



A STORY OF PROVEN PERFORMANCE

NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS AND MANAGEMENT
INFORMATION CIRCULAR

APRIL 6, 2023



Exchange
Income
Corporation

TABLE OF CONTENTS

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION	1	EXECUTIVE COMPENSATION	38
GLOSSARY OF KEY TERMS	2	SECURITIES AUTHORIZED UNDER EQUITY COMPENSATION PLANS	59
MANAGEMENT INFORMATION CIRCULAR	3	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	66
SOLICITATION OF PROXIES	3	INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	66
HOW TO PARTICIPATE IN THE MEETING	3	OTHER MATTERS	67
APPOINTMENT AND REVOCATION OF PROXIES	5	ADDITIONAL INFORMATION	67
INFORMATION RESPECTING EXCHANGE INCOME CORPORATION	8	DIRECTORS' APPROVAL	67
PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING	9	SCHEDULE A – BOARD OF DIRECTORS MANDATE	A-1
1. Appointment of Auditor	9	SCHEDULE B – AMENDED RIGHTS PLAN	B-1
2. Election of Directors	9		
3. Approval of Fourth Amended and Restated Shareholder Rights Plan	23		
4. Advisory Vote on Executive Compensation	26		
CORPORATE GOVERNANCE	27		

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION

Exchange Income Corporation (the "Corporation") will hold its annual and special meeting (the "Meeting") of the holders ("Shareholders") of its common shares ("Shares") as set forth below:



WHEN:

Wednesday, May 10, 2023
10:30 a.m. (Winnipeg Time)

WHERE:



In person:

Calm Air Hangar
958 Ferry Road
Winnipeg, MB R3H 0Y8



Via live webcast online:

at <https://web.lumiagm.com/405793036>
Password: eic2023 (case sensitive)

Details on how to participate electronically in the Meeting are included in the accompanying management information circular (the "**Circular**") and will also be available at the Corporation's website at www.ExchangeIncomeCorp.ca.

What the Meeting will cover:

1. **TO RECEIVE** and consider the Corporation's consolidated financial statements for the period ended December 31, 2022, together with the auditor's report on those statements;
2. **TO APPOINT** an auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation (the "Directors") to fix the auditor's remuneration;
3. **TO ELECT** the Directors for the ensuing year as identified in the Circular;
4. **TO APPROVE** the fourth amended and restated shareholder rights plan of the Corporation;
5. **TO CONSIDER AND APPROVE**, on an advisory basis, an ordinary resolution to accept the Corporation's approach to executive compensation; and
6. **TO TRANSACT** any other business properly brought before the Meeting and at any and all adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular.

The record date for the determination of Shareholders entitled to receive notice of and to attend and vote at the Meeting is April 6, 2023. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date and holders of Shares issued by the Corporation after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent a Shareholder transfers the ownership of any Shares after such date and the transferee of those Shares establishes that such transferee owns the Shares and demands, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Shares at the Meeting.

A Shareholder may attend the Meeting in person or virtually, as applicable, or may be represented by proxy. Shareholders who are unable to attend the Meeting in person or virtually, as applicable, or any adjournment thereof are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof.

To be effective, the enclosed proxy must be received by the Chair of the Corporation:

BY MAIL	BY FACSIMILE	BY SCAN AND EMAIL	BY INTERNET*
to TSX Trust Company, Proxy Department, PO Box 721, Agincourt, Ontario, M1S 0A1	to 416-368-2502 (Toll Free: 1-866-781-3111 Canada & US Only)	to.proxyvote@tmx.com	by visiting www.tsxtrust.com/vote-proxy

* Entering the 13-digit control number on the proxy not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

A proxy is valid only at the meeting in respect of which it is given or any adjournment(s) of that meeting. Non-Registered Shareholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Winnipeg, Manitoba
April 6, 2023

By Order of the Directors

"Dianne Spencer"

Dianne Spencer
Corporate Secretary

GLOSSARY OF KEY TERMS

Capitalized terms used in this Circular have the meanings ascribed to them below.

Aerospace & Aviation Sector Advisory Committee	means the aerospace and aviation sector advisory committee of the Board
Amended Rights Plan	means the fourth amended and restated shareholder rights plan of the Corporation approved by the Board and subject to the approval of the Shareholders at the Meeting
Annual Information Form	means the annual information form of the Corporation dated March 30, 2023
Articles	means the articles of amalgamation of the Corporation dated January 1, 2010, as amended by the articles of amendment of the Corporation dated June 14, 2019
Audit Committee	means the audit committee of the Board
Board	means the board of directors of the Corporation
Board Diversity Policy	has the meaning ascribed to that term in “Corporate Governance – Diversity of Board and Executives”
Circular	means this management information circular dated April 6, 2023 in respect of the Meeting
Compensation Committee	means the compensation committee of the Board
Corporation	means Exchange Income Corporation
COVID-19	means the novel coronavirus disease, also known as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), and each strain thereof
Deferred Share Plan	means the fourth amended and restated deferred share plan of the Corporation dated May 9, 2018
Deferred Shares	means deferred shares issued by the Corporation pursuant to the Deferred Share Plan
Designated Group	has the meaning ascribed to that term in “Corporate Governance – Diversity of Board and Executives”
Director	means a director of the Corporation and “Directors” means all of the directors of the Corporation
Disclosure and Competition Committee	means the disclosure and competition committee of the Board
ESG	Environmental, Social and Governance
ESPP	means the fourth amended and restated employee share purchase plan of the Corporation dated May 8, 2019
Existing Rights Plan	means the third amended and restated shareholder rights plan of the Corporation dated May 25, 2020
Governance Committee	means the governance committee of the Board
ICD	means the Institute of Corporate Directors
Independent Directors	means the Directors who are independent within the meaning of NI 58-101
Management Nominees	means Michael Pyle and Donald Streuber
Manufacturing Sector Advisory Committee	means the manufacturing sector advisory committee of the Board
Meeting	means the annual and special meeting of Shareholders to be held on May 10, 2023 at the time and place set forth in the Notice of Meeting and, where the context requires, includes any adjournment thereof
NI 58-101	means National Instrument 58-101 Disclosure of Corporate Governance Practices
Notice of Meeting	means the notice of the Meeting accompanying this Circular
NP 58-201	means National Policy 58-201 Corporate Governance Guidelines
Ordinary Resolution	means the affirmative vote of not less than a majority of votes cast by Shareholders with respect to a particular matter
Record Date	means April 6, 2023
Rights Plan	means the Existing Rights Plan and the Amended Rights Plan, as applicable, if the Amended Rights Plan is approved by Shareholders at the Meeting
RSU	means a restricted share unit issued pursuant to the RSU Plan
RSU Plan	means the amended and restated restricted share unit plan of the Corporation dated November 7, 2018
Say-on-Pay Vote	has the meaning ascribed to that term in “Particulars of Matters To Be Acted On At The Meeting - Advisory Vote on Executive Compensation”
Share	means a common share of the Corporation
Shareholder(s)	means the holder(s) of Shares
TSX	means the Toronto Stock Exchange

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Circular and the accompanying form of proxy are for use at the Meeting and any adjournments or postponements thereof for the purposes described in the accompanying Notice of Meeting. The Meeting is scheduled for:

**WHEN:**

Wednesday, May 10, 2023
10:30 a.m. (Winnipeg Time)

**WHERE:**

In person:

Calm Air Hangar
958 Ferry Road
Winnipeg, MB R3H 0Y8



Via live webcast online:

at <https://web.lumiagm.com/405793036>
Password: **eic2023** (case sensitive)

Details on how to participate electronically in the Meeting are included in the accompanying management information circular (the “**Circular**”) and will also be available at the Corporation’s website at www.ExchangeIncomeCorp.ca.

Proxies are being solicited by the management of the Corporation. Solicitations of proxies will be primarily by mail, but may also be solicited personally by officers or Directors of the Corporation, at a nominal cost. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Shares held on the Record Date by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

Except as otherwise stated, the information contained herein is given as of the date of this Circular.

HOW TO PARTICIPATE IN THE MEETING

The Meeting will be held in person with a virtual live webcast for those who are unable to attend in person.

Please visit the Corporation’s website at https://www.exchangeincomecorp.ca/annual_general_meeting_materials in advance of the Meeting for the most current information about attending the Meeting.

Questions Prior to the Meeting

You can ask questions prior to the Meeting by contacting the Corporate Secretary using the contact details located in “Additional Information”.

Attending the Meeting In Person

If you are a registered Shareholder or a proxyholder (including Non-Registered Shareholders who have appointed themselves as proxyholder), you will be able to attend the Meeting in person, ask questions and vote. Participants that intend on attending the Meeting in person must check in at the registration desk at the Calm Air hangar.




How to Participate in the Meeting

Attending the Meeting Online


Participating Shareholders and guests will be able to view a live webcast of the Meeting on their device by logging in online at <https://web.lumiagm.com/405793036> in a web browser (not a Google search) on your smartphone, tablet or computer. The password is “**eic2023**” (case sensitive). Participating Shareholders will also be able to ask the Board questions and submit votes in real time. Participants will need the latest versions of Chrome, Safari, Edge and Firefox. Internet Explorer is not compatible with the platform. Participants should allow at least 15 minutes to check into the meeting and complete the related registration.

Participants should ensure their browsers are compatible by logging in prior to the Meeting. Internal network security protocols including firewalls and virtual private networks (VPN) connections may block access to the online platform for the Meeting. If participants experience any difficulty connecting or watching the meeting, they should ensure their VPN setting is disabled or use a computer or device on a network not restricted to security settings of their organization.

Please follow the step-by-step instructions below to participate in the Meeting virtually:

- If participants have voting rights, select “I have a login” and enter username and password.
- If participants do not have voting rights, select “I am a guest” and fill in the form.
- When successfully authenticated, the info screen  will be displayed.
- If participants would like to watch the webcast press the broadcast icon .
- If viewing on a computer, the webcast will appear at the right-hand side of the screen automatically once the Meeting has started.
- Participants can also view documents by clicking on its icon .
- Once the voting has opened, the resolutions and voting choices will be displayed.
- To vote, simply select the participants voting direction from the options shown on screen.
- A confirmation message will appear to show the participant vote has been received.

For - Vote received 

- To change the participant’s vote, simply select another direction. If the participant wishes to cancel their vote, press “cancel”.
- Any Shareholder attending the meeting is eligible to ask questions.
- If participants would like to ask a question, select the messaging icon .
- Messages can be submitted at any time during the question and answer session up until the Chair of the Meeting closes the session. Participants may submit their message within the chat box at the bottom of the messaging screen.
- All questions sent via the online platform will be moderated before being sent to the Chair of the Meeting.

For technical support with respect to log-in and other matters, please visit: <https://www.lumiglobal.com/faq>.

Details on how to connect to the Meeting will also be available at the Corporation’s website at www.ExchangeIncomeCorp.ca.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxies

The Management Nominees have been selected by the Directors and have indicated their willingness to represent Shareholders who appoint them as their proxy for the Meeting.

A Shareholder has the right to designate a person (who need not be a Shareholder) other than the Management Nominees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed instrument of proxy the name of the person to be designated and striking out the names of the Management Nominees, or by completing another proper instrument of proxy. Such Shareholder should notify the nominee of the appointment, obtain his or her consent to act as proxy and should provide instructions on how the Shareholder's Shares are to be voted. In any case, an instrument of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the instrument of proxy.

Shareholders of record at the close of business on the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting and any adjournment thereof, except to the extent such Shareholder transfers any of such Shareholder's Shares after the Record Date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote, in which case the transferee shall be entitled to vote the Shares at the Meeting.

Shareholders unable to attend the Meeting are requested to read this Circular and the accompanying form of proxy and to complete, sign and date the proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof and deliver it to the Chair of the Corporation:

BY MAIL	BY FACSIMILE	SCAN AND EMAIL	BY INTERNET*
TSX Trust Company, Proxy Department, PO Box 721, Agincourt, Ontario, M1S 0A1	416-368-2502 (Toll Free: 1-866-781-3111 Canada and US Only)	proxyvote@tmx.com	by visiting www.tsxtrust.com/vote-proxy

* Entering the 13-digit control number on the proxy not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

A proxy is valid only at the meeting in respect of which it is given or any adjournment(s) of that meeting. Non-Registered Shareholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Revocation of Proxies

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of TSX Trust Company or at the Corporation's head office, Attention: Chair, by no later than 3:30 p.m. (Winnipeg time) on or before the last business day preceding the day of the Meeting or any adjournment thereof. Notwithstanding the foregoing, if a registered Shareholder attends the Meeting, such Shareholder may revoke the proxy and vote at the Meeting. The head office of the Corporation is 101-990 Lorimer Boulevard, Winnipeg, Manitoba, R3P 0Z9.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name

Appointment and Revocation of Proxies

of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depositary Services Inc.) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting, this Circular, the form of proxy and the request form (collectively, the “**Meeting Materials**”) to the applicable clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of one page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Chair of the Corporation, c/o Proxy Department, TSX Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder’s name or such other person’s name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

All references to Shareholders in this Circular and the accompanying proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

Voting of Proxies

The persons named in the accompanying form of proxy will vote or withhold from voting the Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, those Shares will be voted in favour of (“For”) each of the matters identified in the Notice of Meeting.**

Exercise of Discretion of Proxy

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and this Circular and with respect to matters that may properly come before the Meeting. At the date of this Circular, management of the Corporation does not know of any amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Circular.

INFORMATION RESPECTING EXCHANGE INCOME CORPORATION

General

The head office of the Corporation is located at 101-990 Lorimer Boulevard, Winnipeg, Manitoba, R3P 0Z9.

Authorized Capital

The Corporation currently has one class of shares issued and outstanding that entitles holders thereof to vote at the Meeting, such class being the Shares. The Corporation is entitled to issue an unlimited number of Shares. Each Share outstanding on the Record Date is entitled to one vote at the Meeting.

Voting Securities and the Principal Holders of Voting Securities

As at the date of this Circular, the Corporation has 42,676,448 Shares issued and outstanding. To the knowledge of management, no person beneficially owns, directly or indirectly, or controls or directs more than 10% of the outstanding Shares. The holders of Shares are entitled to receive notice of and attend any meeting of the Shareholders and are entitled to one vote thereat for each Share held by them respectively.

Each person who is a holder of a Share at the close of business on the Record Date will be entitled to notice of and to attend and vote at the Meeting except to the extent such Shareholder transfers the ownership of any of such holder's Shares after the Record Date and the transferee of those Shares produces properly endorsed Share certificates or otherwise establishes that the transferee owns such Shares and demands, not later than ten days before the Meeting, that such transferee's name be included in the list of Shareholders entitled to vote at the Meeting. Such transferee shall be entitled to vote such Shares at the Meeting.

To the knowledge of the Corporation's management, the only matters to be placed before the Meeting are the matters set forth in the Notice of Meeting as further described below.

Interest of Certain Persons in Matters to be Acted Upon

To the knowledge of management, none of the Directors or executive officers of the Corporation, or any nominees for election as a Director, or any associate or affiliate of any such person, has any material interest, direct or indirect, by way of securities or otherwise in any matters to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING

1. Appointment of Auditor

It is proposed that PricewaterhouseCoopers LLP be appointed as the Corporation's auditor until the next annual meeting of the Shareholders and that the Directors be authorized to fix the auditor's remuneration. PricewaterhouseCoopers LLP has been the Corporation's auditor since May 14, 2013.

TO BE EFFECTIVE, the resolution approving the appointment of the auditor and authorizing the Directors to fix the auditor's remuneration must be passed at the Meeting. The Directors recommend a vote FOR the appointment of the auditor and authorizing the Directors to fix the auditor's remuneration. In the absence of a contrary instruction, the Management Nominees intend to vote FOR the appointment of the auditor and authorizing the Directors to fix the auditor's remuneration.

2. Election of Directors

The Articles provide for a minimum of one Director and a maximum of 15 Directors. At present there are ten Directors.

The Shareholders are entitled to elect the Directors. The Board has nominated ten Directors for approval at the Meeting. The Directors are elected to hold office until the next annual meeting of the Shareholders or until their successors are appointed. The Board believes these nominees have the diversity of skills, experience and qualifications required for effective oversight of the Corporation.

Director Nominees Summary

There are ten Director nominees. Except Barb Gamey, each nominee was elected at the last annual meeting of shareholders on May 11, 2022.

The following table is a summary of the ten Directors nominated by the Board. For more information, see "Individual Director Nominees Information Tables" below.

Individual	Age	Director Since	Main Occupation	Independent	Committee ⁽¹⁾	Board Meeting Attendance	Share Ownership Requirement
Brad Bennett	64	July 2009	Chairman McIntosh Properties Ltd.	✓	C, E (Chair), F	100%	Met
Gary Buckley	62	July 2009 ⁽²⁾	President Wellington Paige Group Inc.	✓	B, C (Chair), F	86%	Met
Polly Craik	61	May 2018	Corporate Director	✓	B, E	100%	Met
Barb Gamey	66	Nominated May 2023	Co-Founder, Payworks	✓	N/A	N/A	Has until January, 2028 to comply
Bruce Jack	70	May 2022	Corporate Director	✓	A, B (Chair), F	100% ⁽³⁾	Met
Duncan Jessiman	76	July 2009 ⁽²⁾	Executive Vice-Chair	—	D (Chair), E, F	100%	Met
Michael Pyle	58	July 2009 ⁽²⁾	CEO	—	D, E, F	100%	Met
Melissa Sonberg	62	May 2018	Corporate Director and Professor of Practice	✓	A (Chair), C, E	100%	Met
Donald Streuber	65	July 2009 ⁽²⁾	Executive Chairman Bison Transport Inc.	✓	A, E	100%	Met
Edward Warkentin	73	July 2009 ⁽²⁾	Corporate Director	✓	A, C, F (Chair)	100%	Met

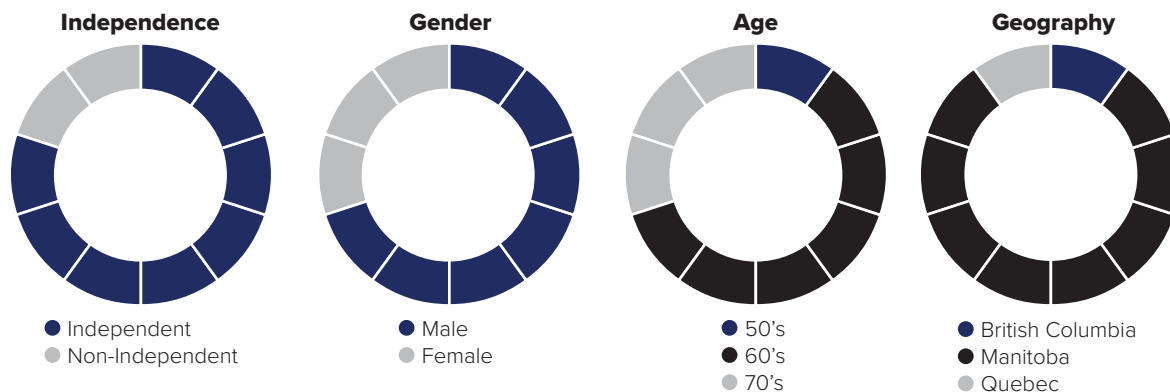
Notes:

(1) Committees:

A) Governance Committee

Election of Directors

- B) Audit Committee
 C) Compensation Committee
 D) Disclosure and Competition Committee
 E) Aerospace & Aviation Sector Advisory Committee
 F) Manufacturing Sector Advisory Committee
 (2) These individuals were also trustees of a predecessor to the Corporation (i.e. Exchange Industrial Income Fund).
 (3) Mr. Jack attended 100% of Board and committee meetings in 2022 after he was elected in May, 2022.



Director Skills Matrix

The following table identifies the specific expertise brought by each individual Director:

	Accounting and Finance	Strategic Planning	Risk Management	Corporate Governance	Corporate Development, Mergers and Acquisitions	Legal, Regulatory and Public Affairs	Capital Markets	Human Resources and Compensation	Aviation/Aeronautics	Manufacturing/Supply Chain Management	Marketing and Sales Strategy	Information Technology and Social Media/Cybersecurity	International Business	Executive Suite Line Management	Environment and Social
Individual															
Brad Bennett	✓	✓		✓	✓			✓	✓	✓					
Gary Buckley	✓	✓		✓	✓			✓	✓	✓				✓	
Polly Craik		✓	✓	✓							✓	✓		✓	
Barb Gamey		✓	✓	✓							✓	✓			
Bruce Jack	✓		✓	✓	✓								✓		
Duncan Jessiman		✓			✓	✓	✓		✓	✓					
Michael Pyle	✓	✓			✓		✓		✓	✓				✓	✓
Melissa Sonberg				✓				✓	✓		✓		✓	✓	✓
Donald Streuber	✓		✓		✓				✓	✓	✓			✓	✓
Edward Warkentin	✓			✓	✓	✓		✓	✓	✓					

Individual Director Nominees Information Tables

The following tables set forth the names of and certain additional information regarding the nominees for election as Directors (alphabetically). Except as noted, each nominee has held the principal occupation set forth below his/her name for the past five years. The additional information includes the number of Shares and Deferred Shares currently owned (directly or indirectly and over which control or direction is exercised) as of the date of this Circular and as of the date of the previous year's management information circular of the Corporation (April 5, 2022). The Share ownership requirements noted for each Director are more fully described in the Corporation's Director Share Ownership Policy which is described in "*Corporate Governance – Director Share Ownership Policy*". The Share ownership requirement for Michael Pyle as CEO is described in "*Executive Compensation – Compensation Committee*".

The estimated values of each Director's Shares and Deferred Shares is based on the closing price of the Shares on the TSX for the trading day immediately prior to the date of the management information circular of the Corporation for the current and prior year (as applicable), which are set forth below.

Year	Share Price	Closing Price Date
2023	\$52.75	April 5, 2023
2022	\$43.25	April 4, 2022

Election of Directors



Brad Bennett
C.M., O.B.C.

Kelowna, BC

Joined the
Board on
July 28, 2009

Age: 64

Status:
Independent

Mr. Bennett is currently chair of the Aerospace & Aviation Sector Committee.

Mr. Bennett is Chairman and former President of McIntosh Properties Ltd., a real estate and investment holding company. Mr. Bennett has served on a number of public and private company boards and is currently a director of UBC Properties Trust and a trustee of the Fraser Institute.

Past public service positions include Chair of British Columbia Hydro, director of Powerex Inc., Chair of MITACS, Chair of the University of British Columbia Board of Governors, Chair of Okanagan University College, Chair of Kelowna General Hospital Foundation, Chair of Rotary Centre for the Arts Building Committee in Kelowna, Co-Chair of the Central Okanagan Hospice Campaign and a member of the Premier's Technology Council.

Mr. Bennett received an honorary Alumni Award from the University of British Columbia in 2007, was awarded the Order of British Columbia in 2010 and received an honorary Doctorate of Law from the University of British Columbia in 2011. Mr. Bennett was awarded the Queen's Diamond Jubilee Medal in 2012 and became a member of the Order of Canada in 2019.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Compensation Committee	2 of 2	100%
Aerospace & Aviation Sector Advisory Committee (Chair)	4 of 4	100%
Manufacturing Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

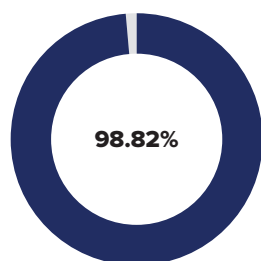
- Accounting and finance
- Strategic planning
- Corporate governance
- Corporate development, mergers and acquisitions
- Human resources and compensation
- Aviation & Aeronautics
- Manufacturing & Supply Chain Management

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	1,763,568	93,028,212	31,673	1,670,750	1,795,241	94,698,963	525,000	100%
Previous	1,763,568	76,274,316	27,224	1,177,438	1,790,792	77,451,754	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,331,183	123,306	10,454,489

**Gary Buckley****Winnipeg, MB**

Joined the Board on July 28, 2009
(previously a trustee of a predecessor to the Corporation)

Age: 62

Status:
Independent

Mr. Buckley is currently the Chair of the Compensation Committee.

Mr. Buckley holds a Bachelor of Commerce degree from the University of Alberta and is currently President of Wellington Paige Group Inc., a multifaceted holding company. Mr. Buckley has been involved in the hotel and hospitality industry since 1983. Since 1998, Mr. Buckley has been the co-owner and operator of the Elkhorn Resort & Conference Center in Clear Lake, Manitoba. Mr. Buckley is also the largest shareholder of Genesis Hospitality Inc., which owns various hotel properties in Alberta, Manitoba and Ontario. Mr. Buckley is also the owner of additional commercial and multi-family residential properties.

Mr. Buckley is a past director of Pavilion Global Markets, and past director of Temple Hotels Inc. (formerly Temple Real Estate Investment Trust) and of the Cancer Care Manitoba Foundation as well as other non-profit organizations.

Board / Committee Membership	Meeting attendance in 2022	
Board	6 of 7	86%
Audit Committee	5 of 5	100%
Compensation Committee (Chair)	2 of 2	100%
Manufacturing Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

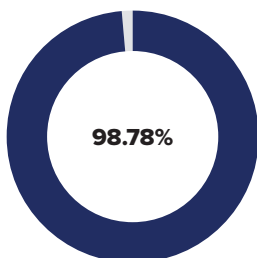
- Accounting and finance
- Strategic planning
- Corporate governance
- Corporate development, mergers and acquisitions
- Human resources and compensation
- Aviation & Aeronautics
- Manufacturing & Supply Chain Management
- Executive suite line management

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	391,875	20,671,406	30,098	1,587,670	421,973	22,259,076	525,000	100%
Previous	391,875	16,948,593	25,712	1,112,044	417,587	18,060,637	405,000	100%

**Prior Year Voting Results For Election as a Director**

For	Withheld	Total
10,327,349	127,140	10,454,489

Election of Directors



**Polly Craik,
ICD.D.**

Winnipeg, MB

**Joined the
Board on
May 9, 2018**

Age: 61

**Status:
Independent**

Ms. Craik is an experienced corporate director with a distinguished background in business and community leadership. Ms. Craik is a graduate of the Advanced Business Executive Program at the Massachusetts Institute of Technology and has received numerous accolades for her contributions to the community. Ms. Craik has extensive experience in the private sector, having owned and led the growth of Fine Line Communications Ltd., a Canadian business, for 30 years until its successful divestiture in 2015.

Ms. Craik is a founding director of Vexxit Inc. She is also currently a Director Emeritus of the Business Council of Manitoba and Director of Lake of the Woods Water Sustainability Foundation. She is past Chair of the Board of Manitoba Liquor & Lotteries Corporation, past Chair of the Business Council of Manitoba, past Chair of CentreVenture Development Corporation and past Board Member of the Winnipeg Chapter of Entrepreneurs' Organization (EO). Ms. Craik is a member of the ICD and received the ICD.D designation in 2022. Ms. Craik was a non-Director member on the Aerospace & Aviation Sector Advisory Committee prior to her election as a Director.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Audit Committee	5 of 5	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

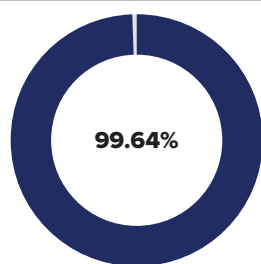
- Strategic planning
- Risk management
- Corporate governance
- Marketing and sales strategy
- Information technology/social media/
Cybersecurity
- Executive suite line management

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	4,060	214,165	12,107	638,644	16,167	852,809	525,000	100%
Previous	3,720	160,890	9,390	406,118	13,110	567,008	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,416,402	38,087	10,454,489



Barb Gamey
Winnipeg, MB

Nominated
in May, 2023
Age: 66

Status:
Independent

Ms. Gamey is a co-founder of Payworks, a Manitoba based company and one of Canada's largest national providers of Payroll, Human Resource, Time and Absence Management solutions, serving 29,000 customers, paying 700,000 Canadians while handling \$35 billion in funds annually. Payworks currently employs 300 people in Manitoba and 440 nationwide. Prior to Payworks, Ms. Gamey was VP of Sales & Marketing at Comcheq (Ceridian) from 1984 – 1999. Ms. Gamey is a member of the ICD and received the ICD.D designation in 2018.

Ms. Gamey currently sits on the Winnipeg Blue Bomber Board of Directors, the Business Council of Manitoba's Board of Directors and the UM Properties Board. Ms. Gamey is also the Chancellor of the University of Winnipeg and sits on the board for the University of Winnipeg Foundation. Ms. Gamey is also a director of Manitoba First Capital Fund. Her extensive past community involvement includes: 2018 Campaign Chair, United Way Winnipeg, co-creator of the Manitoba Economic Growth Action Plan, Chair of the Premier's Enterprise Team in Manitoba, Chair of Prairie Theatre Exchange and Prairie Theatre Exchange Foundation Trust, Chair of Women's Enterprise Centre of Manitoba, Board Member of United Way Winnipeg, Special Olympics Manitoba and Telus Manitoba Community Board.

Board / Committee Membership	Meeting attendance in 2022	
N/A	N/A	N/A

Key Areas of Expertise

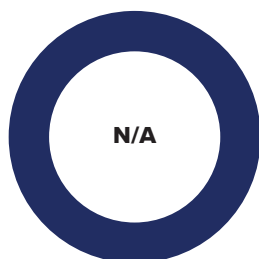
- Strategic planning
- Risk management
- Corporate governance
- Marketing & sales strategy
- Information Technology/Social Media/Cybersecurity

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Previous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Prior Year Voting Results For Election as a Director

For	Withheld	Total
N/A	N/A	N/A

Election of Directors



**Bruce Jack,
FCPA, FCA**

Winnipeg, MB

**Joined the board
on May 11, 2022**

Age: 70

**Status:
Independent**

Mr. Jack is currently chair of the Audit Committee.

Mr. Jack is a corporate director. Mr. Jack holds a Bachelor of Commerce (Honours) degree from the University of Manitoba, is a Chartered Professional Accountant and is a member of CPA Manitoba. In 2005, Mr. Jack was awarded the FCPA/FCA designation by CPA Manitoba for distinguished service to his profession and the community. Mr. Jack retired as a partner from Deloitte LLP after a distinguished 40-year career serving a variety of clients in the insurance, real estate, aviation, manufacturing, and health care sectors. During this time, he acted as global lead audit partner for several global life insurance companies.

Mr. Jack has served as a director of Wawanesa Insurance since 2014 and currently is the Chair of its audit committee and a member of its risk committee. He also is currently a trustee of Apartment + Real Estate Investment Trust and a director of Vexxit Inc. and several other private companies. He is a member of the ICD, Manitoba Chapter. Mr. Jack is a former trustee of Artis Real Estate Investment Trust, a trust listed on the TSX. His past community involvement includes serving on the boards of Canadian Cancer Society of Manitoba, Manitoba Children's Museum, Prairie Theatre Exchange and Junior Achievement of Manitoba and, in addition, served in leadership roles for several years on the United Way's annual campaign. He also served in the past on the TSX Venture Exchange Winnipeg Local Advisory Committee and the Manitoba Securities Commission Local Advisory Committee.

Board / Committee Membership	Meeting attendance in 2022 ⁽¹⁾	
Board	4 of 7	100%
Governance Committee	2 of 2	100%
Audit Committee (Chair)	3 of 5	100%
Manufacturing Sector Advisory Committee	2 of 4	100%

Key Areas of Expertise

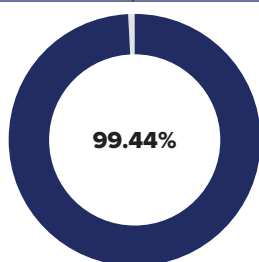
- Accounting and finance
- Risk management
- Corporate development, mergers and acquisitions
- Corporate governance
- International business

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	12,000	633,000	5,640	297,510	17,640	930,510	525,000	100%
Previous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,396,249	58,240	10,454,489

Note:

- (1) Mr. Jack joined the Board on May 11, 2022. Mr. Jack attended all Board and committee meetings in 2022 after his election as a Director.



**Duncan D.
Jessiman, K.C.**

Winnipeg, MB

**Joined the
Board on
July 28, 2009
(previously a trustee
of a predecessor to
the Corporation)**

Age: 76

**Status:
Non-Independent**

Mr. Jessiman is currently the Executive Vice-Chair in charge of special projects and chair of the Disclosure and Competition Committee.

Mr. Jessiman holds a Bachelor of Commerce degree and a law degree from the University of Manitoba and developed the concept for the Corporation with Mr. Pyle and started it in 2002. Mr. Jessiman originally served as Chair and Chief Executive Officer of the Corporation, but gave up the Chair in 2005 in accordance with good governance practices at the time. He then gave up the position of CEO on August 1, 2006 for family reasons and became Executive Vice-Chair in charge of special projects.

Before starting the Corporation, Mr. Jessiman practiced law in Winnipeg in the areas of corporate, commercial and securities law. Mr. Jessiman was a member of the TSX Venture Exchange Winnipeg Local Advisory Committee; former director of Consolidated Properties Ltd., a TSX listed company; former director of Geocrude Energy Inc., a TSX listed company which was taken over by Canada North West Energy Inc.; former director of Pan Cana Industries Ltd., a TSX listed company which was taken over by Geocrude Energy Inc.; and a former director of Enerplus Energy Services Ltd., the management company for Enerplus Resources Fund. Mr. Jessiman is currently the President of two private corporations: Progressive Holdings Inc. and Vexxit Inc. Mr. Jessiman devotes a significant amount of his working time to the business of the Corporation.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Disclosure and Competition Committee (Chair)	4 of 4	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%
Manufacturing Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

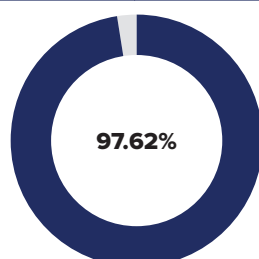
- Strategic planning
- Corporate development, mergers and acquisitions
- Legal, regulatory and public affairs
- Capital markets
- Aviation and aeronautics
- Manufacturing and supply chain management

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement)	Percentage of Target Met
Current	158,102	8,358,343	50,190	2,647,523	208,642	10,985,346	525,000	100%
Previous	158,102	6,837,912	48,210	2,085,083	206,312	8,922,994	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,205,789	248,700	10,454,489

Election of Directors



**Michael Pyle,
MBA ICD.D.**

Winnipeg, MB

**Joined the
Board on
July 28, 2009
(previously a trustee
of a predecessor to
the Corporation)**

Age: 58

**Status:
Non-Independent**

Mr. Pyle is currently the Chief Executive Officer of the Corporation. Together with Mr. Jessiman, Mr. Pyle developed the initial concept of the Corporation in 2002. Mr. Pyle has held the position of CEO since August 1, 2006.

Mr. Pyle holds a Bachelor of Arts degree (Economics) and an MBA (Finance) from the University of Manitoba. He served in positions of increasing seniority culminating as President of The Arctic Glacier Income Fund (and its predecessor, The Arctic Group Inc.) from 1998 to 2002. He previously worked with Roynat Capital in Winnipeg from 1990 to 1996 and from 1997 to 1998. Mr. Pyle was employed as the Vice-President of Corporate Development for Westsun International Inc. in Winnipeg from 1996 to 1997.

Mr. Pyle is currently the Chair of the Winnipeg Blue Bomber Football Club, the Chair of the Business Counsel of Manitoba, a Director of Next Hydrogen Solutions Inc. and Chair of Manitoba First Capital Fund. Mr. Pyle devotes the majority of his time to the Corporation. Mr. Pyle is a member of the ICD and received the ICD.D designation in 2017.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Disclosure and Competition Committee	4 of 4	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%
Manufacturing Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

- Accounting and finance
- Strategic planning
- Corporate development, mergers and acquisitions
- Capital markets
- Aviation & Aeronautics
- Manufacturing & Supply Chain Management
- Executive suite line management
- Environment & Social

Other Current Public Company Directorships

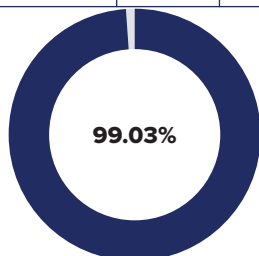
Next Hydrogen Solutions Inc.

Period

2021 to present

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	18,248	962,582	190,005	10,022,764	208,523	10,985,346	5,040,000	100%
Previous	18,248	789,226	182,508 ⁽¹⁾	7,893,471	200,756	8,682,697	4,800,000 ⁽¹⁾	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,352,914	101,575	10,454,489

Note:

- (1) In 2021, Mr. Pyle redeemed 117,371 Deferred Shares as approved by the Board and as described in Executive Compensation. Mr. Pyle's Share ownership requirement was increased to 6x his salary concurrent with the one time, partial withdrawal of Deferred Shares.



Melissa Sonberg
B.Sc., M.H.A.,
ICD.D.

Montreal, QC

**Joined the
Board on
May 9, 2018**

Age: 62

**Status:
Independent**

Ms. Sonberg currently chairs the Governance Committee. Ms. Sonberg is a corporate director and a Professor of Practice at McGill University's Desautel Faculty of Management where she focuses on compensation strategy, group dynamics, global talent management, and leadership development.

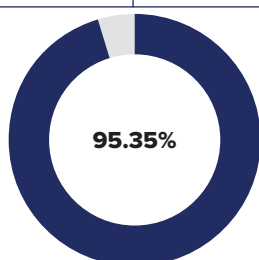
Ms. Sonberg spent the early part of her career in the health care industry before joining Air Canada in 1991. Over her ten years with the airline she held leadership positions in a range of customer facing, operational and corporate functions. In 2001, Ms. Sonberg became part of the founding executive team of Aeroplan and was a core member of the management of Aeroplan as it transitioned to a separate business entity, completed an initial public offering and expanded its global business, and established a global holding company, AIMIA, through multiple international acquisitions and joint ventures. During her 12 years with AIMIA, Ms. Sonberg held the positions of Senior Vice President, Human Resources and Corporate Affairs and Senior Vice President, Global Brands, Communications and External Affairs.

Ms. Sonberg has a wealth of experience on corporate and advisory boards. She currently serves on the boards of Hydro One Limited, Athennian, the Montreal Children's Hospital Foundation, and Enghouse Systems Inc. Ms. Sonberg's past board experience includes MD Financial Holdings, VIA Rail Canada, Rideau Recognition Solutions Inc., Women in Capital Markets, EQUITAS International Centre for Human Rights Education, the McGill University Health Centre and on the advisory board of a significant family-owned corporation based in Québec.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Governance Committee (Chair)	2 of 2	100%
Compensation Committee	2 of 2	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise	Other Current Public Company Directorships	Period
<ul style="list-style-type: none"> Corporate governance Human resources and compensation Marketing and sales strategy International business Executive suite line management Aviation & Aeronautics Environment and social 	Hydro One Limited Enghouse Inc.	2018 to present 2022 to present

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)								
As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	0	0	19,127	1,008,949	19,127	1,008,949	525,000	100%
Previous	-	-	15,172	656,189	15,172	656,189	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
9,968,441	486,048	10,454,489

Election of Directors



Donald Streuber,
FCPA, FCA

Winnipeg, MB

Joined the
Board on
July 28, 2009
(previously a trustee
of a predecessor to
the Corporation)

Age: 65

Status:
Independent

Mr. Streuber is currently Chair of the Board.

Mr. Streuber is Executive Chairman of Bison Transport Inc. Bison is one of Canada's largest van truckload carriers of freight and has been recognized as one of Canada's 50 best managed companies for 25 years. He is a Chartered Professional Accountant and is a member of the Institute of Chartered Professional Accountants of Manitoba. Mr. Streuber was elected a fellow chartered accountant (FCA) by the Institute of Chartered Accountants in 2012.

Mr. Streuber is a director of James Richardson & Sons Limited and Chair of its audit committee. Mr. Streuber is the past Chairman of CentrePort Canada Inc., past Chairman of the Canadian Trucking Alliance, past Chairman of the Business Council of Manitoba, past Chairman for Providence College and Seminary, a past member of the Business Council of Canada and past Vice Chairman for the Assiniboine Park Conservancy.

Board / Committee Membership	Meeting attendance in 2022	
Board (Chair)	7 of 7	100%
Governance Committee	2 of 2	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%
Audit Committee	2 of 5	100% ⁽¹⁾

Key Areas of Expertise

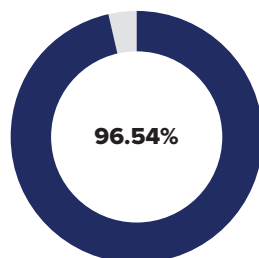
- Accounting and finance
- Risk management
- Corporate development, mergers and acquisitions
- Aviation & Aeronautics
- Manufacturing & Supply Chain Management
- Marketing and sales strategy
- Executive suite line management
- Environment & Social

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement)	Percentage of Target Met
Current	367,625	19,392,219	35,272	1,860,598	402,897	21,252,817	825,000	100%
Previous	355,994	15,396,740	28,853	1,247,892	384,847	16,644,632	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,092,328	362,161	10,454,489

Note:

- (1) Mr. Streuber was appointed Chair of the Board in May 2022 at which time he resigned as Chair and as a member of the Audit Committee. Prior to his resignation from the Audit Committee, Mr. Streuber attended 2 of 5 Audit Committee meetings, representing 100% of the Audit Committee meetings held in 2022 prior to his resignation.



**Edward Warkentin
LL.B.**

Winnipeg, MB

**Joined the
Board on
July 28, 2009
(previously a trustee
of a predecessor to
the Corporation)**

Age: 73

**Status:
Independent**

Mr. Warkentin is currently the Chair of the Manufacturing Sector Advisory Committee.

Mr. Warkentin holds an undergraduate degree from the University of Winnipeg, a law degree from the University of Manitoba and was a member of the Bars of Ontario and Manitoba for more than 35 years. Mr. Warkentin is the former Managing Partner of Aikins, MacAulay & Thorvaldson LLP (now MLT Aikins LLP) where he practiced in the area of corporate and commercial law.

Mr. Warkentin is a former director and Chair of Youth for Christ (Winnipeg) Inc., a former director of Manitoba Mineral Resources Ltd., a former director of Grace Hospital Board of Management and a former trustee and Chair of Artis Real Estate Investment Trust, a TSX listed issuer. He is also a director or officer of several private corporations and is a member of the ICD, Manitoba Chapter.

Board / Committee Membership	Meeting attendance in 2022	
Board	7 of 7	100%
Governance Committee	2 of 2	100%
Compensation Committee	2 of 2	100%
Manufacturing Sector Advisory Committee (Chair)	4 of 4	100%

Key Areas of Expertise

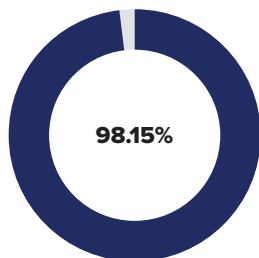
- Accounting and finance
- Corporate governance
- Corporate development, mergers and acquisitions
- Legal, regulatory and public affairs
- Human resources and compensation
- Aviation and aeronautics
- Manufacturing and supply chain management

Other Current Public Company Directorships

None

Number of Shares Owned (directly or indirectly, over which control or direction is exercised)

As of Circular Date	Shares (#)	Shares (\$)	Deferred Shares (#)	Deferred Shares (\$)	Total (#)	Total Value (\$)	(\$ Share Ownership Requirement	Percentage of Target Met
Current	182,843	9,644,968	23,286	1,228,337	206,129	10,873,305	525,000	100%
Previous	182,843	7,907,960	20,769	898,259	203,612	8,806,219	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,261,164	193,325	10,454,489

Election of Directors

TO BE EFFECTIVE, the resolution electing the Directors must be passed at the Meeting. The Directors recommend a vote FOR the election of the Directors referenced above. In the absence of a contrary instruction, the Management Nominees intend to vote FOR the election of the Directors referenced above.

Majority Voting

On April 6, 2023, the Board repealed the Corporation's majority voting policy, which was first enacted in 2014. The decision to repeal the policy was made by the Board following and in consideration of the amendments to the Canada Business Corporations Act that came into effect on August 31, 2022, which, if complied with, satisfy the majority voting requirements under the TSX Corporate Manual. In accordance with the Canada Business Corporations Act, in the case of uncontested elections of Directors (that is, elections where there is only one candidate nominated for each position available on the Board): (i) Shareholders will be asked to vote "for" or "against" each Director nominee; (ii) only nominees receiving a majority of the votes will be elected; and (iii) a nominee who does not receive a majority of the votes and who is an incumbent Director may continue in office until the earlier of the 90th day after the election, or the day on which his or her successor is appointed or elected. In accordance with the Canada Business Corporations Act, the Board may appoint a Director nominee even if he or she did not receive majority support in the following limited and defined circumstances: (i) to satisfy Canadian residency requirements; or (ii) to satisfy the requirement that at least two Directors not be officers or employees of the Corporation or its affiliates.

Corporate Cease Trade Orders and Bankruptcies

For the purposes of this section "Order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation; that was in effect for more than 30 consecutive days.

None of the proposed Directors is, except for Mr. Warkentin as described below, as of the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company or other entity that:

- (a) was subject to an Order that was issued while the proposed Director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to an Order that was issued after the proposed Director 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; or
- (c) 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 proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Edward Warkentin was a director of All in West! Capital Corporation, a company that owned certain hotel properties located in Alberta and which was unable to meet its obligations to creditors during the downturn in the Alberta economy. Pursuant to enforcement action taken by the company's mortgage lenders, the Alberta Court of Queen's Bench issued an order appointing a receiver for the company's hotel properties in 2016 and issued an order approving the sale of the properties in 2017. In addition, as a result of the failure of the company to file audited financial statements, in 2016 securities regulatory authorities in the provinces of Manitoba, Ontario and British Columbia issued cease trade orders prohibiting trading in the company's securities and such orders continue to be in effect.

Individual Bankruptcies

No current or proposed Director is, or has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or director appointed to hold the assets of the proposed Director.

3. Approval of Fourth Amended and Restated Rights Plan

Background

The Corporation first adopted a shareholder rights plan effective May 13, 2011, which was most recently amended and restated by the Existing Rights Plan following the approval of the Shareholders at a meeting held on June 25, 2020.

At the Meeting, Shareholders will be asked to approve an Ordinary Resolution (the “**Rights Plan Resolution**”) approving the Amended Rights Plan. The text of this resolution is set forth below. If the Rights Plan Resolution is not passed at the Meeting, the Existing Rights Plan will terminate at the end of the Meeting and the Amended Rights Plan will not be implemented. If the Rights Plan Resolution is passed at the Meeting, the Amended Rights Plan will be implemented immediately following the Meeting. The Rights Plan will require reconfirmation by the Shareholders at the 2026 meeting of Shareholders.

The principal terms of the Rights Plan, are set forth in Schedule “B” to this Circular. All capitalized terms used in this section of the Circular and in Schedule “B” have the meanings set forth in the Rights Plan, unless otherwise indicated. A copy of the Rights Plan, as proposed to be amended, may be obtained by contacting the Corporation at the address set forth at the end of this Circular.

Purpose of the Rights Plan

The primary objective of the Rights Plan is to encourage a potential acquirer in a take-over bid to proceed with their bid in accordance with Canadian take-over bid rules that satisfy certain minimum standards intended to promote fairness or have the approval of the Board by:

- (a) protecting against “creeping bids” (the accumulation of more than 20% of the Shares through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of Shareholders under private agreements at a premium to the market price not available to all Shareholders; (ii) acquiring control through the slow accumulation of Shares on a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all Shareholders; and
- (b) preventing a potential acquirer from entering into lock-up agreements with existing Shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, Shareholders benefit from the acquisition of a control position of 20% or more of the Shares, and allows the Board to have sufficient time to explore and develop all options for maximizing Shareholder value in the event that a person tries to acquire a control position in the Corporation. Under the Rights Plan, potential acquirors are prevented from acquiring effective control of the Corporation or a blocking position against other bidders except by way of a Permitted Bid (as defined in Schedule B).

It is not the intention of the Board in maintaining a shareholder rights plan for the Corporation to secure the continuance of existing Directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interests of Shareholders. For example, through the Permitted Bid mechanism, described in more detail in Schedule “B” to this Circular, Shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Rights Plan, regardless of the acceptability of the bid to the Board. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board will continue to be bound to consider fully and fairly any bid for the Shares in any exercise of its discretion to waive application of the Rights Plan or redeem the rights under the Rights Plan (“**Rights**”). In all such circumstances, the Board must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders.

Neither the Existing Rights Plan nor the Rights Plan was adopted or approved in response to or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. As of the

Approval of Fourth Amended and Restated Rights Plan

date of this Circular, the Board is not aware of any third party considering or preparing any proposal to acquire control of the Corporation.

The Rights Plan does not interfere with the day-to-day operations of the Corporation. The issuance of the Rights does not in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements. In addition, the Rights Plan is not initially dilutive and is not expected to have any effect on the trading of Shares. However, if a Flip-In Event (as defined in Schedule B) occurs and the Rights separate from the Shares, as described in Schedule “B”, reported earnings per share and reported cash flow per share on a fully-diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-In Event may suffer substantial dilution.

The Rights Plan does not preclude any Shareholder from utilizing the proxy mechanism of applicable corporate law to promote a change in the management or direction of the Corporation, and has no effect on the rights of holders of outstanding Shares of the Corporation to requisition a meeting of Shareholders, in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their Shares. The definitions of “Acquiring Person” and “Beneficial Ownership” have been developed to minimize concerns that the Rights Plan may be inadvertently triggered or triggered as a result of an overly-broad aggregating of holdings of institutional Shareholders and their clients.

In summary, the Board believes that the dominant effect of the Rights Plan will be to enhance Shareholder value and ensure equal treatment of all Shareholders in the context of an acquisition of control.

Approval

The Rights Plan provides that it must be approved by Independent Shareholders. “Independent Shareholders” means, generally, the holders of Voting Shares (as defined in Schedule B) of the Corporation excluding: (i) any Acquiring Person; (ii) any person making a take-over bid; (iii) any affiliate or associate of a Person referred to in clause (i) or (ii) above; (iv) any person acting jointly or in concert with a person referred to in clause (i) or (ii) above; and (v) a person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a take-over bid. To the knowledge of the Corporation, as of the date of this Circular, all Shareholders are Independent Shareholders and, accordingly, to the knowledge of the Corporation, all Shareholders may vote on the approval of the Rights Plan.

If the Rights Plan Resolution is passed at the Meeting, then the Corporation and TSX Trust Company will execute the Rights Plan Agreement (as defined in Schedule B) effective as of the date that the Rights Plan Resolution is passed.

If the Rights Plan Resolution is not passed at the Meeting, the Rights Plan will not come into effect and the Existing Rights Plan will terminate and be of no further force and effect and the Corporation will no longer have any form of shareholder rights plan.

The Board reserves the right to alter any terms of or not to proceed with the Rights Plan at any time prior to the Meeting in the event that the Board determines that it would be in the best interests of the Corporation and its Shareholders to do so, in light of subsequent developments.

The Corporation reviewed the Rights Plan for conformity with current practices of Canadian companies with respect to shareholder rights plan design and recommendations for shareholder rights plans under the proxy voting guidelines of institutional investors. In the view of management of the Corporation, the Rights Plan conforms to current industry practices and the recommendations for shareholder rights plans under proxy guidelines of institutional investors.

Recommendation of the Board

The Board has determined that it continues to be in the best interests of the Corporation and the Shareholders that the Corporation have a shareholder rights plan, in the form of the Rights Plan. **Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the approval of the Rights Plan. In the absence of contrary instructions, the persons designated in the enclosed form of proxy intend to vote for the approval of the Rights Plan.**

The text of the Rights Plan Resolution is set forth below:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Exchange Income Corporation (the “Corporation”), that:

1. the shareholder rights plan of the Corporation be continued and the Fourth Amended and Restated Shareholder Rights Plan Agreement to be made as of May 10, 2023 between the Corporation and TSX Trust Company, as rights agent, which amends and restates the Third Amended and Restated Shareholder Rights Plan Agreement dated June 25, 2020, be and it is hereby authorized and approved; and
2. any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute, deliver and file such documents, and do all such other things, as such person considers necessary or advisable to give effect to the foregoing resolution.”

To be effective, the Rights Plan Resolution must be passed at the Meeting. The Directors recommend a vote FOR the approval of the Rights Plan. In the absence of a contrary instruction, the persons designated in the enclosed form of proxy intend to vote FOR the foregoing resolution.

4. Advisory Vote on Executive Compensation

The Corporation’s compensation policies and procedures are based on the principle of pay for performance. The Board believes they align the interests of the Corporation’s executive team with the long-term interests of the Shareholders. The Board also believes Shareholders should have the opportunity to fully understand the objectives, philosophy and principles used in its approach to executive compensation decisions and to have an advisory vote on the Board’s approach to executive compensation. This Meeting is the fourth time the Corporation has given the Shareholders an opportunity to provide an advisory vote on this topic and shows the Corporation’s continued commitment to strong corporate governance practices.

This non-binding advisory Shareholder vote (the “**Say-on-Pay Vote**”), gives each Shareholder an opportunity to either endorse or not endorse the Corporation’s approach to its executive compensation program and policies.

The text of the Say-on-Pay Vote resolution is set forth below:

“BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the board of directors (the “Board”) of Exchange Income Corporation (the “Corporation”), that the shareholders of the Corporation (the “Shareholders”) accept the approach to executive compensation disclosed in the management information circular delivered in advance of the annual and special meeting of Shareholders of the Corporation.”

To be effective, approval of the above resolution will require an affirmative vote of a majority of the votes cast at the Meeting.

The purpose of the Say-on-Pay Vote is to provide appropriate Board accountability to the Shareholders of the Corporation for the Board’s compensation decisions by giving Shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves, for the past, current and future fiscal years.

While Shareholders will provide their collective advisory vote, the Board remains fully responsible for its compensation decisions and is not relieved of these responsibilities by a positive advisory vote by Shareholders.

Advisory Vote on Executive Compensation

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future executive compensation policies, procedures and decisions and in determining whether there is a need to significantly increase its engagement with Shareholders on executive compensation and related matters. The Corporation will disclose the results of the Say-on-Pay Vote as a part of its report on voting results for the Meeting.

In the event a significant number of Shareholders oppose the resolution, the Board will consult with the Shareholders, particularly those who are known to have voted against it, in order to understand their concerns and will review the Corporation's approach to compensation in the context of those concerns. Shareholders who have voted against the resolution will be encouraged to contact the Board to discuss their specific concerns.

The Board will disclose to Shareholders as soon as is practicable, and no later than in the management proxy circular for the next annual meeting of Shareholders, a summary of the significant comments relating to executive compensation received from Shareholders in the engagement process and an explanation of the changes to the executive compensation plans made or to be made by the Board or why no changes will be made. The Corporation received strong support for its compensation policies and procedures in 2022 from Shareholders with 96.29% of votes cast in favor of the Say-on-Pay vote at the 2022 annual and special meeting of Shareholders. No significant comments relating to executive compensation were received from Shareholders in 2022.

The Board recognizes Say-on-Pay Vote is an evolving area in Canada and globally, and will review this policy annually to ensure that it is effective in achieving its objectives.

Recommendation of the Board

The Board unanimously recommends a vote for the Corporation's approach to executive compensation, as described in "Executive Compensation" of this Circular.

CORPORATE GOVERNANCE

Introduction

The Board believes sound corporate governance practices are essential to the well-being of the Corporation and its Shareholders, and these practices should be reviewed regularly to ensure they are appropriate. The Board has reviewed the guidelines for effective corporate governance contained in NP 58-201 issued by the Canadian Securities Administrators and other relevant regulations regarding corporate governance practices. The Canadian Securities Administrators have also adopted NI 58-101 which requires Canadian reporting issuers to annually disclose their corporate governance practices. Regulatory changes to governance practices that have occurred, or will occur, are continually monitored by the Board and the Board has taken or will take appropriate action as regulatory changes occur. Below is a discussion on the current composition of the Board and the current governance practices of the Corporation.

The Directors have in place appropriate structures to ensure they can function independently of management. The responsibilities of the Chair of the Board include overseeing that the Directors discharge their responsibilities. The current Chair of the Board is Donald Streuber, FCPA, FCA.

The CEO of the Corporation is responsible for the overall administration and management of the Corporation and its subsidiaries. All major policy decisions relating to the Corporation and its subsidiaries are made by the Directors or a committee thereof. Each subsidiary of the Corporation has its own management team that is responsible for the day-to-day management of each respective subsidiary. As applied to a Director herein, “Independent” has the meaning ascribed to such term in respect of a director of an issuer in NI 58-101 and includes having no direct or indirect material relationship with the Corporation, where a “material relationship” is a relationship which could, in the view of the Directors, reasonably interfere with the exercise of such Director’s independent judgment.

Corporate Governance

Corporate Governance Highlights

What We Do	What We Do Not Allow
<ul style="list-style-type: none">✓ Separate Chair and CEO✓ Annual, individual Director elections✓ 80% independent Directors being nominated✓ Independent Board Chair✓ Ongoing Director education and support✓ New Director orientation and mentoring✓ 100% independent Audit, Compensation and Governance Committees✓ Director share ownership requirement✓ Annual Board, committee and Director performance evaluations✓ Hold regular in-camera meetings (independent Directors only)✓ Regular review of Board and committee mandates✓ Board member diversity policy (business experience, geography, age, gender, ethnicity and Aboriginal status)✓ Code of Ethics, an Insider Trading Policy and a Disclosure and Competition Policy✓ Limit the number of outside other public company directorships✓ Say-On-Pay✓ ESG oversight✓ Executive compensation tied to ESG matters	<ul style="list-style-type: none">✗ No Directors and management are allowed to engage in hedging or derivative trading in the Corporation's securities✗ No loans to any Directors✗ No Director retirement policy or term limits✗ No slate voting for Directors✗ No staggered voting for Directors✗ No unequal voting structure

Board of Directors of the Corporation

The Board is comprised of a majority of Independent Directors, which facilitates its exercise of independent supervision over management and none of the members of the Board are related to one another. The composition of Independent Directors and non-Independent Directors is as follows (listed alphabetically):

Independent Directors currently are:

- Brad Bennett
- Gary Buckley
- Polly Craik
- Bruce Jack
- Grace Schalkwyk
- Melissa Sonberg
- Donald Streuber
- Edward Warkentin

Non-Independent Directors are:

- Duncan Jessiman (Executive Vice-Chair)
- Michael Pyle (CEO)

Donald Streuber, FCPA, FCA, is the Chair of the Board and is an Independent Director.

The newly nominated Director, Barb Gamey, if elected by Shareholders at the Meeting, will also be an Independent Director.

The Independent Directors hold regularly scheduled in-camera meetings without management and the non-Independent Directors. These in-camera meetings take place at a minimum at all quarterly Board meetings and specially scheduled meetings. In the year ended December 31, 2022, six such in-camera meetings were held by the Independent Directors.

Board Mandate

The mandate of the Board provides that the Directors must act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Corporation is required to have a minimum of one Director and a maximum of 15 Directors.

The Board has adopted the Board Mandate. The full text of the Board Mandate is attached as Schedule “A” to this Circular.

Position Descriptions

The Board has developed written position descriptions for the Chair of the Board as well as for the Chair of the Audit Committee. The duties of the Chairs of the other committees of the Board are set forth in the charters of each of the other committees of the Board. The Board has also developed a written position description for the CEO of the Corporation.

Ethical Business Conduct

The Corporation has adopted a Code of Ethics, an Insider Trading Policy, a Disclosure Policy, a Conflict of Interest Policy, a Whistleblower Policy, and an Anti-Bribery and Anti-Corruption Policy. Every Director, officer and employee of the Corporation and its subsidiaries receives a copy of these documents upon commencement of employment with the Corporation or a subsidiary, as applicable. The Code of Ethics is monitored by the Governance Committee. A copy of the Code of Ethics may be obtained by any person on the Corporation’s website (www.ExchangeIncomeCorp.ca).

The board did not grant any waivers of the Code of Ethics to executive officers or directors in 2022.

The Board Mandate provides that Directors must understand conflict of interest issues and declare all real or perceived conflicts, and disclose contracts or arrangements with the Corporation or any of its subsidiaries in which a Director has an interest. The by-laws of the Corporation provide that each Director must disclose the nature and extent of his or her interest in a contract or transaction or proposed contract or transaction in which he or she has an interest in the manner provided by the Canada Business Corporations Act.

Other Directorships

For a summary of the Directors who are currently directors or trustees of other reporting issuers, see “*Particulars of Matters to be Acted Upon at the Meeting – Election of Directors*”.

The Board has adopted a policy to limit the number of outside public company directorships that may be held by Directors to two for Directors holding full-time executive positions and to four for other Directors.

There are currently no common memberships on boards of other public companies among the Directors.

Director Term Limits

The Board does not believe arbitrary term limits for Directors are appropriate nor does it believe Directors should be required to retire from the Board upon reaching a certain age. The Board believes imposing term limits on Directors or a mandatory retirement age could result in the loss of the

Corporate Governance

contribution of Directors who have valuable experience and qualifications as Directors and who have developed, over a period of time, insight and perspective into the Corporation and its businesses.

The Board relies upon the annual formal Board, committee, and Director assessments for evaluating performance as described under “*Governance Committee*”. Accordingly, the Board has not adopted a policy imposing term limits on Directors or imposing a mandatory retirement age for Directors.

Diversity of Board and Executives

The Board’s formal policy on diversity (“**Board Diversity Policy**”) is summarized below.

The Board believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures the Corporation has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

The Corporation seeks to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills and backgrounds. The skills and backgrounds collectively represented on the Board should reflect the diverse nature of the business environment in which the Corporation operates. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender, visible minorities, ethnicity and Aboriginal status, and persons with disabilities. The Board works towards having Directors that are women, Aboriginal peoples, persons with disabilities and members of visible minorities, as such terms are defined in the *Employment Equity Act* (Canada) (each a “**Designated Group**”). At this time, the Board seeks to maintain a Board in which each gender represents at least 30% of the Board. The Board has not set a specific target as to the number of Aboriginal peoples, members of visible minorities or persons with disabilities on the Board.

The Corporation is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias and discrimination. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, the Corporation will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board.

The Corporation will periodically assess the expertise, experience, skills and backgrounds of its Directors in light of the needs of the Board, including the extent to which the current composition of the Board reflects a diverse mix of knowledge, experience, skills and backgrounds.

Any search firm engaged to assist the Board or a committee of the Board in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates.

Annually, the Board or a committee of the Board will review its Board Diversity Policy and assess its effectiveness in promoting a diverse Board, including the goal of having each gender represent at least 30% of the Board.

The Board is also receptive to increasing the number of members of Designated Groups in executive officer positions with the Corporation, taking into account the particular skills, background, experience and knowledge required for the particular executive officer position. When the Board and members of management conduct searches for potential new executive officers, they always attempt to review a diverse range of candidates, including candidates that are members of Designated Groups and consider the representation of members of Designated Groups in executive officer positions with the Corporation. However, at this time, the Board has not set a specific target as to the number of members of Designated Groups in executive officer positions as promotions and new hires to executive officer positions are based solely on merit and achievements within the Corporation for promotions or achievements external to the Corporation for new hires. In addition, the Board assesses executive officer candidates on a case by case basis and does not believe that strict adherence to a target ultimately results in the best executive officers being hired.

Currently, three of the ten Directors are women, representing 30% of the Board. If the Shareholders approve the appointment of the ten Directors nominated by the Board, three of the ten Directors of the Corporation will be women, representing 30% of the Board. Currently, two of the ten executive officers of the Corporation are women, representing 20% of the executive officers of the Corporation, including the President of the Corporation and the Corporate Secretary of the Corporation. The Board considers the level of diversity, gender and otherwise, on the Board and in senior management to be acceptable.

Currently, none of the Directors of the Corporation are Aboriginal peoples, members of visible minorities or persons with disabilities. Currently 20% of the executive officers of the Corporation are Aboriginal peoples, members of visible minorities or persons with disabilities.

Nomination of Directors

The Governance Committee is responsible for the nomination of Directors. The Governance Committee consists solely of Independent Directors. The Governance Committee is responsible for, among other things, reviewing the size and composition of the Board and recommending candidates for election to the Board. Each year, the Governance Committee carefully examines the composition of the Board, including issues relating to its size, and balances factors such as age, geographical, professional and industry representation, gender, and other areas of diversity. To assist in this process, the Governance Committee maintains a matrix of the major competencies and expertise contributed by each Director to the Board's needs. If the Governance Committee concludes the Board would benefit from a new Director, the Governance Committee will endeavor to find an appropriate candidate for nomination.

New Directors may be proposed by the Governance Committee following a search to identify appropriate candidates. If the Governance Committee determines a proposed Director is worthy to become a Director, then the decision as to whether or not to appoint such a Director is taken to the Board as a whole.

Orientation and Continuing Education

The Board and management of the Corporation have established an orientation and education program for new Directors and new committee members regarding the role of the Board, its committees as well as the nature and operation of the Corporation's business. New Directors are provided with sufficient information to enable them to become familiar with the Corporation, its issues, business and operations, including meetings with the Chair of the Board, Chair of the Governance Committee and senior management. Care is taken to ensure new Directors understand the roles and responsibilities of the Board and its committees, as well as the commitment level the Corporation expects of the Directors. New Directors are also appointed a mentor from the Board to assist with their new role on the Board.

The Governance Committee is also charged with ensuring continuing education opportunities are available to all Directors as appropriate. Each year, Directors are surveyed to identify their priority topics and the Governance Committee works with management to incorporate these into its planning for the following year.

Presentations from a combination of management and external parties are made to the whole Board throughout the year. Presentations in the past year to the Board at Board meetings or special sessions around Board meetings included: updates on the effects of the COVID-19 pandemic on the Corporation's operations, acquisitions, capital management, succession planning, enterprise risk management analysis, cybersecurity risks and mitigation, tax, aviation initiatives, communication and stakeholder engagement initiatives, and environmental, social and governance initiatives. For 2022, all Board members were present for these presentations. On a rotational basis over approximately 12 to 18 months, the management of each subsidiary presents to the Board a fulsome overview of their business. The Board also schedules site visits where some or all of the Directors visit the operations of a subsidiary. During 2022, board members visited the legacy aviation operations of the Corporation located in Winnipeg, Manitoba.

The Corporation is a member of the ICD and all Directors have access to the educational programs and regular updates on current governance issues provided by this organization. Several directors

Corporate Governance

participated in ICD and external advisors' webinars and seminars on topics such as business ethics, executive compensation, cybersecurity, human capital management, climate change and corporate governance, sustainable development, and international financial reporting standards updates.

Board, Committee and Director Performance Reviews

Annually the Governance Committee conducts a review of the effectiveness of the Board and committees, which is outlined more fully below. This process includes a peer review for each Director, who meets with the Chairs of the Board and the Governance Committee to discuss the results. For 2022, this review and the individual meetings took place in the fourth quarter. The Governance Committee report was presented at the in-camera Board meeting in the first quarter of 2023.

Compensation

For a description of the Compensation Committee and its duties and activities, see "*Executive Compensation – Compensation Discussion and Analysis*".

Director Share Ownership Policy

Many Canadian public corporations have adopted mandatory minimum share ownership requirements for board members. It is important to the Corporation the Directors are seen to have "aligned" their personal interests with the Shareholders by owning Shares and/or Deferred Shares. The Corporation adopted a Director Share Ownership Policy effective November 12, 2012, which was amended in February 2016 and January 2023 and has the following requirements:

- (a) the minimum shareholding requirement for all Directors is set at three times the amount of the annual retainer paid to Directors;
- (b) the minimum shareholding requirement for the Chair of the Board includes the additional retainer received as the Chair;
- (c) the additional retainers for committee chairs are not included in the calculation of the minimum Share ownership requirements;
- (d) committee members who are not Directors are not included in the Director Share Ownership Policy;
- (e) in determining the value of Shares held by a Director under the Director Share Ownership Policy, the value of Deferred Shares is included. In addition, the value of any Shares held in entities in which the Director has a beneficial interest is included where such holdings are reported in the Annual Information Form;
- (f) a Director has five years from the date of appointment to the Board to meet the initial shareholding requirements. Similarly, should the retainer be increased, a Director will have five years to meet the increased shareholding requirement;
- (g) a Director is required to take a minimum of 50% of his or her annual retainer as Deferred Shares until their Share ownership requirement is achieved; and
- (h) once the required shareholding level is met by a Director, he or she is not required to increase his or her shareholdings owing to any decline in the price of Shares.

Effective January 1, 2023, the Board made changes to their fee structure and annual retainer amounts as described in "*Director Compensation Discussion*". As a result, the minimum shareholding requirements, consisting of Shares and/or Deferred Shares, for the Chair of the Board and the other Directors as of the date of this Circular is as follows:

	Annual Retainer Amount	Multiple	Required Share Ownership
Chair of the Board	\$275,000	3 times	\$825,000
Director	\$ 175,000	3 times	\$525,000

Environmental, Social and Governance Matters



The Board understands effective management of ESG matters is both consistent with the Corporation's core values and critical to its long-term success. The Board also recognizes that further integrating ESG matters and responsible business practises into the Corporation's operations and culture will contribute to long-term Shareholder and stakeholder value.

ESG encompasses how the Corporation governs its business, minimizes its environmental impacts, invests in and supports its employees, serves its customers, engages with its communities and reports about its performance.

The Corporation is committed to implementing, maintaining, and expanding systems and programs to manage those risks. As part of this commitment, the Corporation enhanced its oversight of ESG issues. The Corporation placed primary responsibility for oversight and coordination of ESG matters with the Governance Committee. As data privacy and cybersecurity require specialized oversight, that responsibility has been assigned to the Audit Committee. Executive compensation, which includes ESG performance measurements, is the responsibility of the Compensation Committee.

The Corporation also assigned operational responsibility of ESG issues to a senior member of its executive team and engaged an ESG advisory firm to help the Corporation develop and execute a strategy to improve ESG performance and reporting.

In 2021, the Corporation conducted a materiality assessment to identify and prioritize the sustainability issues that are most important to its business and key stakeholders. The results of the materiality assessment are now being used as a tool to help establish sustainability priorities and action plans for ESG program development. As part of this process, the Corporation reviewed and/or updated a number of sustainability-related policies. The policies are available on the website at: www.exchangeincomecorp.ca.

As more fully described under "Executive Compensation" in this Circular, the Corporation's executive compensation program rewards executives for successfully executing on the Corporation's strategy, which includes ESG priorities.

By taking these steps, the Corporation believes it creates meaningful value for its stakeholders:

Customers	<ul style="list-style-type: none"> The Corporation provides essential services and niche products safely to its customers.
Employees	<ul style="list-style-type: none"> Recognizing the positive impact employees make at the Corporation and also for its customers and communities, the Corporation maintains a safe and healthy work environment, attracts and develops talent, creates growth and development opportunities, and drives a diverse and inclusive culture.
Communities	<ul style="list-style-type: none"> The Corporation is committed to helping create positive social and economic impact in the communities where it operates and plays an essential role in the areas of the environment, diversity and inclusion, inclusive economic growth and prosperity and building a more sustainable economy.
Shareholders	<ul style="list-style-type: none"> Through strong governance, the Corporation enhances Shareholder value and delivers a robust capital position and balance sheet.

In 2022, the Corporation took the following meaningful actions to advance its ESG strategies:

Environment

Climate change is one of the most pressing issues of the Corporation's age. The Corporation is committed to holding itself accountable; informing and inspiring a sustainable future; and advancing carbon reduction leadership in our operations. In 2022, the Corporation implemented a system to record, measure, and report its carbon footprint. In addition, the following actions occurred in 2022:

- Advanced discussions with several suppliers for possible alternate power sources for aircraft operated;
- Formed an internal committee with a mandate to review and analyze intensity based emissions within our aviation and aerospace segment to assist with goal setting;
- Applied for membership and was invited to attend Canadian Sustainable Aviation Fuel (C-SAF) discussions; and
- Sourced an efficiency review at Northern Mat Holdings Corporation.

Corporate Governance

Social

The COVID-19 pandemic and other contemporaneous events have shone a spotlight on systemic racism in society. The Corporation is committed to being a leader in diversity and inclusion, within its own operations, with suppliers and in the communities served by the Corporation. Additionally, the Corporation's approach to community investment focuses on helping to address significant societal issues and creating more inclusive opportunities for communities to thrive. In 2022, the Corporation:

- Announced Atik Mason Pilot Pathway program;
- Announced \$1 million donation to the Health Science Centre in Winnipeg, Manitoba.
- Sourced and delivered reconciliation training to 100% of Directors, executive officers and senior management to support Indigenous relationships and programs with the Corporation;
- Sourced and delivered unconscious bias training to 100% of Directors, executive officers and senior management to support diversity, equity, and inclusion efforts in the Corporation's workforce;
- Introduced several labor initiatives to develop workforce talent;
- Provided VIP experiences wherein youth from remote communities experience professional sporting events as an incentive to stay in school and to support mental health and bring awareness to the Truth and Reconciliation Commission (TRC);
- Sponsored educational programs promoting careers in aviation for youth and Indigenous peoples;
- Undertook a process to report diversity and inclusion metrics; and
- Expanded the Corporation's "Life in Flight" program for aircraft maintenance engineers at additional satellite locations.

Governance

Good governance is fundamental to the Corporation's business, and it underpins everything that it does. The Corporation's approach to governance is covered in detail throughout this circular. The highlights listed below focus on the Corporation's ESG initiatives in 2022:

- Completed annual review of the Corporation's Code of Ethics;
- Review and oversight of ESG program development;
- Review of cybersecurity risks and mitigations;
- Approval of the CEO compensation which considered ESG practices as part of the evaluation of performance against objectives in short-term incentive;
- Review of tax disclosure;
- Sourced and delivered anti-bribery and anti-corruption training to 100% of applicable individuals;
- Updated privacy policy applicable to the Corporation and all subsidiaries; and
- Various cybersecurity management frameworks implemented.

Stakeholder Engagement

Continuous and open dialogue with Shareholders and other stakeholders is a key priority for the Corporation. The Board encourages all stakeholders to provide timely and meaningful feedback, facilitates constructive engagement and regularly reviews the Corporation's engagement with Shareholders and stakeholders for alignment with best practices.

There are many ways people can engage with the Corporation and access important information:

- Stakeholders can communicate with the Directors or the Chair of the Board as described on the Corporation's website.
- The CEO and other members of the executive, senior management, and investor relations meet regularly with financial analysts, investors, and other stakeholders.
- Investor relations is responsible for communicating with the public on behalf of the Corporation.
- The Corporation broadcasts its quarterly earnings calls with analysts live and archives them on the Corporation's website for a period of three months after each call. Shareholders can also participate in the Corporation's annual meeting of Shareholders in person, or via live webcast, as applicable, which is also archived on the Corporation's website until the next annual meeting.



Board Committees

The Board fulfills its role directly and through committees to which it delegates certain responsibilities. The Board and its committees are focused on the continued improvement of governance principles and practices. Maintaining a leadership position in corporate governance requires constant review of these principles and practices to be sure they meet or exceed evolving best practices and regulatory guidance.



Governance Committee

The Governance Committee of the Corporation is responsible for developing, on behalf of the Corporation, its corporate governance principles to foster a healthy governance culture at the Corporation and its subsidiaries. The Governance Committee is comprised of Melissa Sonberg (Chair), Donald Streuber, Bruce Jack, Edward Warkentin and Grace Schalkwyk, and all are Independent Directors.

The Governance Committee's key charter responsibilities include:

- (a) the development of, and compliance with, corporate governance policies and procedures;
- (b) recommending candidates for election to the Board and its committees;
- (c) assessing the management, development and effective performance of the Board, its committees, and its mandate and charter, and orientation, education and development of members of the Board; and
- (d) assisting the Corporation in ensuring new Directors receive proper education and orientation about the Corporation and its subsidiaries, and that on an ongoing basis, all Directors receive continuing education, including specific education for the members of the various committees of the Board, if required.

The Governance Committee believes it has fulfilled its responsibilities in the most recently completed financial year in the best interests of the Shareholders. In carrying out these responsibilities, the Governance Committee focused on the following initiatives to further improve the Corporation's governance processes and practices:

1. **Board Composition/Nominations:** Each year, the Governance Committee carefully examines the composition of the Board, including issues relating to its size, expertise and capabilities and considers factors such as age, geographic, professional and industry representation, gender, and other areas of diversity. A competency/skills matrix is developed which outlines areas of expertise and experience of each Director. The Governance Committee develops a list of potential candidates, generated through individual referrals and accessing the referral resources of organizations such as the ICD, who possess the skills and experience required to meet the Corporation's business needs and further the objectives of the Board Diversity Policy outlined above.
2. **Improving Board and Committee Processes:** Each member of the Board and/or its committees assesses the adequacy and timeliness of information provided to the Board or committee, the quality of communication between the members and management of the Corporation and the strategic direction and processes of the Board or committee. A summary report is provided by the Governance Committee to the Board as a whole.
3. **Performance of the Board, Committees and Directors:** The Chair of the Board and the Chair of the Governance Committee meet with each Director to discuss his or her views about the effectiveness of the Board and its committees and contributions of individual Directors. Questionnaires are circulated to each Director and the results are compiled which relate to the Board, its committees and each individual Director's performance (i.e. peer review). The compiled results are used as a basis for discussion in the meetings between each Director and the Chair of the Board and the Chair of the Governance Committee.

The Board and its committees continually evaluate and improve the corporate governance policies and procedures of the Corporation.



Audit Committee

For a discussion of the Audit Committee please see the Annual Information Form, which is available on SEDAR at www.sedar.com and will be provided free of charge upon request by any security holder of the Corporation.



Compensation Committee

For a description of the Compensation Committee, see *"Executive Compensation – Compensation Discussion and Analysis"*.



Disclosure and Competition Committee

The Disclosure and Competition Committee is currently comprised of: Duncan Jessiman (Chair), Michael Pyle and Adam Terwin (Chief Corporate Development Officer of the Corporation, not a Director). The composition of the Disclosure and Competition Committee is determined on an annual basis by the CEO of the Corporation. Mr. Terwin attended four of four meetings of the Disclosure and Competition Committee in 2022.

Corporate Governance

The Corporation has adopted a Disclosure and Competition Policy designed to ensure:

- (a) timely, accurate and balanced public dissemination of material information about the Corporation and its subsidiaries in accordance with all applicable legal, regulatory and stock exchange requirements;
- (b) protection of the Corporation's confidential information;
- (c) that all personnel of the Corporation and its subsidiaries are aware of the legal requirements to comply with competition law; and
- (d) that the Corporation and each of its subsidiaries are in compliance with the Disclosure and Competition Policy.

The purpose of the Disclosure and Competition Committee is to establish controls and procedures to ensure the Disclosure and Competition Policy of the Corporation is being followed throughout the organization. The Disclosure and Competition Committee meets at least quarterly but as frequently as circumstances require, and as the members deem necessary or appropriate, to carry out its responsibilities listed below:

- (a) assist in the design, establishment, maintenance, review and evaluation of the effectiveness of disclosure and competition controls and procedures to ensure that material information is made known to the Disclosure and Competition Committee and is able to be provided, processed, summarized and reported to the appropriate securities regulatory authority on a timely basis;
- (b) consider materiality of information received via the Corporation's disclosure and competition controls and procedures to determine the Corporation's disclosure and competition obligations on a timely basis;
- (c) assist in the preparation of each periodic report and earnings release (including management's discussion and analysis) of the Corporation and evaluate the clarity, accuracy and compliance of the information in such report or earnings release;
- (d) review with the assistance of counsel (a) any instances of fraud that involve management or other employees who have a significant role in the Corporation's disclosure and competition controls and procedures or internal controls that come to the attention of the members of the Disclosure and Competition Committee while carrying out their responsibilities and (b) any significant deficiencies in the design or operation of the Corporation's disclosure and competition controls and procedures and internal controls that could adversely affect the Corporation's ability to record, process, summarize and report financial and other material information to the appropriate securities regulatory authority; and
- (e) consider any such other matters, and take any such other actions, in relation to the Corporation's disclosure and competition controls and procedures, as the Disclosure and Competition Committee may, in its discretion, determine to be advisable to ensure that information required to be disclosed under the Disclosure and Competition Policy and by law is recorded, processed, summarized and reported on a timely basis.

The Disclosure and Competition Committee meets on a quarterly basis with the responsible person in each of its subsidiaries to review matters pursuant to the Corporation's disclosure and competition controls and procedures.



Aerospace & Aviation Sector Advisory Committee

The purpose of the Aerospace & Aviation Sector Advisory Committee is to act as a board of advisors to the operating entities in the aerospace and aviation sector of the Corporation. The Aerospace & Aviation Sector Advisory Committee consists of Brad Bennett (Chair), Donald Streuber, Michael Pyle, Duncan Jessiman, Grace Schalkwyk, Polly Craik and Melissa Sonberg.

The members of the Aerospace & Aviation Sector Advisory Committee shall:

- (a) demonstrate skills and experience that are complementary to the Aerospace & Aviation Sector Advisory Committee's charter and helpful with the current activities and strategic direction of the management of the aerospace & aviation subsidiaries of the Corporation; utilize external relationships and resources in making a contribution and adding value to the management of the aerospace and aviation subsidiaries; effectively apply their knowledge, experience and expertise to issues confronting the aerospace and aviation subsidiaries; and serve as a helpful resource to the management of the aerospace and aviation subsidiaries, where necessary and appropriate; and
- (b) maintain and demonstrate a comprehensive understanding of the strategic direction and annual plans of the management of the aerospace and aviation subsidiaries, including an understanding of the aerospace and aviation subsidiaries' principal risks; contribute and add value to discussions regarding the aerospace and aviation subsidiaries' strategic direction; participate in monitoring and evaluating the executive management's success in achieving established goals set out in the aerospace and aviation subsidiaries' strategic and annual plans; maintain and demonstrate a strong understanding of the aerospace and aviation subsidiaries' business, services/products, markets and operations; and maintain and demonstrate knowledge of important industry trends and the competitive environment.

Throughout the year the Aerospace & Aviation Sector Advisory Committee has met and discussed with management its thoughts relating to the various operations of the Corporation's aerospace and aviation subsidiaries. In 2022, discussions included: the acquisition of Advanced Paramedics Ltd.; 5 year strategic plans for the subsidiaries, assessments around potential efficiencies and synergies within the aerospace and aviation segment; and the impact of the COVID-19 pandemic, supply chain disruptions, on the aerospace and aviation subsidiaries, including various charter opportunities, safety protocols for customers and employees, levels of service, human capital management, and industry impacts.



Manufacturing Sector Advisory Committee

The purpose of the Manufacturing Sector Advisory Committee is to act as a board of advisors to the operating entities in the manufacturing sector of the Corporation. The Manufacturing Sector Advisory Committee consists of Edward Warkentin (Chair), Michael Pyle, Duncan Jessiman, Bruce Jack, Gary Buckley, Brad Bennett, Ray Moher (non-Director) and William Baines (non-Director). In order to provide additional experience to the Manufacturing Sector Advisory Committee, two non-Director individuals, Ray Moher and William Baines, have been appointed to the Manufacturing Sector Advisory Committee. Mr. Moher was appointed to the Manufacturing Sector Advisory Committee in 2008 and Mr. Baines was appointed on February 1, 2015. Mr. Moher is the President of WBM GP Inc., a wholly-owned subsidiary of the Corporation, and the general partner of Water Blast Manufacturing LP, a wholly-owned subsidiary of the Corporation. Mr. Moher attended three of four meetings of the Manufacturing Sector Advisory Committee in 2022. Mr. Baines brings many years of experience on both community and corporate boards and over 40 years of business experience in telecom, manufacturing and digital services. Mr. Baines is the former President and CEO of AML Wireless Networks Inc., OMT Technologies Inc., Intertain Media Inc., and former President and Chief Operating Officer of Manitoba Telecom Services (MTS). Mr. Baines has a degree in engineering, an MBA and his ICD.D designation from the Institute of Corporate Directors. Mr. Baines attended four of four meetings of the Manufacturing Sector Advisory Committee in 2022.

The members of the Manufacturing Sector Advisory Committee shall:

- | | |
|---|---|
| <p>(a) demonstrate skills and experience that are complementary to the Manufacturing Sector Advisory Committee's charter and helpful with the current activities and strategic direction of the management of the manufacturing subsidiaries; utilize external relationships and resources in making a contribution and adding value to the management of the manufacturing subsidiaries; effectively apply their knowledge, experience and expertise to issues confronting the manufacturing subsidiaries; and serve as a helpful resource to the management of the manufacturing subsidiaries, where necessary and appropriate; and</p> | <p>(b) maintain and demonstrate a comprehensive understanding of the strategic direction and annual plans of the management of the manufacturing subsidiaries, including an understanding of the manufacturing subsidiaries' principal risks; contribute and add value to discussions regarding the manufacturing subsidiaries' strategic direction; participate in monitoring and evaluating the executive management's success in achieving established goals set out in the manufacturing subsidiaries' strategic and annual plans; maintain and demonstrate a strong understanding of the manufacturing subsidiaries' business, services/products, markets and operations; and maintain and demonstrate knowledge of important industry trends and the competitive environment.</p> |
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Throughout the year the Manufacturing Sector Advisory Committee has met and discussed with management its thoughts relating to the various operations of the Corporation's manufacturing sector companies. In 2022, discussions included: the acquisitions of Northern Mat Holdings Corporation; 5 year strategy plans for the subsidiaries, the impact of the COVID-19 pandemic on the manufacturing subsidiaries including supply chain management, the impact of inflation on operations, safety protocols, vaccine mandates, human capital management, and other industry impacts.

Assessments

The Board, the committees thereof and the individual Directors are assessed regularly as described above under "Corporate Governance - Governance Committee". Reviews are conducted annually and include both surveys and individual meetings.

EXECUTIVE COMPENSATION

In 2022, the Corporation continued to lead with purpose in creating long-term value for its customers, employees, communities and Shareholders. The Corporation is a diversified, acquisition-oriented corporation focused on opportunities in aerospace, aviation, and manufacturing. The objectives of the Corporation are: i) to provide Shareholders with stable and growing dividends; ii) to maximize Shareholder value through ongoing active monitoring of and investment in its operating subsidiaries; and iii) to continue to acquire additional businesses or interests therein to expand and diversify the Corporation's investments. The Corporation is built to perform through economic cycles while actively pursuing opportunities for growth. The Corporation's strength and resilience is rooted in its principles of diversification, discipline, delivering dividends and supporting its communities.

Table of Contents – Executive Compensation:

Defined Terms	39
Named Executive Officers	39
Compensation Discussion and Analysis	39
Components of Compensation	40
Compensation Committee	43
CEO Compensation Discussion	46
Named Executive Officers Compensation Summary	50
Incentive Plan Awards Summary	51
Termination and Change of Control Benefits Discussion	55
Director Compensation Discussion	56

The Compensation Committee works diligently on behalf of Shareholders to ensure the Corporation's executive compensation programs are aligned with performance designed to retain top talent and motivate the senior leaders to bring the Corporation's vision, values, and strategy to life.

Set out below is the Corporation's approach to executive compensation for 2022. The decisions on executive compensation were guided by the Corporation's compensation philosophy and principles and reflect the Corporation's ongoing focus of driving sustainable growth and creating long-term value for all stakeholders it is privileged to serve.

The strength and resilience of the Corporation's operations, which include talented and excellent management teams, a strong balance sheet and a diversified business model, shaped the Corporation's success in 2022. During the year, the Corporation invested in its existing businesses and acquired new businesses and contracts, generated record highs in virtually every financial metric, increased its dividend twice, improved payout ratios, and supported its employees, customers, and communities it serves through various programs. The model is simple, concise, and powerful. The key to the success is driven by consistent execution which was evident in 2022.

CEO 2022 Performance and Compensation

CEO aggregate compensation paid to Mr. Pyle for the 2022 financial year was \$4,213,596, up 30% from 2021 and 143% of the 2022 target. The 30% year over year increase in total compensation reflects the exceptional financial performance of the Corporation against a challenging macroeconomic environment and Mr. Pyle's strong leadership in creating value and long-term growth for the Corporation's customers, employees, communities, and Shareholders. For a detailed description of the Corporation's performance evaluation of Mr. Pyle see "*CEO Compensation Discussion*".

Total compensation for Named Executive Officers was determined by the CEO with similar logic resulting in 144% payouts being awarded for short-term incentives and long-term incentive awards of approximately 130% of the 2022 target.

DEFINED TERMS

In this section entitled “Executive Compensation”, the following capitalized terms have the meanings ascribed to them below:

Named Executive Officer or “NEO”	means the following individuals: a) each Chief Executive Officer (“CEO”) of the Corporation (or person acting in a similar capacity) for any part of the most recently completed financial year of the Corporation; b) each Chief Financial Officer (“CFO”) of the Corporation (or person acting in a similar capacity) for any part of the most recently completed financial year of the Corporation; c) each of the three most highly compensated executive officers of the Corporation, including any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year of the Corporation whose total compensation was, individually, more than \$150,000; and d) any additional individual who would be a Named Executive Officer under (c) but for the fact that the individual was not serving as an executive officer of the Corporation or any of its subsidiaries, nor acting in a similar capacity, as at the end of the most recently completed financial year.
Option-Based Award	means an award under an equity incentive plan of options, including, for greater certainty, Share options, Share appreciation rights, and similar instruments that have option-like features.
Share-Based Award	means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, share equivalent units, and stock.

NAMED EXECUTIVE OFFICERS

During the most recently completed financial year, the Corporation had six Named Executive Officers: (i) Michael Pyle, the Corporation’s Chief Executive Officer; (ii) Richard Wowryk, the Corporation’s Chief Financial Officer; (iii) Darryl Bergman, the Corporation’s former Chief Financial Officer; (iv) Carmele Peter, the Corporation’s President; (v) Doron Marom, Chief Executive Officer of Regional One, Inc., a wholly-owned subsidiary of the Corporation; and (vi) Hank Gibson, President of Regional One, Inc., a wholly-owned subsidiary of the Corporation.

COMPENSATION DISCUSSION AND ANALYSIS

The philosophy of the Board is that if the Corporation is successful, the employees and management of the Corporation and its subsidiaries should be rewarded through cash bonuses, long-term variable compensation or combinations of any or all of the foregoing. The goal of the Compensation Committee of the Corporation in making compensation recommendations is to recognize and reward individual performance as well as to provide a fair and competitive industry level compensation, taking into consideration the individual’s experience and performance and the financial performance of the Corporation.

The Compensation Committee also periodically independently retains external consultants to review compensation matters. The Compensation Committee has reviewed industry compensation information provided by consultants and compares its level of overall compensation with those of comparably-sized entities. Comparable executive compensation comes from executive management surveys which are chosen based on similarity to the Corporation. Comparable positions are identified based on publicly available information on such entities. A summary of this information is provided to the Compensation Committee to assist in approving the Corporation’s overall compensation policy and the compensation to be paid, particularly to senior management.

Compensation Discussion and Analysis

The Compensation Committee views total compensation as a linked strategy towards achieving overall performance targets and has designed a total compensation package of short-term and long-term compensation with fixed and variable compensation components. In 2022, the compensation program for senior management of the Corporation consisted of annual salary, cash bonuses, indirect compensation, and participation in the Deferred Share Plan, RSU Plan or the ESPP. No individual can participate in the ESPP if they participate in the Deferred Share Plan or the RSU Plan.

The combination of short-term and long-term incentive compensation structures are designed by the Compensation Committee, along with individual-based evaluations of Named Executive Officers, to consider the exposure associated with any individual taking inappropriate or excessive risks that could have a material adverse effect on the Corporation. As a result, if certain unreasonable and unauthorized risks were identified then the Compensation Committee and the Board would penalize the individual(s) accordingly. The goals identified, specifically for the CEO, are designed to align with the interests of the Shareholders. It should be noted that non-Independent Directors, being Michael Pyle and Duncan Jessiman, do not vote and are excused from Board and committee meetings with respect to compensation matters affecting them.

The majority of compensation paid to the Corporation's senior executives is variable and at risk. Pay mix varies based on the ability of the executive to influence short and long-term business results. The average mix of total direct compensation by level, based on target pay, is summarized below. The actual pay mix for individuals may be different depending on business and individual performance.

CEO Target Compensation Mix

Other NEO Target Compensation Mix



COMPONENTS OF COMPENSATION

The components of the compensation paid to Named Executive Officers by the Corporation include an annual salary, cash bonus, grants of Deferred Shares under the Deferred Share Plan and grants of RSUs under the RSU Plan as well as certain indirect compensation, all as summarized below.

Annual Salary	Incentive Compensation		
	Short-Term	Long-Term	
Base Pay and Benefits	Cash Bonus	Deferred Share Plan	RSU Plan

Annual Salary

Annual salary is intended to provide a competitive rate of compensation and recognize the skills, competencies and level of responsibility of the NEOs. Generally, the Compensation Committee targets base salaries at levels approximating those of individuals holding similar positions in public issuers of comparable size and complexity (as outlined above) and hopes to achieve targeted total compensation levels through other fixed and variable compensation components. The base salaries are reviewed annually.

Incentive Compensation

The Corporation utilizes short-term and long-term incentive programs to compensate its employees and to align their interests with those of Shareholders. Incentives are broken down between long-term and short-term to reward senior management for working to maximize both the immediate and long-term value of the Shares. All incentive compensation is at risk for any NEO of the Corporation.

Short-term incentive plans are paid through a cash bonus program. Long-term incentives utilize the Deferred Share Plan and the RSU Plan. The Corporation also has the ESPP which would be a long-term incentive program but generally this is not applicable for the Named Executive Officers of the Corporation who already participate in the Deferred Share Plan and/or RSU Plan.

The Compensation Committee determines the amount payable to the CEO. The CEO determines the amount payable to the Named Executive Officers other than himself (the “**Other Named Executives**”). He uses similar criteria to those described below under “Short-Term Incentive Compensation” and “Long-Term Incentive Compensation”, but adjusts the percentages allocated as he feels necessary to encourage and reward performance. The Compensation Committee approves in aggregate the compensation for the Other Named Executives as well as certain other officers of the Corporation and its subsidiaries.

Short-Term Incentive Compensation

Short-term incentive compensation is paid through a cash bonus program and the incentive is paid out to the Other Named Executives based on the financial performance of the Corporation, the achievement of certain personal short-term goals and other qualitative performances over the period.

The Compensation Committee has defined short-term goals for the CEO of the Corporation and these are described further in the “*CEO Compensation Discussion*” below.

The short-term compensation of Other Named Executives is based on a similar set of criteria to that of the CEO, but is weighted differently depending on the areas of responsibility of the particular Other Named Executive. The quantitative portion of the program is based on the results of the Corporation and/or the specific results of the area of operation for which the Other Named Executive is responsible. The qualitative factors for each Other Named Executive is determined by the CEO, in consultation with the Chair of the Compensation Committee. Depending on the individual and his/her responsibility, certain areas of focus for the year are specified and are assessment criteria used to rate the performance of each Other Named Executive.

The short-term incentive for any NEO is at risk and could be nil in any given period based on the results of the Corporation and of his/her performance assessment.

Long-Term Incentive Compensation

The Corporation utilizes the Deferred Share Plan and RSU Plan to align the interests of NEOs with those of its Shareholders. Both of these programs are centered around motivating long-term growth in Share value. These programs are described further below in the Share-Based Awards discussion. The Corporation has historically not utilized any security option programs.

The size of the grant for the Deferred Share Plan and the RSU Plan are determined annually in reference to a target grant level based on a performance against annual corporate objectives as described in “*CEO Compensation Discussion*” below.

The Corporation approved the RSU Plan in 2018 and the RSU Plan is now the primary long-term incentive program used for NEOs unless an individual has not reached the mandatory minimum share ownership requirements, in which case the NEO will be required to be paid at least 50% of that NEO's long-term incentive compensation in Deferred Shares.

The long-term incentive for any NEO is at risk and could be nil in any given period based on the results of the Corporation and of his/her performance assessment.

Components of Compensation

Share-Based Awards

Deferred Share Plan Summary (Equity Settled)

The Corporation's long-term incentive compensation includes the Deferred Share Plan pursuant to which NEOs are granted Deferred Shares. The Compensation Committee determines the amounts granted to the CEO. The amounts granted to the Other Named Executives are determined by the CEO and are approved in aggregate by the Compensation Committee.

The size of the grant is determined based on a dollar amount which is divided by the market price of the Shares as determined at the date of the grant to arrive at the number of Deferred Shares granted. Prior grants are taken into account when making new grants. For the purposes of the Deferred Share Plan, the market price of the Shares is the average of the closing prices of the Shares (or if the Shares are not traded on a trading day, the average of the closing bid price and the closing ask price) on the TSX for the ten trading days immediately preceding such date.

The Deferred Shares are subject to escrow and vest evenly over a three year period unless the participant has reached the age of 55 and has been a Director, officer or employee of the Corporation or an affiliate of the Corporation for a period of not less than ten years, in which case the Deferred Shares vest immediately.

The Deferred Share Plan entitles a participant to receive dividends in the form of additional Deferred Shares at the same rate as a Share until the Deferred Shares are redeemed in Shares. The Corporation currently pays a dividend on its Shares equal to \$0.21 per month (\$2.52 annualized).

On redemption, the Corporation issues Shares from treasury equal to the number of Deferred Shares that have vested.

For details of the Deferred Share Plan, see "*Securities Authorized Under Equity Compensation Plans*".

RSU Plan Summary (Cash Settled)

The Corporation's long-term incentive compensation includes the RSU Plan pursuant to which NEOs are granted RSUs. The Compensation Committee determines the amounts granted to the CEO. The amounts granted to the Other Named Executives are determined by the CEO and are approved in aggregate by the Compensation Committee.

The size of the grant is determined based on a dollar amount which is divided by the market price of the Shares as determined at the date of the grant to arrive at the number of RSUs granted. Prior grants are taken into account when making new grants.

The RSUs have a cliff vesting feature and vest on or around December 15th of the year that is two years following the grant date (this is effectively a three-year vesting period working within the calendar year) unless an earlier vesting date is specified by the Board. If RSUs are granted to an individual recently hired and unrelated to prior service, these RSUs will vest in three years from the grant. There are other situational vesting conditions that exist as described in the "*Executive Compensation – Incentive Plan Awards Summary – RSU Plan*" section of this Circular.

The RSU Plan also includes a claw back feature which can lead to the cancellation of unvested or vested and unpaid RSUs and the recovery of any amounts paid as a result of the redemption of vested RSUs during the 24 months preceding the date.

The RSU Plan entitles a participant to receive dividends in the form of additional RSUs at the same rate as a Share until the vesting date. The Corporation currently pays a dividend on its Shares equal to \$0.21 per month (\$2.52 annualized).

On redemption, a participant receives the cash equivalent of the market value of the RSUs based on the market value of the Corporation's Shares at the vesting date.

For details of the RSU Plan, see “*Executive Compensation – Incentive Plan Awards Summary – RSU Plan*”.

Indirect Compensation

The Corporation’s indirect compensation for the Named Executive Officers includes benefits and other perquisites. The benefit programs include general group life, health and dental programs and are considered comparable with other companies. The other perquisites are individual-based but include cost recovery for expenses such as car expenses and club memberships.

The Corporation does not have a pension plan.

The Corporation does not issue any Option-Based Awards to its Named Executive Officers.

COMPENSATION COMMITTEE

The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibilities in relation to setting the compensation of Directors, the Chief Executive Officer and the officers that report directly to the Chief Executive Officer, including the Other Named Executives (collectively, the “Senior Executives”) and overseeing the plans for:

- compensation, development and retention of employees;
- succession planning for the Chief Executive Officer and the Senior Executives; and
- general compensation and human resource policies and issues.

The Compensation Committee currently consists of Gary Buckley (Chair), Brad Bennett, Melissa Sonberg and Edward Warkentin, all of whom are Independent Directors. The Compensation Committee members all bring experience from their own business operations in a variety of industries which are used along with professional consultation services obtained from outside professionals. All of the members of the Compensation Committee have been on the Compensation Committee for multiple years. All members understand the objectives of the Compensation Committee and the direction of the Corporation as acting members of the Board.

The Corporation has adopted a charter for the Compensation Committee which sets out the composition of the Compensation Committee as well as its responsibilities, duties, principles and procedures.

Following review of data and discussion by members of the Compensation Committee, recommendations are made by the Compensation Committee to the Board for their consideration and approval. The Compensation Committee meets at least twice per year to fulfill its mandate. Non-Independent Directors, being Michael Pyle and Duncan Jessiman, do not vote and are excused from Board and committee meetings with respect to compensation matters affecting them.

The Compensation Committee considers the time, commitment, risks and responsibilities of the Directors and Senior Executives and takes into account the types of compensation and the amounts paid to the directors and senior management of comparable publicly traded Canadian issuers.

In accordance with its charter and in consultation with the CEO and outside advisors (Hugessen), the Compensation Committee undertook a number of key activities in 2022, including:

- determined the recommended compensation for the CEO, the Executive Vice-Chair and the Board;
- evaluated the performance of the CEO; and
- reviewed the planned aggregate compensation of other members of the Corporation’s senior management team outside of the Named Executive Officers.

The Compensation Committee meets without management present at each of its meetings. On occasion, the CEO has been invited to attend a meeting but is always excluded from the Compensation Committee’s decision making.

Compensation Committee

The Board considered the compensation decisions of the Compensation Committee for the 2022 period and it is satisfied with those decisions as being fair and reasonable given the performance of the Corporation.

Compensation Governance

Succession Planning

The Corporation has a succession planning structure directed by the Chief Executive Officer and the Senior Executives, which goes down through the Corporation's head-office team and the senior members of management at each subsidiary. This is managed throughout the year but presented by the Chief Executive Officer and the Senior Executives to the Board annually as part of the Corporation's strategic planning sessions. This includes discussions around the strengths and areas for development of key succession candidates, progress of development over the last year and future development plans. The Board also reviews and discusses potential succession scenarios and assesses the potential successors. The process used by the Compensation Committee in relation to the management of succession planning for the Chief Executive Officer also includes a presentation to the Independent Directors annually at the Corporation's strategic planning sessions over the same topical areas but focused solely on the Chief Executive Officer position. The process includes not only a discussion of the management of executive talent but also a discussion of contingency and long-term succession plans for the Chief Executive Officer position.

Management Share Ownership Policy

The following describes the requirements of the CEO and certain senior executives of the Corporation regarding mandatory minimum share ownership requirements. The Compensation Committee reviews the executives' actual shareholdings annually to measure compliance with the policy.

- **CEO** – must beneficially own, directly or indirectly, Shares and/or Deferred Shares with a value of six times his/her base salary. Based on Mr. Pyle's base salary, his minimum share ownership is \$5,040,000 and the value of Mr. Pyle's holdings is \$10,985,346 as described above in his director profile. This minimum share ownership is based on his 2022 approved salary of \$840,000
- **Other Specified Executives** – must own, directly or indirectly, Shares and/or Deferred Shares with a value of two times his/her base salary. For newly hired executives or internally promoted executives, individuals will have a period of time to reach the ownership requirements.

Certain specified executives are required to take a minimum of 50% of his or her annual long-term incentive award value as Deferred Shares until their Share ownership requirement is achieved.

CEO Post-Retirement Shareholding Requirement

The CEO of the Corporation is required to hold one times his base salary in effect prior to his departure from the Corporation in Shares and/or Deferred Shares for a period of one year following his departure from the Corporation.

Anti-Hedging Policy

The CEO, along with all other employees of the Corporation, are required to follow the Corporation's Insider Trading Policy which prohibits speculation by insiders in the Corporation's securities. As a result, the CEO, along with all other employees of the Corporation, is prohibited from purchasing financial instruments that would be designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation or held, directly or indirectly. This includes all dealings in puts and calls, all short sales and all buying or selling on the market with the intention of quickly reselling or buying securities.

Claw Back Policy

In the event that the Corporation is required to prepare an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement and an officer who has received RSUs has engaged in serious misconduct, fraud or gross negligence that caused, or partially caused, the need for the accounting restatement and such officer would have received a lower RSU award had the financial results of the Corporation been properly reported, the Board can cancel any unvested or vested but unpaid RSUs and recover from such officer any amounts paid as a result of the redemption of vested RSUs during the 24 months preceding the date on which the Corporation is required to prepare the accounting restatement.

Say-on-Pay Vote

In determining the elements of the Corporation's executive compensation program and their related metrics, the Compensation Committee gives serious consideration to aligning the interests of executives and Shareholders. To further this alignment, the Corporation has voluntarily provided Shareholders the right to cast an advisory vote on the Corporation's approach to executive compensation. The Compensation Committee believes that this demonstrates the Corporation's commitment to strong corporate governance practices.

	For	Against	Total ⁽¹⁾	% in Favour
Previous Year Voting Results for Advisory Say-on-Pay	10,076,559	377,750	10,454,309	96.29%

Note:

- (1) One Shareholder did not vote for the resolution on "Say-on-Pay" resulting in a different total number of votes cast than the combination of the votes "For" and the votes "Against".

While Shareholders will provide their collective advisory vote, the Board remains fully responsible for its compensation decisions and are not relieved of these responsibilities by a positive advisory vote by Shareholders. The Corporation will disclose the results of the Say-on-Pay Vote as a part of its report on voting results for the Meeting.

In the event a significant number of Shareholders oppose the resolution, the Board will consult with its Shareholders, particularly those who are known to have voted against it, in order to understand their concerns and will review the Corporation's approach to compensation in the context of those concerns. Shareholders who have voted against the resolution will be encouraged to contact the Board to discuss their specific concerns. Support from Shareholders was overwhelmingly in favor of the Corporation's approach to executive compensation in the previous year's vote. The Corporation did not receive any specific concerns regarding its compensation practices from Shareholders in 2022.

Executive Compensation-Related Fees

Hugessen was engaged in 2017 to provide compensation consulting services relating to the Corporation's compensation policies for the CEO and certain other executives and 2018 was the first full period of implementation of the changes. The largest impact of Hugessen's recommendations was changing the method of providing long-term incentive compensation to the CEO and certain other executives from grants of Deferred Shares under the Deferred Share Plan to grants of RSUs under the RSU Plan. Since then, the Compensation Committee has engaged Hugessen for continued advice on the implementation of compensation policies and related disclosures made by the Corporation.

In early 2020, Hugessen assisted with the changes made to the Directors fee structure and amounts. The change is described in more detail in "*Executive Compensation – Director Compensation Discussion*", but the compensation structure changed to an all-inclusive pay model with no board meeting fees.

In 2021, Hugessen was engaged to provide advice on consideration of a one time, partial redemption of Deferred Shares by the senior management team. In conjunction with the one time, partial redemption of Deferred Shares, the CEO's shareholding requirement minimum was increased to six times his/her base salary.

Compensation Committee

In 2023, Hugessen was engaged to provide a report on the Corporation's board, CEO and named executive officer compensation, comparing them with a select group of peer companies. Based on the report, consultation with Hugessen and Compensation Committee deliberation, the Board approved increases to the annual retainers paid to Directors, minimum Deferred Share holdings, and extended years to achieve target Share holdings. The foregoing changes were approved by the Board with effect from January 1, 2023.

As a result of the consulting services received, the policy of the Compensation Committee with respect to compensation for the CEO is to set his base salary, total cash compensation (which includes short-term-incentives) and total direct compensation (which includes long-term incentives) at approximately the median among Canadian public issuers of comparable size and complexity. The Compensation Committee considers, among other things, data from industry compensation surveys and the overall performance of the Corporation, including revenues, earnings before interest, taxes and depreciation, free cash flow less maintenance capital expenditures, adjusted net earnings, dividends per Share, successful acquisitions and the successful implementation of the Corporation's strategy.

The table below sets forth all fees paid by the Corporation to Hugessen for compensation consulting services during the past two financial years of the Corporation.

	2022	2021
Executive Compensation Related Fees	\$32,303	\$6,738
All Other Fees	\$ 2,995	—
Total	\$35,298	\$6,738

CEO COMPENSATION DISCUSSION

The Compensation Committee makes recommendations to the Board as to remuneration for the CEO, Michael Pyle. The following describes the approach used by the Compensation Committee in determining the recommendation for 2022.

Mr. Pyle's salary and incentive plan awards are determined based on the overall success of the Corporation. His entitlement is based on a combination of corporate performance and team/individual performance. Corporate performance is measured relative to preset targets.

The incentive calculation for Mr. Pyle targets short-term and long-term levels as a percentage base of his annual salary. For 2022, the base salary for Mr. Pyle was \$840,000, the short-term target of his base salary was 100% and the long-term target of his base salary was 150%. The Compensation Committee assesses the performance of Mr. Pyle and gives a rating code for the various goals given to him for the year. A multiplier is assigned to each rating level and the Compensation Committee then applies the multiplier to each goal as laid out in the following table.

Assessment	Rating Code	Short-term Multiplier	Long-term Multiplier
Missed objective(s)	1	0%	0%
Met most of objective(s)	2	50%	70%
Met objective(s)	3	100%	100%
Exceeded objective(s)	4	130%	120%
Outstanding achievement of objective(s)	5	150%	130%

The Compensation Committee has the discretion to adjust the quantified incentive award by +/- 25% if other external factors have impacted the performance of the Corporation and should be taken into consideration in determining the award given to the CEO.

CEO Compensation Discussion

The following tables set out the factors that Mr. Pyle was to be assessed on during the year and the percentage weighting of the factors which were to be considered by the Compensation Committee in determining Mr. Pyle's short-term and long-term awards for the 2022 year. The last column of the table highlights the rating given to Mr. Pyle for each factor.

2022 Short-term Incentive Goals (100% target of base salary)					
Factor	Factor Description	Weighting	Minimum Multiplier	Maximum Multiplier	Rating Awarded
1	Financial performance based on free cash flow less maintenance capital expenditures per Share	50%	0%	150%	Outstanding 150%
2	Management of balance sheet leverage	15%	0%	150%	Outstanding 150%
3	Corporate growth and improvement initiatives	15%	0%	150%	Exceeded 125%
4	Development of ESG strategy and initiatives	20%	0%	150%	Outstanding 150%

The first factor is tied to the financial performance of the Corporation which was based on free cash flow less maintenance capital expenditures per Share. The Corporation significantly exceeded the free cash flow target in addition to generating records in other financial metrics therefore the factor was assessed as Mr. Pyle having outstanding achievement.

The second factor relates to management of the balance sheet and ensuring necessary liquidity to fund all opportunities and maturities of debt facilities. Performance related to this factor was assessed outstanding achievement owing to low leverage recorded due to record earnings before interest, taxes, depreciation and amortization (EBITDA) generation, strong cash management, and completion of an equity raise in a difficult macro-economic environment.

The third, corporate growth, factor was based on three initiatives. Two of the three initiatives exceeded expectations and the third initiative was achieved. Considering the aforementioned and overall growth of the Corporation, Mr. Pyle was assessed as exceeding the objective.

The fourth, ESG, factor was included to drive leadership accountability to continue to advance positive environment and social change within the Corporation's business model and was based on three initiatives. In addition to several programs introduced and launched, that exceeded expectations and garnered significant positive media and community attention, the Corporation also achieved noteworthy improvement in scores from independent rating firms. Based on the accomplishments and independent acknowledgement of efforts, the factor was assessed as outstanding achievement.

The Compensation Committee used their discretion to grant a 10% bonus to the short-term incentive owing to the outstanding achievements in a difficult macro-economic environment.

The overall short-term incentive bonus for Mr. Pyle was \$1,351,350 for 2022, which is 160% of the overall target based on the 2022 base salary of \$840,000.

2022 Long-term Incentive Goals (150% target of base salary)					
Factor	Factor Description	Weighting	Minimum Multiplier	Maximum Multiplier	Rating Awarded
1	Long-term financial health of the Corporation tied to 5 year business plans for major business lines	40%	0%	130%	Outstanding 130%
2	Investment in talent, specifically with focus on executive management	20%	0%	130%	Outstanding 130%
3	Implement marketing plan focused on stakeholder engagement	20%	0%	130%	Outstanding 130%
4	Long term strategic initiatives	20%	0%	130%	Exceeded 115%

CEO Compensation Discussion

The first factor was designed to have management focus and formally outline their vision for the long-term growth of the Corporation post-pandemic. After spelling out the key tenets of the business model, management presented five year strategic plans for each major business line. The strategies are designed to drive growth for all stakeholders and meaningful steps have been taken to put the plans in action. Mr. Pyle was assessed with an outstanding achievement.

Similarly, to previous years, the second factor focused management on succession planning of the C-Suite of executives as well as creating depth throughout senior management, including subsidiaries of the Corporation. However, in 2022, more person specific succession plans were presented as well as the launch of the EIC University, mentorship programs for developing senior management, and various labor initiatives. Mr. Pyle was assessed as outstanding achievement owing to the deliberate and calculated human capital strategies deployed.

The third factor promoted the implementation of a marketing plan to increase stakeholder engagement. Several executives were included in the plan roll out to exhibit the diversity and depth of the management team. Stakeholder engagements included both virtual and in-person, retail and institutional marketing, ongoing and regular analyst meetings including a two-day roadshow, and several community engagements. Performance of this factor was considered outstanding and supported by various independent acknowledgement from analysts and fund managers, increased institutional ownership and strong Share price performance.

The fourth factor included two separate initiatives related to long term strategies. The first initiative was considered to have been met with two subsidiaries identified to leverage their respective reputations and contacts to generate new opportunities. The second initiative was focused on enhancing risk management and included growing the risk management team to enable execution of the plan. Mr. Pyle was assessed as exceeding the objective.

The Compensation Committee used their discretion to grant a 25% bonus to the long-term incentive owing to the outstanding achievements in a difficult macro-economic environment.

The overall long-term incentive bonus for Mr. Pyle was \$2,000,250 for 2022, which was granted to Mr. Pyle in RSUs and was overall 158% of the target based on the 2022 base salary of \$840,000.

CEO Compensation Look Back

The following look back chart shows all long-term incentive compensation with an annual breakdown showing the amount awarded in each year over the past five years and how the actual payout outcome compares with the intended compensation for the CEO. Over the last five years, the long-term incentive compensation for the CEO has been made through both granting Deferred Shares under the Deferred Share Plan for periods before 2018 and granting RSUs for 2018 and after. Deferred Shares will be redeemed for Shares when the CEO leaves the Corporation⁽¹⁾ (non-cash award) and RSUs are paid out in cash when they vest.

Year	Deferred Share or RSU Award		December 31, 2022 Valuation				
	Deferred Shares or RSU	Grant Price	Grant Amount	Market Price	Vested	Unvested	Total
2021	RSU	\$39.50	\$1,344,000	\$52.63	NIL	\$1,872,654	\$1,872,654
2020	RSU	\$40.21	\$1,060,200	\$52.63	NIL	\$1,533,367	\$1,533,367
2019	RSU	\$40.52	\$1,118,880	\$52.63	\$1,604,619 ⁽²⁾	NIL	\$1,604,619
2018	RSU	\$33.21	\$1,084,692	\$52.63	\$1,608,121 ⁽³⁾	NIL	\$1,608,121
2017	Deferred Shares	\$33.43	\$1,069,200	\$52.63	\$2,160,434	NIL	\$2,160,434
Cumulative			\$5,676,972				\$8,779,194

Notes:

- (1) In November, 2021, the Compensation Committee and the Board approved a one time, partial redemption of vested Deferred Shares to senior management employees. Mr. Pyle redeemed 117,371 of vested Deferred Shares.
- (2) The RSU's granted in 2019 vested December 15, 2022 and were paid out before year end.
- (3) The RSU's granted in 2018 vested December 15, 2021 and were paid out before year end.

CEO Compensation Discussion

The 55% overall increase in the cumulative award valuation from the cumulative grant amount when valued as at the end of the current period versus the original grant values is a result of two factors: (i) an increase in the market price of the Shares which is higher than the original grant price in five of the five years; and (ii) the accumulation of dividends that are applied to both the Deferred Shares and RSUs that match dividends paid to Shareholders.

NAMED EXECUTIVE OFFICERS COMPENSATION SUMMARY

The following table is a summary of the compensation paid to the Named Executive Officers of the Corporation in respect of each of the financial years of the Corporation ended December 31, 2020, December 31, 2021 and December 31, 2022.

Name and principal position	Year	Salary (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽¹⁾			
Michael Pyle ⁽⁴⁾ CEO	2022	830,000	2,000,250	Nil	1,351,350	Nil	Nil	31,996	4,213,596
	2021	780,000	1,344,000	Nil	1,080,000	Nil	Nil	31,996	3,235,996
	2020	622,500	1,060,200	Nil	Nil	Nil	Nil	31,996	1,714,696
Richard Wowryk ^(2,4) CFO	2022	299,508	369,531	Nil	281,250	Nil	Nil	11,913	950,289
	2021	N/A	N/A	Nil	N/A	Nil	Nil	N/A	N/A
	2020	N/A	N/A	Nil	N/A	Nil	Nil	N/A	N/A
Darryl Bergman ^(3,4) Former CFO	2022	255,604	Nil	Nil	Nil	Nil	Nil	8,078	263,681
	2021	508,437	224,950	Nil	274,797	Nil	Nil	16,221	1,024,405
	2020	432,292	175,000	Nil	Nil	Nil	Nil	17,139	624,431
Carmele Peter ⁽⁴⁾ President	2022	726,229	1,424,063	Nil	\$886,823	Nil	Nil	16,422	3,053,537
	2021	682,500	945,000	Nil	721,875	Nil	Nil	16,221	2,365,596
	2020	544,688	711,300	Nil	Nil	Nil	Nil	17,139	1,273,127
Doron Marom ⁽⁵⁾ CEO of Regional One, Inc.	2022	885,228	148,808	Nil	486,875	Nil	Nil	Nil	1,520,910
	2021	812,105	174,925	Nil	495,384	Nil	Nil	Nil	1,482,414
	2020	822,708	157,250	Nil	Nil	Nil	Nil	Nil	979,958
Hank Gibson ⁽⁵⁾ President of Regional One, Inc.	2022	698,896	265,516	Nil	384,392	Nil	Nil	14,835	1,363,639
	2021	641,165	200,508	Nil	383,096	Nil	Nil	14,290	1,239,059
	2020	633,395	162,750	Nil	Nil	Nil	Nil	15,293	811,438

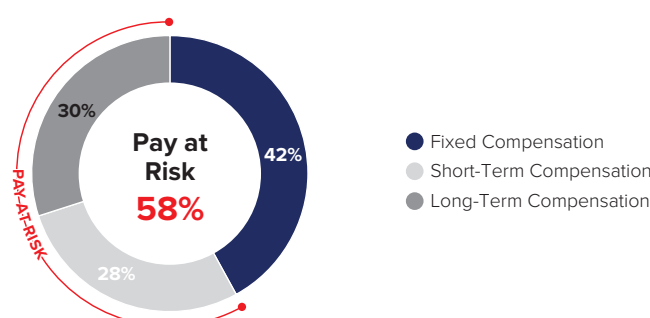
Notes:

- (1) Long-term incentive awards, including Share-Based Awards issued pursuant to the Deferred Share Plan and cash-based awards issued pursuant to the RSU Plan, are traditionally granted in the spring of the calendar year following the finalization of the applicable financial year's financial results.
- (2) Mr. Wowryk was appointed Chief Financial Officer on June 1, 2022. Mr. Wowryk received a bonus of \$100,000 in Deferred Shares at the time of his appointment, which are included under "Share-Based Awards"
- (3) Mr. Bergman resigned as Chief Financial Officer on May 31, 2022.
- (4) Other compensation for Mr. Pyle, Mr. Wowryk, Mr. Bergman and Ms. Peter is comprised of car allowance and benefit coverages.
- (5) Mr. Marom and Mr. Gibson are compensated in US dollars and their compensation above is converted into Canadian dollars using an average foreign exchange rate for each applicable period for the table above (2022—US\$1.3013; 2021 – US\$1.1.2535; and 2020 – US\$1.1.3415).

CEO Compensation Mix



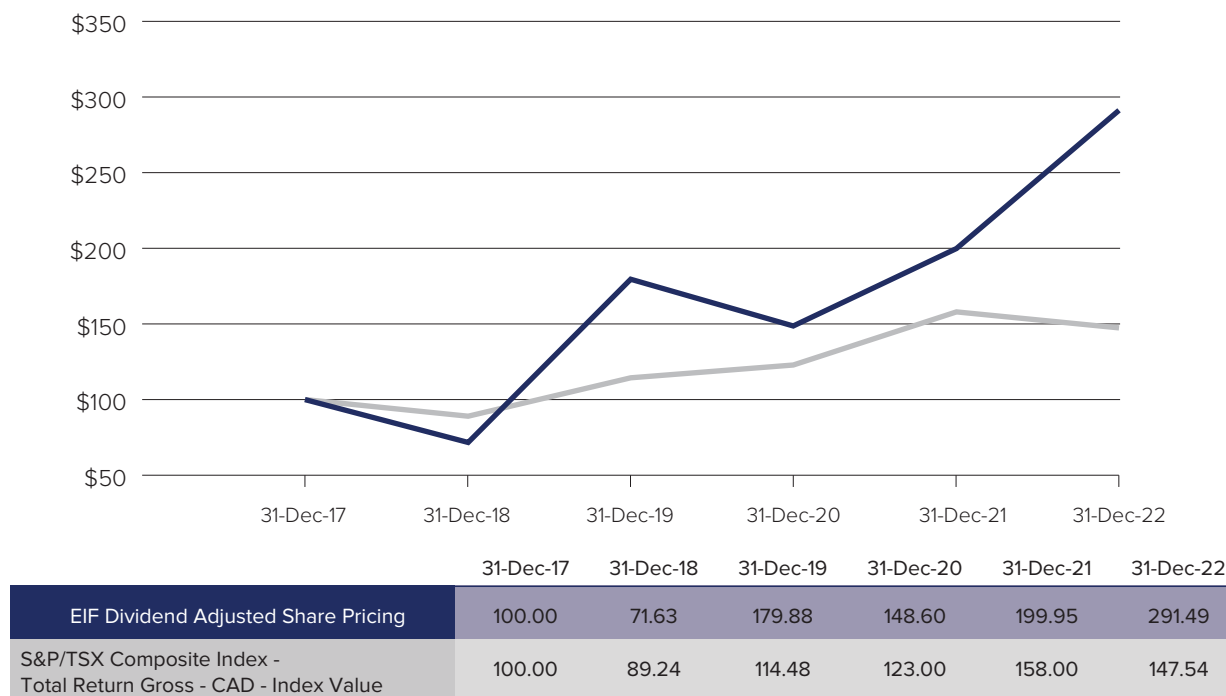
Other NEO Compensation Mix



Named Executive Officers Compensation Summary

Performance Graph

The Board's focus is on long-term shareholder value growth. The following chart compares the cumulative total shareholder return, including the Corporation's dividend distributions, from December 30, 2017 to the end of the most recently completed financial year on December 31, 2022 for \$100 invested in the Corporation's Shares with the cumulative total return from the S&P/TSX Composite Index (Total Return). The Board believes the trend in executive compensation as discussed in the section above appropriately reflects the trend in performance of the Corporation.



INCENTIVE PLAN AWARDS SUMMARY

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all Share-Based Awards, consisting of both Deferred Shares and RSUs, held by the Named Executive Officers as at the end of the most recently completed financial year of the Corporation (December 31, 2022). The Corporation does not have any issued and outstanding Option-Based Awards.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares that have not vested (#)	Market or payout value of Share-Based Awards that have not vested (\$)	Market or payout value of vested Share-Based Awards not paid out or distributed (\$)
Michael Pyle	Nil	NA	NA	NA	64,716	3,406,003	9,999,963
Richard Wowryk	Nil	NA	NA	NA	6,032	317,464	—
Darryl Bergman	Nil	NA	NA	NA	0	0	0
Carmelee Peter	Nil	NA	NA	NA	44,565	2,345,456	7,948,235
Doron Marom	Nil	NA	NA	NA	8,952	471,144	2,545,818
Hank Gibson	Nil	NA	NA	NA	9,780	514,721	1,118,335

The Share-Based Awards in the table above exclude grants to these individuals from the Corporation's Deferred Share Plan and RSU Plan made in respect of 2022 as they were granted in the first quarter of 2023 following the finalization of fiscal 2022's financial results. These grants will be included in next year's amounts for this table. The value of the Share-Based Awards is based on each NEO's accumulated Deferred Shares and RSUs as at December 31, 2022 and valued using the market price of the Shares on that date (\$52.63).

Incentive Plan Awards Summary

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned under incentive plans during the most recently completed financial year of the Corporation (December 31, 2022) for each Named Executive Officer.

Name	Option-Based Awards – Value vested during the year (\$)	Share-Based Awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Pyle	Nil	2,521,777	Nil
Darryl Bergman	Nil	257,098	Nil
Richard Wowryk	Nil	108,049	Nil
Carmelee Peter	Nil	1,537,649	Nil
Doron Marom	Nil	285,728	Nil
Hank Gibson	Nil	234,204	Nil

The value of the Share-Based Awards is valued using the market price of the Shares on December 31, 2022 (\$52.63).

Narrative Discussion

The outstanding Share-Based Awards referenced above were issued pursuant to the Deferred Share Plan. See “*Securities Authorized Under Equity Compensation Plans*” for a description of the Deferred Share Plan.

Pension Plan Benefits

The Corporation does not have a pension plan and, accordingly, no pension benefits were paid to the Named Executive Officers or Directors in the financial year ended December 31, 2022.

RSU Plan

On November 7, 2018, the Board approved the RSU Plan. The Corporation has made awards under the RSU Plan in 2023 based on 2022 performance. The RSU Plan has replaced the Deferred Share Plan as the primary long-term incentive compensation plan of the Corporation going forward. Set forth below is a summary of the RSU Plan.

Purpose

The purpose of the RSU Plan is to provide selected employees (in this section, each a “**Designated Officer**”) of the Corporation and its subsidiaries with compensation opportunities which will enhance the Corporation’s ability to retain key personnel. Pursuant to the RSU Plan, Designated Officers shall receive annual awards of RSUs as determined by the Board. The RSU Plan is administered by the Board but it may delegate its administrative responsibilities to the Compensation Committee. The Board retains full discretion over the RSU Plan and all awards and payouts under the RSU Plan.

Grant of Awards

At the discretion of the Compensation Committee, Designated Officers are eligible for an annual grant of RSUs. For Designated Officers that are already employed by the Corporation or a subsidiary, the grant of RSUs takes place in the first quarter of each year. The annual grant is based on an assessment of the performance of the particular Designated Officer in the previous fiscal year against certain pre-determined objectives and a target RSU Plan award amount. The target RSU Plan award levels are set in the context of the particular Designated Officer’s total direct compensation and represent a percentage of his or her base salary. The number of RSUs granted are calculated by dividing the grant value of the award by the average closing Share price on the ten business days leading up to and including the award date. Grants of RSUs to newly hired Designated Officers may take place at any time during the year.

Following an award of an RSU, a notional account is set up for each Designated Officer which keeps track of the number of RSUs held by a particular Designated Officer. At the end of each month, the

Corporation determines whether any dividend has been paid on Shares during such month and, if so, the rate thereof per Share (expressed as a percentage based on the closing Share price on the TSX on the record date) (in this section, the “Dividend Rate”). Within ten business days following the applicable month end, the Corporation credits each account with an additional number of RSUs equal to the number of RSUs (including fractional RSUs) in the respective accounts on the record date for such dividend multiplied by the Dividend Rate.

Vesting

The RSUs awarded pursuant to the RSU Plan, including RSUs issued pursuant to dividends paid on the Shares, vest on such date as shall be determined by the following:

- (a) Awards made to Designated Officers based on services provided to the Corporation or a subsidiary during the previous fiscal year of the Corporation vest on December 15 of the year that is two years following the applicable award date unless an earlier vesting date is specified by the Board; and
- (b) Awards made to newly hired Designated Officers or awards made to Designated Officers that are unrelated to prior services provided by such Designated Officer vest on the date that is three years from the award date unless an earlier vesting date is specified by the Board.

Except with respect to awards made to Designated Officers in the United States, the Board retains the discretion to accelerate any vesting date.

Other Vesting Rules

- (a) *Termination Without Cause:* In the event that a Designated Officer is terminated without cause, such Designated Officer’s unvested RSUs, if any, shall immediately be deemed to have vested on the date of such Designated Officer’s termination.
- (b) *Termination With Cause or Resignation:* A Designated Officer whose employment is terminated with cause or who resigns from their position shall forfeit all unvested RSUs.
- (c) *Death:* In the event of the death of a Designated Officer, such Designated Officer’s unvested RSUs, if any, shall immediately be deemed to have vested on the date of such Designated Officer’s death.
- (d) *Disability:* In the event of the total disability of a Designated Officer, such Designated Officer’s unvested RSUs shall immediately be deemed to have vested on the date that such Designated Officer has been determined to be totally disabled.
- (e) *Retirement:* In the event of the Retirement of a Designated Officer, such Designated Officer’s unvested RSUs shall continue to vest until the applicable vesting date and be redeemed in accordance with the original vesting schedule, provided that: (a) the retiring Designated Officer provides six months’ advance notice of such Designated Officer Retirement to the Corporation; (b) the retiring Designated Officer complies with such post-Retirement employment restrictions in favour of the Corporation and its subsidiaries as the Designated Officer shall have previously agreed to or that shall be set forth in any rules, policies or procedures as may be implemented by the Board, acting reasonably; and (c) the retiring Designated Officer does not receive any cash severance from the Corporation or any subsidiary upon Retirement. In the event that the retiring Designated Officer does not comply with any of the foregoing requirements within 30 days of being informed in writing of such non-compliance by the Board, the retiring Designated Officer shall be deemed to have resigned. For the purposes of this section, “Retirement” means: (a) the cessation of the employment of a Designated Officer with the Corporation or a subsidiary which is deemed to be a retirement by the Board; or (b) a Designated Officer achieving the age of 55 years and having completed a minimum of five years of service with the Corporation or a subsidiary.
- (f) *Following Change of Control:* If, within six months following a Change of Control (as defined in the RSU Plan), a Designated Officer is terminated without cause or resigns for Good Reason, such Designated Officer’s unvested RSUs, if any, shall immediately be deemed to have vested on the date of such Designated Officer’s termination or resignation. For the purposes of this section,

Incentive Plan Awards Summary

“Good Reason” means, subject to the terms of any relevant employment or other agreement or unless expressly consented to in writing by the Designated Officer, grounds for a claim of constructive dismissal as determined at common law.

Redemption

Upon vesting as provided above, RSUs shall be automatically redeemed for an amount equal to the number of RSUs multiplied by the average closing trading price of the Shares on the TSX on the ten business days leading up to and including the vesting date.

Claw Back

Notwithstanding any other provisions in the RSU Plan or an agreement to the contrary, in the event that:

- (a) the Corporation is required to prepare an accounting restatement due to the material noncompliance of the Corporation with any financial reporting requirement;
- (b) the Designated Officer engaged in serious misconduct, fraud or gross negligence that caused, or partially caused, the need for the account restatement referenced above; and
- (c) an award or awards of RSUs granted to the Designated Officer would have been lower had the financial results of the Corporation been properly reported,

all as determined by the Board in its sole discretion, the Board may, as applicable and in its sole discretion:

- (a) cancel any unvested or vested but unpaid RSUs; and
- (b) recover from the Designated Officer any amounts paid as a result of the redemption of vested RSUs during the 24 months preceding the date on which the Corporation is required to prepare the accounting restatement which, in the view of the Board in its sole discretion, reflects benefits that were received by the Designated Officer as a result of the material non-compliance of the Corporation with financial reporting requirements that required the accounting restatement.

Assignment

RSUs granted pursuant to the RSU Plan are non-assignable and non-transferable, and are redeemable only by the Designated Officer or in the case of death or incapacity, by the Designated Officer's duly authorized legal representative or designated beneficiary, as applicable.

Amendments and Termination

The Board may, at any time or from time to time, suspend or terminate the RSU Plan in whole or in part and may amend it in such respects as the Board may deem appropriate, subject to applicable laws, provided, however, that:

- (a) no amendment, suspension or termination of the RSU Plan shall impair any of the rights or obligations under any RSU previously granted without the consent of the holder thereof;
- (b) notification of the amendment is sent to holders of outstanding RSUs previously issued if the amendment is applicable to such RSUs; and
- (c) in the event of RSU Plan termination, payments of the cash equivalent of any outstanding RSUs at the time of such termination shall be made.

TERMINATION AND CHANGE OF CONTROL BENEFITS DISCUSSION

The Corporation is a party to employment agreements (the “**Employment Agreements**”) with each of the Named Executive Officers as of December 31, 2022. Mr. Bergman was not employed by the Corporation as at December 31, 2022 and therefore is excluded from this section. The Employment Agreements provide for termination for just cause or in the event of permanent disability, and terminate automatically in the event of death.

The Employment Agreements also provide for termination by the Corporation upon the giving of notice and the payment of an amount equal to the sum of:

Benefits	Michael Pyle	Richard Wowryk	Carmele Peter	Doron Marom	Hank Gibson
Salary	24 months	18 months	24 months	12 months	18 months
Short-term Incentive	2.0 times target set by the Board	1.50 times target set by the CEO	2.0 times target set by the CEO	Prior 2 year average prorated to termination date	Prior 2 year average
Car allowance	24 months	18 months	24 months	Nil	Nil
Benefits	24 months	18 months	24 months	Nil	12 months
Estimated Payment December 31, 2022	\$3,407,520	\$861,150	\$2,605,140	\$1,363,672 ⁽¹⁾	\$1,478,431 ⁽¹⁾

Note:

- (1) Both Mr. Marom and Mr. Gibson are compensated in US dollars and their estimated termination payments are converted into Canadian dollars using an average foreign exchange rate for fiscal 2022 (US\$1:\$1.3013).

The Employment Agreements, other than the Employment Agreement of Mr. Marom, also provide for a payment upon a change of control of the Corporation in the amounts set forth below. For Mr. Pyle, Mr. Wowryk, Ms. Peter and Mr. Gibson, a change of control refers to a scenario where either a person or group acquires more than 50% of the Corporation’s voting stock or if the Corporation amalgamates or otherwise merges with another organization. In the case of Mr. Pyle, Mr. Wowryk and Ms. Peter, they are only entitled to terminate their employment in the event of a change of control of the Corporation if there is also “good reason” as described in “*Executive Compensation – Incentive Plan Awards Summary*” section of this Circular.

Benefits	Michael Pyle	Richard Wowryk	Carmele Peter	Doron Marom	Hank Gibson
Salary	24 months	18 months	24 months	Nil	12 months
Short-term Incentive	2.0 times target set by the Board	1.50 times target set by the CEO	2.0 times target set by the CEO	Nil	Nil
Car allowance	24 months	18 months	24 months	Nil	Nil
Benefits	24 months	18 months	24 months	Nil	Nil
Estimated Payment December 31, 2022	\$3,407,520	\$861,150	\$2,605,140	Nil	\$698,896 ⁽¹⁾
Time limitation to decide	12 months	12 months	12 months	NA	NA

Note:

- (1) Mr. Gibson is compensated in US dollars and his estimated change of control payment is converted into Canadian dollars using an average foreign exchange rate for fiscal 2022 (US\$1:\$1.3013).

In addition, each of the Employment Agreements contains standard non-competition clauses from the Named Executive Officers in favour of the Corporation. The non-competition clauses continue for a period of two years following the termination of the Employment Agreements for Mr. Pyle, Ms. Peter and Mr. Wowryk and for 18 months following the termination of the Employment Agreement for Mr. Gibson. In the case of Mr. Marom, his non-competition clause continues for one year following the termination of his Employment Agreement plus an extended period of time based on certain thresholds set out in the terms of the co-investment agreement between CRJ Capital Corp., a corporation controlled by Mr. Marom, and the Corporation.

DIRECTOR COMPENSATION DISCUSSION

This section refers to the compensation paid to the Directors and excludes any compensation relating to Michael Pyle (CEO) as he is a Named Executive Officer. For a summary of the compensation paid to Mr. Pyle, see “*Executive Compensation – Named Executive Officers Compensation Summary*”.

Director Compensation Table

The following table is a summary of the compensation paid to the Directors who are not also Named Executive Officers in respect of the most recently completed fiscal year of the Corporation. The compensation paid to Duncan Jessiman set forth below is paid to him in consideration of his services to the Corporation as a member of management (Executive Vice Chairman) not for his services as a Director.

Name	Fees earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Brad Bennett	5,000	135,000	Nil	Nil	Nil	Nil	140,000
Gary Buckley	12,500	135,000	Nil	Nil	Nil	Nil	147,500
Polly Craik	40,500	94,500	Nil	Nil	Nil	Nil	135,000
Gary Filmon ⁽²⁾	-	100,000	Nil	Nil	Nil	Nil	100,000
Bruce Jack	11,667	90,000	Nil	Nil	Nil	Nil	101,667
Duncan Jessiman	268,400	-	Nil	Nil	Nil	Nil	268,400
Grace Schalkwyk	-	135,000	Nil	Nil	Nil	Nil	135,000
Melissa Sonberg	12,500	135,000	Nil	Nil	Nil	Nil	147,500
Donald Streuber	10,417	205,000	Nil	Nil	Nil	Nil	215,417
Edward Warkentin	75,000	67,500	Nil	Nil	Nil	Nil	142,500

Note:

- (1) Share-Based Awards are issued in the year of service pursuant to the Deferred Share Plan for Directors as a portion of their retainer.
- (2) Mr. Filmon retired on May 11, 2022.

Narrative Discussion

The Compensation Committee is responsible for reviewing Director compensation and satisfying itself that it is competitive. The Board determines the form and amount of Director compensation based on the recommendation of the Compensation Committee following reviews of compensation in the marketplace. As per the Deferred Share Plan which is described under “*Executive Compensation – Securities Authorized Under Equity Compensation Plans*”, Directors have the ability to elect in each calendar year to receive their respective Director’s retainer in cash, Deferred Shares or a combination thereof (excluding committee member/chairperson retainers, Board or committee meeting fees, or special remuneration for ad hoc services rendered to the Board).

The Independent Directors receive compensation which is intended to accomplish two goals: (i) to retain and attract qualified Directors; and (ii) to align the interests of Directors with the interests of Shareholders. None of Mr. Pyle or Mr. Jessiman, who are members of management, are or have been compensated for acting as a Director.

Based on consultation with Hugessen, effective January 1, 2023, the Board made changes to its fee structure and annual retainer amounts resulting in the compensation structure becoming an all-inclusive pay model with no Board or committee meeting fees.

Director Compensation Discussion

The current compensation rates which became effective January 1, 2023, for the services provided by the Directors, other than Mr. Pyle and Mr. Jessiman, is as follows:

Annual Retainer	Cash (\$)	Deferred Shares (\$ value)
Chair of the Board ⁽¹⁾	275,000	
Other Board members ⁽¹⁾	175,000	
Chair of Audit Committee additional retainer	20,000	-
Chair of Compensation Committee additional retainer	15,000	-
Chair of Governance Committee additional retainer	15,000	-
Chair of any other committees additional retainer	10,000	-

Note:

- (1) Directors can elect in each calendar year to receive their respective retainer in cash, Deferred Shares or a combination thereof.

The Corporation also reimburses the Directors for out-of-pocket expenses for attending meetings.

Directors and Officers Liability Insurance

Directors' and officers' liability insurance has been obtained for the Directors and officers of the Corporation and its subsidiaries with a total limit of \$45,000,000 per claim and in the aggregate with two components. First, under this insurance coverage, the Corporation or its subsidiaries would be reimbursed for indemnity payments made on behalf of Directors or officers of the Corporation or its subsidiaries for up to \$30,000,000 subject to a deductible of \$100,000 per claim, which would be paid by the Corporation. Second, under this insurance coverage, there is up to \$45,000,000 for non-indemnifiable claims made against the Directors or officers of the Corporation or its subsidiaries, not subject to a deductible. The total premium paid by the Corporation for directors' and officers' liability insurance during the financial year ended December 31, 2022 was \$178,628.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all Share-Based Awards held by the Directors who are not also Named Executive Officers as at the end of the most recently completed financial year of the Corporation. The Corporation does not have any issued and outstanding Option-Based Awards.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares that have not vested (#)	Market or payout value of Share-Based Awards that have not vested (\$)	Market or payout value of vested Share-Based Awards not paid out or distributed ⁽¹⁾ (\$)
Brad Bennett	Nil	NA	NA	NA	Nil	Nil	1,491,639
Gary Buckley	Nil	NA	NA	NA	Nil	Nil	1,408,852
Polly Craik	Nil	NA	NA	NA	Nil	Nil	514,458
Gary Filmon	Nil	NA	NA	NA	Nil	Nil	Nil
Bruce Jack	Nil	NA	NA	NA	Nil	Nil	121,523
Duncan Jessiman	Nil	NA	NA	NA	Nil	Nil	2,641,552
Grace Schalkwyk	Nil	NA	NA	NA	Nil	Nil	369,989
Melissa Sonberg	Nil	NA	NA	NA	Nil	Nil	831,343
Donald Streuber	Nil	NA	NA	NA	Nil	Nil	1,580,900
Edward Warkentin	Nil	NA	NA	NA	Nil	Nil	1,138,018

Note:

- (1) The value of the Share-Based Awards is based on each Director's accumulated Deferred Shares as at December 31, 2022 and valued using the market price of the Shares on that date (\$52.63).

Incentive Plan Awards

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned under incentive plans during the most recently completed financial year of the Corporation for each Director who is not a Named Executive Officer.

Name	Option-Based Awards – Value vested during the year (\$)	Share-Based Awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Brad Bennett	Nil	236,624	Nil
Gary Buckley	Nil	236,624	Nil
Polly Craik	Nil	141,048	Nil
Bruce Jack	Nil	121,512	Nil
Gary Filmon	Nil	162,995	Nil
Duncan Jessiman	Nil	137,785	Nil
Grace Schalkwyk	Nil	182,416	Nil
Melissa Sonberg	Nil	206,520	Nil
Donald Streuber	Nil	330,201	Nil
Edward Warkentin	Nil	140,943	Nil

Note:

- (1) The value of the Share-Based Awards vested during the year includes the annual Deferred Share retainer grant to each Director as well as the additional Deferred Shares credited (in lieu of cash dividends) on the accumulated Deferred Share balance during the year. The Deferred Shares are valued using the market price of the Shares at December 31, 2022 (\$52.63).

Narrative Discussion

The outstanding Share-Based Awards referenced above were issued pursuant to the Deferred Share Plan. See “*Securities Authorized Under Equity Compensation Plans*”.

SECURITIES AUTHORIZED UNDER EQUITY COMPENSATION PLANS

Equity Compensation Information

The Corporation has adopted the following equity compensation plans:

1. the ESPP; and
2. the Deferred Share Plan.

The table below summarizes the number of Shares underlying the ESPP and the Deferred Share Plan, the weighted-average price of such Shares and the number of Shares remaining available for future issuance under the ESPP and Deferred Share Plan as at December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	1,920,440	\$52.63 ⁽²⁾	946,719 ⁽³⁾
Equity compensation plans not approved by securityholders	Nil	NA	NA
Total	1,920,440	\$52.63	946,719

Notes:

- (1) The only equity compensation plans approved by the Shareholders are the ESPP and the Deferred Share Plan.
- (2) Share price as at December 31, 2022.
- (3) The maximum number of Shares to be issued pursuant to the ESPP and the Deferred Share Plan is limited to an aggregate amount equal to 4.5% of the issued and outstanding Shares, from time to time.

Deferred Share Plan

Eligible Persons

The purpose of the Deferred Share Plan is to promote a greater alignment of interests between the Directors, officers and employees of the Corporation and its affiliates (each an “**Eligible Person**”) and the Shareholders. Eligible Persons may be selected from time to time to participate in the Deferred Share Plan at the discretion of the Compensation Committee (selected persons being “Participants” in the Deferred Share Plan) and granted such number of Deferred Shares from time to time as the Compensation Committee deems appropriate. Deferred Shares are not Shares and do not entitle a Participant to any rights as a Shareholder, including, without limitation, voting rights, dividend entitlements (other than as set out in the Deferred Share Plan and described below) or rights on liquidation. One Deferred Share is equivalent to one Share. Fractional Deferred Shares are permitted under the Deferred Share Plan.

Fair Value Methodology

The Deferred Share Plan is accounted for as an equity-settled method. Under this method the Deferred Shares granted are fair valued at the grant date when the grant is approved by the Board. The fair value of the grant is based on the market price of the Shares at the grant date.

Number of Shares Reserved for Issuance under the Deferred Share Plan

The total number of Shares authorized for issuance upon the redemption of all Deferred Shares granted under the Deferred Share Plan and all other security based compensation arrangements shall not exceed 4.5% of the issued and outstanding Shares from time to time; provided, however, that: (i) at no time shall the number of Shares reserved for issuance to insiders of the Corporation pursuant to outstanding Deferred Shares, together with the number of Shares reserved for issuance to such persons pursuant to any other compensation arrangements, exceed 4.5% of the then outstanding Shares, as calculated immediately prior to the issuance in question; and (ii) the number of Shares issued to insiders of the Corporation pursuant to outstanding Deferred Shares together with the number of Shares issued

Securities Authorized Under Equity Compensation Plans

to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 4.5% of the then outstanding Shares. There is no specific maximum number of Deferred Shares that may be issued to any one Eligible Person pursuant to the Deferred Share Plan.

The maximum aggregate number of Shares which may be reserved for issuance under the Deferred Share Plan to all Non-Executive Directors (as defined in the Deferred Share Plan) is 1% of the Shares issued and outstanding at the award date (on a non-diluted basis), and the aggregate number of securities granted under all security based compensation arrangements to any one Non-Executive Director within any one calendar year period shall not exceed a maximum value of \$150,000 worth of securities, in each case as determined in accordance with the Deferred Share Plan and calculated without reference to:

- (a) any Deferred Shares or other equity awards that are granted to or accepted by a Non-Executive Director in lieu of cash fees, provided that the equity award granted has an initial value that is equal to the value of the cash fees foregone; or
- (b) any Deferred Shares held by any former directors of the Corporation or by any officers or employees of the Corporation who are also serving as directors of the Corporation,

(such maximum aggregate number of Shares being hereinafter referred to as the “**Director Limitations**”).

The Deferred Share Plan permits directors of the Corporation to elect in each calendar year to receive their respective director’s retainer in cash, Deferred Shares or a combination thereof (which retainer, for the purposes of the Deferred Share Plan, does not include committee member/chairperson retainers, Board or committee meeting fees, or special remuneration for ad hoc services rendered to the Board). The number of Deferred Shares granted to a director electing to receive his or her retainer in Deferred Shares is determined based on the Market Value (as defined below) of the Shares on the date the Deferred Shares are awarded.

As at the date of this Circular, the total number of Shares that may be reserved for issuance under any equity compensation plans approved by the Shareholders is 1,920,440 (4.5% of the issued and outstanding Shares). As at the date hereof there are 874,798 Deferred Shares issued and outstanding (2.0% of the issued and outstanding Shares) and 98,923 Shares held pursuant to the ESPP (0.2% of the issued and outstanding Shares). Therefore, an additional 946,719 Shares (2.2% of the issued and outstanding Shares) may be reserved for issuance under the Deferred Share Plan and the ESPP, collectively. Since the date of inception of the Deferred Share Plan, the Corporation has issued 371,951 Shares pursuant to the Deferred Share Plan (0.87% of the issued and outstanding Shares).

Burn Rate

The burn rate of the Deferred Share Plan is expressed as a percentage and is equal to the number of Deferred Shares issued pursuant to the Deferred Share Plan in a particular year divided by the weighted average number of Shares outstanding for the particular year, calculated as prescribed by the TSX. The burn rate of the Deferred Share Plan for the past three financial years of the Corporation is as follows:

Year	2020	2021	2022
Burn Rate	0.1%	0.1%	0.1%

Vesting of Deferred Shares

Subject to the exceptions noted below, Deferred Shares granted to Participants pursuant to the Deferred Share Plan shall vest in accordance with the following schedule:

- (a) 33% of the Deferred Shares on the first anniversary of the initial grant;
- (b) 33% of the Deferred Shares on the second anniversary of the initial grant; and
- (c) 34% of the Deferred Shares on the third anniversary of the initial grant.

Deferred Shares are credited to the Participant's "Deferred Share account" (as defined in the Deferred Share Plan) upon vesting. Notwithstanding the foregoing, Deferred Shares granted to non-management Directors who are "independent" within the meaning of NI 58-101 shall vest immediately. In addition, to the extent not already vested, Deferred Shares issued to a Participant after the Participant has reached the age of 55 and who has been a Director, officer or employee of the Corporation or an affiliate of the Corporation for a period of not less than ten years shall vest immediately. For the purposes of the foregoing, the time served by a Participant as a Director or officer of the Corporation or any predecessor of the Corporation or its subsidiaries shall be included in the calculation of the time served by such Participant as a Director or officer of the Corporation or an affiliate of the Corporation.

In addition, upon the happening of a "Change of Control" (as defined in the Deferred Share Plan) Deferred Shares will vest on the earlier of the next applicable vesting date as set out above or on the date that is immediately prior to the Change of Control. In addition, the Compensation Committee shall have discretion to vary the manner in which Deferred Shares vest for any Participant.

Additional Deferred Shares Credited with Cash Dividends

Whenever dividends are paid to the holders of the Shares, additional Deferred Shares will be credited to each Participant's Deferred Share account. The number of such additional Deferred Shares shall be calculated by dividing:

- (a) the amount determined by multiplying:
 - (i) the number of Deferred Shares in such Participant's Deferred Share account on the record date for the payment of such dividend by;
 - (ii) the dividend paid per Share;

by

- (b) 100% of the Market Value (as defined below) of a Share on the dividend payment date for such dividend,

in each case, with fractions computed to two decimal places. Such additional Deferred Shares shall vest at the same time and on the same basis as the Deferred Shares in respect of which they are credited.

For the purposes of the Deferred Share Plan, "Market Value" at any date in respect of the Shares is defined as the average of the closing prices (or if the Shares are not traded on a trading day, the average of the closing bid price and the closing ask price) on the TSX for the ten trading days immediately preceding such date (or, if such Shares are not listed and posted for trading on the TSX, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Directors). In the event that such Shares are not listed and posted for trading on any stock exchange, the "Market Value" shall be the fair market value of such Shares as determined by the Compensation Committee in its sole discretion.

Redemption of Deferred Shares

For the purposes of the Deferred Share Plan, "Redemption Date" means, in respect of a Participant who is not a U.S. Participant (as defined below), the earliest of the date: (i) of the death of the Participant; (ii) that the Participant becomes unable, as a result of any physical or mental illness, to fulfill their significant duties as a Director, officer or employee of the Corporation or its affiliates, as the case may be, which will be deemed to have occurred if the Participant qualified under any disability insurance policy; (iii) that the Participant ceased to be a Director, officer or employee of the Corporation or its affiliates; or (iv) the Compensation Committee approves the redemption of Deferred Shares by the Participant. In this summary, a "U.S. Participant" means a Participant that is subject to the United States Internal Revenue Code of 1986, as amended (in this summary, the "Code").

Following a Participant's Redemption Date, the Participant shall select, in the form and manner prescribed by the Compensation Committee, an entitlement date on which the Deferred Shares credited to the Participant's Deferred Share account, which have vested in accordance with the Deferred Share

Securities Authorized Under Equity Compensation Plans

Plan, shall be redeemed (the “Entitlement Date”). The Entitlement Date shall be no later than the end of the first quarter immediately following the quarter in which the Participant’s Redemption Date occurred. In the event that the Participant does not select an Entitlement Date prior to the end of the first quarter immediately following the quarter in which the Participant’s Redemption Date occurred, the Entitlement Date shall be deemed to be the last day of the quarter immediately following the quarter in which the Participant’s Redemption Date occurred.

Subject to: (i) the provisions of the Deferred Share Plan; and (ii) the receipt by The Canadian Depository for Securities Limited of the Participant’s brokerage account information from his or her securities broker, the Participant shall receive (in a form and manner to be prescribed by the Compensation Committee), within ten business days after the Entitlement Date, a whole number of Shares from the Corporation equal to the whole number of Deferred Shares then recorded in the Participant’s Deferred Share account that have vested in accordance with the provisions of the Deferred Share Plan, net of any applicable withholding taxes. To facilitate the payment of applicable withholding taxes, the Corporation may, in its sole discretion, provide a cash loan to the Participant in an amount equal to the estimated amount of the tax liability payable in respect of the Shares received by the Participant upon the redemption of the Deferred Shares, which loan shall bear interest at a rate and which shall be repayable on such terms as agreed upon by the Corporation and the Participant. In the event that the Participant and the Corporation cannot agree to the terms of the loan or cannot come to other mutually agreeable arrangements, the Corporation may as a condition of issuing the Shares to the Participant under the Deferred Share Plan (i) require the Participant to reimburse the Corporation for any applicable withholding taxes in respect of the issuance of the Shares to such Participant; (ii) reserve the right to withhold, consistent with any applicable law, from any compensation or other amounts payable to the Participant, any applicable withholding taxes required to be paid by the Corporation on behalf of the Participant or on its own behalf as a result of the issuance of Shares to such Participant; (iii) retain, acquire or sell on behalf of a Participant any Shares that would otherwise be issued to a Participant; or (iv) impose such other requirements as the Corporation in its discretion determines is necessary to ensure the payment of the applicable withholding taxes.

Upon redemption of the Deferred Shares held by a Participant that have vested in accordance with the Deferred Share Plan, all of the Deferred Shares held by such Participant, whether vested or unvested, shall be cancelled unless otherwise determined by the Compensation Committee in its sole discretion.

United States Participants

The Deferred Share Plan provides for a different definition of “Redemption Date” for U.S. Participants that is in compliance with the Code and has certain other differences for U.S. Participants. For a description of these provisions, see “Appendix for U.S. Participants” which is attached as an appendix to the Deferred Share Plan, which has been filed on SEDAR at www.sedar.com.

Amendment, Suspension or Termination of the Deferred Share Plan

The Board may amend, suspend or terminate the Deferred Share Plan or any provision thereof at any time, without the approval of Shareholders. Without limiting the generality of the foregoing, the Board may make changes:

- (a) to correct errors, immaterial inconsistencies or ambiguities in the text of the Deferred Share Plan;
- (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies; and
- (c) to the vesting provisions applicable to Deferred Shares issued under the Deferred Share Plan.

Notwithstanding the foregoing, the Deferred Share Plan requires an affirmative vote by a majority of the votes cast by Shareholders at a meeting called for that purpose:

- (a) an amendment that would result in any increase in the number of Deferred Shares issuable under the Deferred Share Plan;

Securities Authorized Under Equity Compensation Plans

- (b) the addition of provisions that would permit Deferred Shares granted under the Deferred Share Plan to be transferable or assignable other than as set forth below under “Assignment of Deferred Shares”;
- (c) a change in the amendment provisions so as to grant the Board or the Compensation Committee additional powers to amend the Deferred Share Plan or entitlements without the approval of Shareholders; and
- (d) an amendment to the definition of “Participant” or the eligibility requirements for participating in the Deferred Share Plan where such amendment would have the potential of broadening or increasing insider participation; and
- (e) an amendment to the Director Limitations.

If the Board terminates the Deferred Share Plan, Deferred Shares previously credited to Participants shall remain outstanding and in effect and shall be settled subject to and in accordance with the applicable terms and conditions of the Deferred Share Plan in effect immediately prior to the termination.

Assignment of Deferred Shares

In no event may the rights or interest of a Participant under the Deferred Share Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that: (i) certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or by the laws of succession and distribution; and/or (ii) the Deferred Shares may be assigned or transferred to a Participant’s tax free savings account, if eligible to be held in such account.

ESPP

Purpose

The purpose of the ESPP is to encourage employees of the Corporation and its subsidiaries to become Shareholders. The ESPP is a broad based optional equity participation plan open to all permanent and contract employees who have been employed by the Corporation or one of its subsidiaries for at least six months, but with participation in the ESPP being entirely optional.

The ESPP provide that the following persons are not eligible to participate in the ESPP: (i) persons holding greater than 5% of the issued and outstanding Shares; (ii) persons who participate in the Deferred Share Plan or the RSU Plan; and (iii) all Directors. The total maximum number of Shares to be issuable under the ESPP is equal to 4.5% of the issued and outstanding Shares at any time. The total maximum number of Shares issuable under all security based compensation schemes of the Corporation, including the ESPP and the Deferred Share Plan is 4.5% of the issued and outstanding Shares at any time.

The ESPP provides that the maximum number of Shares that may be issued to insiders of the Corporation, in any one year period, or that may be issuable to insiders of the Corporation at any time under all security based compensation plans, including the ESPP, shall not exceed 4.5% of the issued and outstanding Shares. Certain other restrictions and limitations are set out in the ESPP.

Employees may elect to annually contribute up to a maximum of 5% of their annual gross salary to the ESPP. Such funds are then used to acquire Shares from treasury (the “Original Shares”) for the participant. Under the terms of the ESPP, if the participant retains the Original Shares for 18 months (the “Vesting Period”), the participant becomes entitled to receive from the Corporation an additional number of Shares equal to 33 1/3% of the Original Shares and the value equal to the dividends awarded to the additional Shares over the Vesting Period (the “Contributed Shares”), in addition to paying all fees and commissions (if any) on the purchase of the Contributed Shares in the ESPP. The Corporation currently pays a dividend on its Shares equal to \$0.21 per month (\$2.52 annualized).

Securities Authorized Under Equity Compensation Plans

Operation of ESPP

Employees of the Corporation and its subsidiaries have three options as to how to acquire Original Shares pursuant to the ESPP, as set forth below:

- (a) Employees may receive a loan to purchase Original Shares pursuant to the ESPP. The loan, together with interest, must be repaid over a period of approximately 12 months from the date of the loan by way of payroll deductions, provided that if the participant is terminated as an employee of the Corporation or a subsidiary, the loan and all interest must be repaid immediately. The Shares of the participant held pursuant to the ESPP may be sold to repay the loan in certain circumstances;
- (b) Employees may pay the full purchase price for their Original Shares pursuant to the ESPP at the time of issuance of the Original Shares; or
- (c) Employees may authorize their employer to make payroll deductions from their salary to purchase Original Shares on the next date that Original Shares are offered to Employees pursuant to the ESPP.

The Corporation will issue Original Shares to the Employee on each date the Corporation chooses to issue Original Shares pursuant to the ESPP using the funds that have been deducted from that Employee's salary or paid in full.

The Original Shares acquired under the ESPP are issued from treasury and subject to approval for listing by the TSX. Contributions are held by the ESPP administrator. The Corporation may issue Original Shares under the ESPP up to once per month.

The acquisition price for the Original Shares is the price per Share equal to the weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the acquisition date.

Original Shares acquired under the ESPP are retained in the ESPP during the Vesting Period for such Original Shares. Immediately following the end of the Vesting Period, such Original Shares and any Contributed Shares issued at the end of the Vesting Period are not considered to be part of the ESPP for the purposes of calculating the number of Shares issued and outstanding pursuant to the ESPP.

Participants may withdraw their Original Shares from their ESPP at any time prior to the end of the Vesting Period by terminating their participation in the ESPP, but such termination results in that participant not being entitled to receive the Contributed Shares from the Corporation at the end of the Vesting Period.

In the event a participant has terminated his or her employment with the Corporation or a subsidiary or has had his or her employment terminated by the Corporation or a subsidiary for any reason, the participant forfeits the right to receive all unvested Contributed Shares.

As at the date of this Circular, the total number of Shares that may be reserved for issuance under any equity compensation plans approved by the Shareholders is 1,920,440 (4.5% of the issued and outstanding Shares). As at the date hereof there are 98,923 Shares held pursuant to the ESPP (0.2% of the issued and outstanding Shares) and 874,798 Deferred Shares issued and outstanding (2.0% of the issued and outstanding Shares). Therefore, an additional 946,719 Shares (2.2% of the issued and outstanding Shares) may be reserved for issuance under the ESPP and the Deferred Share Plan, collectively. Since the date of inception of the ESPP, the Corporation has issued 911,772 Shares pursuant to the ESPP (2.1% of the issued and outstanding Shares).

Burn Rate

The burn rate of the ESPP is expressed as a percentage and is equal to the number of Shares issued pursuant to the ESPP in a particular year divided by the weighted average number of Shares outstanding for the particular year, calculated as prescribed by the TSX. The burn rate of the ESPP for the past three financial years of the Corporation is as follows:

Year	2020	2021	2022
Burn Rate	0.2%	0.2%	0.1%

Assignment or Transfer of Shares Held in the ESPP

Except with the consent of the ESPP administrator (which may not be arbitrarily or unreasonably withheld) and subject to applicable laws, no right or interest of any participant in any of the Shares purchased or held on his or her behalf under the ESPP shall be, at any time prior to the vesting date in respect of such Shares, assignable, in whole or in part, either directly or by operation of law or otherwise in any manner, other than by will or other testamentary instrument, or the laws of succession. No attempted assignment of any Shares contrary to the terms of the ESPP shall be effective. Notwithstanding the foregoing, assignments may be effected with the approval of the Corporation and the appropriate regulatory authorities, if required. For the purposes of these provisions of the ESPP, an “assignment” includes the creation, granting or incurring of a security interest, mortgage, charge, lien, execution or similar interest in the Shares of a participant held under the ESPP.

In addition, no transfer of any right or interest of any participant in any of the Shares purchased or held on his or her behalf under the ESPP may, without the consent of the Corporation, be made at any time prior to the vesting date in respect of such Shares without disentitling the participant to any additional benefits to which the participant would otherwise have become entitled in respect of the Shares.

Termination

The Directors may terminate the ESPP at any time in their absolute discretion. No termination of the ESPP shall affect any entitlement, on the next following vesting date, of a participant to receive additional shares, phantom dividends or phantom dividend shares in respect of Shares purchased on a purchase date prior to the date of termination of the ESPP.

Amendments

From time to time the Directors may, without approval of the Shareholders, unless required by applicable regulatory authorities, amend any provision of the ESPP, provided that no amendment to the ESPP or any termination of the ESPP shall affect the entitlement of any participant to receive additional Shares, phantom dividends or phantom dividend Shares or have the effect of altering the terms of any outstanding right of a participant without the prior written consent of the participant and provided further that regulatory approval (including TSX approval) and, if required by such regulatory authorities, Shareholder approval, of the amended form of the ESPP is received prior to the issuance of any additional Shares, phantom dividends or phantom dividend Shares under the provisions of the amended form of the ESPP. The Directors may, without obtaining the approval of Shareholders, make changes: (a) to correct errors, immaterial inconsistencies or ambiguities in the ESPP text; or (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements and policies).

In addition, any amendment to the ESPP that would: (a) result in any increase in the number of Shares issuable under the ESPP; (b) provide for any discount to the purchase price paid by participants for Shares under the ESPP; (c) increase the number of additional Shares issuable to participants under the ESPP; (d) result in any modification to the amendments section of the ESPP, shall require approval by a majority of the votes cast by Shareholders at a meeting of Shareholders called for that purpose; (e) permit Shares issued under the ESPP to be transferrable or assignable other than as set forth in the ESPP; or (f) change the persons who are not permitted to participate in the ESPP as set forth in the ESPP, shall require approval by a majority of the votes cast by Shareholders at a meeting called for that purpose.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Director or executive officer of the Corporation or proposed nominee for election as a Director, or their respective associates, was indebted to the Corporation or its subsidiaries during the year ended December 31, 2022.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The following transactions were carried out by the Corporation with related parties since January 1, 2022.

Property Leases

The Corporation leases several buildings from related parties who were vendors of businesses the Corporation has acquired. These vendors are considered related parties because of their continued involvement in the management of those acquired businesses. These leases are recognized in the consolidated financial statements at the exchange amounts. The total costs incurred in 2022 under these leases was \$5,305,000 (2021 – \$4,197,000) and the lease term maturities range from 2023 to 2031. The payment is made monthly and therefore no related balances exist on the Corporation's statement of financial position.

Jet Fuel

Certain of the Corporation's airline subsidiaries purchase jet fuel from an entity controlled by a related party who was a vendor of a business the Corporation acquired. This vendor is considered a related party because of their continued involvement in the management of the subsidiary. The purchases are considered to be at market terms and are recognized in the consolidated financial statements at the exchange amounts. Total costs incurred in 2022 for these purchases was \$1,542,000 (2021 – \$590,000).

Key Management Compensation

The Corporation identifies its key management personnel being those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise). The key management personnel includes the executive management team and the board of directors.

Compensation awarded to key management for the 2022 year and the comparative 2021 year is as follows:

Compensation	Fiscal 2022	Fiscal 2021
Salaries and short-term benefits	\$ 7,045,000	\$ 6,534,000
Share-based payments	\$ 5,894,000	\$ 4,501,000
Total Compensation	\$12,939,000	\$11,035,000

Co-investments with CRJ Capital Corp.

CRJ Capital Corp., a corporation controlled by the CEO of Regional One Inc., can, subject to the approval of the Corporation, co-invest with the Corporation, on a non-controlling basis, in certain aircraft assets. As a co-investor in these isolated aircraft assets, CRJ Capital Corp. receives distributions as money is collected on the sale of the aircraft assets. In connection with this agreement, the CEO of Regional One has extended his non-compete agreement with the Corporation. The assets are managed

by Regional One and Regional One charges a management fee to CRJ Capital Corp. for services rendered. Cash flow returns are paid out when collected from the customer.

During 2022, CRJ Capital Corp. invested US\$1.4 million (2021 – US\$0.4 million). CRJ Capital Corp.'s total investment generated returns paid or payable of US\$0.3 million (2021 – US\$1.5 million). As a result of the sale of certain assets, depreciation recorded on its leasing assets, and the return of initial investment to CRJ Capital Corp., the remaining assets attributable to CRJ Capital Corp. at December 31, 2022 was US\$8.7 million (2021 – US\$6.7 million). At December 31, 2022, US\$0.1 million is recorded as accounts payable due to CRJ Capital Corp. (December 31, 2021 – US\$0.2 million accounts payable to CRJ Capital Corp.).

OTHER MATTERS

The Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting, 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.

The Corporation must receive Shareholder proposals for the annual meeting of Shareholders to be held in 2024 between December 11, 2023 and February 9, 2024. All proposals should be sent by registered mail to the Corporate Secretary of the Corporation at the address set forth below in "Additional Information".

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis, each for the period ended December 31, 2022. Copies of these and other documents may be obtained from the CEO of the Corporation upon request to the address set out below. This and other additional information relating to the Corporation may also be found on SEDAR at www.sedar.com.

EXCHANGE INCOME CORPORATION

Attention: Dianne Spencer, Corporate Secretary
101-990 Lorimer Boulevard
Winnipeg, Manitoba, R3P 0Z9

Or by phone: (204) 982-1852
Or by fax: (204) 982-1855
Or by email: DSpencer@eig.ca

DIRECTORS' APPROVAL

The Directors have approved the contents of this Circular and the distribution of this Circular to Shareholders.

"Dianne Spencer"
Dianne Spencer
Corporate Secretary
April 6, 2023

SCHEDULE A – BOARD OF DIRECTORS MANDATE

BOARD OF DIRECTORS MANDATE

The Board of directors (the “Board”) of Exchange Income Corporation (the “Company”) will carry out the procedures, responsibilities and duties set out below. In doing so, the Board shall oversee the management of the Company’s business and affairs in the interests of the shareholders of the Company, while continually monitoring the integrity of the Company, its subsidiaries, its officers and employees.

BOARD COMPOSITION

1. The Board should consist of a cross-section of highly professional and competent members with the necessary knowledge and abilities to facilitate the Company meeting its legal, financial, operational and societal objectives.
2. The election of directors occurs at the annual general meeting of the Company and is for a term of one year.
3. A majority of the members of the Board shall be independent pursuant to applicable legislation and regulations.

MEETINGS

4. The Chair of the Board shall solicit from the members of the Board recommendations as to matters to be brought before the Board, which matters shall receive a fair hearing at the Board meetings. The Board will meet at least five times per year. A quorum for meetings is a majority of directors.
5. A meeting agenda and background material on agenda items will be provided prior to each meeting so that Board members have an opportunity for advance review of relevant materials. Senior management will be made accessible to Board members at Board meetings and meetings of committees (each a “Committee”) of the Company and at such other times as the Board members may request.
6. All directors are encouraged to attend meetings of the Board and/or Committees in person. However, when this is not possible, a director may participate in a meeting of the Board or of a Committee by means of telephone or other communications facilities which permit all persons participating in the meeting to hear each other, and a director participating by such means is deemed to be present at the meeting.

REMUNERATION

7. Remuneration of the Board will be established upon the recommendation of the Compensation Committee and shall be generally in line with that paid by other Canadian controlled public companies of a similar size and type.

DUTIES AND RESPONSIBILITIES OF THE BOARD

8. The Board is responsible for the supervision of the management of the Company’s business and affairs. The Board has the statutory authority and obligation to oversee the maintenance and protection of the assets of the Company in the interest of all of the shareholders of the Company.
9. Although directors may be elected by the shareholders of the Company to bring a special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Company must be paramount at all times.
10. The involvement and commitment of directors is evidenced by regular Board and Committee attendance, preparation and active participation in setting goals, and requiring performance for the benefit of shareholders of the Company.

Duties and responsibilities of the board

11. While the Board is called upon to “manage” the business, this is done through delegation to the Chief Executive Officer who is charged with the day-to-day management of the Company. The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management performance. Reciprocally, management keeps the Board fully informed of the progress of the Company towards the achievement of its established goals and of all material deviations from the goals or objectives and policies established by the Board in a timely and candid manner.

12. The Board operates by delegating certain of its responsibilities and authority, including spending authorization, to management and reserving certain powers to itself.

Management Selection, Retention, Succession and Remuneration

13. Subject to the Articles and By-laws of the Company, the Board manages its own affairs, including planning its composition, selecting its Chairperson, nominating candidates for election to the Board, appointing Committees, establishing the charters and duties of the Board and its Committees, and determining Board compensation.

14. The Board has responsibility for the appointment and replacement of the Chief Executive Officer, for monitoring the performance of the Chief Executive Officer, and for determining the compensation of the Chief Executive Officer.

15. The Board has responsibility for approving the appointment and remuneration of all corporate officers, acting upon the advice of the Chief Executive Officer, and for overseeing the implementation of adequate management succession mechanisms.

16. The Board must satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the Company.

Strategy Determination

17. The Board has the responsibility of participating directly or through its Committees in developing and approving the mission of the Company, its objectives and goals, and the strategy for the achievement of such objectives and goals.

18. The Board is responsible for promoting congruence between the expectations of shareholders of the Company, Company goals and objectives and management performance.

Monitoring and Acting

19. The Board is responsible for monitoring the Company’s progress towards its goals, and to revise and alter its direction in light of changing circumstances.

20. The Board is responsible for providing advice and counsel to the Chief Executive Officer and for taking appropriate action when performance of the Company falls short of its goals or other special circumstances warrant such action.

Policies and Procedures

21. The Board is responsible for approving and monitoring compliance with all significant policies and procedures by which the Company operates.

22. The Board is responsible for monitoring the Company’s operations to ensure that such operations comply with applicable laws and regulations and ethical and moral standards at all times.

Reporting To Shareholders

23. The Board is responsible for monitoring the performance of the Company and providing regular, adequate and timely reporting of such performance to shareholders of the Company, other security holders and regulators.

Duties and responsibilities of the board

24. The Board is responsible for overseeing the report of audited annual financial statements in accordance with generally accepted accounting standards, and for reviewing the Company's quarterly financial statements before publication.

25. The Board is responsible for the timely reporting of any developments that have a significant and material impact on the value of the Company or its publicly traded securities.

General Legal Obligations

26. The directors of the Company generally have the following legal obligations:

- (i) To manage the business and affairs of the Company.
- (ii) To act honestly and in good faith with a view to the best interests of the Company.
- (iii) To exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (iv) To act in accordance with their obligations under the Canada Business Corporations Act, securities, environmental, and other relevant legislation, and the Company's articles and by-laws.
- (v) To consider as the full Board and not delegate to a Committee:
 - a. any submission to the shareholders of the Company of a question or matter requiring the approval of the shareholders of the Company;
 - b. the filling of a vacancy among the directors or the Company's auditor;
 - c. the manner and the terms of the issuance of securities;
 - d. the declaration of dividends by the Company;
 - e. the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - f. the payment of a commission to any person in consideration of his purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - g. the approval of a management proxy circular;
 - h. the approval of annual and interim financial statements;
 - i. the approval of any take-over bid circular, directors' circular or comparable circular; and
 - j. the adoption, amendment or repeal of the By-laws of the Company and proposed amendments to the Articles of the Company to be submitted to shareholders of the Company for approval.

BOARD COMMITTEES

Purpose

27. The Board may establish, seek the advice of and delegate responsibilities to Committees of the Board.

28. Committees undertake detailed examination of specific aspects of the Company as outlined in their charters. The Committees provide a smaller, more intimate forum than full Board meetings and are designed to be more conducive to exhaustive and forthright discussion.

29. Committees analyze in depth policies and strategies which are developed by management. They examine alternatives and, where appropriate, make recommendations to the full Board.

30. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so. The Board reserves the right to oversee, review and approve Committee activity.

Board committees

Membership

31. Subject to the Articles of the Company and the By-laws of the Company, the Chairs and members of the Committees are recommended by the Chair of the Board, in consultation with the Chair of the Governance Committee, and appointed by the Board.

32. Committees should be made up of not less than three and not more than seven directors.

33. The Chair of the Board shall be an ex-officio member of each Committee.

Procedures

34. The Chair of each Committee shall preside at Committee meetings; in that person's absence, an alternate may be elected by the Committee.

35. A majority of the members of a Committee constitutes a quorum.

36. Each Committee shall meet at the call of its Chair at least once in the fiscal year, or in accordance with the applicable Charter.

37. Upon advising the Board Chair, a Committee may from time to time request the assistance of external advisors to research, investigate and report on matters within that Committee's Charter.

38. The Corporate Secretary, or a person delegated by the Corporate Secretary, will be the secretary to a Committee. All minutes of the Committees will be forwarded by the Secretary to each member of the Board in a timely manner.

39. The proceedings of Committees shall be conducted in accordance with the By-laws of the Company and the Articles of the Company and the applicable Committee charter.

40. Each Committee Chair shall report or cause a report to be made to the Board at each Board meeting following a Committee meeting.

STANDING COMMITTEES

41. The Board has established the following standing Committees:

- (i) the Audit Committee;
- (ii) the Governance Committee;
- (iii) the Compensation Committee;
- (iv) the Aerospace & Aviation Sector Advisory Committee;
- (v) the Manufacturing Sector Advisory Committee; and
- (vi) the Disclosure and Competition Committee.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND INSURANCE

42. The following summarizes the arrangements relating to the indemnification and insurance of directors and officers of the Company, its subsidiaries and other entities it may direct:

STATUTORY FRAMEWORK

43. The Canada Business Corporations Act provides that a corporation may indemnify (and the Corporation does indemnify) a director or officer against all costs, charges and expenses (including an amount paid to settle an action or satisfy a judgment) reasonably incurred in respect of any civil, criminal or administrative action or proceeding if the person has acted honestly and in good faith with a view to the best interests of the corporation and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the

conduct complained of was lawful. In the case of an action brought by or on behalf of the corporation, the corporation may indemnify the directors and officers only with the approval of the court and in any case the indemnity would cover only the costs, charges, and expenses reasonably incurred by the individual in connection with the action.

TERMS OF REFERENCE FOR INDIVIDUAL DIRECTORS

The Board exercises its powers and responsibilities as a group. No individual director has the power to act on his or her own. As a member of the Board, each director will fulfill the legal requirements and obligations of a director, which include the responsibilities:

- (i) to act honestly and in good faith with a view towards the best interests of the Company; and
- (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

GENERAL

44. Members of the Board shall:

- (i) Maintain a solid understanding of the role, responsibilities and legal duties of a director.
- (ii) Demonstrate an understanding of the difference between governing and managing, and not encroach on management's area of responsibility.
- (iii) Maintain confidentiality of all information that is acquired as a director.
- (iv) Understand conflict of interest issues and declare real or perceived conflicts, and disclose contracts or arrangements in which the director has an interest.
- (v) Demonstrate support for the values and ethics of the Company and a high standard of personal values and ethics.
- (vi) Participate actively as a member or Chair of one or more Committees and become knowledgeable with the mandates of those Committees.

SKILLS AND EXPERIENCE

45. Members of the Board shall:

- (i) Demonstrate skills and experience that are complementary to the directors and supportive of the Company's current activities and strategic direction.
- (ii) Utilize external relationships and resources in making a contribution and adding value to the Company.
- (iii) Effectively apply his or her knowledge, experience and expertise to issues confronting the Company.
- (iv) Serve as a helpful resource to the Board and to management where necessary and appropriate.

STRATEGIES AND PLANS

46. Members of the Board shall:

- (i) Maintain and demonstrate a comprehensive understanding of the Company's strategic direction and annual plans; including an understanding of the Company's principal risks.
- (ii) Contribute and add value to discussions regarding the Company's strategic direction.
- (iii) Participate in monitoring and evaluating the Chief Executive Officer's and management's success in achieving established goals set out in the Company's strategic and annual plans.

Board Committees

PREPARATION, ATTENDANCE AND AVAILABILITY

47. Members of the Board shall:

- (i) Maintain an excellent Board and Committee meeting attendance record.
- (ii) Attend entire Board or Committee meetings, not just parts of meetings.
- (iii) Attend meetings well prepared, having completed and understood the necessary background reading and having consulted other directors and/or management, if required, to evaluate and add value to agenda items presented.
- (iv) Where appropriate, demonstrate broader preparation than just the distributed material.
- (v) Be available when needed, and be accessible and approachable.
- (vi) Have the necessary time and commitment to fulfill responsibilities as a director and, if applicable, as a member of one or more Committees.

COMMUNICATION AND INTERACTION

48. Members of the Board shall:

- (i) Interact appropriately with the leadership and management of the Company.
- (ii) Participate fully and openly in Board deliberations and discussions.
- (iii) Be a team player – work effectively with fellow directors and be a positive and constructive force within the Board.
- (iv) Communicate persuasively and logically, voice concerns, listen and raise questions in a manner that encourages open discussion.
- (v) Be willing to take a stand or express a view, even if it runs contrary to prevailing wisdom or the direction of the discussion; exercise independent judgment.
- (vi) Advise the Chief Executive Officer and/or the Chair of the Board when introducing significant and/or previously unknown information or material at a Board meeting.

BUSINESS, COMPANY AND INDUSTRY KNOWLEDGE

49. Members of the Board shall:

- (i) Maintain and demonstrate a strong understanding of the business, services/products, markets and operations of the Company and its affiliates.
- (ii) Maintain and demonstrate knowledge of important industry trends and the competitive environment.
- (iii) Where appropriate, use contacts to increase understanding of the various issues with which the Board is concerned.
- (iv) Be familiar with and give access to the Company's senior management team and other high potential senior employees

Remain knowledgeable about the Company's operations and visit them when appropriate.

SCHEDULE B – AMENDED RIGHTS PLAN

FOURTH AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN

Summary of Key Features

The following is a summary of the features of the Rights Plan proposed to be implemented pursuant to a fourth amended and restated shareholder rights plan agreement to be dated as of May 10, 2023 (the “Rights Plan Agreement”) between the Corporation and TSX Trust Company, as rights agent. The summary is qualified in its entirety by the full text of the Rights Plan, a copy of which is available from the Corporation as described in the attached Circular. All defined terms, where used in this summary without definition, have the meanings attributed to them in the Rights Plan Agreement.

Issuance of Rights

One Right was issued by the Corporation in respect of each Common Share outstanding at the close of business on May 13, 2011, and one Right was issued and will continue to be issued in respect of each Common Share of the Corporation issued thereafter, prior to the earlier of the Separation Time and the Expiration Time. Under the Rights Plan, the Rights are simply reconfirmed and the Corporation reconfirms its authorization to continue the issuance of new Rights for each Common Share issued. Each Right entitles the registered holder thereof to purchase one Common Share from the Corporation. The exercise price under the Rights Plan is, (i) until the Separation Time, an amount equal to three times the market price per Common Share, and (ii) after the Separation Time, an amount equal to three times the market price (determined in accordance with Rights Plan) as at the Separation Time, per Common Share (the “Exercise Price”).

The Rights are not exercisable until the Separation Time. If a Flip-In Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares of the Corporation having an aggregate market price equal to twice the Exercise Price.

The Rights Plan provides that the Corporation is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside of Canada or the United States, where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside of Canada and the United States, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

As a condition to the issuance of Common Shares (or any other Voting Shares) upon the exercise of Rights, the Rights Agent or the Corporation may in its sole discretion require the registered holder of the Rights to complete and submit a duly executed declaration with respect to whether the beneficial owner of the Rights being exercised is a Non-Canadian or not a Non-Canadian Carrier for the purposes of the Rights Plan:

- (a) “Canadian” means a Canadian within the meaning of Part II of the *Canada Transportation Act*;
- (b) “Non-Canadian” means a person who is not a Canadian; and
- (c) “Non-Canadian Carrier” means a Non-Canadian authorized to provide air service in any jurisdiction.

and the holder of the Rights shall not be entitled to receive any Common Shares (or other Voting Shares) upon the exercise of the Rights if issuance of such Shares would result in a breach of the constating documents of the Corporation or any applicable law to which it is subject.

Trading of Rights

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Common Shares of the Corporation and will be transferable only together with the associated Common Shares. From and after the Separation Time,

Trading of Rights

separate certificates evidencing the Rights (“Rights Certificates”), together with a disclosure statement prepared by the Corporation describing the Rights, will be mailed to holders of record of Common Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Common Shares issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities (“Convertible Securities”) convertible into or exchangeable for Common Shares. The Rights will trade separately from the Common Shares after the Separation Time.

Separation Time

The Separation Time is the Close of Business on the tenth Business Day after the earlier of (i) the “Stock Acquisition Date”, which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person, (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, so long as such bid continues to satisfy the requirements of a Permitted Bid or Competing Permitted Bid) and (iii) the date upon which a Permitted Bid ceases to be a Permitted Bid. In any case, the Separation Time can be such later date as may be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

Acquiring Person

In general, an Acquiring Person is a Person who is the Beneficial Owner of 20% or more of the Corporation’s outstanding Voting Shares (defined as any Shares entitling the holder to vote for the election of all directors, generally). Excluded from the definition of “Acquiring Person” are the Corporation and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or more or any combination of an acquisition or redemption by the Corporation of Voting Shares, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of “Permitted Bid Acquisition”, “Exempt Acquisition”, “Convertible Security Acquisition” and “Pro Rata Acquisition” are set out in the Rights Plan Agreement. However, in general:

- (a) a “Permitted Bid Acquisition” means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (b) an “Exempt Acquisition” means a share acquisition (i) in respect of which the Board of Directors has waived the application of the Rights Plan pursuant to the provisions of the Rights Plan; (ii) pursuant to a dividend reinvestment plan of the Corporation; (iii) pursuant to the receipt or exercise of rights issued by the Corporation to all holders of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities, provided that the Person does not thereby acquire a greater percentage of Voting Shares or Convertible Securities so offered than the Person’s percentage of Voting Shares or Convertible Securities Beneficially Owned immediately prior to such acquisition; (iv) pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities by way of prospectus or private placement by the Corporation, provided that the Person does not thereby acquire (or is deemed to Beneficially Own) a greater percentage of Voting Shares so offered than the Person’s percentage of Voting Shares Beneficially Owned immediately prior to such acquisition; or (v) upon the exercise of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation;
- (c) a “Convertible Security Acquisition” means an acquisition of Voting Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition; and
- (d) a “Pro Rata Acquisition” means an acquisition of Voting Shares or Convertible Securities as a result of a stock dividend, a stock split or other similar event, acquired on the same pro rata basis as all other holders of Voting Shares.

Also excluded from the definition of “Acquiring Person” are underwriters or members of a banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement.

To the best of the knowledge of the directors and senior officers of the Corporation, as of the date hereof, no person is the Beneficial Owner of 20% or more of the outstanding Voting Shares.

Beneficial Ownership

In general, a Person is deemed to Beneficially Own Common Shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the Rights Plan. Included are holdings by the Person’s Affiliates (generally, a person that controls, is controlled by, or is under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person’s Affiliates or Associates has the right to acquire within 60 days (other than (a) customary agreements with and between underwriters and/or banking group and/or selling group members with respect to a public offering or private placement of securities, or (b) pursuant to a pledge of securities).

A Person is also deemed to “Beneficially Own” any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert (a “Joint Actor”). A Person is a Joint Actor with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof for the purpose of acquiring or offering to acquire Common Shares.

(a) Institutional Shareholder Exemptions from Beneficial Ownership

The definition of “Beneficial Ownership” contains several exclusions whereby a Person is not considered to “Beneficially Own” a security. There are exemptions from the deemed “Beneficial Ownership” provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to: (i) an investment manager (“Investment Manager”) which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person, including the acquisition or holding of securities for non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable securities law; (ii) a licensed trust company (“Trust Company”) acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts (each an “Other Account”) and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a “Plan Trustee”) of one or more pension funds or plans (a “Plan”) registered under applicable law; (iv) a Person who is a Plan or is a Person established by statute (the “Statutory Body”), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies, or (v) a Crown agent or agency. The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Plan Trustee, Plan, Statutory Body or Crown agent or agency is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions.

A Person will not be deemed to “Beneficially Own” a security because (i) the Person is a client of or has an account with the same Investment Manager, or where such Person is a client of or has an account with the same Trust Company, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Company or Plan Trustee, as the case may be, holds such security; (ii) the Person is a client of an Investment Manager, an account of a Trust Company or a Plan, and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan Trustee, as the case may be; or (iii) the Person is the registered holder of securities as a result of carrying on the business of or acting as nominee of a securities depository.

Beneficial Ownership

(b) Exemption for Permitted Lock-up Agreement

A Person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement in respect of a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up and paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Voting Shares and/or Convertible Securities (the terms of which are publicly disclosed and made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Voting Shares and/or Convertible Securities to the Lock-up Bid and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares and/or Convertible Securities in order to deposit or tender the Voting Shares to another Take-over Bid or support another transaction: (i) at a price or value that exceeds the price under the Lock-Up Bid; or (ii) is for a number of Voting Shares or Convertible Securities at least 7% greater than the number of Voting Shares or Convertible Securities under the Lock-Up Bid at a price or value that is not less than the price or value offered under the Lock-up Bid; or (iii) (A) that contains an offering price for each Voting Share or Convertible Security that exceeds by as much as or more than a specified amount (the “Specified Amount”) the offering price for each Voting Share or Convertible Security contained in or proposed to be contained in the Lock-up Bid and (B) does not by itself provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares during the period of the other Take-over Bid or transaction. Finally, under a Permitted Lock-up Agreement no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of: (A) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (B) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; will be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Voting Shares to the Lock-up Bid or withdraws Voting Shares and/or Convertible Securities previously tendered thereto in order to deposit such Voting Shares to another Take-over Bid or support another transaction.

Flip-In Event

A Flip-In Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-In Event which has not been waived by the Board of Directors occurs (see “Redemption, Waiver and Termination”), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a Person, which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Common Shares having an aggregate Market Price on the date of the Flip-In Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-In Event the Exercise Price is \$60 and the Market Price of the Common Shares is \$20, the holder of each Right would be entitled to purchase Common Shares having an aggregate market price of \$120 (that is, 6 Common Shares) for \$60 (that is, a 50% discount from the market price).

Permitted Bid and Competing Permitted Bid

A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (a) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
- (b) the Take-over Bid contains irrevocable and unqualified conditions that:
 - (i) no Voting Share shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid, or such shorter period that a take-over bid must remain open for deposits of securities in the applicable circumstances pursuant to Canadian securities laws, and the provisions for the take-up and payment for Voting Shares tendered or deposited thereunder shall be subject to such irrevocable and unqualified condition;
 - (ii) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Voting Shares and that all Voting Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - (iii) more than 50% of the outstanding Voting Shares held by Independent Shareholders must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Voting Shares; and
 - (iv) in the event that more than 50% of the then outstanding Voting Shares held by Independent Shareholders shall have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Voting Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry and satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 105 days so long as it is open for the minimum number of days that a take-over bid must be open for acceptance under applicable Canadian securities laws.

Redemption, Waiver and Termination

Certain rights of redemption, waiver and termination are as follows:

- (a) **Redemption of Rights on Approval of Holders of Voting Shares and Rights.** The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the "Redemption Price").
- (b) **Waiver of Inadvertent Acquisition.** The Board of Directors acting in good faith may waive the application of the Rights Plan in respect of the occurrence of any Flip-In Event if (i) the Board of Directors has determined that a Person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (ii) the Acquiring Person has reduced its Beneficial Ownership of Voting Shares such that at the time of waiver the Person is no longer an Acquiring Person.
- (c) **Deemed Redemption.** In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Voting Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.

Redemption, Waiver and Termination

- (d) Discretionary Waiver with Mandatory Waiver of Concurrent Bids. The Board of Directors acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-In Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Voting Shares. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-In Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.
- (e) Discretionary Waiver Respecting Acquisition not by Take-over Bid Circular. The Board of Directors acting in good faith may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Rights Plan has not been waived, if such Flip-In Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all holders of Voting Shares and otherwise than by inadvertence in the circumstances described in subparagraph (b) above, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of Shareholders called to approve such a waiver.
- (f) Redemption of Rights on Withdrawal or Termination of Bid. Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-In Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Common Share as provided for in the Rights Plan.

If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights.

Anti-Dilution Adjustments

The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (a) if there is a dividend payable in Voting Shares or Convertible Securities (other than pursuant to any optional stock dividend program or dividend reinvestment plan or a dividend payable in Voting Shares in lieu of a regular periodic cash dividend) on the Common Shares, or a subdivision or consolidation of the Common Shares, or an issuance of Voting Shares or Convertible Securities in respect of, in lieu of or in exchange for Common Shares; or
- (b) if the Corporation fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Voting Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in Common Shares) or rights or warrants.

Supplements and Amendments

Changes that the Board of Directors, acting in good faith, determines are necessary to maintain the validity of the Rights Plan as a result of any change in any applicable legislation, rules or regulation may be made subject to subsequent confirmation by the holders of the Common Shares or, after the Separation Time, the holders of Rights.

Supplements and Amendments

The Corporation may also make amendments to correct any clerical or typographical error. Subject to the above exceptions, after the Meeting, any amendment, variation or deletion of or from the Rights Plan and the Rights, is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

Expiration

If the Rights Plan is ratified, confirmed and approved at the Meeting, it will become effective immediately following such approval and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Rights Plan) and the termination of the annual meeting of the shareholders in the year 2026 unless at or prior to such meeting the Independent Shareholders ratify the continued existence of the Rights Plan.



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