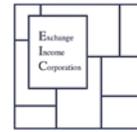


**Exchange
Income
Corporation**

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

April 10, 2014

Exchange Income Corporation



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") at the Calm Air Hangar located at 930 Ferry Road, Winnipeg, Manitoba R3H 0Y8 on May 15, 2014 at 10:30 a.m. (Winnipeg Time) for the following purposes:

1. to receive and consider the Corporation's consolidated financial statements for the period ended December 31, 2013, 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 Directors of the Corporation for the ensuing year as identified in the accompanying management information circular (the "Circular");
4. to approve the Amended and Restated Shareholder Rights Plan of the Corporation; and
5. 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 7, 2014. 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 may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person 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, at Proxy Department, CST Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1 not later than 10:30 a.m. (Winnipeg time) on May 13, 2014 or, in the case of an adjourned Meeting, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting. Unregistered Shareholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Winnipeg, Manitoba
April 10, 2014

By Order of the Directors

"Dianne Spencer"

Dianne Spencer
Corporate Secretary

GLOSSARY

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

“**Arrangement**” means the arrangement under section 192 of the *Canada Business Corporations Act* pursuant to which, among other things, the Fund was converted into the Corporation effective July 28, 2009;

“**Audit Committee**” means the audit committee of the Board of Directors;

“**Aviation Sector Committee**” means the aviation sector committee of the Board of Directors;

“**Board of Directors**” means the board of directors of the Corporation;

“**Circular**” means this management information circular dated April 10, 2014 in respect of the Meeting;

“**Compensation Committee**” means the compensation committee of the Board of Directors;

“**Corporation**” means Exchange Income Corporation;

“**Deferred Share Plan**” means the third amended and restated deferred share plan of the Corporation dated May 14, 2013;

“**Deferred Shares**” means deferred shares issued by the Corporation pursuant to the Deferred Share Plan;

“**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 of Directors;

“**ESPP**” means the amended and restated employee share purchase plan of the Corporation dated May 13, 2010;

“**Fund**” means Exchange Industrial Income Fund, the predecessor to the Corporation;

“**Governance Committee**” means the governance committee of the Board of Directors;

“**Independent Directors**” means the Directors who are independent within the meaning of NI 58-101;

“**Manufacturing Sector Committee**” means the manufacturing sector committee of the Board of Directors;

“**Meeting**” means the annual and special meeting of Shareholders to be held on May 15, 2014 at the time and place set forth in the Notice of Meeting and, where the context requires, includes any adjournment thereof;

“**NI 52-110**” means National Instrument 52-110 *Audit Committees*;

“**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 7, 2014;

“**TSX**” means the Toronto Stock Exchange;

“**Share**” means a common share of the Corporation; and

“**Shareholder(s)**” means the holder(s) of Shares.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "Circular") and the accompanying form of proxy are for use at the annual and special meeting (the "Meeting") of Shareholders of Exchange Income Corporation (the "Corporation") and any adjournments or postponements thereof for the purposes described in the accompanying Notice of Meeting. The Meeting is scheduled for 10:30 a.m. (Winnipeg Time) on May 15, 2014 at:

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

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, 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 of record 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.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxies

The persons named in the accompanying instrument of proxy, Michael Pyle and Gary Filmon (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 in person 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 Proxy Department, CST Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1. To be effective, proxies must be received by CST Trust Company not later than 10:30 a.m. (Winnipeg time) on May 13, 2014 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting, or any further adjournment thereof. Unregistered Shareholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Revocation of Proxies

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of CST 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, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof. Notwithstanding the foregoing, if a registered Shareholder attends personally at the Meeting, such Shareholder may revoke the proxy and vote in person. The head office of the Corporation is 1067 Sherwin Road, Winnipeg, Manitoba R3H 0T8.

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 the Shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and Directors); 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 and the form of proxy and the request form (collectively, the "Meeting Materials") to the 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 Corporation, c/o Proxy Department, CST 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 of the Corporation they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder's name or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

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

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

Voting of Proxies

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

Exercise of Discretion of Proxy

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

INFORMATION RESPECTING EXCHANGE INCOME CORPORATION

General

The head office of the Corporation is located at 1067 Sherwin Road, Winnipeg, Manitoba R3H 0T8.

Authorized Capital

The Corporation currently has one class of Shares issued and outstanding that entitles holders thereof to vote at the Meeting. 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 21,914,508 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 other than

BlackRock, Inc. which controls or has investment discretion over 2,198,992 Shares which represents 10.03% of the issued and outstanding Shares. The holders of Shares are entitled to receive notice of and attend any meeting of the Shareholders of the Corporation 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 is 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, other than as set forth below.

EXECUTIVE COMPENSATION

Defined Terms

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

"**Named Executive Officer**" 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.

During the most recently completed financial year, the Corporation had 5 Named Executive Officers: (i) Michael Pyle, the Corporation's President and CEO; (ii) Adam Terwin, the Corporation's CFO; (iii) Carmele Peter, the Corporation's Chief Administrative Officer ("CAO"), (iv) Doron Marom, CEO of Regional One, Inc. a wholly-owned subsidiary of the Corporation; and (v) Darwin Sparrow, the Corporation's Vice-President and Chief Operating Officer ("VP & COO"), Manufacturing.

"**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.

Compensation Discussion and Analysis

Compensation Discussion and Analysis

The Fund was converted to the Corporation effective July 28, 2009 pursuant to the Arrangement. Accordingly, references to the Corporation prior to July 28, 2009 should be read as references to the Fund, as applicable.

The philosophy of the Board of Directors is that if the Corporation is successful, the employees and management of the Corporation and its subsidiaries 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 of 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. Currently the compensation program for senior management of the Corporation consists of annual salary, cash bonuses, indirect compensation, and participation in the Deferred Share Plan or the ESPP. No person is entitled to participate in both the Deferred Share Plan and the ESPP.

The combination of short and long-term incentive compensation structures are designed by the Compensation Committee, along with individual-based evaluations of Named Executive Officers, to consider the risks 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 of Directors would penalize the individual(s) accordingly. The goals identified specifically for the President and CEO are designed to align with the interests of the Corporation's Shareholders. The employment agreements of the Named Executive Officers do not prohibit the purchase of financial instruments that would be designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or Director. However, the Corporation's Insider Trading Policy states there shall be no speculation by insiders in the Corporation's securities. 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.

Annual Salary

Annual salary is intended to provide a competitive rate of compensation and recognize the skills, competencies and level of responsibility of senior management. Generally, the Compensation Committee targets base salaries at levels approximating those 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 and long-term incentive programs to compensate its employees and so as to align their interests with those of Shareholders. Incentives are broken down between long and short-term to reward senior management for working to maximize both the immediate and long-term value of the Shares of the Corporation.

Short-term incentive plans are paid through a cash bonus program. Long-term incentives utilize the Deferred Share Plan and the ESPP. The Named Executive Officers of the Corporation did not participate in the ESPP because all were awarded incentives in the Deferred Share Plan in 2013 with the exception of Doron Marom who joined the Corporation with the acquisition of Regional One, Inc. in April 2013.

The Compensation Committee determines the amount payable to the President and CEO. The President and 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.

Short-Term Incentive Compensation

The short-term incentive compensation is paid through a cash bonus program and the incentive is paid out to the Named Executive Officers 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 President and CEO of the Corporation and these are described further in the "President and CEO Compensation" discussion below.

The short-term compensation of the other Named Executive Officers is based on a similar set of criteria to that of the President and CEO, but is weighted differently depending on the areas of responsibility of the particular 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 executive is responsible, but no predefined quantitative goals are set for these individuals. The qualitative factors for each of the Other Named Executives are determined by the President and 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.

Long-Term Incentive Compensation

The Corporation utilizes the Deferred Share Plan to align the interests of the Named Executive Officers with those of its Shareholders. The Corporation has historically not utilized any security option programs, including the Corporation's predecessor. Under the Deferred Share Plan, Named Executive Officers are granted Deferred Shares. The Deferred Shares are subject to escrow and vest evenly over a three year period unless the Named Executive Officer 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 the 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 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. For the purposes of the Deferred Share Plan, the market

price of the Shares is 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.

The President and CEO of the Corporation is eligible to be granted Deferred Shares under the Deferred Share Plan as described further in the "President and CEO Compensation" discussion below. The Compensation Committee determines the amounts granted to the President and CEO. The amounts granted to the Other Named Executives are determined by the President and CEO and are approved in aggregate by the Compensation Committee.

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.

President and CEO Compensation

The Compensation Committee makes recommendations to the Board of Directors as to remuneration for the President and CEO, Michael Pyle, among others. The following describes the approach used by the Compensation Committee in determining the recommendation.

The Compensation Committee has used Aon Consulting Inc. ("AON") as a compensation consultant. In 2012, AON was engaged to provide advice to the Compensation Committee in regard to the forms of short-term and long-term compensation, the design of a long-term incentive plan and comparative market data for the President and CEO and Executive Vice Chairman. As a result of this consultation, the policy of the Compensation Committee with respect to compensation for the President and 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 public issuers of comparable size and complexity. The comparative group of peer issuers is based on two published survey sources used by AON: i) 2011 Mercer Executive Management Survey; and ii) 2011 Towers Watson Compensation Survey. 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, dividends per Share, successful acquisitions and the successful implementation of the Corporation's strategy.

Mr. Pyle's salary, short-term incentives, 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 and long-term levels as a percentage base of his annual salary. For 2013, the short-term target of his base salary was 50% and the long-term target of his base salary was 100%. 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 between zero and 1.5. Overall, a structured formula is developed to quantify the incentive award for both short and long-term goals. 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 President and CEO.

The various goals given to Mr. Pyle for 2013 included the following:

Short-term

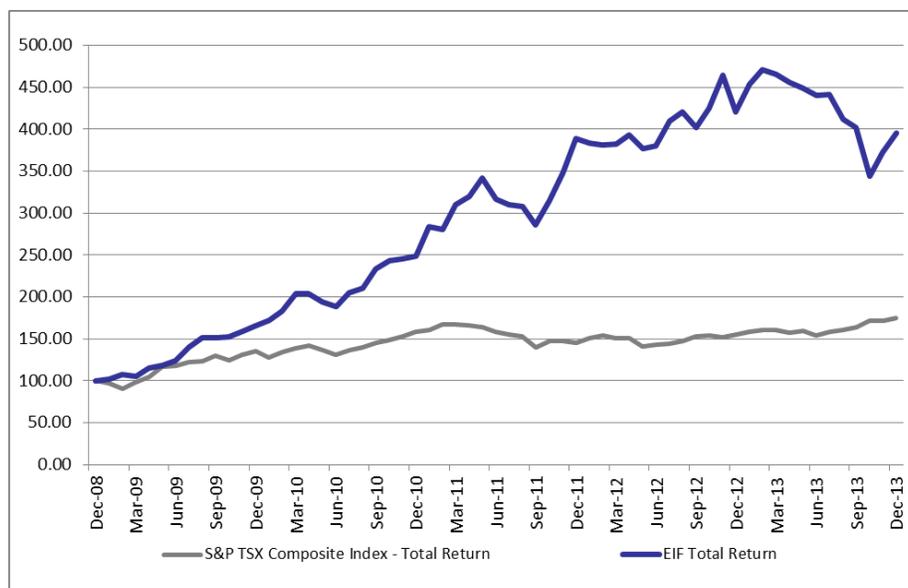
- Financial performance of the Corporation's key financial metrics
- Planning and implementation of the accounting structure of WesTower Communications to manage its significant growth
- Completion of aviation sector realignment

Long-term

- Investor relations
- Implement strategies to maximize efficiency and inter-organizational synergies
- Growth strategies

Mr. Pyle is a Director of the Corporation and does not vote and is excused from Board of Directors and committee meetings with respect to compensation matters affecting him.

Performance Graph



January 1, 2009 to December 31, 2013, the total cumulative return on the Shares (and previously the Class A trust units of the Fund) was 296%, compared to a return of 75% on the S&P/TSX Composite Total Return index. At the start of this period the Corporation had three consistent full time Named Executive Officers over this period and the compensation of these individuals increased by 118%.

Option-Based Awards and Share-Based Awards

The Corporation does not issue any Option-Based Awards to its Named Executive Officers. The Corporation's long-term incentive compensation includes the Deferred Share Plan where Named Executive Officers are granted Deferred Shares. The Compensation Committee determines the amounts granted to the Executive Vice-Chairman and the President and CEO. The amounts granted to the other Named Executive Officers are determined by the President and 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. For the purposes of the Deferred Share Plan, the market price of the Shares is 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. The Deferred Shares are subject to escrow and vest evenly over a three year period unless the Named Executive Officer 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 the 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.

Compensation Governance

The Compensation Committee assists the Board of Directors in fulfilling its responsibilities in relation to fixing the compensation of members of the Board of Directors, the President and CEO, and senior management of the Corporation that report directly to the President and CEO. The Compensation Committee oversees the plans for: compensation; development and retention of employees; succession planning for the President and CEO and senior management; and general compensation and human resource policies and issues.

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

Compensation Committee

The mandate of the Compensation Committee of the Board of Directors includes developing appropriate compensation policies for the senior management of the Corporation. Following review of data and discussion by members of the Compensation Committee, recommendations are made by the Compensation Committee to the Board of Directors for their consideration and approval. The Compensation Committee meets at least twice per year to fulfill its mandate.

The Compensation Committee currently consists of Gary Buckley, Brad Bennett, Edward Warkentin and Jeff Olin, 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. Three of the Compensation Committee members have multiple years of experience on this committee and all have an understanding of the objectives of the committee and the direction of the Corporation as acting members of the Board of Directors.

Following its charter, the Compensation Committee undertook a number of key activities in 2013, including:

- Determined the recommended compensation for the President and CEO and the Executive Vice-Chairman.
- 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 meeting. Edward Warkentin, while not an Independent Director for Audit Committee purposes, is not a member of management and thus does not have an interest in the compensation paid to management of the Corporation. The Compensation Committee does not make any recommendations regarding the compensation of Mr. Wehrle, which is minimal.

The Board of Directors considered the compensation decisions of the Compensation Committee for the 2013 period and they are satisfied with those decisions as being fair and reasonable given the performance of the Corporation.

Executive Compensation-Related Fees

As described above, the Corporation has used the services of AON as a compensation consultant in prior years but was not used during 2013 for this or any other related services.

Summary Compensation Table

Summary Compensation Table

The following table is a summary of the compensation paid to Named Executive Officers of the Corporation in each of the financial years of the Corporation ended December 31, 2011, December 31, 2012 and December 31, 2013.

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			
Michael Pyle President and CEO	2013	574,657	332,625	Nil	Nil	Nil	Nil	Nil	907,282
	2012	488,400	595,815	Nil	332,625	Nil	Nil	4,964 ⁽²⁾	1,421,804
	2011	488,400	420,000	Nil	255,000	Nil	Nil	22,530 ⁽²⁾	1,185,930
Adam Terwin CFO	2013	342,015	100,000	Nil	Nil	Nil	Nil	Nil	442,015
	2012	336,000	165,000	Nil	140,000	Nil	Nil	Nil	641,000
	2011	281,000	137,500	Nil	137,500	Nil	Nil	22,530 ⁽²⁾	578,530
Carmelee Peter ⁽³⁾ CAO	2013	458,893	250,000	Nil	50,000	Nil	Nil	Nil	758,893
	2012	80,150	100,000	Nil	100,000	Nil	Nil	Nil	280,150
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Doron Marom ⁽⁴⁾ CEO of Regional One, Inc.	2013	443,183	Nil	Nil	199,277	Nil	Nil	Nil	642,460
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Darwin Sparrow VP & COO, Manufacturing	2013	322,217	125,000	Nil	Nil	Nil	Nil	Nil	447,217
	2012	298,500	70,000	Nil	137,000	Nil	Nil	Nil	505,500
	2011	249,750	51,000	Nil	102,000	Nil	Nil	Nil	402,750

Notes:

- (1) Share-Based Awards are issued pursuant to the Deferred Share Plan.
- (2) The Named Executive Officers were reimbursed by the Corporation for contributions in these amounts made by the Named Executive Officers to their Registered Retirement Savings Plans in 2011 - \$22,530, 2012 - Nil and in 2013 - Nil. In addition the CEO received \$4,964 in compensation for member dues in 2012 (2013 - Nil and 2011 - Nil).
- (3) Carmelee Peter joined the Corporation as CAO in October 2012.
- (4) Regional One, Inc. was acquired by the Corporation in April 2013.

Narrative Discussion

For a summary of the significant terms of the employment agreements between the Corporation and each of the Named Executive Officers, see "Termination and Change of Control Benefits" below.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all Share-Based Awards held by the 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 option (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Deferred Shares that have not vested (#)	Market or payout value of Deferred Shares-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	39,646	896,000	348,921
Adam Terwin	Nil	NA	NA	NA	12,253	276,918	539,507
Carmelet Peter	Nil	NA	NA	NA	3,778	85,383	Nil
Doron Marom	Nil	NA	NA	NA	Nil	Nil	Nil
Darwin Sparrow	Nil	NA	NA	NA	4,877	110,220	95,214

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 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	341,441	Nil
Adam Terwin	Nil	170,924	Nil
Carmelet Peter	Nil	Nil	Nil
Doron Marom	Nil	Nil	199,277
Darwin Sparrow	Nil	51,596	Nil

Narrative Discussion

The outstanding Share-Based Awards referenced above were issued pursuant to 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, 2013.

Termination and Change of Control Benefits

The Corporation is a party to employment agreements (the "Employment Agreements") with each of the Named Executive Officers: Michael Pyle, Adam Terwin, Carmele Peter, Doron Marom and Darwin Sparrow (the "Employees"). The Employment Agreements provide for termination for just cause or in the event of the 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:

(a) 30 months' salary in the case of Michael Pyle, nine months in the case of Adam Terwin, 24 months in the case of Carmele Peter, 12 months in the case of Doron Marom, and six months in the case of Darwin Sparrow;

(b) an amount equal to two and one-half times the average payment made to Michael Pyle under any executive bonus plan in the three years preceding the date of termination, three quarters that amount for Adam Terwin, two times that amount for Carmele Peter, up to two times that amount for Doron Marom, and fifty percent of that amount for Darwin Sparrow;

(c) a cash amount equal to the value of the benefit entitlements for a 30 month period in the case of Michael Pyle, nine months in the case of Adam Terwin, 24 months in the case of Carmele Peter, nil in the case of Doron Marom, and six months in the case of Darwin Sparrow; and

(d) a cash amount equal to the product of 30 times the value of the monthly car allowance paid in the case of Michael Pyle, nine times in the case of Adam Terwin, 24 times in the case of Carmele Peter, nil in the case of Doron Marom, and six times in the case of Darwin Sparrow.

If a termination triggering event took place as at December 31, 2013, the estimated payments owing to the Employees would be approximately \$1,860,000 for Michael Pyle, approximately \$326,000 for Adam Terwin, approximately \$991,000 for Carmele Peter, approximately US\$668,000 for Doron Marom, and approximately \$200,000 for Darwin Sparrow.

If at any time during the term of the Employment Agreements there is a change of control of the Corporation, the Employees, excluding Doron Marom, are entitled, at any time before one year after the effective date of such change of control, to terminate the person's employment by the giving of notice to that effect. In that event, or if the Corporation terminates an Employment Agreement following a change of control, the person is entitled to an amount equal to the sum of

(a) 30 months' salary in the case of Michael Pyle, 24 months in the case of Carmele Peter, and 12 months in the case of Adam Terwin and Darwin Sparrow;

(b) an amount equal to two and one-half times the average payment made to Michael Pyle under any executive bonus plan in the three years preceding the date of termination, two times for Carmele Peter, and one times for Adam Terwin and Darwin Sparrow;

(c) a cash amount equal to the value of benefit entitlements for a 30 month period in the case of Michael Pyle, 24 months in the case of Carmele Peter and 12 months in the case of Adam Terwin and Darwin Sparrow; and

(d) a cash amount equal to the product of 30 times the value of the monthly car allowance paid in the case of Michael Pyle, 24 times in the case of Carmele Peter and 12 times in the case of Adam Terwin and Darwin Sparrow.

A change of control of the Corporation applicable under the Named Executive Officers' employment agreements 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. If a change of control triggering event took place as at December 31, 2013, the estimated payments owing to the Employees would be approximately \$1,860,000 for Michael Pyle, approximately \$434,000 for Adam Terwin, approximately \$991,000 for Carmele Peter, nil for Doron Marom and approximately \$400,000 for Darwin Sparrow.

In addition, each of the Employment Agreements contains standard non-competition and confidentiality clauses from the Employees in favour of the Corporation.

Director Compensation

Director Compensation Table

The following table is a summary of the compensation paid to the Directors in respect of the most recently completed financial year of the Corporation.

Name ⁽¹⁾	Fees earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gary Filmon	119,250	49,500	Nil	Nil	Nil	Nil	168,750
Duncan Jessiman	248,400	Nil	Nil	Nil	Nil	Nil	248,400
Donald Streuber	99,750	27,000	Nil	Nil	Nil	Nil	126,750
Gary Buckley	82,000	27,000	Nil	Nil	Nil	Nil	109,000
Edward Warkentin	77,000	27,000	Nil	Nil	Nil	Nil	104,000
William Wehrle	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brad Bennett	79,500	27,000	Nil	Nil	Nil	Nil	106,500
Serena Kraayeveld	90,250	27,000	Nil	Nil	Nil	Nil	117,250
Jeffrey Olin ⁽²⁾	74,500	27,000	Nil	Nil	Nil	Nil	101,500

Notes:

- (1) Compensation of Michael Pyle, who is a Director and also a Named Executive Officer, is not included in the foregoing table as all compensation paid to Mr. Pyle has been set forth in the Summary Compensation Table above.
- (2) Mr. Olin was elected as a Director on May 14, 2013.

Narrative Discussion

The Compensation Committee is responsible for reviewing Director compensation and satisfying itself that it is competitive. The Board of Directors determines the form and amount of Director compensation based on the recommendation of the Compensation Committee following reviews of compensation in the marketplace.

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

The cash compensation paid for the services provided by the Directors, other than Mr. Pyle, Mr. Jessiman and Mr. Wehrle, is as follows:

- An annual retainer of \$40,000;
- The Chair of the Board of Directors receives an additional \$35,000 annual retainer;
- The Chair of the Audit Committee receives an \$11,000 annual retainer and an additional \$4,000 as an Audit Committee member;
- The Chair of the Compensation Committee receives a \$6,000 annual retainer and an additional \$4,000 as a Compensation Committee member;
- The Chair of the Governance Committee receives a \$6,000 annual retainer and an additional \$4,000 as a Governance Committee member;
- Other committee Chairs receive a \$4,500 annual retainer and an additional \$4,000 as committee members;
- Committee members receive a \$4,000 annual retainer per committee;
- The non-Audit Committee members receive a \$2,000 partial retainer annually for attendance at Audit Committee meetings;
- \$1,500 for each in-town meeting attended unless it is under one hour in length and in such case it is \$750; and
- \$3,000 per day for each out-of-town meeting.

The Corporation also reimburses the Directors for out-of-pocket expenses for attending meetings. The amount of the compensation has been effective at these levels since January 1, 2012.

In addition to the cash component described above, the Directors, other than Mr. Wehrle, Mr. Pyle and Mr. Jessiman, are paid for the services provided in the form of Deferred Shares as follows: Directors receive a \$27,000 annual retainer paid in Deferred Shares; and the Chair of the Board of Directors receives an additional \$22,500 annual retainer paid in Deferred Shares.

Directors and Officers Liability Insurance

Directors' and officers' insurance has been obtained for the Board of Directors and officers of the Corporation and the directors and officers of its subsidiaries with a total limit of \$35,000,000 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 and officers of its subsidiaries for \$20,000,000 subject to a deductible of \$25,000 per occurrence, which would be paid by the Corporation. Second, under this insurance coverage, there is \$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, 2013 was \$95,700.

Outstanding Share-Based Awards and Option-Based Awards

All of the Share-Based Awards granted to the Directors during the most recently completed financial year of the Corporation vested immediately. The Corporation does not have any issued and outstanding Option-Based Awards.

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, 2013.

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)	201,976	\$22.60 ⁽³⁾	779,845 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	NA	NA
Total	201,976	\$22.60	779,845

Notes:

- (1) The only equity compensation plans approved by the Shareholders are the ESPP and the Deferred Share Plan.
(2) 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 10% of the issued and outstanding Shares, from time to time.
(3) Share price as at December 31, 2013.

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 when they replaced Deloitte LLP as the Corporation's auditor.

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 persons designated in the enclosed form of proxy 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 of the Corporation provide for a minimum of one Director and a maximum of 15 Directors. At present there are ten Directors. The Board of Directors has nominated ten Directors for approval at the Meeting. The Shareholders are entitled to elect the Directors of the Corporation. The Directors of the Corporation are elected to hold office until the next annual meeting of the Shareholders or until their successors are appointed.

The following table sets forth the names of and certain additional information regarding the nominees for election as Directors. Except as noted, each nominee has held the principal occupation set forth below his name for the past five years.

Name and Municipality of Residence	Director Since	Principal Occupation	Number of Shares Owned Directly or Indirectly over which Control or Direction is Exercised as of the Date Hereof ⁽⁹⁾
Duncan D. Jessiman, Q.C. ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾ Winnipeg, MB	07/28/2009	<p>Mr. Jessiman holds a Bachelor of Commerce degree and a Law degree from the University of Manitoba and developed the concept of the Corporation with Mr. Pyle and started it in 2002. Mr. Jessiman originally served as Chairman and CEO of the Corporation, but gave up the Chairmanship 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-Chairman in charge of special projects. He began his professional career over 40 years ago as a lawyer at Pitblado & Hoskin where he was a partner at the time of his leaving in 1998 to join Aikins, MacAulay & Thorvaldson LLP as a partner, where he practiced in the area of corporate, commercial and securities law until July 2005. Mr. Jessiman was a member of the TSX Venture Exchange Winnipeg Local Advisory Committee; a former director of Consolidated Properties Ltd., a TSX listed company; a former director of Geocrude Energy Inc., a TSX listed company which was taken over by Canada North West Energy Inc.; a 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 devotes a significant amount of his time to the business of the Corporation.</p> <p>Mr. Jessiman has been a Director since July 28, 2009 and was previously a trustee of the Fund.</p>	99,043 ⁽¹⁵⁾
Hon. Gary Filmon, P.C., O.C., O.M. ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁶⁾⁽⁸⁾ Winnipeg, MB	07/28/2009	<p>Mr. Filmon holds a Master's degree in Civil Engineering from the University of Manitoba. He is a director of Manitoba Telecom Services Inc., a director of Canadian Natural Resources Limited, was the Chairman of FWS Construction Ltd. until March 31, 2014 and is and has been a business consultant since 2000. Prior thereto he was Premier of the Province of Manitoba from 1988 to 1999.</p> <p>Mr. Filmon has been a Director since July 28, 2009 and was previously a trustee of the Fund.</p>	68,864 ⁽¹⁰⁾

Name and Municipality of Residence	Director Since	Principal Occupation	Number of Shares Owned Directly or Indirectly over which Control or Direction is Exercised as of the Date Hereof ⁽⁹⁾
Michael Pyle ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾ Winnipeg, MB	07/28/2009	<p>Mr. Pyle holds an Arts degree (Economics) and a Masters of Business Administration Degree (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 a director of CentrePort Canada Inc. and a director of Sport Manitoba. Mr. Pyle devotes the majority of his time to the Corporation.</p> <p>Mr. Pyle has been the Chief Executive Officer and a Director of the Corporation since July 28, 2009. Previously, Mr. Pyle was the Chief Executive Officer and a trustee of the Fund.</p>	10,527
Donald Streuber, F.C.A. ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁸⁾ Winnipeg, MB	07/28/2009	<p>Mr. Streuber is President and CEO 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 the last 19 years. Prior to joining Bison in 1999, Mr. Streuber was a partner at Sill Streuber Fiske & Company, Chartered Accountants. In 2012 Mr. Streuber received his F.C.A. designation from the Institute of Chartered Accountants of Manitoba. Mr. Streuber is presently the Chairman of CentrePort Canada Inc., was Chairman of the Canadian Trucking Alliance until February 2014, past Chairman of the Business Council of Manitoba, past Chairman for Providence College and Seminary, is a member of the Canadian Council of Chief Executives and is Vice Chairman for the Assiniboine Park Conservancy.</p> <p>Mr. Streuber has been a Director since July 28, 2009 and was previously a trustee of the Fund.</p>	302,289 ⁽¹¹⁾
Gary Buckley ⁽²⁾⁽³⁾⁽⁶⁾⁽⁸⁾ Winnipeg, MB	07/28/2009	<p>Mr. Buckley holds a Bachelor of Commerce from the University of Alberta. 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 Manitoba and elsewhere. Mr. Buckley is also the owner of additional hotel and mobile home properties.</p> <p>Mr. Buckley has been a Director since July 28, 2009 and was previously a trustee of the Fund.</p>	234,702 ⁽¹²⁾

Name and Municipality of Residence	Director Since	Principal Occupation	Number of Shares Owned Directly or Indirectly over which Control or Direction is Exercised as of the Date Hereof ⁽⁹⁾
Edward Warkentin, LL.B. (3)(6) Winnipeg, MB	07/28/2009	<p>Mr. Warkentin holds an arts degree from the University of Winnipeg, a law degree from the University of Manitoba and has been a member of the Bars of Ontario and Manitoba for more than 35 years. Mr. Warkentin was a partner at Pitblado & Hoskin before leaving in 1998 to join Aikins, MacAulay & Thorvaldson LLP as a partner, where he practices in the area of corporate and commercial law and served as Managing Partner for 10 years. Formerly he was a director of Manitoba Mineral Resources Ltd., the Chair and director of Youth for Christ (Winnipeg) Inc. and a director of Grace Hospital Board of Management. Mr. Warkentin is currently the Chair and a trustee of Artis REIT, a real estate investment trust listed on the TSX and a director of several private corporations, foundations and partnerships.</p> <p>Mr. Warkentin has been a Director since July 28, 2009 and was previously a trustee of the Fund.</p>	21,200 ⁽¹³⁾
Brad Bennett, O.B.C. (3)(5)(6) Kelowna, BC	07/28/2009	<p>Mr. Bennett has been the President of McIntosh Properties Ltd., a real estate and investment holding company, since 1989. Mr. Bennett has served on a number of public and private company boards and is currently Chairman of Quails Gate Winery, a director of Kal Tire Holdings Ltd., a director of Rackforce Networks Inc. and a director of British Columbia Hydro and Power Authority. Mr. Bennett also currently serves as Chairman of MITACS and is Vice-Chairman of the Fraser Institute. Past public service positions include Chairman of University of British Columbia, Chairman of Kelowna General Hospital Foundation, Co-Chairman of the Central Okanagan Hospice Campaign and Chairman of Rotary Centre for the Arts Building Committee. 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 Laws from the University of British Columbia in 2011. Mr. Bennett was awarded the Queen's Diamond Jubilee Medal in 2013.</p> <p>Mr. Bennett became a Director on July 28, 2009.</p>	1,595,168 ⁽¹⁴⁾

Name and Municipality of Residence	Director Since	Principal Occupation	Number of Shares Owned Directly or Indirectly over which Control or Direction is Exercised as of the Date Hereof ⁽⁹⁾
Serena Kraayeveld, FCA, ICD.D. ⁽²⁾⁽⁴⁾⁽⁵⁾ Winnipeg, MB	11/10/2011	<p>Ms. Kraayeveld graduated with a Bachelor of Commerce (Hons) from the University of Manitoba and is a member of the Institute of Chartered Accountants of Manitoba, the Canadian Institute of Chartered Accountants and the Institute of Corporate Directors. In 1990, she was elected an FCA by the Institute of Chartered Accountants of Manitoba. Prior to her retirement from public practice in 2008, Ms. Kraayeveld was a tax partner with PricewaterhouseCoopers LLP, providing tax and business advisory services to clients in a broad range of industries and with a variety of issues. In addition, Ms. Kraayeveld served terms as the Managing Partner of the Winnipeg Office of Coopers & Lybrand and as the Partner in Charge of the Winnipeg tax practice of PricewaterhouseCoopers LLP. Ms. Kraayeveld completed the Directors Education Program offered by the Institute of Corporate Directors and received the ICD.D designation in 2008. Ms. Kraayeveld currently serves as a director of CAA Manitoba. Past board positions have included the boards of PricewaterhouseCoopers LLP, Coopers & Lybrand, Institute of Chartered Accountants of Manitoba, Canadian Tax Foundation, United Way of Winnipeg, Manitoba Theatre Centre, Ducks Unlimited Canada and YWCA of Winnipeg.</p> <p>Ms. Kraayeveld became a Director on November 10, 2011.</p>	5,000 ⁽¹⁶⁾
Jeffrey Olin, B.Comm, MBA ⁽²⁾⁽³⁾⁽⁵⁾ Toronto, Ontario	05/14/2013	<p>Mr. Olin has been the President and CEO of Vision Capital Corporation, an investment counseling and portfolio management company which manages the Vision Opportunity Funds, since 2007. Mr. Olin is presently the Chairman of BrightPath Early Learning Inc. Between 2003 and 2007, Mr. Olin served as the Managing Partner, Ontario and Head of Investment Banking with Desjardins Securities Inc. Mr. Olin was previously a Managing Director with HSBC Securities Inc. and a Vice-President with Canaccord Capital Corporation. Mr. Olin is a graduate of the Kellogg Graduate School at Northwestern University in Chicago with an MBA. He received his Bachelor of Commerce degree from the University of Toronto.</p> <p>Mr. Olin became a Director on May 14, 2013.</p>	196,070 ⁽¹⁷⁾

Name and Municipality of Residence	Director Since	Principal Occupation	Number of Shares Owned Directly or Indirectly over which Control or Direction is Exercised as of the Date Hereof ⁽⁹⁾
Allan Davis ⁽⁶⁾ Kenora, Ontario	N/A	<p>Mr. Davis holds a Bachelor of Commerce (Honours) from the University of Manitoba. He is a Chartered Accountant (1980) and is a member of the Institute of Chartered Accountants of Manitoba. Mr. Davis is currently the President and Director of AFD Investments Inc. a management consulting firm with extensive experience in transportation, distribution, and manufacturing. Mr. Davis is the Independent Chair of the Board of Trustees and Chair of the Audit Committee of the Boyd Group Income Fund ("Boyd"). Boyd is an open-ended mutual fund trust trading on the TSX. By number of locations, Boyd is the largest operator of non-franchised collision repair centres in North America and a major retail auto glass operator in the United States.</p> <p>Mr. Davis has been a non-Director member of the Manufacturing Sector Committee of the Corporation since inception.</p>	7,500

Notes:

- (1) Chair of the Board of Directors.
- (2) Member of the Audit Committee (chaired by Mr. Streuber).
- (3) Member of the Compensation Committee (chaired by Mr. Buckley).
- (4) Member of the Governance Committee (chaired by Ms. Kraayeveld).
- (5) Member of the Aviation Sector Committee (chaired by Mr. Streuber).
- (6) Member of the Manufacturing Sector Committee (chaired by Mr. Warkentin).
- (7) Member of the Disclosure and Competition Committee (chaired by Mr. Jessiman).
- (8) Trustee of the Fund prior to the Arrangement.
- (9) Not including warrants or other securities convertible into Shares.
- (10) 20,110 of these Shares are held by 4268424 Manitoba Ltd., a company controlled by Mr. Filmon.
- (11) 198,361 of these Shares are held by Drew Foundation Inc., a company controlled by Mr. Streuber and 56,209 of these Shares are held by Tatonka Investments Inc., a company controlled by Mr. Streuber.
- (12) 178,816 of these Shares are held by GeeBee Investment Ltd., a company controlled by Mr. Buckley and 3,012 of these Shares are held by Patricia Buckley, spouse of Mr. Buckley.
- (13) 18,800 of these Shares are held by E L Warkentin (2008) Law Corporation, a company controlled by Mr. Warkentin.
- (14) These Shares are held by McIntosh Properties Ltd., a company controlled by Mr. Bennett.
- (15) 50,239 of these Shares are held by Colleen Jessiman, spouse of Mr. Jessiman.
- (16) 4,000 of these Shares are held by SHK Trust, a trust of which Ms. Kraayeveld is one of the trustees.
- (17) 174,170 of these Shares are owned in Vision Opportunity Funds, which are managed by Vision Capital Corporation.

In accordance with the criteria set forth in NI 58-101, which contains a definition of independence, Gary Filmon, Donald Streuber, Serena Kraayeveld, Brad Bennett, Gary Buckley, Jeffrey Olin and Edward Warkentin (independent except for Audit Committee purposes) are considered to be Independent Directors. Subject to Shareholder approval Mr. Davis will be elected as a Director at the Meeting and will be considered to be an Independent Director.

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 persons designated in the enclosed form of proxy intend to vote FOR the election of the Directors referenced above.

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. Filmon 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 director appointed to hold its assets.

Mr. Gary A. Filmon, is a Trustee of Arctic Glacier Income Fund which on February 22, 2012 applied for and was granted by the Manitoba Court of Queen's Bench, protection under the Companies' Creditors Arrangement Act (the "CCA") while it underwent restructuring and undertaking a sale and investment solicitation process which sale and investment solicitation process was completed on July 27, 2012. Recognition of the CCA proceedings in the United States under Chapter 15 of the United States Bankruptcy Code, as amended had taken place before the sale and investment solicitation process was begun.

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 Amended and Restated Shareholder Rights Plan

Background

At the Meeting, Shareholders will be asked to approve the Corporation's amended and restated shareholder rights plan (the "Rights Plan") between the Corporation and CST Trust Company. The Corporation's original shareholder rights plan was first implemented under an agreement dated May 13, 2011 between the Corporation and CIBC Mellon Trust Company (the "Existing Rights Plan"). On September 4, 2013, CST Trust Company replaced CIBC Mellon Trust Company as the agent under the Existing Rights Plan. The Existing Rights Plan is the Corporation's current shareholder rights plan.

The Rights Plan provides that it must be approved by Independent Shareholders. "Independent Shareholders" means, generally, the holders of Voting Shares of the Corporation excluding: (i) any Acquiring Person; (ii) any Person making a Take-over Bid; (iii) any Affiliate or Associate of a Person referred to in clause (i) or (ii) above; (iv) any Person acting jointly or in concert with a Person referred to in clause (i) or (ii) above; and (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid.

To the knowledge of the Corporation, as of the date of this Circular, all Shareholders are currently Independent Shareholders and, accordingly, to the knowledge of the Corporation, all Shareholders will vote on the approval of the Rights Plan.

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

A summary of the key features of the Rights Plan is attached as Schedule "B" to this Circular. All capitalized terms used in this section of the Circular and in Schedule "B" have the meanings set forth in the Rights Plan, unless otherwise indicated. The complete text of the Rights Plan is available to any Shareholder on request from the Corporation at its head office address, by calling (204) 982-1852, Attention: Corporate Secretary or by e-mail request to DSpencer@eig.ca.

Recommendation of the Board of Directors

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

The Corporation has been advised that the Directors and executive officers of the Corporation intend to vote all Shares held by them in favour of the confirmation and approval of the Rights Plan.

Text of Resolution

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

1. The shareholder rights plan of the Corporation be continued and the Amended and Restated Shareholder Rights Plan Agreement to be made as of May 15, 2014 (the "Rights Plan Agreement") between the Corporation and CST Trust Company, as rights agent, be and it is hereby approved; and
2. Any officer or director of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution."

Vote Required

Shareholder approval of the Rights Plan is required by stock exchange rules. Under the terms of the Rights Plan, the foregoing resolution must be approved by an Ordinary Resolution of the Independent Shareholders (generally, all Shareholders other than a person who beneficially owns, or who is deemed to beneficially own, more than 20% of the issued and outstanding Shares, or an offeror or Acquiring Person, their Associates and Affiliates, and Persons acting jointly or in concert with the offeror or Acquiring Person) at the Meeting.

If the above resolution approving the Rights Plan is passed at the Meeting, then the Corporation and CST Trust Company will execute the Rights Plan Agreement effective as of the date the resolution is passed.

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

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

Objectives of the Rights Plan

The primary objectives of the Rights Plan, as with the Existing Rights Plan, are to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Corporation's Shares, the Board of Directors has sufficient time to explore and develop alternatives for maximizing Shareholder value, to provide adequate time for competing bids to emerge, to ensure that Shareholders have an equal opportunity to participate in such a bid and to give them adequate time to properly assess the bid and lessen the pressure to tender typically encountered by a shareholder of a company that is subject to a bid.

In approving the Rights Plan, the Board of Directors considered the following concerns inherent in the existing legislative framework governing take-over bids in Canada:

- (i) *Time.* Current legislation permits a take-over bid to expire in 35 days. The Board of Directors is of the view that 35 days may not be sufficient time to permit Shareholders to consider a take-over bid and to make a reasoned and unhurried decision. The Rights Plan provides a mechanism whereby the minimum expiry period for a Take-over Bid must be 60 days after the date of the bid and the bid must remain open for a further period of 10 business days after the offeror publicly announces that the Shares deposited or tendered and not withdrawn constitute more than 50% of the Voting Shares outstanding held by Independent Shareholders. The Rights Plan is intended to provide Shareholders with adequate time to properly evaluate the offer and to provide the Board of Directors with sufficient time to explore and develop alternatives for maximizing Shareholder value. Those alternatives could include, if deemed appropriate by the Board of Directors, the identification of other potential bidders, the conducting of an orderly auction or the development of a corporate restructuring alternative which could enhance Shareholder value.
- (ii) *Pressure to Tender.* A Shareholder may feel compelled to tender to a bid which the Shareholder considers to be inadequate out of a concern that failing to tender may result in the Shareholder being left with illiquid or minority discounted shares in the Corporation. This is particularly so in the case of a partial bid for less than all shares of a class, where the bidder wishes to obtain a control position but does not wish to acquire all of the Voting Shares. The Rights Plan provides a Shareholder approval mechanism in the Permitted Bid provision which is intended to ensure that a Shareholder can separate the tender decision from the approval or disapproval of a particular Take-over Bid. By requiring that a bid remain open for acceptance for a further 10 business days following public announcement that more than 50% of the Voting Shares held by Independent Shareholders have been deposited, a Shareholder's decision to accept a bid is separated from the decision to tender, lessening the undue pressure to tender typically encountered by a shareholder of a company that is the subject of a take-over bid.
- (iii) *Unequal Treatment.* While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of a company may be acquired pursuant to a private agreement in which a small group of shareholders dispose of shares at a premium to market price which premium is not shared with other shareholders. In addition, a person may slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all shareholders. The Rights Plan addresses these concerns by applying to essentially all acquisitions of greater than 20% of the Voting Shares, to better ensure that Shareholders receive equal treatment.

General Impact of the Rights Plan

It is not the intention of the Board of Directors in maintaining a shareholder rights plan for the Corporation to secure the continuance of existing Directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interests of Shareholders. For example, through the Permitted Bid mechanism, described in more detail in Schedule "B" to this

Circular, Shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Rights Plan, regardless of the acceptability of the bid to the Board of Directors. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board of Directors will continue to be bound to consider fully and fairly any bid for the Corporation's Shares in any exercise of its discretion to waive application of the Rights Plan or redeem the Rights. In all such circumstances, the Board of Directors must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders.

Neither the Existing Rights Plan nor the Rights Plan was adopted or approved in response to or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. As of the date of this Circular, the Board of Directors was not aware of any third party considering or preparing any proposal to acquire control of the Corporation. Rather, the objectives of the Rights Plan remain the same as they were for the Existing Rights Plan, as summarized above.

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

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

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

Tax Consequences of Rights Plan

The following discussion is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular Shareholder. Shareholders are advised to consult their own tax advisers regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and applicable foreign, provincial, state and local tax laws.

Canadian Federal Income Tax Consequences

While the matter is not free from doubt, the issue of the Rights may be a taxable benefit which must be included in computing the income of Shareholders. However, no amount must be included in computing income if the Rights do not have a monetary value at the date of issue. The Corporation considers that the Rights, when issued, will have negligible monetary value, there being only a remote possibility that the Rights will ever be exercised.

Assuming that the Rights have no value, Shareholders will not be required to include any amount in income or be subject to withholding tax under the *Income Tax Act* (Canada) as a result of the issuance of the Rights. The Rights will be considered to have been acquired at no cost.

The holders of Rights may be required to include an amount in computing income or be subject to withholding tax under the *Income Tax Act* (Canada) if the Rights become exercisable, are exercised or otherwise disposed of.

In the unlikely event that Rights are disposed of for proceeds of disposition greater than zero, a holder thereof will realize a capital gain in the amount by which the proceeds of disposition exceed any reasonable costs of disposition.

CORPORATE GOVERNANCE

Introduction

The Board of Directors believes that sound corporate governance practices are essential to the well-being of the Corporation and its Shareholders, and that these practices should be reviewed regularly to ensure that they are appropriate. The Board of Directors 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 of Directors and the Board of Directors has taken, or will take appropriate action as regulatory changes occur. Below is a discussion on the current composition of the Board of Directors and the current governance practices of the Corporation.

The Directors have in place appropriate structures to ensure that they can function independently of management. The responsibilities of the Chair of the Board of Directors include overseeing that the Directors discharge their responsibilities. The Chair of the Board of Directors is the Honourable Gary Filmon, P.C., O.C., O.M.

The President and 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 as may subsequently be in effect from time to time or any successor policy thereto 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.

Board of Directors of the Corporation

The Board of Directors is comprised of a majority of Independent Directors, which facilitates its exercise of independent supervision over management. The composition of Independent Directors and non-Independent Directors is as follows:

Independent Directors currently are:

- Gary Filmon
- Donald Streuber
- Gary Buckley
- Serena Kraayeveld
- Edward Warkentin – Partner with Aikins, MacAulay & Thorvaldson LLP, legal counsel to the Corporation (independent except for Audit Committee purposes only)
- Brad Bennett
- Jeffrey Olin

Non-Independent Directors are:

- Michael Pyle – President and CEO of the Corporation
- Duncan Jessiman – Executive Vice-Chair of the Corporation
- William Wehrle – Former President and CEO of Perimeter Aviation Ltd.

Gary Filmon is the Chair of the Board of Directors and is an Independent Director.

The Independent Directors hold regularly scheduled meetings at which the non-Independent Directors are not in attendance. In the financial year of the Corporation ended December 31, 2013, five such meetings were held.

On April 4, 2014, Mr. Wehrle tendered his resignation as a Director due to personal considerations and is no longer a Director or a member of any committee of the Board of Directors.

Attendance at Board Meetings

The following table sets forth information concerning the number of Board of Directors and committee meetings of the Corporation held during the 2013 fiscal year and attendance thereat.

Name of Director	Board of Directors Meetings	Audit Committee Meetings	Compensation Committee Meetings	Governance Committee Meetings	Disclosure and Competition Committee Meetings	Aviation Sector Committee Meetings ⁽¹⁾	Manufacturing Sector Committee Meetings ⁽²⁾
Duncan D. Jessiman	6	N/A	N/A	5	4	4	4
Gary Filmon	6	7	N/A	5	N/A	N/A	4
Michael Pyle	6	N/A	N/A	N/A	4	4	4
Gary Buckley	5	7	4	N/A	N/A	N/A	3
Donald Streuber	6	7	N/A	5	N/A	4	N/A
William Wehrle	6	N/A	N/A	N/A	N/A	4	N/A
Edward Warkentin	6	N/A	5	N/A	N/A	N/A	4
Brad Bennett	5	N/A	3	N/A	N/A	3	3
Serena Kraayeveld	6	7	N/A	5	N/A	4	N/A
Jeffrey Olin ⁽³⁾	5	5	3	N/A	N/A	2	N/A

Notes:

- (1) In order to provide additional experience to the Aviation Sector Committee, two non-Director individuals, namely Haydn Acheson and Alex Ouskan, have been appointed to the Aviation Sector Committee. Mr. Acheson was appointed on July 28, 2009 and Mr. Ouskan was appointed on November 12, 2012. Mr. Acheson attended 4 meetings of the Aviation Sector Committee in 2013 and Mr. Ouskan attended 3 meetings.
- (2) In order to provide additional experience to the Manufacturing Sector Committee, two non-Director individuals, Ray Moher and Alan Davis, were appointed to the Manufacturing Sector Committee in 2008. Subject to Shareholder approval, Mr. Davis will be elected as a Director at the Meeting. 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. Davis is a consultant with extensive experience in the manufacturing industry. Mr. Moher attended 4 meetings of the Manufacturing Sector Committee in 2013 and Mr. Davis attended 4 meetings.

(3) Mr. Olin was elected as a Director on May 14, 2013.

Other Directorships

The Directors who are currently directors or trustees of other reporting issuers are Gary Filmon, who is a director of Manitoba Telecom Services Inc. and a director of Canadian Natural Resources Limited, Edward Warkentin who is a trustee of Artis REIT and Jeffrey Olin who is a director of BrightPath Early Learning Inc.. Subject to Shareholder approval, Mr. Davis will be elected as a Director at the Meeting. Mr. Davis is currently a trustee of Boyd Group Income Fund.

Board Mandate

The mandate of the Board of Directors 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 of Directors has adopted the Board of Directors Mandate. The full text of the Board of Directors Mandate is attached as Schedule "A" to this Circular.

Position Descriptions

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

Orientation and Continuing Education

The Board of Directors and management of the Corporation have established an informal orientation and education program for new Directors and new committee members regarding the role of the Board of Directors, their 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. Care is taken to ensure that new Directors understand the roles and responsibilities of the Board of Directors and their committees, as well as the commitment level that the Corporation expects of the Directors. The Governance Committee is also charged with ensuring that continuing education opportunities are available to all Directors as necessary.

Ethical Business Conduct

The Corporation has adopted a Code of Business Ethics and Conduct and an Insider Trading Policy. The Corporation has also enhanced its Disclosure Policy so that it is now a Disclosure and Competition 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 Business Conduct and Ethics is monitored by the Governance Committee. A copy of the code may be obtained by any person by contacting the Secretary of the Corporation at its address set forth in this Circular.

The Board of Directors 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 interest in a contract or transaction or proposed contract or transaction in which he has an interest in the manner provided by the *Canada Business Corporations Act*.

Nomination of Directors

The Governance Committee is responsible for, among other things, reviewing the size and composition of the Board of Directors and recommending candidates for election to the Board of Directors. Each year, the Governance Committee carefully examines the composition of the Board of Directors, including issues relating to its size, and balances factors such as age and geographical, professional and industry representation. If the Governance Committee concludes that the Board of Directors would benefit from a new Director, the Governance Committee will endeavor to find an appropriate candidate for nomination.

The Governance Committee is not comprised entirely of Independent Directors. New Directors are proposed by members of the Board of Directors and discussed by the Governance Committee. If the Governance Committee determines that 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 of Directors as a whole.

Compensation

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

Director Share Ownership Policy

The vast majority of Canadian public corporations have adopted mandatory minimum share ownership requirements for board members. It is important to the Corporation that the Directors are seen to have “aligned” their personal interests with the Shareholders by owning Shares and/or Deferred Shares. The requirements of the Corporation’s Director Share Ownership Policy are as follows:

1. The minimum shareholding requirement for all Directors is set at three times the amount of the annual cash retainer paid to Directors. Currently the cash retainer is \$40,000 and therefor the required share ownership is \$120,000.
2. The minimum shareholding requirement for the chair of the Board of Directors will include the additional cash retainer received as the chair. Currently the additional cash retainer is \$35,000, so the required Share ownership for the chair of the Board of Directors is \$225,000 in aggregate.
3. Committee chair additional retainers shall not be included in the base.
4. Committee members who are not Directors shall not be included in this policy.
5. In determining the value of Shares held by a Director under this policy, the value of Deferred Shares shall be included. In addition, the value of any Shares held in entities in which the Director has a beneficial interest shall be included where such holdings are reported in the annual information form filed with the securities regulatory authorities.
6. A Director shall have three years from the date of appointment to the Board of Directors to meet the initial shareholding requirements. Similarly, should the cash retainer be increased, the Director will have three years to meet the increased shareholding requirement.
7. Once the required shareholding level is met by a Director, he or she shall not be required to increase his or her shareholdings due to any decline in the price of Shares.

Board Committees

The Board of Directors is committed to acting in the best interests of the Shareholders. The Board of Directors fulfills its role directly and through committees to which it delegates certain responsibilities. The Board of Directors 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 Serena Kraayeveld (Chair), Donald Streuber, Duncan Jessiman and Gary Filmon.

The Governance Committee’s key charter responsibilities include:

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

The Governance Committee believes that 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 particularly focused on the following initiatives to further improve the Corporation’s governance processes and practices:

- **Board Composition/Nominations:** Each year, the Governance Committee carefully examines the composition of the Board of Directors, including issues relating to its size, expertise and capabilities and considers factors such as age, geographic, professional, and industry representation. 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, typically generated through individual referrals, who possess the skills and experience required to meet the Corporation’s business needs.
- **Improving Board and Committee Processes:** Each member of the Board of Directors 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 of Directors as a whole.

- Performance of the Board of Directors: The Chair of the Board of Directors and the Chair of the Governance Committee meet with each Director to discuss his or her views about the effectiveness of the Board of Directors and its committees and contributions of individual Directors. Questionnaires relating to the Board of Directors, its committees and each individual Director's performance are circulated to each Director and the compiled results are used as a basis for discussion in these meetings.

The Board of Directors 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 of the Corporation dated March 31, 2014 which is available on SEDAR at www.sedar.com.

Disclosure and Competition Committee

This committee was previously called the Disclosure Committee but during 2011, the mandate of the committee was increased to emphasize the Corporation's objective to ensure compliance with the competition laws of Canada and the United States within the Corporation and its subsidiaries.

The Disclosure and Competition Committee is currently comprised of: Michael Pyle, Duncan Jessiman and Adam Terwin (CFO of the Corporation, not a Director). The composition of the Disclosure and Competition Committee is determined on an annual basis by the President and CEO of the Corporation. 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 as frequently as circumstances require, and as the members deem necessary or appropriate, to carry out its responsibilities listed below:

- 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;
- 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;
- assist in the preparation of each periodic report and earnings release (including Management Discussion and Analysis) of the Corporation and evaluate the clarity, accuracy and compliance of the information in such report or earnings release;
- 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
- 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.

Aviation Sector Committee

The purpose of the Aviation Sector Committee is to act as a board of advisors to the operating entities in the aviation sector of the Corporation. The Aviation Sector Committee consists of Donald Streuber, Michael Pyle, Duncan Jessiman, Brad Bennett, Serena Kraayeveld, Jeff Olin and Alex Ouskan (Mr. Ouskan is not a Director). Its members shall:

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

Throughout the year the Aviation Sector Committee has met and discussed with management its thoughts and concerns relating to its operations and was involved in the discussions relating to the acquisition made within the aviation sector in 2013.

Manufacturing Sector Committee

The purpose of the Manufacturing Sector Committee is to act as a board of advisors to the operating entities in the manufacturing sector of the Corporation. The Manufacturing Sector Committee consists of Edward Warkentin, Michael Pyle, Duncan Jessiman, Gary Filmon, Gary Buckley, Brad Bennett, Al Davis and Ray Moher (subject to Shareholder approval, Mr. Davis will be elected as a Director at the Meeting. Mr. Moher is not a Director). Its members shall:

1. demonstrate skills and experience that are complementary to the current members 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.
2. 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.

Throughout the year the Manufacturing Sector Committee has met and discussed with management their thoughts and concerns relating to their operations and have been involved in discussions relating to the organic growth experienced within the manufacturing sector.

Assessments

The Board of Directors, the committees thereof and the individual Directors are assessed regularly as described above under "Corporate Governance - Other Committees – Corporate Governance Committee".

Majority Voting

The Corporation has not adopted a majority voting policy for election of Directors for non-contested meetings, whereby if the number of securities withheld from voting for a particular Director nominee exceeds the number of securities voted for the election of that Director nominee, then such elected Director would be expected to tender his or her resignation. The practice of the Corporation is to consider the Directors duly elected in accordance with applicable corporate and securities law requirements to be duly elected Directors. The Corporation considers that its Director nominees represent the appropriate set of individuals for a well-balanced and competent Board of Directors.

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, 2013.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The following transactions were carried out by the Corporation with related parties.

Property Leases

Various entities lease several buildings from related parties who were vendors of the entity that the Corporation purchased the business from originally. These vendors are considered related parties because of their continued involvement in the management of those businesses. These leases are considered to be at market terms and recognized in the consolidated financial statements at the exchange amounts. The total costs incurred in 2013 under these leases was \$2,145,000 (2012 – \$1,553,000) and the lease term maturities range from 2014 to 2018. The expense is recorded within general and administrative expenses and is paid monthly, therefore no balance exists on the Corporation's statement of financial position (2012 – 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).

Compensation awarded to key management for the 2013 year and the comparative 2012 year is as follows:

	Fiscal 2012	Fiscal 2013
Salaries and short-term benefits	\$3,974,000	\$2,872,000
Share-based payments	\$600,000	\$1,118,000
Total Compensation	\$4,574,000	\$3,990,000

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.

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, 2013. Copies of these and other documents may be obtained from the President and CEO of the Corporation upon request to the address set out below. The Corporation may require a non-Shareholder to pay a reasonable charge for the material requested. This and other additional information relating to the Corporation may also be found on SEDAR at www.sedar.com.

EXCHANGE INCOME CORPORATION

Attention: Michael Pyle, President and CEO
 1067 Sherwin Road
 Winnipeg, Manitoba, R3H 0T8
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DIRECTORS' APPROVAL

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

"Dianne Spencer"

Dianne Spencer
 Corporate Secretary
 April 10, 2014

SCHEDULE "A"**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 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.

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 six directors.

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

Procedures

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

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

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

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

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

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

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

STANDING COMMITTEES

41. The Board has established the following standing Committees:

- (i) the Audit Committee;
- (ii) the Governance Committee;
- (iii) the Compensation Committee ;

- (iv) the Aviation Sector Committee;
- (v) the Manufacturing Sector 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.
- (iv) Where appropriate, demonstrate broader preparation than just the distributed material.
- (v) Be available when needed, and be accessible and approachable.
- (vi) Have the necessary time and commitment to fulfill responsibilities as a director and, if applicable, as a member of one or more Committees.

COMMUNICATION AND INTERACTION

48. Members of the Board shall:

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

BUSINESS, COMPANY AND INDUSTRY KNOWLEDGE

49. Members of the Board shall:

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

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

SCHEDULE "B"

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN

Summary of Key Features

The following is a summary of the features of the Rights Plan proposed to be implemented pursuant to an amended and restated shareholder rights plan agreement to be dated as of May 15, 2014 (the "Rights Plan Agreement") between the Corporation and CST Trust Company, as rights agent. The summary is qualified in its entirety by the full text of the Rights Plan, a copy of which is available from the Corporation as described in the Circular. All defined terms, where used in this summary without definition, have the meanings attributed to them in the Rights Plan Agreement.

(a) Issuance of Rights

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

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

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

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

- (i) "Canadian" means a Canadian citizen or a permanent resident within the meaning of subsection 2(1) of the *Immigration and Refugee Protection Act* (Canada), as amended or replaced, a government in Canada or an agent of such a government or a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least seventy-five percent, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians; and
- (ii) "Non-resident of Canada" means:
 - a) an individual, other than a Canadian citizen, who is not ordinarily resident in Canada;
 - b) a corporation incorporated, formed and otherwise organized outside Canada;
 - c) a foreign government or an agency thereof;
 - d) a corporation that is controlled by Non-Residents of Canada, directly or indirectly, described in (B) or (C) above;
 - e) a trust: (i) established by a Non-resident of Canada described in (B) to (D) above, other than a trust for the administration of a pension fund for the benefit of individuals, a majority of whom are Residents of Canada; or (ii) in which Non-residents of Canada described in (A) to (D) above have more than 50% of the beneficial interest; or
 - f) a corporation that is controlled by a trust described in (E) above; and
- (iii) "Resident of Canada" means a person who is not a Non-resident of Canada;

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

(b) Trading of Rights

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Shares of the Corporation and will be transferable only together with the associated Shares. From and after the Separation Time, separate certificates evidencing the Rights ("Rights Certificates"), together with a disclosure statement prepared by the Corporation describing the Rights, will be mailed to holders of record of Shares (other than an Acquiring Person) as of the Separation Time. Rights Certificates will also be issued in respect of Shares issued prior to the Expiration Time, to each holder (other than an Acquiring Person) converting, after the Separation Time, securities ("Convertible Securities") convertible into or exchangeable for Shares. The Rights will trade separately from the Shares after the Separation Time.

(c) Separation Time

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

(d) Acquiring Person

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

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

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

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

(e) Beneficial Ownership

In general, a Person is deemed to Beneficially Own Shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the Rights Plan. Included are holdings by the Person's Affiliates (generally, a person that controls, is controlled by, or is under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person's Affiliates or Associates has the right to acquire within 60 days (other than (1) customary agreements with and between underwriters and/or banking group and/or selling group members with respect to a public offering of securities, or (2) pursuant to a pledge of securities).

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

(i) Institutional Shareholder Exemptions from Beneficial Ownership

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

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

(ii) Exemption for Permitted Lock-up Agreement

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

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Voting Shares and/or Convertible Securities (the terms of which are publicly disclosed and made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Voting Shares and/or Convertible Securities to the Lock-up Bid and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares and/or Convertible Securities in order to deposit or tender the Voting Shares to another Take-over Bid or support another transaction: (A) at a price or value that exceeds the price under the Lock-Up Bid; or (B) is for a number of Voting Shares or Convertible Securities at least 7% greater than the number of Voting Shares or Convertible Securities under the Lock-Up Bid at a price or value that is not less than the price or value offered in the Lock-up Bid; or (C) (1) that contains an offering price for each Voting Share or Convertible Security that exceeds by as much as or more than a specified amount (the “Specified Amount”) the offering price for each Voting Share or Convertible Security contained in or proposed to be contained in the Lock-up Bid and (2) does not by itself provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid.

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

(f) Flip-In Event

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

\$20, the holder of each Right would be entitled to purchase Shares having an aggregate market price of \$120 (that is, 6 Shares) for \$60 (that is, a 50% discount from the market price).

(g) Permitted Bid and Competing Permitted Bid

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

- (i) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
- (ii) the Take-over Bid contains irrevocable and unqualified conditions that:
 - (A) no Voting Share shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on a date which is not less than 60 days following the date of the Take-over Bid and the provisions for the take-up and payment for Voting Shares tendered or deposited thereunder shall be subject to such irrevocable and unqualified condition;
 - (B) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Voting Shares and all Voting Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - (C) more than 50% of the outstanding Voting Shares held by Independent Shareholders must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Voting Shares; and
 - (D) in the event that more than 50% of the then outstanding Voting Shares held by Independent Shareholders have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Voting Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 Business Days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 60 days so long as it is open until the later of (i) the earliest date on which Voting Shares may be taken-up or paid for under any earlier Permitted Bid or Competing Permitted Bid that is in existence and (ii) 35 days (or such other minimum period of days as may be prescribed by applicable law in Manitoba) after the date of the Take-over Bid constituting the Competing Permitted Bid.

(h) Redemption, Waiver and Termination

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

- (i) Redemption of Rights on Approval of Holders of Voting Shares and Rights. The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-In Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the "Redemption Price").
- (ii) Waiver of Inadvertent Acquisition. The Board of Directors acting in good faith may waive the application of the Rights Plan in respect of the occurrence of any Flip-In Event if (A) the Board of Directors has determined that a Person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (B) the Acquiring Person has reduced its Beneficial Ownership of Voting Shares such that at the time of waiver the Person is no longer an Acquiring Person
- (iii) Deemed Redemption. In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Voting Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.
- (iv) Discretionary Waiver with Mandatory Waiver of Concurrent Bids. The Board of Directors acting in good faith may, prior to the occurrence of the relevant Flip-In Event as to which the Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-In Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Voting Shares. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-In Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.
- (v) Discretionary Waiver Respecting Acquisition not by Take-over Bid Circular. The Board of Directors acting in good faith may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-In Event as to which the application of the Rights Plan has not been waived, if such Flip-In Event would occur

by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to holders of Voting Shares and otherwise than by inadvertence in the circumstances described in (h)(ii) above, to waive the application of the Rights Plan to such Flip-In Event. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of Shareholders called to approve such a waiver.

- (vi) Redemption of Rights on Withdrawal or Termination of Bid. Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-In Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Share as provided for in the Rights Plan.

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

(i) Anti Dilution Adjustments

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

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

(j) Supplements and Amendments

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

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

(k) Expiration

If the Rights Plan is ratified, confirmed and approved at the Meeting, it will become effective immediately following such approval and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Rights Plan) and the termination of the annual meeting of the shareholders in the year 2017 unless at or prior to such meeting the Independent Shareholders ratify the continued existence of the Rights Plan.