. Brower
Michael J. Lang
Howard W. Yenke
Paul L. Camwell

The names and municipalities of residence of the persons nominated for election as directors, the number of Common Shares beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in the Corporation, the period served as director and the principal occupation of each are as follows:

Name and Position with the Corporation	**Principal Occupation**	**Director Since**	**Number of Common Shares Beneficially Owned Directly or Indirectly or Over which Control or Direction is Exercised**
Stephen A. Verhoeff Calgary, Alberta President, Chairman, Chief Executive Officer and a Director	President and Chief Executive Officer of the Corporation	1990	675,204[(1)]
Brian J. Hamilton[(2)] Calgary, Alberta Executive Vice-President and Chief Financial Officer and a Director	Executive Vice-President and Chief Financial Officer of the Corporation	1996	170,025
Hamid Najafi Los Altos Hills, California Chief Technology Officer and a Director	Chief Technology Officer of the Corporation	2000	1,993,334
Michael W. Brower Felton, California Senior Vice-President and a Director	Senior Vice President of the Corporation	2000	98,164
Michael J. Lang[(2) (3)] Calgary, Alberta Director	Chairman, StoneBridge Merchant Capital Corp. (a private investment company)	1996	538,855
Howard W. Yenke[(3)] Medford, Massachusetts Director	President of The Yenke Group	1996	25,000
Paul L. Camwell[(2)] Calgary, Alberta Director	Chief Technology Officer for Passband Downhole Communications Inc.	1998	20,812

Notes:

(1) An additional 122,300 Common Shares are owned by the Verhoeff Family Trust, of which Mr. Verhoeff is the trustee and a beneficiary.
(2) Members of the Corporation's Audit Committee.
(3) Members of the Corporation's Compensation Committee.
(4) The Corporation does not have an Executive Committee.

The information as to principal occupation and as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised is based upon information provided by the nominees as of March 31, 2001. Each of the above nominees is a director of the Corporation elected at the last annual general meeting of shareholders of CSI, with the exception of Messrs. Najafi and Brower who were appointed directors on June 22, 2000, following the acquisition of Wireless Link Corporation. Mr. Najafi was formerly the President, Chief Executive Officer and founder of the Corporation's wholly-owned subsidiary, Wireless Link Corporation. Mr. Brower was formerly the Vice-President, Marketing & Business Development of Wireless Link Corporation.

Appointment of Auditors

The persons named in the Instrument of Proxy furnished by the Corporation intend, unless otherwise directed, to vote in favour of an ordinary resolution to reappoint the firm of KPMG, LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the next annual general meeting of shareholders and to authorize the Board to fix their remuneration. KPMG, LLP, Chartered Accountants, were originally appointed as auditors of the Corporation on January 1, 1996.

Ratification and Approval of Amendments to the Employee Share Option Plan

As at the date hereof, the Corporation's share option plan, as amended (the "Plan"), as previously adopted by the board of directors of the Corporation (the "Board") and approved by its shareholders, provides that the aggregate number of Common Shares issuable under the Plan must not exceed 2,500,000 Common Shares. The approval of shareholders is required to be obtained if the number of Common Shares which can be issued under the Plan is increased.

As at the date hereof, options to purchase 2,029,375 Common Shares are presently outstanding under the Plan or approximately 13% of the Common Shares outstanding.

The Board is proposing to increase the maximum number of Common Shares which may, from time to time, be issued under the Plan to 3,165,000 Common Shares, subject to regulatory and shareholder approval. This amendment will permit the grant of additional options to purchase 665,000 Common Shares. In light of the growing number of employees of the Corporation and a significant increase in the outstanding share capital of the Corporation due to various financing initiatives, the Board has determined that the increase is necessary in order to ensure that a sufficient number of Common Shares are available under the Plan to provide the Corporation with the ability to attract, retain and reward officers, directors and employees of the Corporation and its subsidiaries through the use of a competitive share compensation program. The extent of this increase is consistent with management's internal policy that options to purchase no greater than 15% of the issued and outstanding number of Common Shares be available for exercise pursuant to currently outstanding options under the Plan.

In accordance with the policies of the TSE, the proposed amendment to the Plan must be approved by a majority of votes cast at the Meeting. Accordingly, at the Meeting, shareholders will be asked to consider and, if thought advisable, to approve an ordinary resolution, substantially in the following form:

"BE IT RESOLVED THAT:

1. the share option plan (the "Plan") of the Corporation be amended, by increasing the maximum number of Common Shares issuable thereunder to an aggregate of 3,165,000 Common Shares;

2. any director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and

3. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the proposed amendment to the Plan is conditional upon receipt of final approval from The Toronto Stock Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

Advance Shareholder Approval for Private Placements

The Corporation from time to time investigates opportunities to raise financing on advantageous terms. While the Corporation has no specific plans at this time, it may undertake one or more financings over the next year that may be structured as private placements. Under the rules of The Toronto Stock Exchange (the "TSE"), the aggregate number of shares of a listed company which are issued or made subject to issuance (i.e., issuable under a share purchase warrant or option or other convertible security) by way of one or more private placement transactions during any particular six-month period must not exceed 25% of the number of shares outstanding (on a non-diluted basis) prior to giving effect to such transactions (the "TSE 25% Rule"), unless shareholder approval has been obtained for such transactions.

The application of the TSE 25% Rule may restrict the availability to the Corporation of funds which it may wish to raise in the future by private placement of its securities.

The TSE will accept advance approval by shareholders in anticipation of private placements that may exceed the TSE 25% Rule provided such private placements are completed within 12 months of the date such advance shareholder approval is given. Accordingly, the Corporation wishes to present to shareholders a proposal to proceed with additional private placements over the next twelve months in excess of the TSE 25% Rule.

The Corporation's issued and outstanding share capital is currently 15,217,572 Common Shares. Accordingly, the Corporation proposes that the maximum number of Common Shares which either would be issued or made subject to issuance under one or more private placements in the 12 month period commencing May 14, 2001 would not exceed 15,217,572 Common Shares in the aggregate, or approximately 100% of the Corporation's issued and outstanding Common Shares.

Any private placement proceeded with by the Corporation under the advance approval being sought at the meeting will be subject to the following additional restrictions:

1. it must be substantially with parties at arms' length to the Corporation;

2. it cannot materially affect the control of the Corporation;

3. it must be completed within a 12 month period following the date the shareholder approval is given; and

4. it must comply with the private placement pricing rules of the TSE, which currently require that the issued price per Common Shares must not be lower than the closing market price of the Common Shares on the TSE on the trading date prior to the date notice of the Private Placement is given to the TSE (the "Market Price"), less the applicable discount, as follows:

Market Price	Maximum Discount
$0.50 or less	25%
$0.51 to $2.00	20%
$2.00 and above	15%

(for these purposes, a private placement of unlisted convertible securities is deemed to be a private placement of the underlying listed securities at an issue price equal to the lowest price at which the securities are convertible by the holders thereof).

In any event, the TSE retains the discretion to decide whether or not a particular placement is “substantially” at arm's length or will materially affect control in which case specific shareholder approval may be required.

At the Meeting, shareholders will be asked to consider the following ordinary resolution (the “Private Placement Resolution”):

> “BE IT RESOLVED THAT the issuance by the Corporation in one or more private placements during the 12 month period commencing May 14, 2001 of up to 15,217,572 Common Shares, as more particularly described in and subject to the restrictions described in the Corporation's Information Circular - Proxy Statement dated April 6, 2000, be and is hereby approved.”

In order to approve the ordinary resolution, a majority of the votes cast, in person or by proxy, at the Meeting on the Private Placement Resolution must be voted in favour thereof. In the event that the resolution is not passed, the TSE will not approve any private placements that result in the issuance or possible issuance of the number of shares which exceed the TSE 25% Rule, without specific shareholder approval. Such restriction could impede the Corporation's timely access to required funds on favourable terms and thus affect the ability of the Corporation to capitalize on opportunities that may arise.

PART IV - INFORMATION CONCERNING THE CORPORATION

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares and an unlimited number of Second Preferred Shares, both of which are issuable in series. As at April 5, 2001, there were 15,217,572 Common Shares issued and outstanding. Two persons present in person and holding or representing not less than five (5%) percent of the Common Shares entitled to vote thereat will constitute a quorum at the Meeting.

The holders of Common Shares are entitled to receive notice of all shareholders meetings (other than meetings of a class or series of shares of the Corporation other than the Common Shares) and to one (1) vote thereat for each share held. The holders of the Common Shares are entitled to receive such dividends as are declared by the board of directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of the Corporation ranking in priority to the Common Shares, and in respect of return of capital, the holders of Common Shares are entitled to share pro rata together with the holders of any other classes of shares ranking equally with the Common Shares in such assets of the Corporation as are available for distribution.

The Corporation has authorized the first series of First Preferred Shares, being the Series 1 First Preferred Shares, of which 1,550,000 have been authorized for issuance. As of the date hereof, an aggregate of 661,000 Series 1 First Preferred Shares are issued and outstanding.

To the knowledge of the directors or senior officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than ten (10%) percent of the voting rights attached to any class of voting securities of the Corporation as at the date hereof, other than as set forth below:

Name and Address	Type of Ownership	Number of Common Shares Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Dr. Hamid Najafi Los Altos, California	Direct	1,993,334	13%

EXECUTIVE COMPENSATION

Cash and Other Compensation

The information provided below relates to remuneration paid to the Corporation's Chief Executive Officer and each of the Corporation's four most highly compensated executive officers during the financial years ended December 31, 2000, December 31, 1999 and December 31, 1998 (the "Named Executive Officers"). All figures are in Canadian dollars unless indicated otherwise.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation	Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units ($)	LTIP Payouts ($)	All Other Compensation ($)
Stephen A. Verhoeff Chairman and Chief Executive Officer	2000 1999 1998	209,973 155,402 83,922	71,977(2) 21,025(3) 23,000	Nil Nil Nil	375,000(9) Nil Nil	Nil Nil Nil	Nil Nil Nil	9,000(1) 6,750(1) 9,000(1)
Brian J. Hamilton Executive Vice-President & Chief Financial Officer	2000 1999 1998	121,362 120,925 102,150	59,900(2) 14,500(3) 22,000	20,000(5) 20,000(5) 26,500(5)	324,000(10) Nil 25,000	Nil Nil Nil	Nil Nil Nil	25,938(1) 12,996(1) 13,000(1)
Hamid Najafi Chief Technology Officer	2000	98,459(4)	Nil	Nil	200,000(6)	Nil	Nil	$8,241(11)
Michael W. Brower Senior Vice-President	2000	56,667(7)	14,300(7)	Nil	39,969(6)	Nil	Nil	$57,684(11)
David Kinley Vice-President, Manufacturing Operations & Quality Control	2000	60,000(8)	35,000(8)	Nil	76,646(6)	Nil	Nil	$16,483(11)

Notes:

(1) Messrs Verhoeff and Hamilton receive a car allowance of $750 per month and Mr. Hamilton also receives a computer allowance of $333 per month. Mr. Hamilton also received a payout of accumulated unused vacation time in 2000 in the amount of $12,942.

(2) This amount represents bonus earned and paid in 2000 except for $4,000 paid to Mr. Verhoeff in 2001.

(3) This amount represents bonus earned in 1999 and paid in 2000.

(4) Represents salary paid in USD to Mr. Najafi since he joined the Corporation on June 30, 2000. Mr Najafi currently has a base annual salary of (USD) $208,500.

(5) $20,000 of this amount represents forgiveness of debt from a loan provided to Mr. Hamilton by CSI in connection with the exercise of options held by him. See "Indebtedness of Directors and Officers".

(6) Stock options granted pursuant to the Wireless Link Acquisition Share Option Plan. See "Executive Compensation - Share Option Plans".

(7) Represents salary paid in USD to Mr. Brower since he joined the Corporation on June 30, 2000. For the fiscal year 2000, Mr. Brower had a base annual salary of (USD) $120,000. Mr. Brower currently has a base annual salary of (USD) $36,000. Mr. Brower's bonus for 2000 is in USD.

(8) Represents salary paid in USD to Mr. Kinley since he joined the Corporation on June 30, 2000. Mr. Kinley currently has a base annual salary of (USD) $180,000. Mr. Kinley's bonus for 2000 is in USD.

(9) Does not include 75,000 options granted and cancelled in the fiscal year 2000.

(10) Does not include 100,000 options granted and cancelled in the fiscal year 2000.

(11) Represents market value attributed to Incentive Shares issued to these individuals in the fiscal year 2000 pursuant to the Incentive Share Administration Plan. See "Executive Compensation - Wireless Link Incentive Share Administration Plan."

(12) During 2000, there were nine executive officers of the Corporation. In respect of the financial year ended December 31, 2000, the nine executive officers received, in the aggregate, cash remuneration of $1,071,552.

Option Grants

The Corporation has from time to time, issued options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Corporation and its subsidiaries. Pursuant to the Corporation's share option plan, the aggregate number of Common Shares that may be issued pursuant to the exercise of options shall not exceed 2,500,000. The exercise price of such options cannot be less than the market price of the Common Shares on the stock exchange on which such shares are then traded.

The following table details the grants of options to purchase Common Shares of the Corporation to the Named Executive Officers during the financial year ended December 31, 2000.

Name	Options Granted in 2000	% of Total Options Granted to Employees(1)	Exercise Price ($/share)	Market Value of Common Share on the Date of Grant(2) ($/share)	Expiry Date
Stephen A. Verhoeff	75,000(3) 75,000 140,000 160,000	2.7% 2.7% 5.0% 5.7%	6.95 4.20 2.40 4.15	N/A 4.20 2.40 4.15	Cancelled April 18, 2005 July 27, 2005 Sept. 7, 2005
Brian J. Hamilton	100,000(3) 75,000 140,000 109,000	3.6% 2.7% 5.0% 3.9%	6.95 4.20 2.40 4.15	N/A 4.20 2.40 4.15	Cancelled April 18, 2005 July 27, 2005 Sept. 7, 2005
Hamid Najafi	200,000(4)	7.1%	3.90	3.90	April 17, 2005
Michael W. Brower	39,969(4)	1.4%	1.66	3.90	April 17, 2005
David Kinley	26,646(4) 50,000(4)	0.9% 1.8%	1.66 2.40	3.90 3.90	April 17, 2005 April 17, 2005

Notes:

(1) During the financial year ended December 31, 2000 a total of 2,806,943 options to purchase Common Shares were granted under both the CSI Share Option Plan and the Wireless Link Acquisition Share Option Plan, 1,551,428 of which were granted to employees of the Corporation and 1,255,515 of which were granted to senior officers (See "Executive Compensation - Share Option Plans"). A total of 248,386 options expired, unexercised or were canceled during such financial year. As at March 31, 2001 there are options to purchase an aggregate of 2,843,957 Common Shares of the Corporation issued and outstanding under both plans.

(2) Based on the closing price of the Common Shares on the TSE on the date of grant.

(3) Options granted and subsequently cancelled in 2000.

(4) Options granted pursuant to the Wireless Link Acquisition Share Option Plan. See "Executive Compensation - Share Option Plans."

Option Exercises

The following table sets forth information with respect to options exercised by the Named Executive Officers during the most recently completed financial year and their respective option positions as at December 31, 2000.

Name	Options Exercised (#)	Aggregate Value Realized[(1)] ($)	Unexercised Options at Financial Year End Exercisable/ Unexercisable (#)	Value of Unexercised in-the-money Options at Financial Year End Exercisable/ Unexercisable[(2)] ($)
Stephen A. Verhoeff	25,000	176,250	74,167 / 300,833	25,084 / 95,316
Brian J. Hamilton	25,000	175,000	67,792 / 256,208	25,084 / 95,316
Hamid Najafi	Nil	Nil	66,667 / 133,333	Nil / Nil
Michael W. Brower	Nil	Nil	13,323 / 26,646	21,317 / 42,634
David Kinley	Nil	Nil	17,032 / 59,614	19,029 / 65,005

Notes:

(1) Based upon market value of the Common Shares at exercise, less the exercise price.
(2) Based upon a closing price of $3.26 on December 29, 2000, the last date the Corporation's Common Shares traded on the TSE before December 31, 2000, less the exercise price.

Compensation Committee

To ensure compliance with regulations announced in October 1993 under the Securities Act (Ontario) amending the standards of disclosure with respect to executive compensation, the directors of the Corporation elected a compensation committee (the "Committee") in May, 1996. The Committee is currently comprised of Michael J. Lang and Howard W. Yenke. None of these directors are officers of the Corporation and all are "unrelated" for the purposes of the TSE Report, as described under "Corporate Governance".

The Committee is charged with the periodic review of the Corporation's compensation policies and is to make recommendations to the board of directors with respect to the compensation of the directors, senior management and staff of the Corporation.

Report of Compensation Committee

TO: The Shareholders of Communication Systems International Inc.

Executive Compensation Strategy

The Corporation's executive compensation program is comprised of three components: salary, bonus plan and stock options. The objectives of the program are to attract and retain high quality employees, and to motivate performance by tying total compensation to improvement in the Corporation's long-term financial success, measured in terms of share value.

Base Salaries

Salaries of the executive officers are reviewed annually based on individual performance, responsibility and experience. The Corporation participates in industry salary surveys, if necessary, to ensure that salaries offered to executives are competitive among industry peer companies of similar size. The Corporation's policy is that the salaries for the executive officers shall not be below the median of such salary surveys under normal circumstances. In the case of the Chief Executive Officer, his base salary is derived to approximate a mid-range salary of Chief Executive Officers employed by similar small capital technology companies.

Bonus Plan

The Corporation has established an annual bonus plan for its executive officers based and dependent upon the financial performance of the Corporation for the applicable financial year. Bonus details are reviewed annually by the Compensation Committee of the Corporation. Bonuses are also paid out to certain executive officers upon the completion of certain significant events, such as the Wireless Link acquisition, as approved by the Compensation Committee of the Corporation. Remuneration from the bonus plan in the aggregate of $131,877 was earned by the executive officers during the financial year ended December 31, 2000, of which $127,877 was paid in 2000, and $4,000 was paid during 2001

Long Term Stock Options

Upon the recommendation of the Committee and approval by the board of directors, stock options are granted under the Corporation's Share Option Plan (the "Plan"), approved at the Special Meeting of the shareholders held in December, 1996 (and as amended in June, 1997, December, 1997 and June, 2000), to directors, officers and key employees and consultants, usually upon their commencement of employment with or retention by the Corporation and its subsidiaries. Additional grants are made periodically to recognize the exemplary performance of, or the special contribution by, eligible individuals. An annual grant may be made to eligible individuals based on the performance of the Corporation during the most recently completed financial year in relation to performance targets established by the Chief Executive Officer and in relation to performance achieved by industry peer corporations during the comparable period.

The Plan is designed to motivate employees, directors and executives to focus on the long term interests of the Corporation and its shareholders. Options are granted at the market price in effect on the date of grant and the realizable value of the executives' option grants is entirely dependent on the appreciation in the market price of the Common Shares. Where the Committee deems it appropriate, it may, from time to time, recommend to the board of directors that the exercise price of previously granted options be repriced to reflect the current market price of the Corporation's Common Shares. Options generally become exercisable over two to four years and generally expire after five years.

Total shares available for issuance pursuant to the exercise of options under the Plan are presently limited to a maximum of 2,500,000 Common Shares. Grant sizes are, therefore, determined by factors including the number of eligible individuals currently under the option plan and future hiring plans of the Corporation.

In connection with its acquisition of Wireless Link Corporation, the Corporation also adopted the Wireless Link Acquisition Share Option Plan (the "Wireless Plan") and reserved 950,000 options to purchase Common Shares for granting to certain directors, officers and employees of Wireless Link in conjunction with such acquisition. The terms of the Wireless Plan are substantially similar to those set forth in the Plan.

Summary

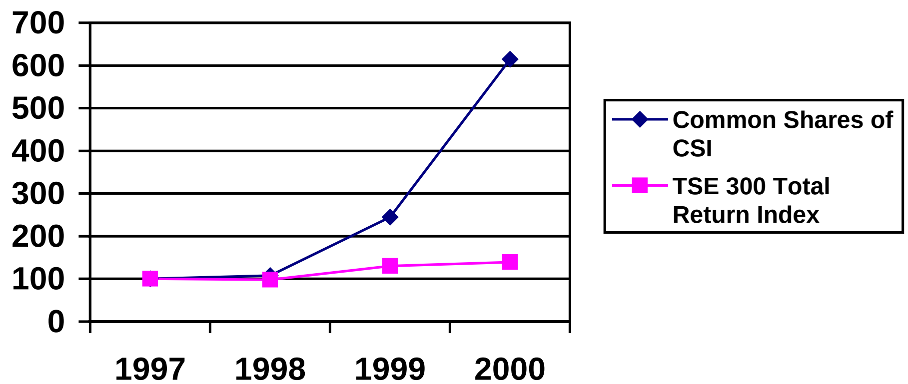
The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. Through the plans described above, a significant portion of the Corporation's executive compensation is based on individual and corporate performance, as well as industry-competitive pay practices. The Committee and the board of directors will continue to review compensation policies to ensure that they are competitive within the industry in which the Corporation operates and consistent with the performance of the Corporation.

Committee Members: Michael J. Lang
Howard W. Yenke

Performance Graph

The following graph compares the Corporation's cumulative total shareholder return (assuming an investment of $100 on December 31, 1997) on the Common Shares of the Corporation during the period ended December 31, 2000, with the cumulative total return of the TSE 300 Composite Index for the same period.

Cumulative Total Return on $100 Investment
(December 31-1997 - December 31, 2000)



	Dec. 31, 1997	Dec. 31, 1998	Dec. 31, 1999	Dec. 31, 2000
Common Shares of CSI	100	108	245	615
TSE 300 Total Return Index	100	98	130	139

Executive Employment Contracts and Termination of Employment

During the financial year ended December 31, 2000, the Corporation had employment agreements with each of Stephen A. Verhoeff, Brian J. Hamilton, A. James Burge, Theresa J. Lea, Walter J. Feller and Cameron B. Olson. The aggregate annual salary payable to CSI's executive officers under such employment agreements totaled approximately $788,000. Such annual salaries are subject to annual review and approval by the Compensation Committee. In addition, during 2000 all of CSI's executive officers were entitled to participate in a bonus plan established for senior officers of CSI (see "Bonus Plan"). Certain of the executive officers are also entitled to monthly car allowances and Mr. Hamilton receives a monthly computer equipment allowance. Each of the employees are also entitled to participate in the Corporation's Share Option Plan as described under "Share Option Plans".

If Messrs. Verhoeff, Hamilton, Burge, Lea, Feller or Olson's employment is terminated for any reason except for cause, including a change of control of the Corporation, the employment agreements provide for termination payments ranging from $1,000 to $2,000 per month of service up to a maximum of one year's salary.

Share Option Plans

The Corporation has adopted an Employee Share Option Plan which was amended effective June 15, 2000 (the "Plan") for officers, directors and employees of, and key consultants to, the Corporation which permits the granting of options to purchase up to a maximum of 2,500,000 Common Shares. Since the adoption of the Plan in April, 1996 approximately 400,000 options have been exercised under the Plan, leaving options to purchase approximately 2,100,000 Common Shares or approximately 13% of the currently issued and outstanding number of Common Shares available for issuance under the Plan. This number of available options is consistent with management’s internal policy that options to purchase no greater than 15% of the issued and outstanding number of Common Shares be available for exercise pursuant to currently outstanding options under the Plan. As at March 31, 2001 there were options to purchase 2,029,375 Common Shares outstanding and available for exercise under the Plan or approximately 13% of the Common Shares outstanding as at such date. The Plan also provides that:

1. any options granted pursuant to the Plan shall expire not later than ten years after the date of grant;

2. any options granted pursuant to the Plan shall be non-assignable;

3. the exercise price of any options granted pursuant to the Plan shall not be lower than the market price of the Common Shares on the date of the grant, where the "market price" is defined as the closing trading price of the Common Shares on the TSE (as reported by such exchange) on the day immediately prior to the date of the grant;

4. the number of Common Shares issuable pursuant to the Plan to any one person shall not exceed 5% of the outstanding Common Shares;

5. the number of Common Shares reserved for issuance, or issuable within one year, pursuant to the Plan and all other established or proposed share compensation arrangements of the Corporation, to insiders shall not exceed 10% of the outstanding Common Shares and the number of Common Shares issuable within one year, pursuant to the Plan and all other established or proposed share compensation arrangements of the Corporation, to any one insider and such insider's associates shall not exceed 5% of the outstanding Common Shares; and

6. an acceleration of one-half of all unvested options in the event of a takeover bid (to allow an optionee to tender into such takeover bid) or in the event of termination of employment of an optionee following a "change of control" of the Corporation. Alternatively, in the event of a takeover bid, the Corporation may be permitted, at its option, to satisfy any obligations to any optionees in respect of any options not exercised by paying the optionee, in cash, the difference between the exercise price of all unexercised options granted and the fair market value of the securities to which the optionee would be entitled upon exercise of all unexercised options on such date and, upon such payment, the option agreement would terminate, such that the optionee would cease to have any rights thereunder.

In connection with its acquisition of Wireless Link, the Corporation also adopted the Wireless Link Acquisition Share Option Plan (the "Wireless Plan") and reserved 950,000 options to purchase Common Shares for granting to certain directors, officers and employees of Wireless Link in conjunction with such acquisition. The terms of the Wireless Plan are substantially similar to those set forth in the Plan. As at March 31, 2001 there were options to purchase 814,582 Common Shares outstanding and available for exercise under the Wireless Plan or approximately 5% of the Common Shares outstanding as at such date. The Plan and the Wireless Plan are hereinafter sometimes referred to as the "Plans".

As at the date hereof, there are options to purchase an aggregate of 2,843,957 Common Shares issued and outstanding under the Plans. Details of the stock options currently outstanding to officers, directors and employees are set forth below:

Group (Number in Group)	**Aggregate shares under option**	**Date(s) of Grant**	**Expiry Date(s)**	**Exercise Price(s) ($)**
Executive Officers (9)	1,245,515	January 31, 1997 - September 7, 2000	January 31, 2002 - September 7, 2005	0.73 - 4.20
Directors (who are not Executive Officers) (3)	128,750	June 15, 1998 - July 27, 2000	June 15, 2003 - July 27, 2005	0.80 - 6.95
Employees/Consultant (126) [(1)]	1,469,692	September 30, 1996 - February 1, 2001	September 30, 2002 - February 1, 2006	0.73 - 6.95
Total Stock Options	2,843,957			

Notes:

(1) Employees/consultants who are not currently Executive Officers or Directors.

Wireless Link Incentive Share Administration Plan

In connection with its acquisition of Wireless Link, the Corporation adopted the Wireless Link Incentive Share Administration Plan (the "Incentive Share Administration Plan"). An aggregate of 1,000,000 Common Shares were originally reserved for issuance pursuant to the Incentive Share Administration Plan (the "Incentive Shares"). The Incentive Shares were granted for the benefit of management and employees of Wireless Link with a view to ensuring their continued involvement with the operations and affairs of the Corporation. The Incentive Shares are to be issued under the Incentive Share Administration Plan for no additional consideration in equal monthly installments over three (3) years commencing July 1, 2000 and ending June 1, 2003. Any Incentive Shares issued in the period July 1, 2000 to June 1, 2001 are to be held in escrow pursuant to the Escrow Agreement made as of June 22, 2000 between the Corporation and Montreal Trust Company of Canada (See "Escrowed Shares"). As at March 31, 2001 an aggregate of 144,174 Incentive Shares had been issued and there were 855,826 Incentive Shares reserved for issuance under the Incentive Share Administration Plan.

Compensation of Directors

Directors who are also executive officers of CSI do not receive compensation for acting in their capacities as directors. Directors of the Corporation who are not executive officers may receive compensation for serving in their capacity as such or such other compensation as determined by the Compensation Committee. During the last completed financial year, Messrs. Yenke and Camwell each received annual compensation of $10,000 for serving as directors of CSI and Ms. Jones received $5,000. All directors of the Corporation are reimbursed for out-of-pocket expenses incurred in connection with the performance of their duties as directors. A total of $25,000 was paid to directors (who are not executive officers) for services in that capacity during the financial year ended December 31, 2000. In addition, see "Indebtedness of Directors and Officers".

INDEBTEDNESS OF DIRECTORS AND OFFICERS

The aggregate indebtedness to the Corporation of all senior officers and directors of the Corporation was US$500,000 as at March 31, 2001. Details with respect to the outstanding indebtedness are set forth below:

Name and Principal Occupation	Involvement of the Corporation	Largest Amount Outstanding from January 1, 2000 to December 31, 2000 ($)	Amount Outstanding at March 31, 2001 ($)	Financially Assisted Securities Purchases from January 1, 2000 to December 31, 2000 (#)	Security for Indebtedness
Brian J. Hamilton, Executive Vice-President and Chief Financial Officer	Lender	$20,000[(1)(2)]	Nil	Nil	Security on the Common Shares issued and bonus payments
Michael J. Lang, Director	Lender	$12,000[(1)(3)]	Nil	Nil	Security on the Common Shares issued and bonus payments
Hamid Najafi, Chief Technology Officer	Lender	US $500,000	US $500,000[(4)]	Nil	Security on 200,000 Common Shares

Notes:

(1) These amounts represent limited recourse loans that were advanced as an incentive for the exercise of options to purchase Common Shares. The Corporation's only recourse in respect of such loans is to realize upon the security interests granted by the borrowers (i) on the Common Shares issued upon exercise of the options; and (ii) on the bonus payments to be made to the borrowers.

(2) $20,000 of this amount was forgiven on January 5, 2000 (rather than Mr. Hamilton receiving a bonus to repay such amount).

(3) $12,000 of such amount was forgiven on January 5, 2000 (rather than Mr. Lang receiving a bonus to repay such amount). The amount was non-interest bearing.

(4) The loan was made by Wireless Link in connection with the terms of CSI's acquisition of Wireless Link. The loan bears interest at 6.3% per annum, compounded annually and must be repaid on or before August 25, 2005.

Except as set forth above, no director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer, is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares of CSI have been listed and posted for trading on the TSE under the symbol "CSY" since March 12, 1997. The following table sets out the high and low price for board lot trades and the volume of trading of the Common Shares as reported by the TSE for the periods indicated:

	Price Range ($)		
	High	Low	Trading Volume
1999			
First Quarter	1.16	0.59	1,113,200
Second Quarter	1.15	0.72	736,897
Third Quarter	1.59	1.05	912,072
Fourth Quarter	1.57	1.17	336,650
2000			
First Quarter	11.50	1.25	7,709,147
Second Quarter	6.65	2.55	2,721,211
July	3.40	2.30	552,616
August	3.40	2.70	773,326
September	5.70	3.10	1,731,008
October	4.15	3.10	682,565
November	3.75	2.50	564,279
December	3.40	2.70	432,258
2001			
January	4.25	2.81	1,169,974
February	3.60	2.75	998,779
March	3.00	2.45	479,592
April (1-4)	2.60	1.76	132,874

On April 5, 2001, the closing trading price of the Common Shares on the TSE, as reported by such exchange was $2.17 per share.

CORPORATE GOVERNANCE

In 1995, The Toronto Stock Exchange (the "TSE") adopted a set of guidelines which were revised in 1999 (the "Guidelines") relating to corporate governance matters. The Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship among a corporation's board, management and shareholders. All corporations listed on the TSE must now annually disclose their approach to corporate governance with specific reference to each of the fourteen specific Guidelines. The Corporation's disclosure with respect to the Guidelines is summarized below:

1. **The Board shall explicitly assume responsibility for the stewardship of the Company, in:**

a. *the adoption of a strategic planning process;*

The Board participates, on an on-going basis, in the review of, and provides guidance to the Corporation's senior executives on, the development of the Corporation's strategic plans and strategies.

b. *the identification of the principal risks of the Company's business and the implementation of appropriate systems to manage these risks;*

The Board has identified the principal risks of the Corporation's business and works with management on an on-going basis to assess and review the management of such risks.

c. *succession planning, including appointing, training and monitoring senior management;*

The Board takes ultimate responsibility for the appointment and monitoring of the Corporation's senior management. No formal system of succession planning has been developed. The Board reviews the performance of the senior executives on an on-going basis.

d. *the Company's communications policy; and*

The Corporation currently communicates with its shareholders and other stakeholders through various channels including annual and quarterly reports, news releases, statutory filings and an investor relations firm. The Board has delegated shareholder relations responsibilities to management, who have in turn retained E-Vestor Communications Inc. of Toronto, Ontario to provide investor relations services. Shareholder communications are generally handled by E-Vestor Communications Inc. as well as by the Chief Executive Officer and the Chief Financial Officer of the Corporation.

e. *the integrity of the Company's internal control and management information systems.*

The Board, both directly and through the Audit Committee and the external auditors, assesses the integrity of the Corporation's internal control and management information systems on an on-going basis.

2. **The Board should be constituted with a majority of individuals who qualify as unrelated directors (i.e. free from conflicting interest).**

Three of the seven current members of the Board are "unrelated" directors as defined by the TSE, being a director who is independent of management and is free from any interest in any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding.

3. **The analysis of the application of the principles supporting the conclusion in paragraph 2 above.**

The Board currently consists of seven members, four of whom, being Messrs. Verhoeff, Hamilton, Najafi and Brower are members of management and are, thereby, considered "related" directors as such term is defined by the TSE. The remaining four directors are "unrelated" directors.

4. **The Board should appoint a committee of directors composed exclusively of outside, i.e., non-management directors, a majority of whom are unrelated directors, with the responsibility for proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis.**

Both historically and currently, the full Board has performed the function of a nominating committee with the responsibility for the appointment and assessment of new directors. Nominations have generally been the result of recruitment efforts by the Chief Executive Officer and the Chief Financial Officer and informal discussions with other Board members.

5. **The Board should implement a process to be carried out by the Nominating Committee or other appropriate committee for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors**.

The Board as a whole is responsible for the assessment of the effectiveness of the Board, the committees of the Board, the appointments to those committees and the mandates thereof, as well as the contribution of individual directors on an on-going basis. The Board as a whole periodically reviews the contributions of individual Board members through informal discussion and evaluation of members' contributions.

6. **The existence of an orientation and education program for new recruits.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an ad hoc and informal basis. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited turnover of the directors, the nature and scope of the Corporation's business and operations and the experience and expertise of Board members.

7. **The size of the Board and the impact of the number of directors upon the Board's effectiveness.**

The Board considers that six to nine members is currently an appropriate number of directors having regard to the size of the Corporation, the nature of its business and operations and the experience and expertise required to carry out their duties effectively while maintaining a diversity of view and experience.

8. **The adequacy and form of the compensation of directors should realistically reflect the responsibilities and risk involved in being an effective director.**

The Board has appointed a Compensation Committee comprised of Mr. Michael J. Lang and Mr. Howard W. Yenke, both of whom are outside directors. The mandate of the Compensation Committee is to formulate and to make recommendations to the Board in respect of compensation issues relating to directors, senior management and the staff of the Corporation. The Board believes that the compensation currently offered to directors, in form and in amount, adequately reflects the responsibilities and risk assumed by each member.

9. **Committees of the Board should generally be composed of outside directors, a majority of whom are unrelated directors.**

The Board has constituted two committees: the Audit Committee and the Compensation Committee. All of the members of the Compensation Committee and two of the three members of the Audit Committee are “outside” directors.

10. **The Board's responsibility for (or a committee of the Board's general responsibility for) developing the Company's approach to governance issues.**

Due to the relatively small size of the Board, a separate Corporate Governance Committee has not been established to date. The Board as a whole is responsible for continued development of the Corporation's approach to the TSE Guidelines.

11. **The Board has developed:**

a. *position descriptions for the Board and for the CEO, involving the definition of the limits to management's responsibilities; and*

To date, the Board has not developed specific position descriptions for its members since the Board, acting together, exercises plenary power. The Board retains all powers not delegated by the Board to management or Board Committees. The Chief Executive Officer is accountable to the Board for meeting corporate objectives and for managing the day-to-day business of the Corporation, subject to compliance with plans and objectives approved from time to time by the Board. The Board retains responsibility for significant changes in the Corporation's affairs such as approval of major expenditures, financing arrangements and significant acquisitions and divestitures.

b. *the corporate objectives for which the CEO is responsible for meeting.*

Corporate objectives for the Chief Executive Officer are developed from time to time and are communicated to the Chief Executive Officer.

12. **The structures and procedures for ensuring that the Board can function independently of management.**

The Board has implemented appropriate structures and procedures to ensure that it, and its committees function independently of management.

13.

a. *The Audit Committee of the Board should be composed only of outside directors and should have roles and responsibilities which are specifically defined.*

The Audit Committee is comprised of three members, two of whom are “outside” directors. The Audit Committee is responsible for reviewing audit functions and the preparation of financial statements and reviewing and recommending for approval to the Board all public disclosure information such as financial statements, quarterly reports, financial press releases and prospectuses. The Audit Committee also ensures that management has effective internal control systems and meets from time to time with external auditors without management present.

b. *The Audit Committee should have direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate*.

The Audit Committee has direct access to the external auditors of the Corporation and meets with the external auditors from time to time without any members of management present.

14. **The existence of a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances.**

The Corporation has no formal policy which allows outside directors to engage outside advisors at the Corporation's expense. However, if such an advisor were required by a board member, approval for the advisor would likely be obtained from the remaining Board members.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AT THE MEETING

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors or except as disclosed elsewhere in this Information Circular or as described below.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors and senior officers of the Corporation, any shareholder who beneficially owns more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the last financial year and in any proposed transaction which has materially affected or would materially affect the Corporation, other than as disclosed below.

On June 30, 2000 CSI completed the acquisition of all of the issued and outstanding shares of Wireless Link (the "Wireless Shares"). Total consideration paid for the Wireless Shares consisted of the issuance by CSI of an aggregate of 4,400,000 Common Shares, of which 2,000,000 Common Shares were issued to the majority shareholder of Wireless Link, being Mr. Hamid Najafi, currently the Chief Technology Officer and a director of CSI. In addition, Mr. Najafi received 50,000 Incentive Shares and 200,000 stock options. Mr. Brower, currently the Senior Vice-President and a director of CSI, was formerly the Vice-President, Marketing & Business Development of Wireless Link. Mr. Brower received 350,000 Incentive Shares and 39,969 options in connection with CSI's acquisition of the Wireless Shares. CSI also agreed to issue an additional 1,000,000 Common Shares ("Incentive Shares"), for no additional consideration, for the benefit of certain management and employees of Wireless Link (see "Executive Compensation - Wireless Link Incentive Share Administration Plan"). The Corporation also granted to employees of Wireless Link an aggregate of 950,000 options to purchase Common Shares. See "Executive Compensation - Share Option Plans".

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Special and Annual Meeting of Shareholders. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPROVAL AND CERTIFICATION

The contents and the sending of this Information Circular have been approved by the board of directors of the Corporation.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Calgary, Alberta, this 6th day of April, 2001.

CSI WIRELESS INC.

(signed) "Stephen A. Verhoeff" Chief Executive Officer	(signed) "Brian J. Hamilton" Chief Financial Officer