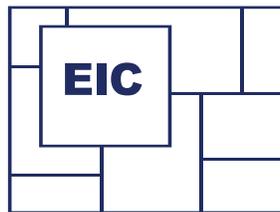


Power of Diversity

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

APRIL 05, 2022



**Exchange
Income
Corporation**

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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 11, 2022
10:30 a.m. (Winnipeg Time)

WHERE:

The health and safety of the Corporation's Shareholders, employees, and other stakeholders is a top priority. While the Corporation intends to hold the Meeting in person with appropriate health and safety protocols in place, with a virtual live webcast, in the event of changes in public health restrictions due to the unpredictable nature of the COVID-19 pandemic or potential protocols recommended by public health officials or the Chief Medical Director in Manitoba, the Corporation may consider holding the Meeting by virtual live webcast only.

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.



In person:

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



Via live webcast online:

at <https://web.lumiagm.com/407921185>
Password: eic2022 (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, 2021, 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** unallocated awards under the fourth amended and restated employee share purchase 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, 2022. 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:

MAIL	FACSIMILE	SCAN AND EMAIL	INTERNET*
TSX Trust Company, Proxy Department, PO Box 721, Agincourt, Ontario, M1S 0A1	416-368-2502 (Toll Free: 1-866-781-3111 Canada & US Only)	proxyvote@tmx.com	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 5, 2022

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 & aviation sector advisory committee of the Board
Annual Information Form	means the annual information form of the Corporation dated March 30, 2022
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 5, 2022 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
ESPP	means the fourth amended and restated employee share purchase plan of the Corporation dated May 8, 2019
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 Gary Filmon
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 11, 2022 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, 2022
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 11, 2022
10:30 a.m. (Winnipeg Time)

WHERE:

The health and safety of the Corporation's Shareholders, employees, and other stakeholders is a top priority. While the Corporation intends to hold the Meeting in person with appropriate health and safety protocols in place, with a virtual live webcast, in the event of changes in public health restrictions due to the unpredictable nature of the COVID-19 pandemic or potential protocols recommended by public health officials or the Chief Medical Director in Manitoba, the Corporation may consider holding the Meeting by virtual live webcast only.

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.



In person:

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



Via live webcast online:

at <https://web.lumiagm.com/407921185>
Password: **eic2022** (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 health and safety of the Corporation's Shareholders, employees, and other stakeholders is a top priority. While the Corporation intends to hold the Meeting in person with appropriate health and safety protocols in place, with a virtual live webcast, in the event of changes in public health restrictions due to the unpredictable nature of the COVID-19 pandemic or potential protocols recommended by public health officials or the Chief Medical Director in Manitoba, the Corporation may consider holding the Meeting by virtual live webcast only.

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.

How to Participate in 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), subject to any changes to the Meeting due to the COVID-19 pandemic, 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 hanger.
- As of the date of this Circular, in accordance with the guidelines adopted by Calm Air, must present a government issued ID and proof of full COVID-19 vaccination.
- Wear face coverings or masks while onsite at the Calm Air hangar.

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/407921185> in a web browser (not a Google search) on your smartphone, tablet or computer. The password is “**eic2022**” (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.

For - Vote received

- 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.
- 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 .

How to Participate in the Meeting

- 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.

Shareholders that do not have access to the Internet or a smartphone may also attend the Meeting virtually by teleconference at: 1-888-396-8049 Toll-Free – North America. Participants attending the Meeting by teleconference will not be able to vote and ask questions at the Meeting and are encouraged to submit their proxy in advance.

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:

MAIL	FACSIMILE	SCAN AND EMAIL	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	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.

Appointment and Revocation of Proxies

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 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 Depository 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

Appointment and Revocation of Proxies

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 38,852,021 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

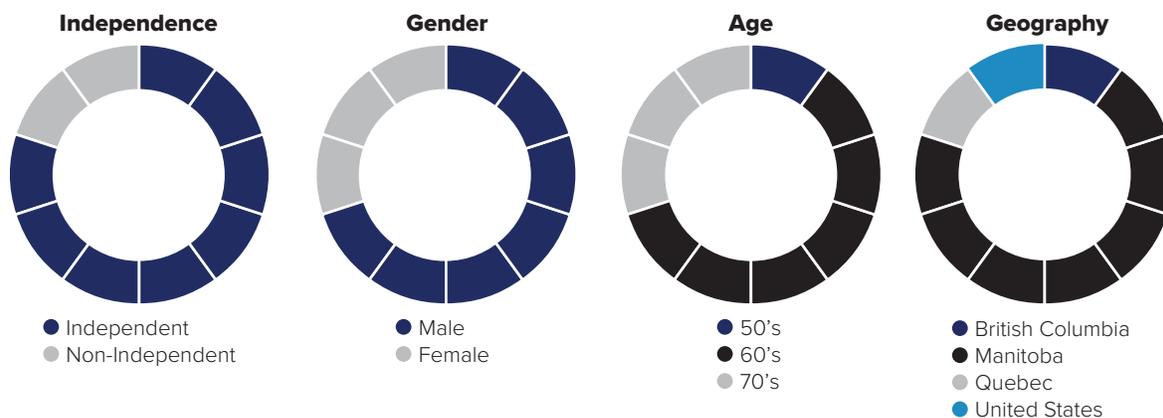
The following table is a summary of the ten Directors nominated by the Board. For more information, see "Individual Director Nominees Information Tables" below.

Individual	Age	Director Since	Main Occupation	Independent	Committee ⁽¹⁾	Board Meeting Attendance	Share Ownership Requirement
Brad Bennett	63	July 2009	Chairman McIntosh Properties Ltd.	✓	C, E, F	100%	Met
Gary Buckley	61	July 2009 ⁽²⁾	President Wellington Paige Group Inc.	✓	B, C (Chair), F	100%	Met
Polly Craik	60	May 2018	Corporate Director	✓	B, E	100%	Met
Bruce Jack	70	Nominated May 2022	Corporate Director	✓	N/A	N/A	Has until January 2026 to comply
Duncan Jessiman	75	July 2009 ⁽²⁾	Executive Vice-Chair	-	D (Chair), E, F	100%	Met
Michael Pyle	57	July 2009 ⁽²⁾	CEO	-	D, E, F	100%	Met
Grace Schalkwyk	66	June 2020	Corporate Director	✓	A, B, E	100%	Has until January 2024 to comply
Melissa Sonberg	61	May 2018	Corporate Director and Professor of Practice	✓	A (Chair), C, E	100%	Met
Donald Streuber	64	July 2009 ⁽²⁾	Executive Chairman Bison Transport Inc.	✓	A, B (Chair), E (Chair)	100%	Met
Edward Warkentin	72	July 2009 ⁽²⁾	Corporate Director	✓	A, C, F (Chair)	100%	Met

Notes:

- (1) Committees:
A) Governance Committee
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).

2. Election of Directors



Director Skills Matrix

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

Individual	Brad Bennett	Gary Buckley	Polly Craik	Bruce Jack	Duncan Jessiman	Michael Pyle	Grace Schalkwyk	Melissa Sonberg	Donald Streuber	Edward Warkentin
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	●	●						●		●
Marketing and Sales Strategy			●					●	●	
Information Technology and Social Media			●				●			
International Business				●			●	●		
Executive Suite Line Management		●	●			●		●	●	
Environment and Social							●	●		

2. Election of Directors

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 8, 2021). 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
2022	\$43.25	April 4, 2022
2021	\$39.15	April 7, 2021

Election of Directors



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

Kelowna, BC

Joined the
Board on
July 28, 2009

Age: 63

Status:
Independent

Mr. Bennett is Chairman of McIntosh Properties Ltd., a real estate and investment holding company and was previously President. 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 2021	
Board	6 of 6	100%
Compensation 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

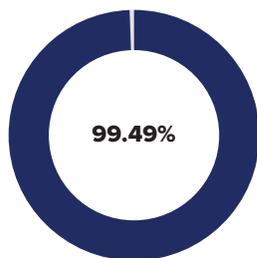
- Accounting and finance
- Strategic planning
- Corporate development, mergers and acquisitions
- Human resources and compensation

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	76,274,316	27,224	1,177,438	1,790,792	77,451,754	405,000	100%
Previous	1,763,568	69,043,687	22,810	893,012	1,786,378	69,936,699	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,114,486	56,560	11,171,046



Gary Buckley
Winnipeg, MB
 Joined the Board on July 28, 2009 (previously a trustee of a predecessor to the Corporation)
Age: 61
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 2021	
Board	6 of 6	100%
Audit Committee	6 of 6	100%
Compensation Committee (Chair)	4 of 4	100%
Manufacturing Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

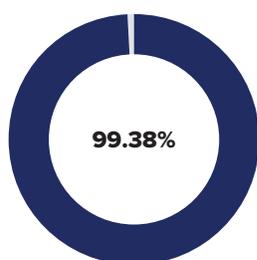
- Accounting and finance
- Strategic planning
- Corporate development, mergers and acquisitions
- Human resources and compensation
- Executive suite line management

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	16,948,593	25,712	1,112,044	417,587	18,060,637	405,000	100%
Previous	391,875	15,341,906	21,379	836,988	413,254	16,178,894	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,101,833	69,213	11,171,046

Election of Directors



**Polly Craik,
ICD.D.**

Winnipeg, MB

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

Age: 60

**Status:
Independent**

Ms. Craik is a corporate director. Ms. Craik is a graduate of the Advanced Business Executive Program at the Massachusetts Institute of Technology which she attended from 1999 to 2004. In 2010, Ms. Craik was awarded an honorary diploma from Red River College and in 2016, received the Manitoba Chamber of Commerce, Lieutenant Governor's award for outstanding contribution by an individual to the community.

Ms. Craik owned and led the growth at Fine Line Communications Ltd., a private Canadian business for 30 years until 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 and 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 of the Aerospace & Aviation Sector Advisory Committee prior to her election as a Director.

Board / Committee Membership	Meeting attendance in 2021	
Board	6 of 6	100%
Audit Committee	5 of 5	100%
Aerospace & Aviation Sector Advisory Committee	4 of 4	100%

Key Areas of Expertise

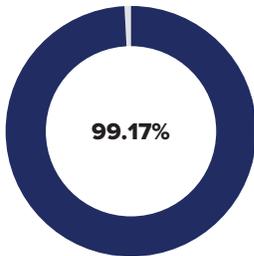
- Strategic planning
- Corporate governance
- Marketing and sales strategy
- Information technology and social media
- Executive suite line management

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	3,720	160,890	9,390	406,118	13,110	567,008	405,000	100%
Previous	3,470	135,851	6,811	266,651	10,281	402,501	Has until January 2023 to comply	



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,078,760	92,286	11,171,046



Bruce Jack
Winnipeg, MB
Nominated
in May, 2022
Age: 70
Status:
Independent

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 2021	
N/A	N/A	N/A

Key Areas of Expertise

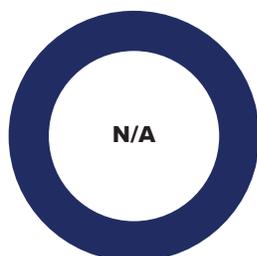
- Accounting and finance
- Risk management
- Corporate development, mergers and acquisitions
- Corporate governance
- International business

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	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



**Duncan D.
Jessiman Q.C.**

Winnipeg, MB

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

Age: 75

**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 2021	
Board	6 of 6	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

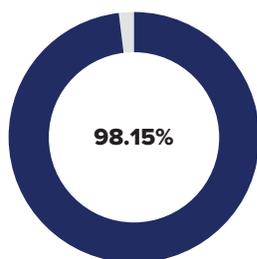
- Strategic planning
- Corporate development, mergers and acquisitions
- Legal, regulatory and public affairs
- Capital markets

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	6,837,912	48,210	2,085,083	206,312	8,922,994	405,000	100%
Previous	125,028	4,894,846	45,664	1,787,746	170,692	6,682,592	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,964,284	206,762	11,171,046



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

Winnipeg, MB

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

Age: 57

**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 Vice-Chair of the Business Counsel of Manitoba, the Vice-Chair of CentrePort Canada Inc. and a Director of Next Hydrogen Solutions Inc. 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 2021	
Board	6 of 6	100%
Disclosure and Competition Committee	3 of 4	75%
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
- Executive suite line management

Other Current Public Company Directorships

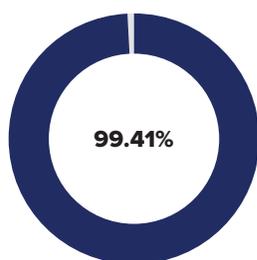
Next Hydrogen Solutions Inc.

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	789,226	182,508⁽¹⁾	7,893,471	200,756	8,682,697	4,800,000⁽¹⁾	100%
Previous	18,248	714,409	286,522	11,217,336	304,770	11,931,746	4,000,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,104,817	66,209	11,171,026

(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.

Election of Directors



Grace Schalkwyk

New York, NY, USA

Joined the Board on June 25, 2020

Age: 66

Status: Independent

Ms. Schalkwyk holds a Bachelor of Commerce (Finance) with Honours from the University of British Columbia and received executive education from Columbia Business School in New York and INSEAD in France. She is a member of the Institute of Corporate Directors (Canada) and a Board Leadership Fellow of the National Association of Corporate Directors (U.S.).

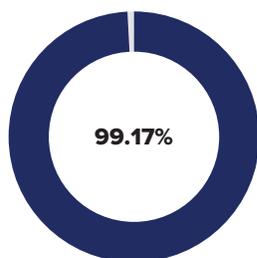
Since 2009, Ms. Schalkwyk has been advising technology-based businesses on business models, growth strategy, scalability and positioning for significant transactions. Ms. Schalkwyk's previously held positions were Senior Vice President, Publisher at Standard & Poor's; Chief Financial Officer of Artnet.com AG; corporate development at Reuters America Holdings Inc.; and cross-border investment banking at Credit Suisse.

Ms. Schalkwyk is currently a director and Audit Committee chair of NASDAQ listed Salisbury Bancorp, a director of Crescendo Inc. (a not-for-profit early music ensemble), and a member of the advisory board of Overbond Ltd. (a bond market fintech company).

Board / Committee Membership	Meeting attendance in 2021	
Board	6 of 6	100%
Audit Committee	6 of 6	100%
Governance Committee	0 of 1	N/A ⁽¹⁾
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 development, mergers and acquisitions Capital markets Information technology International business Environment and social 	Salisbury Bancorp	2019 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	-	-	6,753	292,067	6,753	292,067	Has until January 2024 to comply	
Previous	-	-	3,421	133,932	3,421	133,932		



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,077,909	93,117	11,171,026

(1) Ms. Schalkwyk was appointed to the Governance Committee on May 13, 2021 and attended all Governance committee meetings after her appointment.



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

Montreal, QC

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

Age: 61

**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 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.

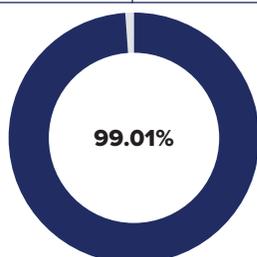
Ms. Sonberg has a wealth of experience on corporate and advisory boards. She currently serves on the boards of Hydro One Limited, Athennian, Canadian Professional Sales Association, the Montreal Children's Hospital Foundation, and Enghouse Systems Inc. Ms. Sonberg's past board experience includes MD 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 2021	
Board	6 of 6	100%
Governance Committee (Chair)	1 of 1	100%
Compensation Committee	4 of 4	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 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	-	-	15,172	656,189	15,172	656,189	405,000	100%
Previous	-	-	11,396	446,153	11,396	446,153	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,060,439	110,587	11,171,026

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: 64

Status: Independent

Mr. Streuber currently chairs the Audit Committee and the Aerospace & Aviation Sector Advisory Committee.

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. Prior to joining Bison in 1999, Mr. Streuber was a partner at Sill Streuber Fiske & Company, Chartered Accountants. Mr. Streuber was elected a FCA by the Institute of Chartered Accountants of Manitoba in 2012.

Mr. Streuber is a director of James Richardson & Sons Limited and a member of the 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 Vice Chairman for the Assiniboine Park Conservancy.

Board / Committee Membership	Meeting attendance in 2021	
Board	6 of 6	100%
Audit Committee (Chair)	6 of 6	100%
Governance Committee	1 of 1	100%
Aerospace & Aviation Sector Advisory Committee (Chair)	4 of 4	100%

Key Areas of Expertise

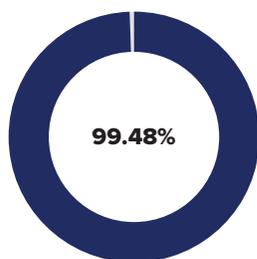
- Accounting and finance
- Risk management
- Corporate development, mergers and acquisitions
- Marketing and sales strategy
- Executive suite line management

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	355,994	15,396,740	28,853	1,247,892	384,847	16,644,632	405,000	100%
Previous	341,276	13,360,955	22,870	893,012	364,086	14,253,967	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
11,112,691	58,335	11,171,026



**Edward Warkentin
LL.B.**

Winnipeg, MB

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

Age: 72

**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 2021	
Board	6 of 6	100%
Governance Committee	1 of 1	100%
Compensation Committee	4 of 4	100%
Manufacturing Sector Advisory Committee (Chair)	4 of 4	100%

Key Areas of Expertise

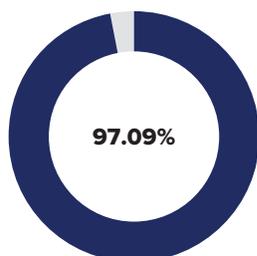
- Accounting and finance
- Corporate governance
- Legal, regulatory and public affairs
- Human resources and compensation

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	7,907,960	20,769	898,259	203,612	8,806,219	405,000	100%
Previous	182,843	7,158,303	18,185	711,943	201,028	7,870,246	405,000	100%



Prior Year Voting Results For Election as a Director

For	Withheld	Total
10,846,078	324,948	11,171,026

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

The Board has adopted a majority voting policy pursuant to which, with respect to uncontested Board elections, each nominee who receives more votes withheld than are voted in favour of him or her, such nominee will be expected to forthwith submit his or her resignation to the Board, to be effective on its acceptance by the Board. The Board will refer the resignation to the Governance Committee for consideration. The Board will promptly accept the resignation unless the Governance Committee recommends to the Board that there are circumstances warranting that such Director continue to serve as a Director. In any event, it is expected that the resignation will be accepted (or rejected) by the Board within 90 days of the meeting of Shareholders, during which time an alternate Director may be appointed.

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 Unallocated Awards Under the ESPP

The rules of the TSX provide that every three years after the institution of a security-based compensation arrangement, all unallocated options, rights or other entitlements under such arrangement that does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the issuer's directors and by a majority of the issuer's shareholders. An "evergreen plan" (being a plan that provides for the replenishment of the number of securities reserved when awards are exercised) does not, by definition, have a fixed maximum number of securities issuable thereunder, and is therefore subject to the requirement that shareholders approve unallocated entitlements every three years. Awards are considered to be "allocated" under a plan when they are granted to a participant and awards that remain available for grant under a plan are referred to as "unallocated".

The ESPP is considered an "evergreen" plan. The total number of Shares authorized for issuance under the ESPP and all other security based compensation arrangements of the Corporation (which currently only includes the Deferred Share Plan) shall not exceed 4.5% of the issued and outstanding Shares from time to time. The ESPP is described in detail in this Circular under the heading "Securities Authorized for Issuance Under Equity Compensation Plans – ESPP". A copy of the ESPP may be obtained by contacting the Corporation at the address set forth at the end of this Circular or on SEDAR at www.sedar.com.

The ESPP, in its current form, was approved by the Shareholders of the Corporation at the annual and special meeting held on May 8, 2019.

Based on there being 38,852,021 issued and outstanding Shares as of the date hereof, the number of Shares that may be issued pursuant to the ESPP and all other security based compensation arrangements of the Corporation is currently limited to 1,748,341. There are currently 97,049 Shares held pursuant to the ESPP (representing 0.3% of the issued and outstanding Shares) and 862,334 Deferred Shares outstanding pursuant to the Deferred Share Plan (representing 2.22% of the issued and outstanding Shares), leaving up to 788,958 Shares or "unallocated awards" available for future grants under the ESPP or other security based compensation arrangements of the Corporation (the "**Unallocated Awards**").

At the Meeting, Shareholders will be asked to approve an Ordinary Resolution (the "**ESPP Resolution**") approving the Unallocated Awards issuable pursuant to the ESPP. The text of this resolution is set forth below. If the ESPP Resolution is not passed at the Meeting, the Corporation will not be permitted to grant further awards of Shares under the ESPP. However, all outstanding ESPP will continue unaffected.

Recommendation of the Board

The Board has determined that it continues to be in the best interests of the Corporation that the Corporation have an ESPP. Accordingly, the Board unanimously recommends the Shareholders vote in favour of the approval of the Unallocated Awards issuable pursuant to the ESPP.

The text of the ESPP Resolution is set forth below:

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

1. all unallocated awards of deferred shares under the fourth amended and restated deferred share plan of the Corporation dated May 8, 2019 (the "**ESPP**") are hereby authorized and approved;
2. the Corporation shall have the ability to continue granting awards of common shares of the Corporation under the ESPP until May 11, 2025, being the date that is three years from the date hereof; and

Election of Directors

- any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to take, or cause to be taken, any and all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, instruments, notices, consents, acknowledgments, certificates, assurances and other documents (including any documents required under applicable laws or regulatory policies) as any such director or officer in his or her sole discretion may determine to be necessary or desirable to give effect to the foregoing resolution, such determination to be conclusively evidenced by the taking of any such action or such director's or officer's execution and delivery of any such."

To be effective, the ESPP Resolution must be passed at the Meeting. The Directors recommend a vote FOR the approval of the Unallocated Awards under the ESPP. 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 third 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.

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 2021 from Shareholders with 95.67% of votes cast in favor of the Say-on-Pay vote at the 2021 annual and special meeting of Shareholders. No significant comments relating to executive compensation were received from Shareholders in 2021.

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 the Honourable Gary Filmon, P.C., O.C., O.M., LL.D., ICD.D. Mr. Filmon is retiring and is not standing for re-election as a Director at the Meeting. It is the intention of the Board to nominate Don Streuber as Chair of the Board after the Meeting and elections.

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 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
- Gary Filmon
- Grace Schalkwyk
- Melissa Sonberg
- Donald Streuber
- Edward Warkentin

Non-Independent Directors are:

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

Gary Filmon is the Chair of the Board and is an Independent Director. Mr. Filmon is retiring and is not standing for re-election as a Director at the Meeting. It is the intention of the Board to nominate Don Streuber as Chair of the Board after the meeting and elections. Mr. Streuber is an Independent Director.

The newly nominated Director, Bruce Jack, if elected by shareholders at the Meeting, will also be an Independent Director.

Corporate Governance

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, 2021, five 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 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 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.

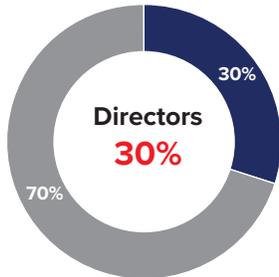
The Board is also receptive to increasing the number of members of Designated Groups in executive officer positions with the Corporation, taking into account the particular skills, background, experience and knowledge required for the particular executive officer position. When the Board and members 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 eleven executive

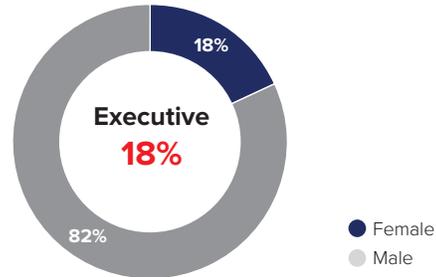
Corporate Governance

officers of the Corporation are women, representing 18% 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.

Gender Diversity – Directors



Gender Diversity – Executive



Currently, none of the Directors or executive officers of the Corporation (0%) 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 2021, 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 2021, the pandemic restrictions precluded any site visits.

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 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 2021, this review and the individual meetings took place in the fourth quarter. The Governance Committee report was presented at the Board meeting in the first quarter of 2022 where the annual financial results of the Corporation were also presented to the Board.

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 has the following requirements:

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| <ul style="list-style-type: none"> (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 | <ul style="list-style-type: none"> 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 three 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 three years to meet the increased shareholding requirement; and (g) 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. |
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Corporate Governance

Effective January 1, 2020, 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	\$240,000	3 times	\$720,000
Director	\$ 135,000	3 times	\$405,000

Environmental, Social and Governance (ESG) Matters



The Board understands effective management for 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.

Accordingly, the Corporation is engaged in a process to help it better understand its most material ESG risks and committed to implementing systems and programs to manage those risks.

As part of this commitment, the Corporation began by enhancing 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 cyber security requires 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 develop an action plan 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 2021, the Corporation took meaningful action 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 2021, the Corporation committed to developing a process to measure and report its carbon footprint.

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 2021, the Corporation:

- Supported employees as they navigated the COVID-19 pandemic by enhancing mental health and wellness supports;
- Provided personal protective equipment (PPE) to employees and encouraged work from home arrangements where feasible;
- Resumed VIP experiences wherein youth from remote communities experience professional sporting events as an incentive to stay in school and to support mental health;
- 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 to aircraft maintenance engineers and 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 Environmental and Social governance initiatives in 2021:

- Annual review of 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

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, Gary Filmon, 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

Corporate Governance

- basis, all Directors receive continuing education, including specific education for the members of the various committees of the Board, if required.
- (d) assisting the Corporation in ensuring new Directors receive proper education and orientation about the Corporation and its subsidiaries, and that on an ongoing

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 2021.

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

- 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;
- protection of the Corporation's confidential information;
- that all personnel of the Corporation and its subsidiaries are aware of the legal requirements to comply with competition law; and
- 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 & aviation sector of the Corporation. The Aerospace & Aviation Sector Advisory Committee consists of Donald Streuber (Chair), Michael Pyle, Duncan Jessiman, Brad Bennett, 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 & aviation subsidiaries; effectively apply their knowledge, experience and expertise to issues confronting the aerospace & aviation subsidiaries; and serve as a helpful resource to the management of the aerospace & 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 & aviation subsidiaries, including an understanding of the aerospace & aviation subsidiaries' principal risks; contribute and add value to discussions regarding the aerospace & aviation subsidiaries' strategic direction; participate in monitoring and evaluating the executive management's success in achieving established goals set out in the aerospace & aviation subsidiaries' strategic and annual plans; maintain and demonstrate a strong understanding of the aerospace & aviation subsidiaries' business, services/products, markets and operations; and maintain and demonstrate knowledge of important industry trends and the competitive environment.

Corporate Governance

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 & aviation subsidiaries. In 2021, discussions included: the acquisitions of Carson Air Ltd. and Crew Training International, Inc.; assessments around potential efficiencies and synergies within the aerospace & aviation segment; and the impact of the COVID-19 pandemic, including vaccine mandates, work from home arrangements, and supply chain disruptions, on the aerospace & aviation subsidiaries including various charter opportunities, safety protocols for customers and employees, levels of service 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, Gary Filmon, 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 2021. 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 2021.

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> |
|---|---|

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 2021, discussions included: the acquisitions of Macfab Manufacturing Inc., Telcon Datvox Inc. and Ryko Telecommunications Inc.; and 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 2021, another year defined by the ongoing COVID-19 pandemic, the Corporation led with purpose in creating long-term value for its customers, employees, communities and Shareholders. The ongoing opportunities and challenges highlight the need for the Board and senior management team to stay true to the Corporation's purpose, principles, and strategy, and to remain steadfastly focused on leveraging core strengths and competitive advantages.

To this end, 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 and to assist the Corporation's customers and communities through these uncertain times.

Set out below is the Corporation's approach to executive compensation for 2021. 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 Shareholders, as well as for its customers, communities and other stakeholders it is privileged to serve.

The Corporation entered the second year of the COVID-19 pandemic from a position of strength. Throughout the year, the Corporation has worked diligently to remain ever present on the front lines of the economy, playing an essential role in the economy, while simultaneously ensuring the safety and security of the Corporation's valued employees and customers.

The challenges of operating in the second year of the pandemic demonstrated the strength and resilience of the Corporation's operations, which included a combination of prudent risk management, strong balance sheet and the Corporation's diversified business model. These factors helped shape the Corporation's success in another significantly disrupted operating environment. During 2021, the Corporation protected its employees and customers, continued uninterrupted service to its customers, retained its dividend, decreased leverage and improved payout ratios, recorded positive free cash flow, delivered on contractual obligations, invested in its existing businesses and acquired new businesses and contracts.

CEO 2021 Performance and Compensation

Following a year over year decline in compensation in 2020, which saw the onset of the global pandemic, CEO aggregate compensation paid to Mr. Pyle for the 2021 financial year was \$3,235,996, up 89% from 2020 and 116% of the 2021 target. The 89% year over year increase in total compensation is attributable to 2021 better than expected financial performance, as well as the fact that in 2020, Mr. Pyle took a voluntary reduction in base salary of 25% for six months and zero cash bonuses were paid out given the initial impact of the COVID-19 pandemic in the 2020 fiscal year. In 2021, total compensation reflects the Corporation's outstanding performance and Mr. Pyle's strong leadership in creating value and long-term growth for the Corporation's customers, employees, communities, and Shareholders in the context of market and economic disruption brought on by the ongoing COVID-19 pandemic. 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 122% payouts being awarded for short-term incentives and long-term incentive awards of approximately 110% of the 2021 target.

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Executive Compensation

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 five Named Executive Officers: (i) Michael Pyle, the Corporation’s Chief Executive Officer; (ii) Darryl Bergman, the Corporation’s Chief Financial Officer; (iii) Carmele Peter, the Corporation’s President; (iv) Doron Marom, Chief Executive Officer of Regional One, Inc., a wholly-owned subsidiary of the Corporation; and (v) 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.

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 2021, 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.

Components of Compensation

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.

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 \$0.19 per month (\$2.28 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 \$0.19 per month (\$2.28 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.

Components of Compensation

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 2021, including:

- determined the recommended compensation for the CEO, the Executive Vice-Chair and the Board;
- considered a one time, partial release of Deferred Shares to members of the Senior management team;
- 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.

The Board considered the compensation decisions of the Compensation Committee for the 2021 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 \$4,800,000 and the value of Mr. Pyle's holdings is \$8,682,697 as described above in his director profile. This minimum share ownership is based on his 2021 approved salary of \$800,000 (Mr. Pyle's base salary for January through March, 2021 was \$720,000 and then from April through December, 2021 it was \$800,000).
- **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

Compensation Committee

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	Withheld	Total	% in Favour
Previous Year Voting Results for Advisory Say-on-Pay	10,687,809	483,217	11,171,026	95.67%

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 2021.

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 6 times his/her base salary.

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.

	2021	2020
Executive Compensation Related Fees	\$6,738	\$34,436
All Other Fees	-	-
Total	\$6,738	\$34,436

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 2021.

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 2021, the base salary for Mr. Pyle was \$800,000 (Mr. Pyle's base salary for January through March, 2021 was \$720,000 and then from April through December, 2021 it was \$800,000), 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 2021 year. The last column of the table highlights the rating given to Mr. Pyle for each factor.

2021 Short-term Incentive Goals (100% target of base salary)					
Factor	Factor Description	Weighting	Minimum Multiplier	Maximum Multiplier	Rating Awarded
1	Financial performance based on payout ratio, earnings before interest, taxes, depreciation (EBITDA), and adjusted net earnings per Share	50%	0%	150%	<i>Exceeded Objective</i> 135%
2	Management of balance sheet leverage	20%	0%	150%	<i>Outstanding Achievement</i> 150%
3	Corporate growth and improvement initiatives	15%	0%	150%	<i>Outstanding Achievement</i> 150%
4	Development of ESG strategy	15%	0%	150%	<i>Met Objective</i> 100%

The first factor is tied to the financial performance of the Corporation which was based on three metrics, including: the payout ratio, earnings before interest, taxes, depreciation (EBITDA), and adjusted net earnings per share. The Corporation significantly exceeded all targets therefore the factor was assessed as Mr. Pyle having exceeded objective.

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 outstanding achievement.

The third factor was implemented to drive organic growth and improvement initiatives. In addition to specific initiatives, the Corporation executed on several other initiatives and therefore Mr. Pyle's performance was assessed as outstanding achievement.

The fourth category was included to promote the development of detailed ESG policies and enhanced public reporting. Mr. Pyle was assessed as having met expectations in light of the materiality assessment being completed, data collected and resulting policies developed.

The overall short-term incentive bonus for Mr. Pyle was \$1,080,000 for 2021, which is 135% of the overall target based on the 2021 base salary of \$800,000.

CEO Compensation Discussion

2021 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 during the year associated with strategic plan to manage post-pandemic	40%	0%	130%	<i>Exceeded Objective</i> 120%
2	Investment in talent, specifically with focus on executive management	20%	0%	130%	<i>Met Objective</i> 100%
3	Develop and implement marketing plan focused on stakeholder engagement	20%	0%	130%	<i>Met Objective</i> 100%
4	Develop and implement plan to source and close strategic opportunities	20%	0%	130%	<i>Exceeded Objective</i> 120%

The first factor was designed to have management complete an analysis of the impact of the pandemic on operations and devise a plan to execute on opportunities while mitigating challenges. Management presented a plan as well as executed on initiatives in a meaningful way. Mr. Pyle was therefore rated as having exceeded objective.

The second factor focused management on succession planning of the C-Suite of executives as well as creating depth through the development of strong candidates internally throughout senior management, including subsidiaries of the Corporation. Candidates were identified and development plans initiated. Mr. Pyle was assessed as having met objective.

The third factor promoted the development and implementation of a marketing plan to increase stakeholder engagement. A plan was established and materials were developed in support of the plan. Execution of the plan commenced when pandemic restrictions allowed. Mr. Pyle was assessed as having met objective.

The fourth factor set targets to develop and implement a plan to increase the Corporation's ability to source and close strategic opportunities in both normal and pandemic environments. Several opportunities were identified and executed on resulting in Mr. Pyle being assessed as having exceeded objective.

The overall long-term incentive bonus for Mr. Pyle was \$1,344,000 for 2021, which was granted to Mr. Pyle in RSUs and was overall 112% of the target based on the 2021 base salary of \$800,000.

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, 2021 Valuation				Total
	Deferred Share or RSU	Grant Price	Grant Amount	Market Price	Vested	Unvested	
2020	RSU	\$40.21	\$1,060,200	\$42.14	Nil	\$1,163,354	\$1,163,354
2019	RSU	\$40.52	\$1,118,880	\$42.14	Nil	\$1,315,815	\$1,315,815
2018	RSU	\$33.21	\$1,084,692	\$42.14	\$1,608,121 ⁽²⁾	Nil	\$1,608,121
2017	Deferred Shares	\$33.43	\$1,069,200	\$42.14	\$1,729,825	Nil	\$1,729,825
2016	Deferred Shares	\$39.28	\$951,600	\$42.14	\$1,394,495	Nil	\$1,394,495
Cumulative			\$5,284,572				\$7,211,610

CEO Compensation Discussion

- (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, accordingly, redeemed 117,371 of vested Deferred Shares.
- (2) The RSU's granted in 2018 vested December 15, 2021 and were paid out before year end.

The 36% 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, 2019, December 31, 2020 and December 31, 2021.

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 ^(2,4) CEO	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
	2019	714,150	1,118,880	Nil	320,544	Nil	Nil	31,996	2,185,570
Darryl Bergman ^(3,4) CFO	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
	2019	361,232	298,889	Nil	97,500	Nil	Nil	162,257	919,878
Carmelee Peter ⁽⁴⁾ President	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
	2019	625,450	727,398	Nil	235,872	Nil	Nil	17,044	1,605,764
Doron Marom ⁽⁵⁾ CEO of Regional One, Inc.	2021	812,105	174,925	Nil	495,384	Nil	Nil	Nil	1,482,414
	2020	641,165	157,250	Nil	Nil	Nil	Nil	Nil	798,415
	2019	835,261	99,068	Nil	221,174	Nil	Nil	Nil	1,155,503
Hank Gibson ⁽⁵⁾ President of Regional One, Inc.	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
	2019	608,588	113,925	Nil	172,762	Nil	Nil	14,861	910,136

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. Pyle's base salary for January through March, 2021 was \$720,000 and then from April through December, 2021 it was \$800,000.
- (3) Mr. Bergman was appointed as Chief Financial Officer on April 10, 2019. Mr. Bergman received a signing bonus for joining the Corporation consisting of \$158,639 in Deferred Shares classified under "Share-Based Awards" in the table and \$150,000 in cash classified under "All other compensation" in the table. Mr. Bergman also received a long-term incentive award of \$140,250 in Deferred Shares.
- (4) Other compensation for Mr. Pyle, 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 (2021 – US\$1:\$1.2535; 2020 – US\$1:\$1.3415; and 2019 – US\$1:\$1.3269).

CEO Compensation Mix



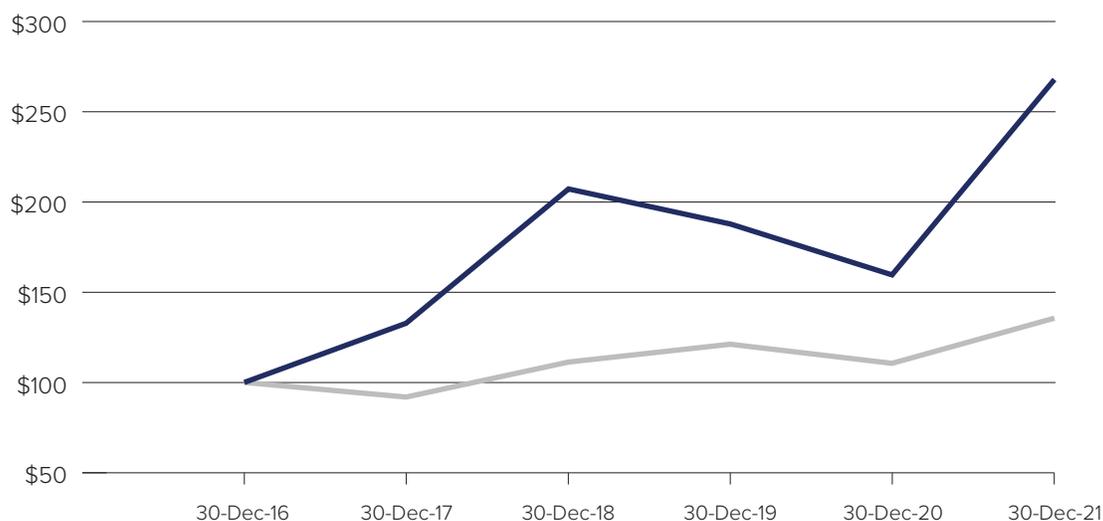
Other NEO Compensation Mix



- Fixed Compensation
- Short-Term Compensation
- Long-Term Compensation

Named Executive Officers Compensation Summary

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, 2016 to the end of the most recently completed financial year on December 31, 2021 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.



	30-Dec-16	29-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
EIF Dividend Adjusted Share Pricing	100.00	132.84	207.10	187.78	159.41	267.66
S&P/TSX Composite Index - Total Return Gross - CAD - Index Value	100.00	91.68	111.01	121.11	110.34	135.59

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, 2021). 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	58,832	2,802,984	7,589,119
Darryl Bergman	Nil	NA	NA	NA	8,969	294,769	205,727
Carmelee Peter	Nil	NA	NA	NA	38,821	1,935,581	6,032,004
Doron Marom	Nil	NA	NA	NA	6,859	451,295	1,932,035
Hank Gibson	Nil	NA	NA	NA	7,417	336,722	848,742

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 2021 as they were granted in the first quarter of 2022 following the finalization of fiscal 2021'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, 2021 and valued using the market price of the Shares on that date (\$42.14).

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, 2021) 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	2,276,959	Nil
Darryl Bergman	Nil	132,572	Nil
Carmele Peter	Nil	1,798,409	Nil
Doron Marom	Nil	523,758	Nil
Hank Gibson	Nil	317,314	Nil

The value of the Share-Based Awards is valued using the market price of the Shares on December 31, 2021 (\$42.14).

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, 2021.

RSU Plan

On November 7, 2018, the Board approved the RSU Plan. The Corporation has made awards under the RSU Plan in 2022 based on 2021 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

Incentive Plan Awards Summary

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,

“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, 2021. 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	Darryl Bergman	Carmelee Peter	Doron Marom	Hank Gibson
Salary	24 months	15 months	24 months	12 months	18 months
Short-term Incentive	2.0 times target set by the Board	1.25 times previous 3 year average	2.0 times target set by the CEO	Prior 2 year average prorated to termination date	Prior 2 year average
Car allowance	24 months	15 months	24 months	Nil	Nil
Benefits	24 months	15 months	24 months	Nil	12 months
Estimated Payment December 31, 2021	\$3,247,520	\$827,528	\$2,481,680	\$1,059,797 ⁽¹⁾	\$1,190,901 ⁽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 2021 (US\$1:\$1.2535).

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. Bergman, 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. Bergman 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	Darryl Bergman	Carmelee Peter	Doron Marom	Hank Gibson
Salary	24 months	15 months	24 months	Nil	12 months
Short-term Incentive	2.0 times target set by the Board	1.25 times previous 3 year average	2.0 times target set by the CEO	Nil	Nil
Car allowance	24 months	15 months	24 months	Nil	Nil
Benefits	24 months	15 months	24 months	Nil	Nil
Estimated Payment December 31, 2021	\$3,247,520	\$827,528	\$2,481,680	Nil	\$641,165 ⁽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 2021 (US\$1:\$1.2535).

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. Bergman 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	-	135,000	Nil	Nil	Nil	Nil	135,000
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	90,000	150,000	Nil	Nil	Nil	Nil	240,000
Duncan Jessiman	263,400	Nil	Nil	Nil	Nil	Nil	263,400
Grace Schalkwyk	-	135,000	Nil	Nil	Nil	Nil	135,000
Melissa Sonberg	12,500	135,000	Nil	Nil	Nil	Nil	147,500
Donald Streuber	25,000	135,000	Nil	Nil	Nil	Nil	160,000
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.

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, 2020, 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.

The current compensation rates which became effective January 1, 2020, 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⁾	240,000	-
Other Board members ⁽¹⁾	135,000	-
Chair of Audit Committee additional retainer	17,500	-
Chair of Compensation Committee additional retainer	12,500	-
Chair of Governance Committee additional retainer	12,500	-
Chair of any other committees additional retainer	7,500	-

Note:

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

Director Compensation Discussion

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 the directors and officers of its subsidiaries with a total limit of \$40,000,000 aggregate per policy year 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 directors or officers of its subsidiaries for up to \$25,000,000 subject to a deductible of \$25,000 per occurrence, which would be paid by the Corporation. Second, under this insurance coverage, there is up to \$15,000,000 for non-indemnifiable losses made against the Directors or officers of the Corporation, 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, 2021 was \$174,000.

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	1,001,415
Gary Buckley	Nil	NA	NA	NA	Nil	Nil	938,584
Polly Craik	Nil	NA	NA	NA	Nil	Nil	299,025
Gary Filmon	Nil	NA	NA	NA	Nil	Nil	1,780,626
Duncan Jessiman	Nil	NA	NA	NA	Nil	Nil	2,004,726
Grace Schalkwyk	Nil	NA	NA	NA	Nil	Nil	150,587
Melissa Sonberg	Nil	NA	NA	NA	Nil	Nil	500,286
Donald Streuber	Nil	NA	NA	NA	Nil	Nil	1,001,415
Edward Warkentin	Nil	NA	NA	NA	Nil	Nil	798,342

Note:

- (1) The value of the Share-Based Awards is based on each Director's accumulated Deferred Shares as at December 31, 2021 and valued using the market price of the Shares on that date (\$42.14).

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	205,053	Nil
Gary Buckley	Nil	201,682	Nil
Polly Craik	Nil	120,057	Nil
Gary Filmon	Nil	263,965	Nil
Duncan Jessiman	Nil	108,342	Nil
Grace Schalkwyk	Nil	150,187	Nil
Melissa Sonberg	Nil	177,999	Nil
Donald Streuber	Nil	205,053	Nil
Edward Warkentin	Nil	118,624	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, 2021 (\$42.14).

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, 2021.

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⁾	1,748,341	\$42.14 ⁽²⁾	788,958 ⁽³⁾
Equity compensation plans not approved by securityholders	Nil	NA	NA
Total	1,748,341	\$42.14	788,958

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, 2021.
- (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 1,748,341 (4.5% of the issued and outstanding Shares). As at the date hereof there are 862,334 Deferred Shares issued and outstanding (2.22% of the issued and outstanding Shares) and 97,049 Shares held pursuant to the ESPP (0.3% of the issued and outstanding Shares). Therefore, an additional 788,958 Shares (2.03% 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 316,830 Shares pursuant to the Deferred Share Plan (0.82% 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	2019	2020	2021
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.

Securities Authorized Under Equity Compensation Plans

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;

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- (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 \$0.19 per month (\$2.28 annualized).

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 62,338 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 1,748,341 (4.5% of the issued and outstanding Shares). As at the date hereof there are 97,049 Shares held pursuant to the ESPP (0.3% of the issued and outstanding Shares) and 862,334 Deferred Shares issued and outstanding (2.22% of the issued and outstanding Shares). Therefore, an additional 788,958 Shares (2.03% 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 855,331 Shares pursuant to the ESPP (2.20% 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	2019	2020	2021
Burn Rate	0.2%	0.2%	0.2%

Securities Authorized Under Equity Compensation Plans

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, 2021.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The following transactions were carried out by the Corporation with related parties since January 1, 2021.

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 2021 under these leases was \$4,197,000 (2020 – \$3,868,000) and the lease term maturities range from 2022 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 2021 for these purchases was \$590,000 (2020 – nil).

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 2021 year and the comparative 2020 year is as follows:

Compensation	Fiscal 2021	Fiscal 2020
Salaries and short-term benefits	\$ 6,534,000	\$ 3,372,000
Share-based payments	\$ 4,501,000	\$ 2,992,000
Total Compensation	\$11,035,000	\$6,364,000

Co-investments with CRJ Capital Corp.

CRJ Capital Corp., a corporation controlled by the CEO of Regional One, 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 2021, CRJ Capital Corp. invested US\$383,000 (2020 – US\$1,787,000). CRJ Capital Corp.'s total investment generated returns paid or payable of US\$1,477,000 (2020 – US\$2,091,000). 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, 2021 was US\$6,729,000 (2020 – US\$8,378,000). The prior year remaining investment has been restated to reflect current year presentation, which uses the same accounting policies as other similar assets owned by the Corporation, including for lease sales, parts sales, and aircraft and engine sales. At December 31, 2021, US\$155,000 is recorded as accounts payable due to CRJ Capital Corp. (December 31, 2020 – US\$545,000 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 final date by which the Corporation must receive Shareholder proposals for the annual meeting of Shareholders to be held in 2023 is February 6, 2023. 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, 2021. 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 5, 2022

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.
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

Duties and Responsibilities of 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.

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.

Duties and Responsibilities of the Board

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.

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.

Board Committees

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.

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.

Board Committees

- (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:

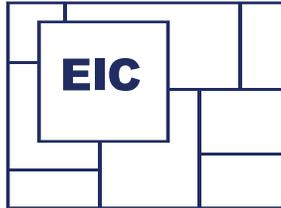
- (i) Interact appropriately with the leadership and management of the Company.
- (ii) Participate fully and openly in Board deliberations and discussions.
- (iii) Be a team player – work effectively with fellow directors and be a positive and constructive force within the Board.
- (iv) Communicate persuasively 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.



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