



# THE CALDWELL PARTNERS INTERNATIONAL INC.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON TUESDAY, FEBRUARY 22, 2022

**AND**

## MANAGEMENT INFORMATION CIRCULAR DATED JANUARY 12, 2022

**✓ YOUR VOTE MATTERS.**

Please take a moment to vote.  
Your participation as a Shareholder is important to us.  
This document tells you who can vote,  
what you will be voting on and how to vote.

Meeting to be held at 11:00 a.m., Tuesday, February 22, 2022 via **virtual format** only, accessible online as provided below. Any changes to these log-in details will be communicated by the Corporation by way of a news release.

<https://bit.ly/3t9CMNf>

or by phone in North America:

Telephone: 888 788 0099 (Toll-Free)  
Webinar ID: 995 6961 2368  
Passcode: 610458

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of The Caldwell Partners International Inc. (the “**Corporation**”) will be held at 11:00 a.m. on Tuesday, February 22, 2022 via live video webcast for the following purposes:

1. to receive the annual report and the consolidated financial statements of the Corporation for the fiscal year ended August 31, 2021 and the report of the auditors thereon;
2. to elect the board of directors (the “**Board**”) of the Corporation for the ensuing year;
3. to appoint KPMG LLP, as the auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving a new omnibus equity incentive plan, as more fully described in the accompanying management information circular dated January 12, 2022 (the “**Circular**”); and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The live video webcast can be accessed online as provided below. Any changes to these log-in details will be communicated by the Corporation by way of a news release.

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Out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 pandemic, to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, the Corporation will be providing access to the Meeting **via virtual format only**. We hope that hosting a meeting in this way helps enable greater participation by Shareholders while prioritizing the protection of the health and safety of the public and our team members.

At the Meeting, all Shareholders, regardless of geographic location and equity ownership, will have an equal opportunity to participate. We **strongly encourage** Shareholders to vote prior to the Meeting by any of the means described in this Circular.

Non-registered Shareholders may listen to a live webcast of the Meeting as a guest.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Circular, which accompanies, and is deemed to form a part of, this Notice of Meeting.

**Shareholders of record as of the close of business on January 18, 2022 will be entitled to notice of and to vote on the matters to be put before the Meeting.**

In order to vote, Registered Shareholders are strongly encouraged to complete their proxies (a) by delivering the completed proxy using the pre-addressed envelope provided for this purpose; (b) over the internet by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions provided; (c) by telephone, by calling 1-866-732-VOTE (8683) (toll free within North America) or 312-588-4290 (International), by 11:00 a.m. on February 17, 2022 or if the Meeting is adjourned, not later than 48 hours (excluding weekends and holidays) prior to the time of such adjourned Meeting.

Non-Registered Shareholders who receive these materials through their intermediaries or the Corporation's transfer agent are requested to follow the instructions for voting provided therein, which may include the completion and delivery of voting instruction forms.

We **strongly encourage** Shareholders wishing to have questions addressed at the Meeting to submit them in advance to Michael Falagario, Corporate Secretary of the Corporation, at [mfalagario@caldwellpartners.com](mailto:mfalagario@caldwellpartners.com). The Corporation is committed to addressing questions submitted by Shareholders during the Meeting as timing and circumstances permit.

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Dated at Toronto, Ontario the 12<sup>th</sup> day of  
January, 2022

By Order of the Board of Directors

*/s/ "Michael Falagario"*

Michael Falagario  
Corporate Secretary

## **MANAGEMENT INFORMATION CIRCULAR**

### **SOLICITATION OF PROXIES BY MANAGEMENT**

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by management of The Caldwell Partners International Inc. (the “Corporation”) of proxies to be used at the Corporation’s annual general and special meeting of holders of common shares (“Shareholders”) of the Corporation to be held on Tuesday, February 22, 2022 via live online webcast at the time and for the purposes set out in the accompanying Notice of Meeting.

Out of an abundance of caution, to proactively deal with the public health impact of the COVID-19 pandemic, to mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, the Corporation will be providing access to the Meeting via virtual format only. We hope that hosting the Meeting in this way helps enable greater participation by Shareholders, while prioritizing the protection of the health and safety of the public and our team members.

At the Meeting, all Shareholders, regardless of geographic location and equity ownership, will have an equal opportunity to participate. We strongly encourage Shareholders to vote prior to the Meeting by any of the means described in this Circular.

Non-registered Shareholders may listen to a live webcast of the Meeting as a guest.

The costs of solicitation of proxies for the Meeting will be borne by the Corporation.

Except as otherwise stated, the information contained herein is given as of January 12, 2022.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The person(s) named in the accompanying form of proxy are officers of the Corporation. A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the person(s) designated in the accompanying form of proxy, to attend and act on behalf of the Shareholder at the Meeting or at any adjournment thereof. To exercise this right, a Shareholder may either insert such other person’s name in the blank space provided in the accompanying form of proxy or complete another appropriate form of proxy and, in either case, deliver the completed and executed form of proxy as provided below.

In the case of registered Shareholders, to be valid, a written proxy being deposited with the Corporation must be dated and manually signed by the Shareholder or his/her attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The proxy, to be acted upon, must be deposited with the Corporation by mail, through its registrar and transfer agent, Computershare Trust Company of Canada, at its office at 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, by hand to the same address in Toronto, Ontario, by internet at [www.investorvote.com](http://www.investorvote.com) (in which case you will be prompted to enter your Control Number, which is located on the accompanying Form of Proxy) or by telephone, by calling 1-866-732-VOTE (8683) (toll-free within North America) or 312-588-4290 (International), by 11:00 a.m. on February 18, 2021 or if the

Meeting is adjourned, not later than 48 hours (excluding weekends and holidays) prior to the time of such adjourned Meeting.

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing (including another proxy) executed by the Shareholder, or by the Shareholder's attorney authorized in writing, at the office of the Corporation's registrar and transfer agent Computershare Trust Company of Canada, at the address set out above, at any time up to and including the last business day prior to the date of the Meeting or any adjournment thereof, or with the chair of the Meeting, on the day of the Meeting at any time before it is exercised on any particular matter or in any other manner permitted by law.

### VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered Shareholders of the Corporation or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares of the Corporation ("**Common Shares**" or "**Shares**") are beneficially owned by a person (a "**Non-Registered Holder**") and are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); 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 the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of the Notice of Meeting, this Circular and form of proxy (collectively, the "**meeting materials**") to the Intermediaries for onward distribution to Non-Registered Holders.

Non-Registered Holders who have not waived the right to receive meeting materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

- (a) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the meeting materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the meeting (or have another person attend and vote on the Holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the meeting (or have another person attend and vote on the Holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder.
- (b) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the meeting materials, a form of proxy that may have already been signed by an Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete the form of proxy and deposit it with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, at its office at 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department or by internet or telephone pursuant to the instructions provided in the form of proxy, by 11:00 a.m. February 17, 2022 or if the Meeting is adjourned, not later than

48 hours (excluding weekends and holidays) prior to the time of such adjourned Meeting. If a Non-Registered Holder wishes to attend and vote at the meeting (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must insert the Non-Registered Holder's (or such other person's) name in the blank space provided.

**Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.**

#### **EXERCISE OF DISCRETION BY PROXY HOLDER**

If a Shareholder specifies a choice on the form of proxy with respect to any matter set out therein, the Common Shares will be voted accordingly on any vote or ballot that may be called for on such matters. **If a Shareholder does not so specify a choice, the Common Shares represented by proxy will be voted in favour of the matters to be voted on by Shareholders as described in this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the resolutions and with respect to any other matter which may properly come before the Meeting. As of the date of this Circular, management is not aware of any such amendment, or variation proposed or likely to come before the Meeting. However, if any such amendment or variation properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote on such other business in accordance with their judgment.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As at January 12, 2022, 25,630,693 Common Shares of the Corporation were issued and outstanding. Each holder of Common Shares shown as registered on January 18, 2022 is entitled to one vote per Common Share in respect of each matter to be voted upon at the Meeting.

To the knowledge of the directors and officers of the Corporation, the persons who beneficially own or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to the Common Shares of the Corporation are as follows:

<b>Name</b>	<b>Number of Common Shares</b>	<b>% of Outstanding Common Shares</b>
Ewing Morris & Co. Investment Partners Ltd. <sup>(1)</sup>	3,820,250	14.9%
C. Douglas Caldwell <sup>(2)</sup>	2,772,807	10.8%

<sup>(1)</sup> Ewing Morris & Co. Investment Partners Ltd. ("Ewing Morris") is reported to own, directly or indirectly, approximately 14.9% of the outstanding Common shares. Mr. Darcy D. Morris, CEO of Ewing Morris, is also a director of the Corporation.

<sup>(2)</sup> Held directly or through private corporations controlled by C. Douglas Caldwell as reported on the System for Electronic Disclosure for Insiders (SEDI).

**INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director, and no associate of any of the foregoing persons has any material interest, direct or indirect, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

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## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. ELECTION OF DIRECTORS

The Articles of the Corporation provide that the board of directors of the Corporation (the “**Board**”) shall consist of a minimum of one director and a maximum of ten directors (each a “**Director**”). The Board has determined that there will be eight Directors and eight nominees are proposed, as set out below. Each duly elected Director will hold office until the next annual Meeting of Shareholders or until a successor is duly elected unless their office is earlier vacated in accordance with the articles of the Corporation. **Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees whose names are set forth below:**

Name and Municipality of Residence	Office with the Corporation	Principal Occupation	Voting Common Shares Owned <sup>(1)</sup>	Non-Voting Cash Settled DSUs/PSUs <sup>(2)</sup>	Director Since
C. Christopher Beck <sup>(5)</sup> Massachusetts, United States	President, Caldwell and Chief Financial Officer and Director Nominee	President, Caldwell and Chief Financial Officer	375,000	575,757 <sup>(2)</sup>	n/a
PAUL R. DAOUST Massachusetts, United States	Director	Corporate Director	250,000	215,437 <sup>(2)</sup>	January 24, 2013
DARCY D. MORRIS Ontario, Canada	Director	Founder and CEO, Ewing Morris & Co. Investment Partners and Corporate Director	3,820,250 <sup>(3)</sup>	59,230 <sup>(2)</sup>	July 10, 2018
ELIAS VAMVAKAS Ontario, Canada	Chair of the Board	Chairman, Greybrook Capital Inc., Corporate Director	275,000	57,943 <sup>(2)</sup>	July 10, 2019
JOHN N. WALLACE Ontario, Canada	Director and Chief Executive Officer	Chief Executive Officer, Caldwell	765,500	1,113,939 <sup>(2)</sup>	February 19, 2009
KATHRYN A. WELSH Ontario, Canada	Director	Corporate Director	40,000	175,886 <sup>(2)</sup>	February 19, 2009
DAVID WINDLEY California, United States	Director and President, IQTalent Partners, Inc.	President, IQTalent Partners Inc. (a business of The Caldwell Partners International Inc.)	1,810,904 <sup>(4)</sup>	101,802 <sup>(2)</sup>	February 22, 2021
JOHN YOUNG Ontario, Canada	Director	Chief Executive Officer and Corporate Director, Boat Rocker Media Inc.	8,777	40,577 <sup>(2)</sup>	September 4, 2019



- (1) Number of Common Shares of The Caldwell Partners International Inc. beneficially owned, directly or indirectly, or over which control or direction is exercised, as reported by respective nominees as at January 12, 2022.
- (2) Number of DSUs or PSUs including adjustments made for dividends held by each Director under the current Deferred Share Unit Plan (the “DSU Plan”) for Directors or Performance Share Unit Plan (the “PSU Plan”) for Directors who are also Management as at January 12, 2022. The DSU Plan is described beginning under the heading Compensation of Directors in this Circular. The PSU Plan is described beginning under the heading Share-based and option-based awards--Long Term Incentive Plan in this Circular. Messrs. Wallace and Windley participated in the PSU Plan, but do not participate in the DSU Plan and receive no fees for their services as directors of the Corporation.
- (3) Shares are held directly by Darcy Morris (27,550 shares) and indirectly (3,792,700 shares) by Ewing Morris & Co. Investment Partners Ltd.
- (4) Mr. Windley acquired his shares through the Corporation’s acquisition of IQTalent Partners, Inc. on December 31, 2020. The shares have full voting rights but are subject to trading restrictions through December 31, 2023.
- (5) Mr. Beck has been an employee of the Corporation since March 18, 2013 and is a current Director nominee.

Effective for fiscal 2022, the Nominating/Corporate Governance/Compensation Committee (NCGC), chaired by Mr. Daoust, was split into two separate committees—the Compensation Committee, chaired by Mr. Daoust, and the Nominating and Corporate Governance Committee, chaired by Mr. Young. Committee members and chairs for the current Directors standing for re-election are summarized as follows:

	Board of Directors	Audit Committee	Compensation Committee	Nominating/Corporate Governance (NCG) Committee	Investment Committee
Paul R. Daoust	✓	✓	Chair	✓	✓
Darcy D. Morris	✓	✓	✓	✓	Chair
Elias Vamvakas	Chair	✓	✓	✓	✓
John N. Wallace	✓	(1)	(1)	(1)	✓
Kathryn A. Welsh	✓	Chair	✓	✓	✓
David Windley	✓	(1)	(1)	(1)	✓
John Young	✓	✓	✓	Chair	✓

- (1) Messrs. Wallace and Windley do not sit on the Audit, Compensation or NCG Committees, as they are officers and employees of the Corporation, and therefore not independent Directors.

All the said proposed nominees have held the positions set out opposite their names or other management functions with their respective organizations for the last five years, except as may be noted below:

**C. Christopher Beck**

President, Caldwell and Chief Financial Officer, Director nominee.

Mr. Beck joined the Corporation in 2013 as its Chief Financial Officer, expanding his role to Chief Operating and Financial Officer in 2018 and further to President, Caldwell and Chief Financial Officer in 2021. From 2013 through 2020 he also served as the Corporate Secretary to the Board of Directors. Prior to joining Caldwell, Mr. Beck was chief financial officer of BirdDog Solutions, a transportation business services and consulting company and member of the Inc. 5000 fastest-growing companies for five consecutive years as well as Deloitte's Technology Fast 500 list for four of the five years of his tenure. Prior to BirdDog Solutions, Mr. Beck was chief financial officer at Highland Partners, a global executive search firm and a division of the public company Hudson Highland Group (formerly part of Monster Worldwide). He previously held various finance function roles at Alper Ink Group, including M&A, controllership and ultimately chief financial officer. He began his career in 1992 within Deloitte's audit practice. Mr. Beck holds a B.A. in Business Economics with High Honors from the University of California at Santa Barbara. He is a certified public accountant (CPA) in the state of New York and a member of the Institute of Corporate Directors (ICD) in Canada and the National Association of Corporate Directors (NACD) in the United States.

**Paul R. Daoust**

Corporate Director

Mr. Daoust holds a B.A. in mathematics from Boston College and a Masters of Actuarial Science, with distinction, from the University of Michigan and is a Fellow of the Society of Actuaries. From February 2005 until December 2015 (following the acquisition of its core employer division), Mr. Daoust served as the chair of HighRoads, Inc., a privately-held technology-enabled services company, where he also served as chief executive officer from February 2005 to December 2008. Previous operating experience includes more than 28 years with Watson Wyatt (now Willis Towers Watson), including five years as global chief operating officer and nine years as a board director. In terms of public board experience, he recently served as a director for Hooper Holmes, a public traded company in the business services space, until it was acquired in January 2019. He also served as a director for Mac-Gray, a technology-enabled services provider in business services until it was acquired in January 2014. In prior years he was a director for Gevity HR, Inc. which provided HR to the SMB Market until it was acquired in 2009, and Salary.com, a provider of SaaS compensation solutions, where he also served as interim CEO until it was acquired in 2010.

**Darcy D. Morris**

Chief Executive Officer, Ewing Morris & Co. Investment Partners, Corporate Director

Mr. Morris holds an Honours Bachelor of Arts in political studies from Queen's University and was awarded the Canadian Investment Manager designation. He founded Ewing Morris & Co. Investment Partners where he is responsible for managing the firm's relationships and contributes to investment research and general operations. Prior to founding Ewing Morris & Co. Investment Partners, Mr. Morris was a portfolio manager at MacDougall, MacDougall & MacTier Inc., where he built a successful investment management business. He also previously worked at Burgundy Asset Management. Mr. Morris currently serves on the

boards of the Toronto Public Library Foundation and the Art Gallery of Ontario (AGO) Foundation of which he is also President.

**Elias Vamvakas**

Chairman, Greybrook Capital Inc., Corporate Director

Mr. Vamvakas holds a B.Sc. from the University of Toronto. Mr. Vamvakas is the Chairman, CEO and founder of Greybrook Capital, a private equity firm focused on real estate and healthcare. He is also Chairman of Greenbrook-TMS NeuroHealth centers, (TSX:GTMS), the leading provider of TMS Therapy in North America whose clinics provide a treatment for patients suffering with depression. He previously served as chairman of TearLab Corporation (NASDAQ:TEAR), an ophthalmic device company developing and commercializing novel, lab-on-a-chip technologies that enable eye care practitioners to test for highly sensitive and specific biomarkers in tears at the point-of-care. Prior to Greybrook Capital, Mr. Vamvakas co-founded TLCVision (NASDAQ/TLCV, TSX/TLC), which he built into the largest eye care service provider organization in North America.

**John N. Wallace**

Chief Executive Officer of the Corporation, and Director

Prior to joining the Corporation in 2008, Mr. Wallace was president and chief executive officer of Highland Partners, the executive search division of Hudson Highland Group, Inc., the world's largest combined executive search, specialty staffing, and related consulting services firm. Mr. Wallace began his career in the executive search industry when, in 1996, he joined Illsley Bourbonnais as president and managing partner. Earlier, Mr. Wallace held progressive positions in sales and marketing in the communications industry, including VP, marketing and planning for Nortel Communications Systems and VP, marketing and information services for Telecommunications Terminal Systems, as well as various roles at Bell Canada. Mr. Wallace holds a BSc (Honors) from the University of Waterloo.

**Kathryn A. Welsh**

Corporate Director

Ms. Welsh holds a B. Comm. (Honours - Gold Medalist) from Queen's University. Ms. Welsh was an independent consultant from 2004 to 2012. From 2002 to 2004, she served as chief financial officer and corporate secretary of Radian Communication Services Corporation. Ms. Welsh has held a number of other senior financial positions, including CFO for Simvest Solutions, The Second Cup, and Canada Bread. She began her business career as a senior accountant with KPMG, subsequently holding management positions at Holt Rinehart & Winston of Canada Limited, Innopac Inc. and Maple Leaf Foods Inc. Ms. Welsh earned her CPA - CA designation in 1982; in 2008 she became an Institute Certified Director, Institute of Corporate Directors, and has served as a director or trustee for several organizations. Ms. Welsh also currently serves as Director and Audit Committee Chair for Pizza Pizza Royalty Corp (TSX:PZA).

**David Windley**

President, IQ Talent Partners, Inc. (a material subsidiary of the Corporation) and Director

Mr. Windley holds a B.S. from San Diego State University and a Master's of Business Administration degree from San Francisco State University. He is currently the President of IQTalent Partners, a subsidiary of the Corporation, and he is a member of the Corporation's executive management team. Mr. Windley is the former Chief Human Resources Officer at Yahoo! and Fusion-io. He has also held executive human resources leadership positions at Microsoft, Intuit, and Silicon Graphics, Inc. Further, he serves on the Tennant Company Board of Directors as the Compensation Committee Chair (NYSE: TNC); and on the

Board of Directors with the DHI Group also as Compensation Committee Chair (NYSE: DHX). He served as the Board Chair for the Society for Human Resources Management (SHRM) through 2020. Mr. Windley is a Governance Fellow with the National Association of Corporate Directors (NACD). He has lived and worked abroad in Switzerland and Singapore and is an investor and advisor to start-up technology companies in the talent space.

**John Young**

Chief Executive Officer, Boat Rocker Media Inc., Corporate Director

Mr. Young was born and raised in Loch Lomond, Scotland and graduated with honours from the Law School at the University of Dundee. He also received a Diploma in Legal Practice from Glasgow University. Mr. Young brings 20 years of experience as a lawyer with particular focus on mergers & acquisitions. He is also a graduate of the Directors Governance College at University of Toronto’s Rotman School of Business. Mr. Young is the Chief Executive Officer and Corporate Director of Boat Rocker Media (TSX:BRMI), a global entertainment company that creates, produces and distributes premium content for all platforms; producing shows such as Orphan Black, The Next Step, The Amazing Race Canada, Killjoys, Big Brother Canada, MasterChef Canada and X Company. Mr. Young serves as Chair on the Board of the Academy of Canadian Cinema and Television. He is a member of the board of SIR Corp. He is also the Chairman of the Board of Feeding Canadian Kids, a Canadian charity committed to feeding nutritious dinners to children in underprivileged communities who suffer food insecurity.

Director attendance at Board and committee meetings held during the fiscal year 2021 is summarized as follows:

	<b>Board Meetings Attended/Possible</b>	<b>Audit Committee Meetings Attended/Possible</b>	<b>Nominating/Corporate Governance/Compensation Committee (NCGC) Meetings Attended/Possible<sup>(2)</sup></b>	<b>Investment Committee Meetings Attended/Possible</b>
Paul R. Daoust	8/8	4/4	6/6	4/4
Darcy D. Morris	8/8	4/4	6/6	4/4
Elias Vamvakas	8/8	4/4	6/6	4/4
John N. Wallace <sup>(1)</sup>	8/8	n/a	n/a	4/4
Kathryn A. Welsh	8/8	4/4	6/6	4/4
David Windley <sup>(1)(3)</sup>	3/3	n/a	n/a	2/2
John Young	7/8	4/4	6/6	4/4

(1) Messrs. Wallace and Windley do not sit on the Audit or NCGC Committees as they are officers and employees of the Corporation, and therefore not independent Directors.

(2) Effective for fiscal 2022, the Nominating/Corporate Governance/Compensation Committee (NCGC), chaired by Mr. Daoust, was split into two separate committees—the Compensation Committee, chaired by Mr.

Daoust, and the Nominating and Corporate Governance Committee, chaired by Mr. Young. As the above chart is for the fiscal year 2021, attendance is reflected as a combined NCGC Committee.

- (3) Mr. Windley became a director upon shareholder vote at the annual general meeting on February 22, 2021. His attendance and possible attendance reflect his participation prospectively.

## **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Corporation, no Director or proposed Director is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (a) was the subject of an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as disclosed directly following this paragraph, to the knowledge of the Corporation, no Director or proposed Director: (a) is, or within ten (10) years before the date hereof has been a director or executive officer of a corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director. No Director or proposed Director has been subject to any: (a) penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for the Director or proposed Director.

Mr. Paul Daoust had been a director of Hooper Holmes, Inc. d/b/a Provant Health (“HH”) beginning in May 2017 and ending in January 2019 upon a sale of the business. On August 27, 2018, HH filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). On December 14, 2018, HH and all its subsidiaries filed their Joint Plan of Liquidation (the “Plan”) and Disclosure Statement for Joint Plan of Liquidation with the Bankruptcy Court. The Bankruptcy Court confirmed the Plan on January 31, 2019 and the remaining assets of the debtors were subsequently transferred to a liquidating trustee in accordance with the Plan.

## **2. APPOINTMENT OF AUDITORS**

Representatives of KPMG LLP (“KPMG”), Chartered Accountants, are expected to be present at the meeting. It is proposed that KPMG be appointed as auditors of the Corporation at the Meeting. KPMG has been the Corporation’s auditors since March 6, 2020.

Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation until the next annual meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.

### 3. APPROVAL OF THE 2022 EQUITY INCENTIVE PLAN

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the 2022 equity incentive plan in the form set out as Schedule B hereto (the “**2022 Equity Incentive Plan**”).

#### *Background & Purpose*

On January 12, 2022, the Board passed a resolution to adopt the 2022 Equity Incentive Plan, subject to, and effective upon, the approval of Shareholders. The 2022 Equity Incentive Plan provides flexibility to the Corporation to grant equity-based incentive awards in the form of options (“**Options**”), restricted share units (“**Equity RSUs**”), restricted shares (“**Restricted Shares**”), Performance Stock Units (“**Equity PSUs**”), deferred stock units (“**Equity DSUs**”) and share awards (“**Share Awards**”), as described in further detail below. Provided that the 2022 Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the 2022 Equity Incentive Plan, and no further equity-based awards will be made pursuant to the Stock Option Plan as of the date of the Meeting. The stock options currently outstanding will become subject to the terms of the 2022 Equity Incentive Plan. The DSU Plan and PSU Plan will remain in effect unamended as the DSUs and PSUs are only settled in cash.

The purpose of the 2022 Equity Incentive Plan is to, among other things, provide the Corporation with a share related mechanism to attract, retain, reward and motivate key employees, qualified directors and consultants of the Corporation and its subsidiaries for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such key employees, directors and consultants to acquire Common Shares as long-term investments and proprietary interests in the Corporation.

A summary of the key terms of the 2022 Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the 2022 Equity Incentive Plan. A copy of the 2022 Equity Incentive Plan is attached as Schedule B.

#### **Key Terms of the Equity Incentive Plan**

##### *Shares Subject to the 2022 Equity Incentive Plan*

The 2022 Equity Incentive Plan is a fixed plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2022 Equity Incentive Plan to not exceed 2,563,069 Common Shares of the Corporation.

Any Common Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of

Common Shares available for issuance pursuant to the exercise of awards granted under the 2022 Equity Incentive Plan.

#### *Insider Participation Limit*

The 2022 Equity Incentive Plan also provides that the aggregate number of Common Shares (a) issuable to insiders at any time (under all of the Corporation's security-based compensation arrangements) cannot exceed 10% of the Corporation's issued and outstanding Common Shares and (b) issued to insiders within any one year period (under all of the Corporation's security-based compensation arrangements) cannot exceed 10% of the Corporation's issued and outstanding Common Shares.

#### *Administration of the 2022 Equity Incentive Plan*

The Plan Administrator (as defined in the 2022 Equity Incentive Plan) is determined by the Board, and is initially the Compensation Committee. The 2022 Equity Incentive Plan may in the future be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2022 Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Corporation, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the 2022 Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the 2022 Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Equity Incentive Plan.

#### *Eligibility*

All directors, employees and consultants are eligible to participate in the 2022 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2022 Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

#### *Types of Awards*

Awards of Options, Equity RSUs, Restricted Shares, Equity PSUs, Equity DSUs and Share Awards may be made under the 2022 Equity Incentive Plan. All the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2022 Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

## Options

An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the ten-day volume weighted average closing price (the “**10-day VWAP**”) of the Common Shares on the Toronto Stock Exchange (the “**TSX**”) for the five trading days immediately preceding the date of grant (for the purposes of this section, the “**Market Price**”). Subject to any accelerated termination as set forth in the 2022 Equity Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the 2022 Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Corporation indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to the provisions of the 2022 Equity Incentive Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

## Equity Restricted Share Units

An Equity RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share (or the value thereof) for each Equity RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Equity RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of Equity RSUs (including fractional Equity RSUs) granted at any particular time under the 2022 Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in Equity RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Common Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Equity RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.



Upon settlement, holders will redeem each vested Equity RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested Equity RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation shall be calculated by multiplying the number of Equity RSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Equity Incentive Plan, no settlement date for any Equity RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any Equity RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

#### Restricted Shares

A Restricted Share entitles the holder to receive one Common Share (or the value thereof) for each Restricted Share after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Restricted Shares to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RS Service Year**”).

The number of Restricted Shares granted at any particular time under the 2022 Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in Restricted Shares, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Common Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Restricted Shares, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

#### Equity Performance Share Units

An Equity PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share (or the value thereof) for each Equity PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any Equity PSUs granted, the effect of termination of a participant’s service and the amount of any payment or transfer to be made pursuant to any Equity PSU will be determined by the Plan Administrator and by the other terms and conditions of any Equity PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Equity PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of Equity PSUs. Upon settlement, holders will redeem each vested Equity PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested Equity PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Corporation to a participant shall be calculated by multiplying the number of Equity PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Equity Incentive Plan, no

settlement date for any Equity PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any Equity PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

#### Equity Deferred Share Units

An Equity DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Corporation which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each Equity DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Corporation to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of Equity DSUs. In addition, each director is given, subject to the provisions of the 2022 Equity Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of Equity DSUs.

#### Share Awards

The Corporation is authorized to grant Share Awards under the 2022 Equity Incentive Plan that are immediately settled in Common Shares. The Plan Administrator may, from time to time, subject to the provisions of the 2022 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Share Awards to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year.

#### *Dividend Equivalents*

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, Equity RSUs, Equity PSUs and Equity DSUs shall be credited with dividend equivalents in the form of additional Equity RSUs, Equity PSUs and Equity DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of Equity RSUs, Equity PSUs and Equity DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

#### *Black-out Periods*

In the event an award expires or terminates, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry or termination of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

#### *Term*

While the 2022 Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Corporation. All awards must vest and settle in accordance with the provisions of the 2022 Equity

Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

*Termination of Employment or Services*

The following table describes the impact of certain events upon the participants under the 2022 Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant’s applicable employment agreement, award agreement or other written agreement:

<b>Event</b>	<b>Provisions</b>
<b>Termination for Cause Resignation</b>	Any Option or other award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the 2022 Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
<b>Termination without Cause</b>	Except as otherwise determined by the Plan Administrator or provided in an applicable award agreement or employment/consulting agreement, where a participant’s employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause then any Equity RSUs, Restricted Shares, Equity PSUs and Equity DSUs shall continue to vest and be settled until the completion of the current financial year in accordance with the terms of such Award, and all other Equity RSUs, Restricted Shares, Equity PSUs and Equity DSUs shall be immediately forfeited and cancelled. Except as otherwise determined by the Plan Administrator or provided in an applicable award agreement or employment agreement, any vested Options (including any Options that may vest prior to termination as set out herein) may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date and any unvested options shall be immediately forfeited and cancelled for no consideration upon the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period.
<b>Disability</b>	Where a participant’s employment, consulting agreement or arrangement terminates on account of his or her becoming disabled, then any Equity RSUs, Equity PSUs and Equity DSUs held by the participant shall continue to vest and be settled in accordance with the terms of such Award. All Options held by the participant subsequent to the termination date shall be treated in accordance with a termination without cause as described above.

<b>Death</b>	Where a participant's employment, consulting agreement or arrangement is terminated by reason of the death of the participant, then any Award that is held by the participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) six months following the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a Award other than an Option, such Award will be settled with the participant's beneficiary or legal representative (as applicable) within twelve months after the date of the participant's death. Any Equity PSU that is held by the participant that has not vested as of the date of the death of such Participant, subject to adjustment based upon the performance of the Participant in the last completed fiscal year in the sole discretion of the Plan Administrator, shall vest on such date.
<b>Retirement</b>	Where a participant's employment, consulting agreement or arrangement is terminated due to the participant's retirement, then any Equity RSUs, Restricted Shares, Equity PSUs and Equity DSUs held by the participant shall continue to vest and be settled in accordance with the terms of such Award. In the case of an Award other than an Option, such Award will be settled at the same time the Award would otherwise have been settled had the participant remained in active service with the Corporation or its subsidiary. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period.

*Change in Control*

Under the 2022 Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Corporation or a subsidiary of the Corporation and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause (as defined in the 2022 Equity Incentive Plan), without any action by the Plan Administrator:
  - (i) any unvested awards held by the participant at Termination Date shall immediately vest; and
  - (ii) any vested awards may be exercised, surrendered to the Corporation, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) on date(s) as determined by the Board. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.
- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in

Control, the Common Shares will cease trading on the TSX, the Corporation may terminate all of the awards, other than an Option held by a participant that is a resident of Canada for the purposes of the *Income Tax Act* (Canada), granted under the 2022 Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the 2022 Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a “**Change in Control**” includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Corporation’s assets, (c) the dissolution or liquidation of the Corporation, (d) the acquisition of the Corporation via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the “**Incumbent Board**”) cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Corporation.

#### *Non-Transferability of Awards*

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant’s death.

#### *Amendments to the 2022 Equity Incentive Plan*

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the 2022 Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the 2022 Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the 2022 Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the TSX, the approval of Shareholders is required to effect any of the following amendments to the 2022 Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the 2022 Equity Incentive Plan, except pursuant to the provisions in the 2022 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the limit on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the 2022 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within 10 business days following the expiry of such a blackout period);
- (e) permitting an Option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants; and
- (i) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the 2022 Equity Incentive Plan will not require Shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Corporation for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

#### *Anti-Hedging Policy*

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

### *Shareholder Approval of 2022 Equity Incentive Plan*

Accordingly, at the Meeting, Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying the adoption of the 2022 Equity Incentive Plan. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution.

The Board has unanimously approved the 2022 Equity Incentive Plan and recommends that Shareholders vote FOR the resolution regarding the 2022 Equity Incentive Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the 2022 Equity Incentive Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption of the 2022 Equity Incentive Plan is as follows:

“RESOLVED THAT:

1. the omnibus equity incentive plan adopted by the board of directors (the “**Board**”) of The Caldwell Partners International Inc. (the “**Corporation**”) on January 12, 2022 (the “**2022 Equity Incentive Plan**”), in the form attached as Schedule B to the management information circular of the Corporation dated January 12, 2022, is hereby confirmed, ratified and approved;
2. the Options and Awards (as defined in the 2022 Equity Incentive Plan) to be issued under the 2022 Equity Incentive Plan, and all unallocated Options and Awards under the 2022 Equity Incentive Plan, be and are hereby approved;
3. the Board is hereby authorized to make such amendments to the 2022 Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the 2022 Equity Incentive Plan, the approval of the Shareholders; and
4. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote for the resolution to approve the 2022 Equity Incentive Plan. An affirmative vote of a majority of the votes cast by shareholders at the meeting is sufficient for the approval of the 2022 Equity Incentive Plan.**

#### **4. OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management of the Corporation knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT OF THE CORPORATION SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

## COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and processes and to discuss compensation relating to Named Executive Officers ("NEOs") as defined under Form 51-102F6. For the fiscal year ended August 31, 2021, the Corporation's five Named Executive Officers include the four board-appointed officers of the Corporation: John N. Wallace (Chief Executive Officer; "CEO" for NEO purposes), C. Christopher Beck (President and Chief Financial Officer, Caldwell; "CFO" for NEO purposes), David Windley (President, IQTalent Partners, Inc.), Michael R.J. Falagario (Vice President, Finance and Corporate Secretary) and the additional NEO Pamela Cioffi.

### Report on Executive Compensation and Compensation Governance

Executive compensation matters are reviewed and recommended to the Board by the Compensation Committee, which is currently composed of Mr. Daoust (Committee Chair), Mr. Morris, Mr. Vamvakas, Ms. Welsh and Mr. Young, all of whom are "independent" Directors within the meaning of National Instrument 52-110 - *Audit Committees*. The Compensation Committee reviews and provides guidance on executive compensation and benefit plans having regard to existing total cash compensation and non-cash compensation levels and practices found in comparable external organizations and in the Corporation with respect to positions at similar levels of responsibility. The Board has responsibility for determining annual executive compensation and approving grants of PSU's and Options to eligible executive officers of the Corporation, on the recommendation of the Compensation Committee.

The Compensation Committee considers the implications of the risks associated with the Corporation's compensation policies and practices. The Compensation Committee annually reviews the compensation plans of the NEOs and the partners' compensation plan. The Compensation Committee mitigates compensation policies and practices that could encourage an NEO to take inappropriate or excessive risks by linking compensation to both short-term financial performance as well as long-term share price appreciation.

Neither NEOs nor Directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term, thereby enabling the Corporation to compete for and retain executives critical to the Corporation's long-term success.

The executive compensation program is intended to provide our executives with total compensation that is competitive with comparable North American organizations. Periodically the Compensation Committee will engage an external consultant to study the competitive market and provide recommendations on compensation.

The Compensation Committee received input from the independent compensation consulting firm Exec Comp Advisory Services Inc. ("ECAS") with respect to the compensation structure for the CEO and the Presidents of Caldwell and IQTalent Partners. The Corporation periodically reviews market comparators and benchmarks executive compensation. The most recent full review was completed in 2018. Given the limited number of direct industry competitors and the significant differences in the size and scope



of these firms, three views of the market were used to establish competitive compensation. A sample of eight direct competitors was reviewed to understand how compensation programs were designed within the industry. A second sample of seven North American human resource and professional service organizations with revenues comparable to us were examined to determine appropriate levels of total direct compensation. Finally, we reviewed the reasonableness of the compensation provided relative to the actual earnings of the partner employees at Caldwell.

The following is a chart setting forth the respective comparator groups:

Industry Comparator Group	Comparable Size Human Resource and Professional Services Comparator Group
<ul style="list-style-type: none"> <li>• Kelly Services, Inc.</li> <li>• Robert Half International Inc.</li> <li>• ASGN Incorporated</li> <li>• Korn/Ferry International</li> <li>• Kforce Inc.</li> <li>• Heidrick &amp; Struggles International, Inc.</li> <li>• Hudson Global, Inc.</li> <li>• WageWorks, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• GEE Group, Inc.</li> <li>• Mastech Digital, Inc.</li> <li>• DLH Holdings Corp.</li> <li>• Acacia Research Corporation</li> <li>• People Corporation</li> <li>• Command Center, Inc.</li> <li>• Luna Innovations Incorporated</li> </ul>

In addition, ECAS assisted the Compensation Committee in recommending changes to the employment contracts of the CEO and direct reports to the CEO.

Prior to ECAS, Willis Towers Watson was engaged by the firm for compensation advisory services. The table below sets out the fees earned by ECAS and Willis Towers Watson for services provided in fiscal 2021 and 2020:

Fees by category	Fiscal 2021	Fiscal 2020
Executive Compensation-Related Fees	\$ 7,700	\$ 18,495
All Other Fees	-	-
<b>Total Fees</b>	<b>\$ 7,700</b>	<b>\$ 18,495</b>

ECAS and Willis Towers Watson did not provide other services to the Corporation, or to its affiliated or subsidiary entities, or to any of its directors or members of management, other than, or in addition to compensation services provided to the Corporation.

### Compensation Background

The major elements of the Named Executive Officers' compensation program are a base salary and short-term incentive plan ("STIP") annual bonus and additionally, for the Chief Executive Officer and the two

Presidents, a long-term incentive plan (“LTIP”) which may include the granting of PSUs or other share based awards. Options are also available for special grant to executive management and other key employees. No other share-based awards currently exist for the NEOs.

### Short Term Incentive Plan (“STIP”)

This section contains a description of the Corporation’s annual STIP, which links executive pay to the achievement of annual business objectives. The award is at risk and an STIP payment is paid only if set objectives are met. The amount of STIP payment depends on performance. Performance exceeding established goals will lead to above-target payments. Performance below established goals will lead to below-target payments, which can be zero if goals are not substantially achieved. The STIP award is paid in cash.

The target revenue and operating profit and minimum acceptable performance for triggering an STIP payout are reviewed annually by the Compensation Committee. Revenue and operating profit targets are established at the beginning of each fiscal year based on the Corporation’s budget which is reviewed and approved by the board of directors. The board approves a budget it believes is challenging, yet obtainable if operational plans are executed effectively. Actual results are compared to budget, adjusting to remove foreign currency differences to budget and, at the board’s sole discretion, adjusting for any amounts the board deems as extraordinary relative to planned operations.

The following table sets forth the target STIP as a percentage of base salary for each NEO and the components and weighting used in determining the STIP achievement:

<u>Fiscal 2021 STIP Target Weighting by Component</u>				
	STIP Target As % of base	Revenue <sup>(1)</sup> <u>Achievement</u>	Operating Profit <sup>(2)</sup> <u>Achievement</u>	Discretionary on Personal <u>Achievements</u>
John Wallace (CEO)	90.0%	50.0%	50.0%	0.0%
Chris Beck (CFO)	65.0%	50.0%	50.0%	0.0%
Daivd Windley	50.0%	50.0%	50.0%	0.0%
Pamela Cioffi	30.0%	35.0%	35.0%	30.0%
Caroline Lomot	30.0%	35.0%	35.0%	30.0%
Michael Falagarario	50.0%	35.0%	35.0%	30.0%

(1) Each of the percentages for revenue achievement is subject to a multiplier based on the level of attainment relative to target. At target achievement, the multiplier is 100% of the listed percentage. The multiplier increases rateably with the percentage of revenue overage (for every 1% overage in revenue achievement, the revenue multiplier increases by 2% to a maximum payout of 150% of target payout). Conversely, the multiplier reduces by 5% for each 1% of revenue less than target, down to a multiplier of 0% which would be no payment for the component if revenues are less than 80% of target. For example, at 90% of revenue target achievement (revenues 10% less than target), the bonus payment for this element would be 50% of the target payout percentage shown in the chart. Effective September 9, 2020, and only for the fiscal 2021 STIP year, the revenue multiplier was adjusted such that for every 1% overage in revenue achievement, the revenue multiplier increases by 2% over the first \$5 million of overage and then increases by 1% on any additional overage to a maximum payout of 150% of target payout.

- (2) Each of the percentages for operating profit achievement is subject to a multiplier based on the level of attainment relative to target. At target achievement, the multiplier is 100% of the listed percentage. The multiplier increases rateably based on a fixed dollar increment of \$70,000 (for every \$70,000 overage in operating profit achievement, the operating profit multiplier increases by 2% to a maximum payout of 150% of target payout). Conversely, the multiplier reduces by 5% for each increment of \$70,000 less than target, down to a multiplier of 0% which would be no payment for the component. For example, at operating profit \$700,000 less than target, the bonus payment for this element would be 50% of the target payout percentage shown in the chart. \$700,000 less than target is the lowest threshold for a payment for this element and for any operating profit results more than \$700,000 below target, the bonus payment for this element is zero and the bonus payment for the revenue component is also zero.

### **Share-based and option-based awards--Long Term Incentive Plan (“LTIP”)**

This section contains a description of the Corporation’s annual LTIP, which links executive pay to the longer-term results of the Corporation and its share price.

The purpose of the share-based incentive plans is to attract, retain and incent executive management and key employees and align their interests with the Shareholders of the Corporation. The Compensation Committee, in conjunction with the President and Chief Executive Officer of the Corporation and any independent compensation consultants retained from time to time, periodically assess executive compensation and whether the existing plans continue to meet the needs of the Corporation having regard to the compensation principles and objectives outlined elsewhere in this Circular. Any recommendations to award share-based incentives or amend the terms of the plans are carefully considered by the Compensation Committee and, on their recommendation, are considered and, as appropriate, ultimately approved by the Board. Generally, share-based incentive grants do not take into account previous grants when considering new grants.

The Corporation has two equity incentive plans under which awards may be granted:

- The Performance Share Unit (PSU) Plan
- The Stock Option Plan

#### ***Annual LTIP - Performance Share Units (PSUs)***

Upon review and recommendation by the Compensation Committee and its external compensation consulting firm, the Board adopted a Performance Share Unit Plan (the “PSU Plan”). The PSU Plan was established as a vehicle by which equity-based incentives may be awarded to attract and retain key employees, to reward their significant contributions to the long-term success of the Corporation, to provide eligible persons with additional incentives based solely on future performance and results and to align their interests more closely with the Shareholders of the Corporation. PSUs are notional Common Shares of the Corporation that cliff vest three years from the date of grant and are settled only in cash. As notional shares, each PSU is adjusted to reflect dividends declared on the Common Shares. The future amount to be paid at vesting is dependent on the share price at the vesting date and is multiplied by a performance factor dependent on the type of PSU grant.

Grants of PSUs (and Options as discussed below) are made by the Board, on the recommendation of the Compensation Committee, based on the level of compensation deemed necessary to provide sufficient retention, alignment with Shareholder interests and future services to be provided by the participant. The PSU Plan may be amended or terminated at any time by the Board, except with respect to any PSU

rights that have already accrued under the PSU Plan prior to the date of amendment or termination, as applicable.

**Standard LTIP - PSU Grant (“Standard Grant”)**

For fiscal 2019 grants were awarded equivalent to 100% of base salary to the CEO and 50% of base salary to the CFO. For fiscal 2020 the CFO’s LTIP grant was increased from 50% to 60% of base salary. Concurrently, for fiscal 2020, fiscal 2021 and fiscal 2022 the Standard Grant levels were reduced by 50% (down to 50% of base salary to the CEO and 30% of base salary to the CFO). The reduction was made to accommodate a special PSU award described below. Mr. Windley was not employed when the Special Grant was awarded. Accordingly, he is targeted to receive a full 50% of his base salary, without Special Grant reduction for fiscal 2022. The Standard Grant performance multiplier applied at the settlement date ranges between 50% and 150% and is based on the Corporation’s actual revenue and net operating profit performance compared to the STIP targets set by the Board over the cumulative three-year service period of each respective grant.

**Special LTIP - PSU Grant (“Special Grant”)**

During Fiscal 2020, the plan was reviewed, and a change was approved for implementation in fiscal 2020. The change was intended to reward long-term revenue growth as a performance metric while keeping the overall PSU grant levels for an individual consistent, in the aggregate, across the prospective three-years. A special PSU grant issued effective January 9, 2020 at a fair value at date of grant of \$1.29 per PSU. The units granted represent 50% of the PSU grants granted and anticipated to be granted for fiscal 2020, 2021 and 2022. As a result of the Special Grant, the Standard Grants have been and will be reduced by 50% for each of fiscal 2020, fiscal 2021 and fiscal 2022. Accordingly, over the three-year period, the total PSU grants for the CEO and CFO will be equivalent to the amounts that would have been issued in the form of Standard Grants prior to the implementation of the Special Grant. The performance target is based on obtaining proforma revenue of \$100 million (adjusted for partial year acquisitions, if any) in fiscal 2022. The final performance multiplier will range from 0% to 200% based on the overachievement or underachievement of the revenue target as shown in the following chart:

Performance Standard	Proforma Revenue for Fiscal 2022	Special PSU Performance Factor (% of Target Grant)
Below threshold	Less than \$90 million	0%
At threshold	\$90 million	50%
Target	\$100 million	100%
Above target	\$105 million	150%
At or above maximum	\$110 million or higher	200%

Achievements between revenue levels will be calculated on a pro-rata basis between each band. The accrued value of the Special Grant on August 31, 2020 was based on a performance adjustment of 100.0% to target and will be updated each reporting period dependent on how the business is growing relative to the above chart.

### ***Other LTIP - Stock Option Plan***

The Corporation has a stock option plan as adopted October 13, 1994 and as amended July 20, 2000 (the “**Stock Option Plan**”), pursuant to which the Board may, from time-to-time, in its discretion, grant Options to any Director, officer, employee or consultant of the Corporation or its subsidiaries.

The aggregate number of Common Shares that may be issued under the Plan is stated to be 2,470,000 shares. The Board cannot approve the grant of an option to any participant who is an “insider” of the Corporation (as defined in the Securities Act (Ontario)) if as a result of the grant of such option, the aggregate number of Common Shares available to all such insiders pursuant to the Stock Option Plan and all other option, share purchase or share participation or other plans of the Corporation would, after such grant and assuming the exercise of all options, purchase rights, share participation benefits and other share entitlements by such insiders, exceeds 10% of the Common Shares then outstanding, or if all such options, purchase rights, share participation benefits and other share entitlements available to any such individual insider would thereafter exceed 5% of the outstanding Common Shares, determined as aforesaid.

If a participant ceases to be an employee, or director, as the case may be, of the Corporation or any direct or indirect subsidiary of the Corporation, all such participant’s outstanding options shall terminate at the end of thirty days after the date of termination of employment or directorship or such later date as the Board may approve; provided that in no event under these circumstances may an option be exercised more than ten years from the date it was granted; and provided further that in no event may an option be exercised for more than the number of shares for which the participant could have exercised the option immediately before the employment or directorship being terminated.

If a participant dies while employed, or while a director, and at a time when he or she has not fully exercised any then outstanding option, or if a managing partner, officer or employee dies after retirement, without having fully exercised any then outstanding option, the option shall be exercisable by the managing partner’s, officer’s or employee’s executors or personal representatives within six months after the death notwithstanding the expiration date of the option but for not more than that number of shares for which the managing partner, officer or employee could have exercised the option immediately prior to his or her death, and, except as it may then have been exercised, the option shall terminate at the expiration of such six-month period.

In the event of the retirement of a managing partner, officer or employee because of permanent disability or retirement under the retirement policy of the Corporation or any subsidiary at normal retirement age, such participant may, prior to the expiration of ten years from the date of the grant of an option or six months from the date of such retirement, whichever occurs first, exercise such option for any shares for which such participant held options at the date of his retirement. Except as any option may have been exercised as aforesaid, such option shall terminate at the expiration of the first of such periods.

The Board may, by resolution, amend the Stock Option Plan at any time including an amendment which results in the termination of the Stock Option Plan prior to the exercise of options for the maximum number of Common Shares to be optioned pursuant to the Stock Option Plan; provided, however, that subject to the completion of a capital reorganization, the Board may not, without approval in writing of the TSX, (a) increase the maximum number of Shares that may be issued under the Stock Option Plan,

(b) reduce the option price per Common Share below the minimum price set forth in the Stock Option Plan or (c) reduce the exercise price of previously granted but unexercised options.

Stock options are not issued regularly and are for special recognition of events such as grants on employment or promotion or other matters deemed appropriate in the discretion of the Board.

The following table sets out the burn rate for options to purchase Common Shares granted under the Stock Option Plan for the three most recently completed fiscal years:

Year	Options Granted	Weighted-Average Common Shares Outstanding	Burn Rate
2019	Nil	N/A	0%
2020	250,000	20,404,555	1.23%
2021	400,000	23,800,655	1.68%

**Equity Compensation Plan Information as at January 12, 2022—Stock Option Plan:**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise 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 security holders	650,000	\$0.85	130,600
Equity compensation plans not approved by security holders	-	-	-
Total	650,000	\$0.85	130,600

As of the date of this Circular, 1,689,400 options have been issued and exercised, and 650,000 have been issued and remain outstanding, representing 2.5% of the Corporation’s outstanding Common Shares on a non-diluted basis. Included in the number of outstanding options are 250,000 granted September 14, 2017, 250,000 granted effective April 2, 2020 to an employee rewarding outstanding revenue production and 400,000 were granted to NEOs effective October 8, 2020. All options currently outstanding as of the date of this Circular vest rateably over two years and have the maximum contractual life of five years. The options have a strike price equal to the market value of the Common Shares on the date of issuance. The options are to be settled with the issuance of new shares upon the grantee providing cash in the amount of the strike price multiplied by the number of options being exercised.

**2022 Equity Incentive Plan**

See “Particulars of Matters to be Acted Upon - Approval of the 2022 Equity Incentive Plan” for a description of the 2022 Equity Incentive Plan. The 2022 Equity Incentive Plan is a fixed plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2022 Equity Incentive Plan shall not exceed

2,563,069 Common Shares, which would result in an aggregate of up to 2,563,069 Common Shares being issuable under the 2022 Equity Incentive Plan.

Provided that the 2022 Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the 2022 Equity Incentive Plan, and no further equity-based awards will be made pursuant to the Stock Option Plan as of the date of the Meeting.

**Fiscal 2021 Compensation Mix:**

The following table sets forth the mix of compensation for NEOs in fiscal 2020 at the target levels for each direct compensation element:

	Fiscal 2021 Anticipated Compensation as a Percentage of Total Direct Compensation at Target			
	Variable Compensation		Non-variable	Total
	STIP	LTIP	Base Salary	Compensation
John Wallace (CEO)	37.5%	20.8%	41.7%	100.0%
Chris Beck (CFO)	33.3%	15.4%	51.3%	100.0%
David Windley	33.3%	0.0%	66.7%	100.0%
Pamela Cioffi	23.1%	0.0%	76.9%	100.0%
Caroline Lomot	23.1%	0.0%	76.9%	100.0%
Michael Falagario	33.3%	0.0%	66.7%	100.0%

The compensation mix for the CEO and CFO was more heavily weighted to Base and STIP awards in fiscal 2021 because of the Special Grant, which has a three-year vesting period and reduces the amount of Standard Grant LTIP awards in fiscal 2021 and fiscal 2022. Mr. Windley’s participation in the LTIP will begin for fiscal 2022.

**Fiscal 2022 Compensation Mix:**

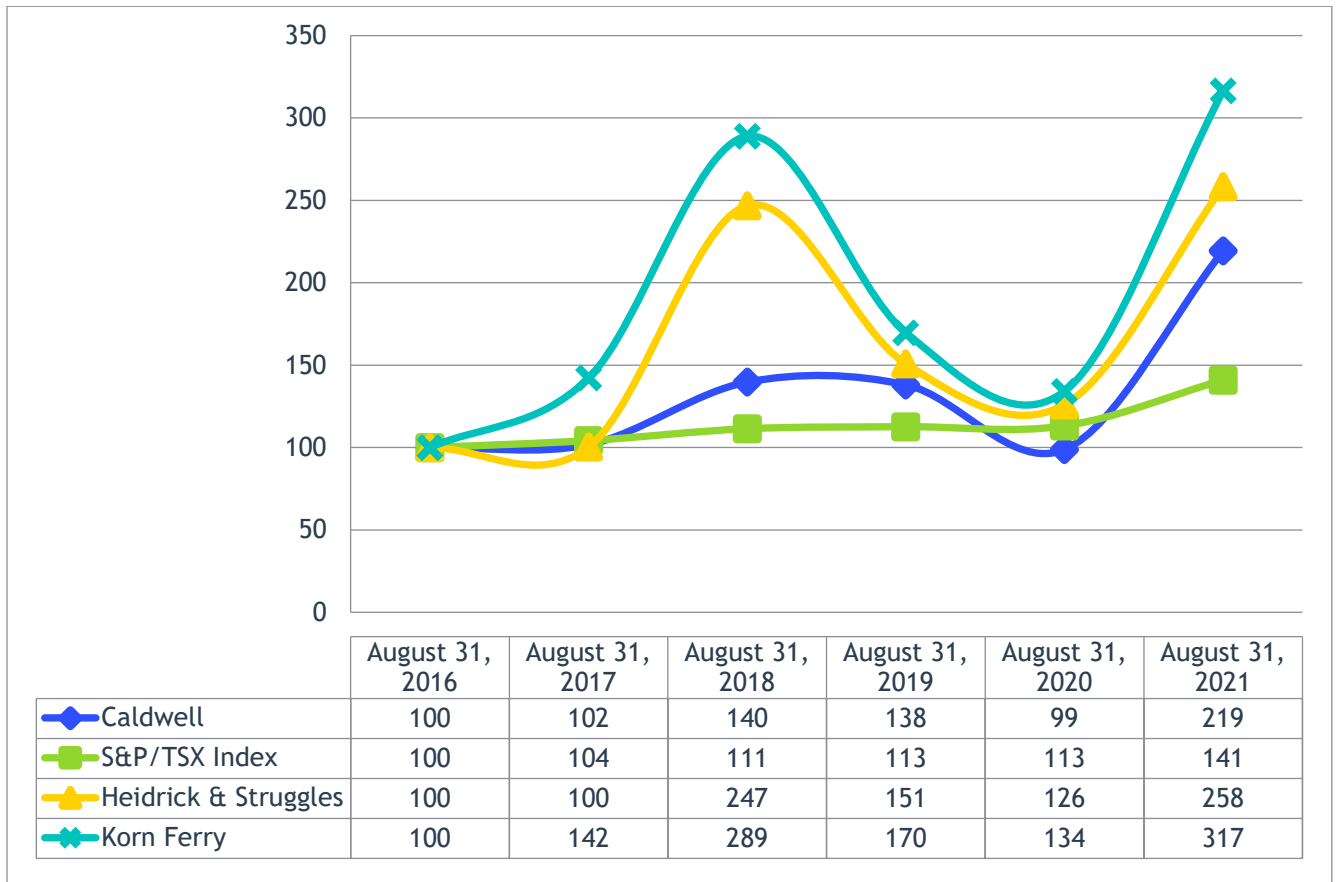
The following table sets forth the mix of compensation for NEOs for fiscal 2022 at the target levels for each direct compensation element:

	Fiscal 2022 Anticipated Compensation as a Percentage of Total Direct Compensation at Target			
	Variable Compensation		Non-variable	Total
	STIP	LTIP	Base Salary	Compensation
John Wallace (CEO)	37.5%	20.8%	41.7%	100.0%
Chris Beck (CFO)	33.3%	15.4%	51.3%	100.0%
David Windley	25.0%	25.0%	50.0%	100.0%
Pamela Cioffi	23.1%	0.0%	76.9%	100.0%
Michael Falagario	33.3%	0.0%	66.7%	100.0%

The compensation mix for the CEO and CFO reflects a reduced LTIP weighting in fiscal 2021 because of the Special Grant from fiscal 2020 that reduces the Standard Grant awards in fiscal 2020, 2021 and 2022.

### Shareholder Return Performance Graph

The following chart compares the yearly percentage change in the cumulative total Shareholder return on the Corporation's Common Shares against the cumulative total Shareholder return on the S&P/TSX Composite Index (formerly, the Toronto Stock Exchange 300 Composite Index) for the five most recently completed fiscal years ending August 31, 2021<sup>(1)</sup>.



<sup>(1)</sup> Assumes that the initial value of the investment on the Toronto Stock Exchange in the Corporation's Common Shares was \$100 on August 31, 2016 and that all dividends were reinvested.

The trend in Caldwell's executive compensation for the CEO and CFO is impacted by the above share price chart, but with the fluctuation in executive compensation being generally less volatile than changes in the share price. This is due to a significant portion of the CEO's and CFO's target compensation tied directly to long-term share price-based incentives which generally move with the chart and a further significant portion of target compensation tied to short-term financial objectives, the continued attainment of which should support a long-term growth in share price. The remaining portion of target compensation is in the form of a base salary which is relatively constant and does not fluctuate with share price, thus smoothing the executive compensation relative to the share price changes.



### Summary Compensation Table - Canadian Dollars

The following table sets forth compensation of the Chief Executive Officer (CEO), President, Caldwell and Chief Financial Officer (CFO) and the other Named Executive Officers of the Corporation for the fiscal year ended August 31, 2021, 2020 and 2019.

Name & Principal Position	Year	Salary	Share-Based Awards (LTIP-PSUs)	Option-Based Awards <sup>(6)</sup>	Non-Equity Incentive Plan Compensation		Pension Value	All Other Compensation <sup>(5)</sup>	Total Compensation
					Annual (STIP) <sup>(4)</sup>	Long-Term			
John Wallace <sup>(10)</sup> Chief Executive Officer	2021	\$465,000	\$232,500 <sup>(1)</sup>	\$13,100	\$627,750	-	-	-	\$1,338,350
	2020	\$465,000	\$930,000 <sup>(2)</sup>	-	-	-	-	-	\$1,395,000
	2019	\$427,500	\$427,500 <sup>(3)</sup>	-	\$292,776	-	-	-	\$1,147,776
Chris Beck <sup>(8)</sup> President, Caldwell and Chief Financial Officer	2021	\$378,000	\$113,400 <sup>(1)</sup>	\$26,200	\$368,550	-	-	-	\$886,150
	2020	\$402,000	\$482,400 <sup>(2)</sup>	-	-	-	-	-	\$884,400
	2019	\$399,000	\$199,500 <sup>(3)</sup>	-	\$197,352	-	-	-	\$795,852
David Windley <sup>(7)</sup> President, IQTalent Partners	2021	\$336,000	-	-	\$178,500	-	-	-	\$514,500
	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
Pamela Cioffi Director, Talent and Knowledge Management	2021	\$214,200	-	-	\$96,390	-	-	-	\$310,590
	2020	\$227,800	-	-	-	-	-	-	\$227,800
	2019	\$226,100	-	-	\$56,480	-	-	-	\$282,580
Michael Falagarino <sup>(9)</sup> Vice President, Finance and Corporate Secretary	2021	\$185,000	-	\$13,100	\$138,750	-	-	-	\$336,850
	2020	\$185,000	-	-	-	-	-	-	\$185,000
	2019	\$185,000	-	-	\$77,022	-	-	-	\$262,022
Caroline Lomot <sup>(11)</sup> Director, Marketing	2021	\$201,600	-	-	\$90,720	-	-	-	\$292,320
	2020	\$214,400	-	-	-	-	-	-	\$214,400
	2019	\$212,800	-	-	\$53,157	-	-	-	\$265,957

(1) Amount relates to Performance Stock Units awarded during the year, valued at \$0.84 per unit (fair value at the date of grant). These Performance Stock Units cliff vest on August 31, 2023. The units granted represent a reduced Standard Grant. The Special Grant from fiscal 2020 reduced the Standard Grant by 50% in fiscal 2020 and fiscal 2021 and will also reduce by 50% the Standard Grant in fiscal 2022.

(2) Amount relates to Performance Stock Units awarded during the year, valued at \$1.29 per unit (fair value at the date of grant). These Performance Stock Units cliff vest on August 31, 2022. The units granted represent a reduced Standard Grant and an additional one-time Special Grant. The Special Grant reduced the Standard Grant by 50% in fiscal 2020 and will also reduce by 50% the Standard Grants in fiscal 2021 and 2022.

(3) Amount relates to Performance Stock Units awarded during the year, valued at \$1.56 per unit (fair value at the date of grant). These Performance Stock Units cliff vest on August 31, 2021.

(4) The multipliers achieved in the calculation of the STIP awards for revenue and operating profit for fiscal 2021 were 150.0% for revenue and 150.0% for operating profit. For fiscal 2021 the multipliers were zero as the

minimum operating profit target was not achieved. The multipliers achieved in the calculation of the STIP awards for revenue and operating profit for fiscal 2019 were 89.0% for revenue and 63.2% for operating profit.

- (5) For the periods indicated, the named persons received annual compensation only in the form of salary, bonus and perquisites and other benefits. The value of each such officer's other compensation and benefits was less than the lesser of (i) \$50,000 and (ii) 10% of such officer's total annual salary and non-equity incentive plan annual compensation.
- (6) Effective October 8, 2020, to reward, motivate and retain certain key employees, options to purchase common shares of the Corporation were issued at a price of \$0.73 per share which was fair market value at the date of grant. The number of options granted were 100,000 to Mr. Wallace, 200,000 to Mr. Beck and 100,000 to Mr. Falagario. The options vest 50% on the first anniversary of the grant date, and the remaining 50% on the second anniversary of the grant date and have a life of five years beginning with the date of grant. The valuation methodology used was the Black-Scholes-Merton model.
- (7) Mr. Windley joined the Corporation in connection with the acquisition of IQTalent Partners, Inc. effective December 31, 2020 at an annual base salary of \$400,000 (USD). His compensation listed for fiscal 2021 is for the period employed. Mr. Windley will participate in the PSU program beginning with fiscal 2022.
- (8) Effective January 14, 2021, Mr. Beck was appointed President, Caldwell and Chief Financial Officer.
- (9) Effective February 22, 2021 Mr. Falagario was appointed Vice President, Finance and Corporate Secretary.
- (10) Mr. Wallace entered into an updated employment agreement effective for fiscal 2020. Terms include an increase in annual base salary to \$465,000.
- (11) Effective with Mr. Windley joining during fiscal 2021, Ms. Lomot will cease to be a listed NEO in future periods.

### Summary Compensation Table - Local Currencies

The following table sets forth the same information as the Summary Compensation Table - Canadian Dollar table above, only shown in the local currency in which the executive resides. Mr. Wallace and Mr. Falagario reside in Canada and their compensation is earned and paid in Canadian dollars. Mr. Beck, Ms. Cioffi, Ms. Lomot and Ms. Morse reside in the US and their compensation is earned and paid in US dollars. Amounts shown in the chart are in the respective currencies each individual resides in, as noted. The average exchange rates used to translate compensation amounts to the above Canadian dollar Summary Compensation Table were 1.26 CAD/USD for Fiscal 2021, 1.34 CAD/USD for Fiscal 2020, and 1.33 CAD/USD for Fiscal 2019.

Name & Principal Position	Year	Salary	Share-Based Awards (LTIP-PSUs)	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value	All Other Compensation	Total Compensation
					Annual	Long-Term			
John Wallace President and Chief Executive Officer <b>Canadian Dollars</b>	2021	\$465,000	\$232,500	\$13,100	\$627,750	-	-	-	\$1,338,350
	2020	\$465,000	\$930,000	-	-	-	-	-	\$1,395,000
	2019	\$427,500	\$427,500	-	\$292,776	-	-	-	\$1,147,776
Chris Beck President, Caldwell and Chief Financial Officer <b>US Dollars</b>	2021	\$300,000	\$90,000	\$20,794	\$292,500	-	-	-	\$703,294
	2020	\$300,000	\$360,000	-	-	-	-	-	\$660,000
	2019	\$300,000	\$150,000	-	\$148,385	-	-	-	\$598,385
David Windley President, IQTalent Partners <b>US Dollars</b>	2021	\$266,667	-	-	\$141,667	-	-	-	\$408,334
	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
Pamela Cioffi Director, Talent and Knowledge Management <b>US Dollars</b>	2021	\$170,000	-	-	\$76,500	-	-	-	\$246,500
	2020	\$170,000	-	-	-	-	-	-	\$170,000
	2019	\$170,000	-	-	\$42,466	-	-	-	\$212,466
Michael Falagario Director, Finance, Systems and Planning <b>Canadian Dollars</b>	2021	\$185,000	-	\$13,100	\$138,750	-	-	-	\$336,850
	2020	\$185,000	-	-	-	-	-	-	\$185,000
	2019	\$185,000	-	-	\$77,022	-	-	-	\$262,022
Caroline Lomot Director, Marketing <b>US Dollars</b>	2021	\$160,000	-	-	\$72,000	-	-	-	\$232,000
	2020	\$160,000	-	-	-	-	-	-	\$160,000
	2019	\$160,000	-	-	\$39,968	-	-	-	\$199,968

## Outstanding share-based awards and option-based awards

The following table sets forth all share-based compensation awards outstanding for the Named Executive Officers on August 31, 2021:

Name	Option-based Awards				Share-based Awards				
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Type of Award	Vesting Date	Number of shares or units of shares that have not vested (#) <sup>(1)</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
John Wallace	100,000	\$0.73	10/8/2025	\$ 140,000	PSU <sup>(3)</sup>	8/31/2023	275,899	\$914,605	-
					PSU <sup>(4)</sup>	8/31/2022	186,194	\$617,233	-
					PSU <sup>(5)</sup>	8/31/2022	558,584	\$2,468,941	-
					PSU <sup>(6)</sup>	8/31/2021	-	-	\$992,044
Chris Beck	200,000 250,000	\$0.73 \$1.05	10/8/2025 9/14/2022	\$ 280,000 \$ 270,000	PSU <sup>(3)</sup>	8/31/2023	139,559	\$462,638	-
					PSU <sup>(4)</sup>	8/31/2022	95,688	\$317,206	-
					PSU <sup>(5)</sup>	8/31/2022	287,064	\$1,268,823	-
					PSU <sup>(6)</sup>	8/31/2021	-	-	\$460,357
Michael Falagario	100,000	\$0.73	10/8/2025	\$ 140,000					

- (1) The number of outstanding units includes adjustments made for dividends declared during the vesting period.
- (2) The PSU market values on August 31, 2021 in the chart are based on the fair market value under the PSU Plan of \$2.21 per unit, representing the ten-day average share price leading up to August 31, 2021.
- (3) Fiscal 2021 Standard Grant (reduced by 50% due to the fiscal 2020 Special Grant described in note 5 below) issued effective December 16, 2020 at a fair value at date of grant of \$0.84 per PSU. The market value is based on a performance adjustment of 150.0% achievement to target based on performance during the first year of the vesting period.
- (4) Fiscal 2020 Standard Grant (reduced by 50% due to the fiscal 2020 Special Grant described in note 4 below) issued effective January 9, 2020 at a fair value at date of grant of \$1.29 per PSU. The market value is based on a performance adjustment of 150.0% achievement to target based on performance during the first two years of the vesting period.
- (5) Fiscal 2020 Special Grant issued effective January 9, 2020 at a fair value at date of grant of \$1.29 per PSU. The market value is based on a performance adjustment of 200.0% to target.
- (6) Fiscal 2019 Standard Grant issued effective December 8, 2018 at a fair value at date of grant of \$1.56 per PSU. The market value is based on a performance adjustment of 150.0% achievement to target based on performance during the three years in the vesting period.

- (7) Effective October 8, 2020, to reward, motivate and retain certain key employees, options to purchase common shares of the Corporation were issued at a price of \$0.73 per share which was fair market value at the date of grant. The number of options granted were 100,000 to Mr. Wallace, 200,000 to Mr. Beck and 100,000 to Mr. Falagario. The options vest 50% on the first anniversary of the grant date, and the remaining 50% on the second anniversary of the grant date and have a life of five years beginning with the date of grant. The valuation methodology used was the Black-Scholes-Merton model.
- (8) Effective September 14, 2017, in connection with Mr. Beck's appointment as Chief Operating and Financial Officer, Mr. Beck was granted an option to purchase up to 250,000 common shares of the Corporation at a price of \$1.05 per share which was fair market value at the date of grant. The option vested 50% on the first anniversary of the grant date, and the remaining 50% on the second anniversary of the grant date and has a life of five years beginning with the date of grant. Options expire earlier if the executive ceases to be an employee.
- (9) The value of unexercised in-the-money options was calculated using a share value of \$2.13, the August 31, 2021 closing share price of the Corporation's shares on the TSX.

### Incentive Plan Awards

The following table describes the value of all incentive plan pay-outs that were vested or earned during Fiscal 2021 by the Named Executive Officers:

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 \$
John Wallace	-	\$992,044 <sup>(1)</sup>	\$627,750
Chris Beck	-	\$460,357 <sup>(1)</sup>	\$368,550
David Windley	-	-	\$178,500
Pamela Cioffi	-	-	\$96,390
Michael Falagario	-	-	\$138,750
Caroline Lomot	-	-	\$90,720

- (1) Amounts pertain to the valuation of PSU grants from fiscal 2019 that vested on August 31, 2021. The valuation in the chart is based on a share price under the PSU plan as of August 31, 2021 of \$2.21. The awards were paid by December 31, 2021. The final settlement amounts were based on a share price of \$2.4930, representing the ten-day average share price following the public release of the Corporation's fiscal 2021 financial results. This resulted in actual payments to Mr. Wallace and Mr. Beck of \$1,119,070 and \$519,303 (USD: \$409,239), respectively, in accordance with the PSU plan.

## **Employment Agreements--Termination and Change of Control Benefits**

### John Wallace, Chief Executive Officer

Mr. Wallace's employment agreement was updated July 10, 2019 effective for fiscal 2020 beginning September 1, 2019. The updated agreement supersedes his previous employment agreement dated February 14, 2014, as last amended September 1, 2016. Key terms of Mr. Wallace's updated employment agreement provide for a base salary of \$465,000 with a 90% STIP target. Mr. Wallace remains eligible to participate in the PSU plan with a target annual PSU grant equal to 100% of his base salary.

The updated agreement has a fixed term and shall continue for four years through August 31, 2023, unless terminated earlier in accordance with the agreement. At the end of the term, Mr. Wallace's employment with the Corporation shall terminate unless extended by the Board of Directors on terms mutually agreeable with Mr. Wallace.

Mr. Wallace may also terminate his agreement and his employment by voluntary resignation. This may be done at any time by providing written notice to the Board specifying the effective date of termination (such date being not less than two (2) months and not more than six (6) months after the date of his written notice). If Mr. Wallace resigns under these terms, then the Corporation shall pay him any base salary and vacation pay earned by and remaining payable up to the date of termination. All benefits and entitlements shall cease on the date of termination, and the Executive shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance, or any damages whatsoever. The Executive's participation in all bonus or incentive plans and any long term incentive plan or other equity or profit participation plans (including the PSU Plan) terminates immediately upon the date of termination, and all awards under the PSU Plan are forfeited and cancelled; provided, however, that with at least six months' notice of resignation in writing on or after March 1, 2021, notwithstanding the terms of the PSU Plan, Mr. Wallace shall be paid amounts as if terminated without just cause (as set forth in the following paragraph) and a retiring allowance equal to the value of all accrued PSUs as of the date of termination, plus an amount in respect of the unvested PSUs calculated as if all PSUs granted in prior fiscal years had fully vested, and any PSUs granted during the fiscal year of the date of termination vested on a pro-rata basis based on the number of completed months of active employment in such fiscal year.

Mr. Wallace's agreement provides for a one-year non-competition and two-year non-solicitation of employees or clients. His agreement provides that if he is terminated without just cause or leaves with good reason, both situations as defined in the agreement, then Mr. Wallace shall be paid i) his annual short-term incentive bonus calculated pro-rata through the date of separation plus ii) an amount equal to 24 months' compensation comprised of base salary plus short-term bonus at target achievement, paid on a lump sum basis. A change in control of the Corporation does not automatically trigger severance provisions, provided that Mr. Wallace may have resigned and triggered the above payments if there was a diminution of title, duties, authority, reporting relationship, pay, or other matters providing Mr. Wallace contractual good reason for resignation.

### Chris Beck, President, Caldwell and Chief Financial Officer

Mr. Beck's employment agreement was updated July 10, 2018 effective for fiscal 2019 beginning September 1, 2018. The employment agreement supersedes Mr. Beck's employment agreement dated March 2013, as amended. Key terms of Mr. Beck's updated employment agreement provide for a base salary of \$300,000 (USD) with a 65% STIP target. Mr. Beck remains eligible to participate in the PSU plan

with a target annual PSU grant equal to 50% of his base salary, which was increased to 60% effective September 1, 2019.

Mr. Beck's employment agreement includes certain restrictive covenants including a two-year non-solicitation of employees or clients and forfeiture of severance, if any, should he become employed by a competitor. His agreement provides that if he is terminated without just cause or leaves with good reason, both situations as defined in the agreement, then Mr. Beck shall be paid i) his annual short-term incentive bonus calculated pro-rata through the date of separation plus ii) an amount equal to 18 months' compensation comprised of base salary plus the lesser of his short-term bonus at target achievement or the average bonus paid to him over the previous two fiscal years, paid equally over the course of the severance period. A change in control of the Corporation does not automatically trigger severance provisions, provided that Mr. Beck may resign and trigger the above payments if there is a diminution of title, duties, authority, reporting relationship, pay, or other matters providing Mr. Beck contractual good reason for resignation.

#### David Windley, President, IQTalent Partners

Mr. Windley's became effective with his joining the Corporation through the acquisition of IQTalent Partners, Inc. Mr. Windley's employment agreement provides for a base salary of \$400,000 (USD) with a 50% STIP target. Mr. Windley is also eligible to participate in the PSU plan beginning with fiscal 2022 with a target annual PSU grant equal to 50% of his base salary.

Mr. Windley 's employment agreement includes certain restrictive covenants including an eighteen-month non-solicitation of employees or clients. His agreement provides that if he is terminated without just cause or leaves with good reason, both situations as defined in the agreement, then Mr. Windley shall be paid i) his annual short-term incentive bonus calculated pro-rata through the date of separation plus ii) an amount equal to 18 months' compensation comprised of base salary plus the lesser of his short-term bonus at target achievement or the average bonus paid to him over the previous two fiscal years, paid equally over the course of the severance period. A change in control of the Corporation does not automatically trigger severance provisions, provided that Mr. Windley may resign and trigger the above payments if there is a diminution of title, duties, authority, reporting relationship, pay, or other matters providing Mr. Windley contractual good reason for resignation.

#### Shared Employment Terms

Regarding LTIP PSU grants for Messrs. Wallace, Beck and Windley, in the event of a termination without cause or resignation with good reason as defined in the PSU plan, outstanding unvested PSU grants shall be vested and accelerated pro-rata from issuance date to the date of separation. In the event of a change in control that does not result in a termination or resignation for good cause, and the executive remains employed, the PSUs shall continue to vest in accordance with the normal vesting schedule of the PSU plan but shall have their value set as of the effective date of the change of control using the change of control price as the fair market value. If the PSU holder is subsequently terminated without cause or resigns for good reason within one year following the effective date of the change of control, the vesting of such PSUs shall be accelerated to the date of such termination or resignation and shall be settled as soon as practicable following on such date of termination or resignation in accordance with the plan.

Messrs. Wallace, Beck and Windley also have a compensation claw-back of incentive awards provision whereby should there be a material restatement of the Corporation's audited financial statements for any fiscal year (other than as a result of an accounting policy change), then the Corporation may, at the discretion of the Board, recalculate the amount of any STIP or LTIP grants or awards provided to the

executive in respect of such year, and the executive may be required to repay to the Corporation any resulting overpayment of incentive so calculated. No repayment will be required by the executive if the restatement occurs more than three years after the original audit date, except in the event of the respective executive's fraud.

Restrictive covenants agreed to with the other Named Executive Officers include a one-year non-solicitation of employees or clients.

### **Compensation of Directors**

The Compensation Committee reviews the amount and the form of Director compensation. Recommendations to the Board for changes take into consideration the time commitment, risks and responsibilities of Directors. The Committee also reviews the Board compensation at peer companies.

During the fiscal year 2013, the Board engaged an independent compensation consulting firm to review the compensation of the Board. Based on this analysis, effective with the fiscal year 2014 the Board compensation structure was changed from a retainer and per meeting fee, paid as all cash compensation, to a fixed fee annual retainer paid in a combination of cash and deferred share units. The Committee believes these changes will further align the Directors' interests with the interests of Shareholders by linking a portion of annual Director compensation to the future value of the Shares. The Compensation Committee revisits its compensation structure through annual consultation with its third-party compensation consulting firm.

To deliver the share-based compensation component, on recommendation by the Compensation Committee and independent review and analysis by the independent compensation consulting firm, the Board adopted a Deferred Share Unit Plan ("DSU Plan"). DSUs are notional Common Shares of the Corporation that vest immediately upon the date of grant and are settled in cash at the time the respective Director ceases to be a member of the Board. Each DSU has an initial value equal to the market value of one common share of the Corporation at the time the DSU is credited to the Director. The value of a DSU when redeemed for cash is equivalent to the market value of a common share of the Corporation at the time of redemption. DSUs are adjusted for dividends in the form of additional DSUs at the same rate as dividends are declared and paid on Common Shares. A Director cannot redeem the DSUs until he or she ceases to be a member of the Board, at which point the DSUs shall be valued as of such date and paid to the Director in cash within 20 business days. The Board has the right, in its sole discretion, to amend, suspend or terminate the DSU Plan or any portion thereof at any time, provided, however, that: (i) such amendment, suspension or termination is subject to any regulatory or Board approval and in accordance with applicable laws; (ii) such amendment, suspension or termination does not materially adversely affect any of the rights already accrued under the Plan by a Director without the consent of such Director and does not accelerate payment of the benefits under the Plan.

During fiscal 2019, the Compensation Committee, working with Willis Towers Watson, performed a review of Director compensation. Based upon such review and recommendation by the Compensation Committee and with approval by the Board of Directors, the Director compensation plan was updated. Terms of the updated plan became effective September 1, 2019 and have been updated with current independent board members.



The following table sets forth the gross compensation for each board role for the year ended August 31, 2021:

	Board Retainer	Board/Committee Chair Retainer	Total Retainer
Paul Daoust (USD), NCGC Committee Chair <sup>(1)</sup>	\$56,700	\$9,450	\$66,150
Darcy Morris, Investment Committee Chair	\$45,000	\$5,000	\$50,000
Elias Vamvakas, Board Chair	\$45,000	\$20,000	\$65,000
Kathy Welsh, Audit Committee Chair	\$45,000	\$10,000	\$55,000
John Young <sup>(2)</sup>	\$45,000	\$0	\$45,000

<sup>(1)</sup> Board fees are set in the local currency that each director lives in. Mr. Daoust is a resident of the United States. Accordingly, Mr. Daoust's board fees are set at a board retainer of USD45,000 and a committee chair retainer at USD7,500 for total fees of USD52,500. The above chart reflects Mr. Daoust's fees in Canadian dollars using an average exchange rate of 1.26 for the year.

<sup>(2)</sup> Effective for fiscal 2022, beginning September 1, 2021, the Nominating/Corporate Governance/Compensation Committee (NCGC), chaired by Mr. Daoust, was split into two separate committees—the Compensation Committee, chaired by Mr. Daoust, and the Nominating and Corporate Governance Committee, chaired by Mr. Young. Mr. Daoust and Mr. Young will each receive committee chair fees of \$7,500 prospectively.

The retainer payments remain split at 50% cash and 50% in the equivalent valued number of DSUs.

The following table sets forth compensation of the Directors of the Corporation for the fiscal year ended August 31, 2021:

Name	Fees earned	Option- Non-equity					Total (\$)
		Share-based awards	based awards	incentive plan compensation	Pension value	All other compensation	
Paul R. Daoust <sup>(1)</sup>	\$ 33,075	\$ 33,075	\$ -	\$ -	\$ -	\$ -	\$ 66,150
Darcy D. Morris	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Elias Vamvakas	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Kathryn A. Welsh	\$ 27,500	\$ 27,500	\$ -	\$ -	\$ -	\$ -	\$ 55,000
John Young	\$ 22,500	\$ 22,500	\$ -	\$ -	\$ -	\$ -	\$ 45,000

<sup>(1)</sup> Mr. Daoust's cash fee compensation is earned and paid in US dollars. Amounts shown in the chart are Canadian dollars, translated at 1.26 CAD/USD representing the average exchange rate in effect over the course of the period base compensation was paid throughout the fiscal year.

The following table sets forth all share-based compensation awards outstanding for the Directors on August 31, 2021:

Name	Number of unvested outstanding DSUs <sup>(1)</sup>	Number of vested outstanding DSUs	Market or payout value of vested share-based awards <sup>(2)</sup>
Paul R. Daoust	-	212,096	\$468,733
Darcy D. Morris	-	56,723	\$125,357
Elias Vamvakas	-	54,684	\$120,852
Kathryn A. Welsh	-	173,128	\$382,614
John Young	-	37,945	\$83,858

<sup>(3)</sup> DSUs vest upon grant but may not be exercised until the respective individual is no longer a Director of the Corporation. The number of outstanding vested DSUs reflects the cumulative underlying number of notional shares as of the end of the most recent fiscal year. Such amounts include adjustment for dividends declared and paid on the Common Shares of the Corporation.

<sup>(4)</sup> The market value on August 31, 2021 in the chart is based on the fair market value under the DSU Plan at that date of \$2.21.

#### **Indebtedness of Directors, Executive Officers and Senior Officers**

During Fiscal 2021, none of the Corporation's Directors and executive officers was indebted to the Corporation or any of its subsidiaries, and no indebtedness of any Director or executive officer was guaranteed or otherwise supported by the Corporation or any of its subsidiaries.

#### **Interest of Management and Others in Material Transactions**

Except as set forth below, none of the Corporation's Directors, executive officers or principal Shareholders, nor any of their respective associates or affiliates, had a direct or indirect material interest in any transaction or proposed transaction within the three most recently completed financial years or during the current financial year which has materially affected or will materially affect the Corporation.

Pursuant to its lease agreements, the Corporation paid rent for its Toronto office to a company owned by a shareholder, C. Douglas Caldwell, registered as owning more than 10% of the common shares of the Corporation. The amount of consideration agreed to by the parties was determined to be the fair market rental rates at the inception of the lease by an independent commercial real estate counselor and was approved by the independent Members of the Board of Directors. The lease term expired on March 31, 2020 and the office was relocated. Accordingly, there were no occupancy costs related to this property for the year ended August 31, 2021. Amounts paid for the year ended August 31, 2020 was \$130,352 (2019: 223,461).

On December 31, 2020, the Corporation acquired 100% of the shares of IQTalent Partners, Inc. ("IQTalent Partners") Mr. David Windley, a current director of the Corporation, was an owner of IQTalent Partners at the time of the acquisition and received aggregate consideration of US\$1,065,000 in cash and 1,810,904 Common Shares at a price of \$0.91 per share in exchange for his shares in IQTalent. Mr. Windley may be entitled to additional payments of an aggregate of US\$1,278,000 subject to certain retention, revenue and profitability milestones as set out in the purchase agreement. Mr. Windley was

not a director of the Corporation at the time of the acquisition of IQTalent and the transaction was completed entirely at arm's length.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Corporate Philosophy

The objective of good governance is to enhance value for all Shareholders over the long term. At Caldwell, we believe that to achieve this goal, we must balance client and Shareholder needs. We are in the business of producing superior executive search services for our clients - without them, we have no business, and thus can confer no value to our Shareholders. We also depend on our partners and professional staff to deliver to our clients; then the Shareholders and other stakeholders benefit in the long run. Our approach to the issues of governance flows out of the characteristics of our business and our Corporation. The Caldwell Partners' business is focused: we find first-rate candidates for our clients. Our success depends on the judgment of our partners and professional staff. We believe that the atmosphere within which they work directly affects their judgment. To attract and retain exceptional talent, we must provide a professional environment - one that is creative, supportive, and fair and which recognizes achievement.

### Corporate Governance Highlights

The Board of Directors currently consists of seven Directors, five of whom (Messrs. Daoust, Morris, Vamvakas and Young and Ms. Welsh) are "independent" Directors within the meaning of National Instrument 52-110 - *Audit Committees*. Mr. John Wallace is not independent as he is an officer of the Corporation. Mr. David Windley is not independent owing to him being an officer of IQTalent Partners, Inc. (a material subsidiary of the Corporation). Accordingly, a majority of the Directors are currently independent. The independent Directors hold in-camera sessions at each quarterly-scheduled board meeting and special meetings of the independent Directors are also held as deemed necessary, but not on a scheduled basis. Additionally, the Director who is also a member of management has been excused from portions of meetings, at which open and candid discussion among independent Directors has taken place.

With respect to the election of Directors, the Board has adopted a majority voting policy under which each nominee that stands for election should be elected by the vote of a majority of the Common Shares represented in person or proxy at any meeting for the election of Directors. If any nominee for election as Director receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the Director will be expected to promptly tender his or her resignation to the Chair of the Board following the meeting, to take effect upon acceptance by the Board. The NCG Committee will expeditiously consider the Director's offer to resign and make a recommendation to the Board whether to accept that offer. If each member of the NCG Committee received a majority withheld vote at the same Shareholder meeting, then the Directors who did not receive a majority withheld vote will appoint a committee amongst themselves to consider the resignations. Within 90 days of the meeting of Shareholders, the Board will make a final decision concerning the acceptance of the Director's resignation. Any Director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

This process applies only in circumstances involving an "uncontested" election of Directors - where the number of Director nominees does not exceed the number of Directors to be elected. Subject to any

restrictions in the constating documents of the Corporation, or under applicable law, where the Board accepts the offer of resignation of a Director and that Director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a new Director, or call a special meeting of Shareholders to elect a new nominee to fill the vacant position. If the Board declines to accept any such resignation the Director will continue hold to office for the remainder of his or her elected term.

Regarding term limits, as set forth in the above Director voting process, each Director serves for only a one-year term, to be voted upon annually by the Shareholders. The Board does not have a limit on the number of consecutive terms for which a Director may sit.

Regarding Board members on other reporting issuer boards, the following Directors of the Corporation are directors of the reporting issuers indicated:

Name	Issuers
Elias Vamvakas	Greenbrook TMS Inc. (TSX:GTMS)
Kathryn A. Welsh	Pizza Pizza Royalty Corp. (TSX:PZA)
David Windley	Tennant Company (NYSE: TNC) DHI Group (NYSE: DHX)
John Young	Boat Rocker Media Inc. (TSX: BRMI)

The Board of Director’s responsibilities for the stewardship of the Corporation are documented in the Board mandate which is attached to the Circular in Schedule “A.” These responsibilities include, but are not limited to: adoption of a strategic planning process, identification of principal risks and implementation of risk management systems, succession planning and monitoring of senior management, development of a communications policy and integrity of internal control and management information systems. All independent Board members always have full and ready access to the Corporation’s partners and may engage an outside advisor at the expense of the Corporation in appropriate circumstances and subject to the approval of the Board. The Board regularly meets without management present and has the responsibility for administering the Board’s relationship to management.

**Environmental, Social and governance Policies**

We do not view the impact to our business from social and environmental policies as a direct financial risk factor given the nature of services as a professional services firm. We do face indirect risk from possible impact to our brand reputation with our clients if we fail to take social and environmental issues seriously.

Environmental, Social and Governance (ESG) matters are important to us at Caldwell, and strong ESG commitments start from the top. Our board reviews our ESG policies along with its other governance duties. Regarding our approach to ESG, we note the following:

**Environmental:** We currently do not have an environmental committee to review our impact on the environment. This is due to the relatively small size and nature of our business. We are a professional services firm with a low number of employees and a small carbon footprint. The most significant impact we have on the environment is through the office space we work in and the travel we, and our candidates, undertake on behalf of our clients. We have reduced our office footprint substantially during the pandemic and anticipate we will continue to operate in a notably reduced office space requirement into the future as we have shifted to a largely virtual work environment. We have also dramatically reduced the travel we perform on behalf of our clients through leveraging remote work tools such as video conferencing for meetings and interviews which keeps our teams off planes and out of hotels, benefitting both the environment and expense cost to our clients. We counsel our clients to utilize video interviewing whenever possible to help us in this mission.

**Social:** We have a robust social program at Caldwell, which centers around our Diversity, Equity and Inclusion (DEI) efforts. An authentic and meaningful DEI approach is about much more than ticking boxes to build a diverse slate of candidates. It's a virtuous circle of learning, sharing, implementing and growing.

At Caldwell, we take DEI seriously and have implemented an approach to cultivating more diverse and inclusive workplaces for ourselves, our clients, and our industry. Our approach involves three distinct categories -

- **LEARN MORE** - we need to strengthen our awareness.
- **SHARE MORE** - we need to impart our understanding.
- **DO MORE** - we need to cultivate more diverse and inclusive workplaces for ourselves and our clients.

#### **LEARN MORE**

We understand and embrace the positive impact DEI has on performance and innovation and we are dedicated to cultivating an open workplace where employees can share perspectives and present challenges and opportunities.

We have engaged Seramount's Diversity Best Practices to serve in an agile Chief Diversity Officer capacity for our firm, guiding us in establishing and implementing a DEI roadmap.

We launched a DEI Council comprising six search team partners and consultants and three corporate management team members to facilitate execution of action items.

We have undertaken initial unconscious bias awareness training and intend to implement ongoing in-depth training.

We are implementing the data capture of metrics more precisely within our firm to benchmark our current standing and future progress.

## **SHARE MORE**

One of the most powerful tools we can use to cultivate more diverse and inclusive workplaces is to share what we've learned through best practices and candid dialogue. We are committed to sharing our progress and best practices that support companies to diversify their workforces better.

We joined the growing coalition to advance diversity and inclusion in the workplace with our chief executive officer signing the CEO Action for Diversity & Inclusion™ pledge. This is an important step toward meaningful change; contributing to and learning from other companies' actions is another.

## **DO MORE**

The Caldwell Inclusive Leadership Approach is designed to address inclusion in our overall search process and candidate slates and respond to client desires to enhance diversity in their organizations.

Our goal is always to deliver a robust, diverse slate of candidates. If we cannot provide a diverse candidate slate, we will give our clients concrete explanations as to why.

We can include DEI competency questions in the interview process to assess candidates' skills related to developing diverse talent, fostering an inclusive workplace environment and expanding business opportunities in diverse communities. This assessment can organically lead to a candidate slate including, but not exclusively limited to, candidates of the client's diversity focus areas.

For clients with an even more focused desire to cultivate higher levels of diversity in their executive ranks, we offer Diversify, powered by IQTX, to augment our standalone search efforts. This added service leverages IQTX, a platform that uses the most advanced search technology and full-time, experienced researchers to access over 300 million professionals and surface hard-to-find candidates from underrepresented groups. The results from IQTX are then added to our overall talent pool for further review against the competency requirements of the client's unique engagement.

We have a real sense of accountability for our goals and results. We have launched a diversity metrics dashboard that tracks our firm-wide diversity results and lets us update clients on our success in achieving their diversity goals on each search.

## **Diversity Organizations We Support**

Our employees and search delivery teams participate in numerous DEI initiatives and organizations, voluntarily and with their individual passions. As a firm, we have focused on a specific group of impactful organizations where we have developed deep relationships.

Caldwell contributes time, knowledge and financial resources to these entities-bringing the unique skillsets of our executive search consultants to each organization's benefit. In return, Caldwell derives meaningful benefits to our own firm and our continued development of an inclusive environment.

## **Governance**

Strong governance practices are a hallmark of our public company status. An important part of our governance is ensuring we protect our shareholder and employee interests while behaving as a good corporate citizen in the world. Our governance strength is codified in our policies which are available for review on our public website at: <https://www.caldwellpartners.com/executive-search-agency-investor-relations/>

Also within the responsibilities of the Board of Directors, directly and through its NCG Committee, lies the responsibility to identify and review independent Directors, for competencies, skills and personal qualities of candidates to be considered for nomination to the Board. The objective of this review is to maintain a Board composition that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. The Corporate Governance Committee considers the desirability of maintaining a reasonable diversity of personal characteristics and experiences.

The Board through the NCG Committee is also responsible for Director orientation and education. The NCG Committee oversees an orientation and education program for new directors and ongoing educational opportunities for all directors. The new director orientation includes information about the Corporation and its operations and the structure of the Board and its committees. Each new director meets one-on-one with senior management of the Corporation's operational and administrative areas to enable the director to learn about the various processes and operations of the Corporation. Through these meetings, new directors also gain an appreciation of the skills and competence of the management team. Prior to nomination, candidates for nomination are provided with an explanation of the workload and time commitment required. The full Board is given presentations and reports from the Corporation's operating units and administrative areas on a recurring basis. Special presentations to the Board and to its committees are also made, as appropriate, regarding changes and proposed changes in laws and regulations or other issues relevant to the Corporation or the industry in which it operates. The directors also receive educational presentations throughout the year from management concerning the Corporation's business, the industry and its operations.

In response to the capital markets' desire for more clarity and information, the Board of Directors has adopted a policy regarding diversity which is set out below. However, all Directors must possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of the Shareholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. Each Director should also have outstanding ability in his or her

individual fields of expertise and be able to devote necessary time to Board matters. Currently, there is one woman Director on the Board, representing 17% of the number of Directors. Currently two of the five Named Executive Officers are women, representing 40% gender diversity within the Named Executive Officers.

### Diversity Policy

The Board's aim is to have a broad range of approaches, backgrounds, expertise, skill sets and experience viewpoints represented on the Board and within the executive officers. It is the policy of the Board to seek the most qualified candidates for Board membership without regard to race, gender, national origin, religion, disability, age or sexual orientation. However, in conducting its assessment of Director candidates the Committee will consider diversity (including, but not limited to, gender, race, national origin, disability, age or sexual orientation) as well as such other factors as it deems appropriate given the then current and anticipated future needs of the Board and the Corporation. The Board seeks to maintain a balance of perspectives, qualifications, qualities and skills on the Board as well as senior management and seeks a diversity of viewpoints to better understand the technical, economic, political and social environments in which the Corporation operates. This policy is implemented by using existing Board members and leveraging the expertise of the Corporation's partners in board recruitment to actively seek qualified candidates. The Corporation's success in seeking a diversity of viewpoints is measured by the range of viewpoints represented on the Corporation's Board and within senior management. The Board has not set specific targets as to the number of women or other Board members and senior officers from under-represented groups it will maintain given the relatively small number of Directors and executive officers it currently has, the infrequent turnover of Directors and senior management and the Board's philosophy that first and foremost, it should seek the most qualified Directors and senior management. Regarding senior management, the Corporation currently identifies the five Named Executive Officers as well as the Corporation's Controller as the senior management team.

The following chart sets forth certain categories of diversity representation from designated groups (as defined under the Employment Equity Act) within the Board of Directors and members of senior management:

Designated Group	% of Directors	% of senior management
Women	14% (1 of 7)	43% (3 of 7)
Aboriginal peoples	0% (0 of 7)	0% (0 of 7)
Persons with disabilities	0% (0 of 7)	0% (0 of 7)
Members of visible minorities	29% (2 of 7)	14% (1 of 7)

The Board has, together with the Chief Executive Officer, developed a detailed position description for the Chief Executive Officer, as well as specific objectives which the Chief Executive Officer is responsible for meeting. Among other things, the Chief Executive Officer is responsible for developing and recommending to the Board business plans and budgets that support the Corporation's long-term



strategy. Those strategies are developed by the senior management team for discussion and approval by the Board.

The Board of Directors has also developed detailed charters for the Audit Committee, the Compensation Committee, the Investment Committee and the Nominating and Corporate Governance Committee with the Directors forming part of such committees including delineation of the roles and responsibilities for which the respective chairs shall be responsible.

### **Audit Committee**

The Audit Committee, all the members of which are independent, has a charter (set forth in full in the Corporation's Annual Information Form filed on SEDAR) which includes, but is not limited to:

- a) Assisting the Board by reviewing the adequacy and effectiveness of financial and reporting processes including:
  - i. Systems of internal and financial controls;
  - ii. selection of accounting policies and principles;
  - iii. preparation and audit of financial reports;
  - iv. review of financial risk management functions; and
  - v. monitoring of certain other financial matters.
- b) Overseeing and monitoring the appointment, independence and performance of the internal and external auditors. The Audit Committee has implemented the Canadian Public Accountability Board recommended guidelines for the oversight of external auditors, including the implementation of a structured annual assessment process and a periodic comprehensive review;
- c) Establishing and monitoring procedures for handling concerns and complaints related to financial matters;
- d) Approving, on behalf of the Board, certain financial and other matters as delegated by the Board;
- e) Reviewing and making recommendations for approval of annual financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to Shareholders;
- f) Reviewing and approving for recommendation to the Board for approval the interim financial statements, management's discussion and analysis of the financial condition of the Corporation and the results of its operations for release to Shareholders; and
- g) Conducting independent investigations into matters that may come under its scope of responsibilities.

Further disclosure concerning the Audit Committee is set forth in Appendix A in the Corporation's Annual Information Form for the fiscal year ended August 31, 2020, which is available on SEDAR or on the Corporation's website at [www.caldwellpartners.com/about/investor-relations/](http://www.caldwellpartners.com/about/investor-relations/).

### **Compensation Committee:**

The Compensation Committee, all the members of which are independent, has a charter which includes:

- a) To review the compensation philosophy and remuneration policy for employees of the Corporation and recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- b) To review and recommend to the Board cash and/or share-based compensation to be paid to members of the Board;
- c) To receive annually from the Chief Executive Officer of the Corporation the Chief Executive Officer's evaluation of the performance of each senior officer who reports to the Chief Executive Officer of the Corporation;
- d) To review and recommend annually to the Board performance objectives and the compensation package for the Chief Executive Officer;
- e) To recommend to the Board, on the recommendation of the Chief Executive Officer, the annual compensation and benefits package for senior management positions within the Corporation, including long term incentive plans as appropriate;
- f) To review management's recommendations for proposed stock option, restricted stock unit, performance stock unit or such other share purchase plans and make recommendations in respect thereof to the Board;
- g) To determine and recommend for approval of the Board any bonuses to be paid to officers of the Corporation and to establish at the start of the year targets or criteria for the payment of such bonuses, if appropriate;
- h) To approve and submit the Nominating/Corporate Governance/Compensation Committee's report for inclusion in the Annual Information Form and proxy statement, including the Compensation Committee Report required to be therein; and
- i) To review executive compensation disclosure before the Corporation publicly discloses this information.

### **Investment Committee**

The Investment Committee, comprising a majority of independent Directors, has a mandate which includes, but is not limited to:

- a) Approving appropriate investment policies from time to time for recommendation to the Board;
- b) Approving the Corporation's investment asset classes and mix and related strategies for such classes for recommendation to the Board;

- c) Approving procedures to ensure investments are aligned with approved investment policy and related strategies;
- d) Approving an investment mix;
- e) Approving investment risk;
- f) Approving a foreign currency hedging philosophy and plans;
- g) Approving delegations of authority and sub-delegations with respect to investment approvals and related decisions;
- h) Appointing investment managers, if any, of surplus funds, to approve the proportion of assets allocated to such investment managers and to review each investment manager's performance;
- i) Meeting with investment managers, in any, at least annually to discuss investments;
- j) Reviewing management reports to monitor the performance of investments and the effectiveness of the investment;
- k) Reviewing with management the Corporation's cash flow projections to ensure there is sufficient liquidity to meet business requirements; and
- l) Reviewing equity holdings in client securities obtained through the performance of search engagements, and approve any extended holding period after such securities become liquid.

#### **Nominating and Corporate Governance (NCG) Committee**

The Nominating and Corporate Governance Committee, all the members of which are independent, has a charter which includes:

- a) Reviewing annually the mandates of the Board and ensuring that each committee of the Board annually reviews and recommends to the Board such amendments to its mandate as it believes are necessary or desirable;
- b) Preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
- c) To make recommendations to the Board as to which directors should be classified as "independent" directors, "related" directors or "unrelated" directors pursuant to any such report or circular;
- d) Reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;

- e) Assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
- f) Recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors;
- g) As required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;
- h) Acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- i) Developing and recommending to the Board for approval and periodically reviewing structures and procedures designed to ensure that the Board can function effectively and independently of management;
- j) Reviewing succession plans, including making recommendations to the board of directors regarding appointments of corporate officers and senior management;
- k) Reviewing annually the Committee's Mandate and Terms of Reference;
- l) Reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- m) Establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensuring that management has established a system to monitor compliance with this code;
- n) Establishing, reviewing and updating periodically a Whistleblower Policy and ensuring that management has established a system to monitor compliance with this code; and
- o) Reviewing management's monitoring of the Corporation's compliance with the organization's Code.

### **CODE OF BUSINESS AND ETHICAL CONDUCT**

The Board has adopted a written code for the Directors, Officers and employees (the "Code"). A copy of the Code is available as posted on SEDAR. A person may also obtain a copy of the code by sending an email request to [investors@caldwellpartners.com](mailto:investors@caldwellpartners.com) or by visiting the Corporation's website at [www.caldwellpartners.com/about/investor-relations/](http://www.caldwellpartners.com/about/investor-relations/). The Board is ultimately responsible for the implementation and administration of this Code and monitors compliance through regular communication with their designated Compliance Officer and Assistant Compliance officer as set forth in the code. The code is reviewed for updates annually by the Board and there have been no material

changes since the beginning of the most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation has purchased, at its expense, a liability insurance policy for the directors and officers of the Corporation and its subsidiaries. This policy covers directors and officers in circumstances including and not limited to where the Corporation is not able to or is prevented from indemnifying them, subject to the terms and conditions outlined in the policy wording. The policy has a limit of \$10,000,000 with a \$100,000 deductible if the claim is indemnifiable by The Corporation. The Corporation paid a total premium of \$27,600 for the Directors and Officers Liability Insurance in the last completed financial year.

#### **TRANSFER AGENT AND REGISTRAR**

Computershare Trust Company of Canada, at its office at 100 University Avenue 8th Floor, Toronto, Ontario M5J 2Y1, is the transfer agent and registrar for the Shares.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR ([www.sedar.com](http://www.sedar.com)) or by visiting the Corporation's website at [www.caldwellpartners.com/about/investor-relations/](http://www.caldwellpartners.com/about/investor-relations/). Additional financial information is provided in the audited consolidated financial statements, management's discussion and analysis and annual information return for the fiscal year ended August 31, 2020. Copies of such documents may also be obtained upon request from the Corporate Secretary of the Corporation.

#### **APPROVAL OF INFORMATION CIRCULAR**

The contents and sending of this Information Circular have been approved by the Directors.

*/s/ "Michael Falagario"*

Michael Falagario  
Corporate Secretary

DATED as of January 12, 2021

## THE CALDWELL PARTNERS INTERNATIONAL INC.

### SCHEDULE A

#### **Mandate of the Board of Directors**

The Board of Directors (the “Board”) of the Corporation is responsible for the stewardship of the Corporation and fostering its long-term success. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation and its shareholders. In general terms, the Board will:

1. In consultation with the Chief Executive Officer of the Corporation (the “CEO”), define the principal objectives of the Corporation;
2. Supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation’s principal objectives as defined by the Board, subject to the CEO being responsible for day-to-day management of the Corporation;
3. Discharge the duties imposed on the Board by applicable laws; and
4. For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

#### **Strategic Direction, Operating, Capital and Financial Plans**

1. Require the CEO to present annually to the Board a longer range strategic plan and a shorter range business plan for the Corporation’s business, which plans must:
  - (a) Be designed to achieve the Corporation’s principal business objectives;
  - (b) Identify the principal strategic and operational opportunities and risks of the Corporation’s business; and
  - (c) Be approved by the Board as a pre-condition to the implementation of such plans.
2. Review progress towards the achievement of the goals established in the strategic, operating and capital plans;
3. Identify the principal risks of the Corporation’s business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
4. Approve the annual operating and capital plans;
5. Approve acquisitions and business combinations;
6. Approve issuances of additional common shares or other securities to the public;
7. Approve issuances of additional common shares or other securities via a private placement;

8. Monitor the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

### **Management and Organization**

1. Appoint the CEO and determine the terms of the CEO's employment with the Corporation;
2. At least annually, evaluate the performance of the CEO and other executive officers;
3. Review with the assistance of the Nominating/Corporate Governance/Compensation Committee, the succession plan for the CEO;
4. In consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
5. In consultation with the CEO, appoint all officers of the Corporation and approve the terms of each officer's employment with the Corporation;
6. Approve any proposed significant change in the management organization structure of the Corporation;
7. Approve any and all retirement plans for officers and senior management of the Corporation;
8. In consultation with the CEO, establish a communications policy for the Corporation;
9. Generally provide advice and guidance to management;
10. Be responsible for succession planning with respect to both the Board and senior management. This responsibility may be delegated to the Corporate Nominating/Corporate Governance/Compensation Committee of the Board;
11. Any director who wishes to engage an independent advisor to assist on matters involving the discharge of duties and responsibilities as a director at the expense of the Corporation should review the request with, and obtain the authorization of, the Nominating/Corporate Governance/Compensation Committee of the Board; and
12. Ensure timely communication of material corporate information to shareholders.

### **Finances and Controls**

1. Use reasonable efforts to ensure that the Corporation maintains appropriate systems to manage the risks of the Corporation's business;
2. Review and approve compensation of CEO and CEO's corporate direct reports
3. Monitor the appropriateness of the Corporation's capital structure;
4. Ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
5. Establishing, reviewing and updating periodically a Code of Business Conduct and Ethics (the "Code") and ensuring that management has established a system to monitor compliance with this code; and

6. Establishing, reviewing and updating periodically a Whistleblower Policy and ensuring that management has established a system to monitor compliance with this code; and
7. Require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees;
8. Require that the CEO institute and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
9. Satisfy itself as to the integrity of the CEO and other executive officers of the Corporation; and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
10. Review and approve material contracts to be entered into by the Corporation and material transactions not in the ordinary course of business;
11. Review and approve dividends for declaration;
12. Recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporate auditors and to set the annual remuneration of the chartered accountants; and
13. Take all necessary actions to gain reasonable assurance that all financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance;

## **Governance**

1. Facilitate the continuity and effectiveness of the Board by, amongst other things,
  - (A) Selecting nominees for election to the Board;
  - (B) Appointing a Chair of the Board, who should be an independent director;
  - (C) Appointing from amongst the directors an audit committee, nominating/corporate governance/compensation committee, investment committee and such other committees of the Board as the Board deems appropriate;
  - (D) Defining the mandate of each committee of the Board;
  - (E) Delegating for approval or review the matters set out in each Board Committee's mandate to that committee;
  - (F) Fostering effective communication between the Board and each Board Committee by requiring each committee chair to provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting;
  - (G) Ensuring that processes are in place and are utilized to assess the size of the Board, the effectiveness of the Chair of the Board, that Board as a whole, each committee of the Board and each director;
  - (H) Providing an orientation and education program to new members of the Board as



deemed necessary, with an emphasis on the role of the Board, its Committees and directors, and the nature and operation of the Corporation's business; and

- (l) Enabling any director to engage and outside adviser at the expense of the Corporation, subject to approval of a meeting of the independent directors;
2. Review annually the adequacy and form of the compensation of directors;
3. Review annually, with the assistance of the Audit Committee and Nominating/Corporate Governance/Compensation Committee, reports provided by management on compliance with, or material deficiencies of policies relating to employee conduct, ethics and reputation and legal risks and approve changes it considers appropriate;
4. Approve annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority;
5. Determine annually which directors should be classified as "independent" directors, "related" directors or "unrelated" directors pursuant to any such report or circular; such determinations will be governed by regulations and guidelines currently in effect when the determination is made.
6. Hold regular, in-camera meetings of the independent directors only, without management or related directors present; and
7. Ensure legal requirements have been met and documents and records have been properly prepared, approved and maintained.

### **Delegation**

The Board may constitute, seek the advice of and delegate its duties to and receive reports and recommendations from any committee of the Board.

### **Meetings and Administrative Matters**

1. At all meetings of the Board every motion shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote;
2. Members of the Board are expected to attend meetings of the Board and any Board committees of which the directors are a member and to review related materials in advance;
3. The Chair shall preside at all meetings, unless the Chair is not present, in which case the members of the Board present shall designate from among the members present the Chair for purposes of the meeting;
4. A quorum for meetings of the Board shall be a majority of its members then in office;
5. Meetings of the Board should be scheduled to take place at least four times per year and at such other times as the Chair may determine;

6. Agendas, approved by the Chair, shall be circulated to Board members along with background information on a timely basis prior to the Board meeting;
7. The Board may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Board and assist thereat in the discussion and consideration of the matters being considered;
8. Minutes of the Board will be recorded and maintained and circulated to all directors prior to the next meeting of the Board;
9. The Board may retain, at the expense of the Corporation, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities; and
10. The Board shall ensure that the independent directors meet regularly, and in no case less frequently than quarterly, without non-independent directors or management present.

THE CALDWELL PARTNERS INTERNATIONAL INC.

SCHEDULE B

2022 EQUITY INCENTIVE PLAN

*(See Attached)*

**THE CALDWELL PARTNERS INTERNATIONAL INC.**

**OMNIBUS EQUITY INCENTIVE PLAN**

**JANUARY 12, 2022**

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# OMNIBUS EQUITY INCENTIVE PLAN

## ARTICLE 1 PURPOSE

### 1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

## ARTICLE 2 INTERPRETATION

### 2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

“**Affiliate**” means any entity that is an “**affiliate**” for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;

“**Award**” means any Option, Restricted Share Unit, Restricted Share, Performance Share Unit, Deferred Share Unit or Share Award granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;

“**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;

“**California Award**” means an Award granted to a California Participant;



“**California Option**” means an Option granted to a California Participant:

“**California Participant**” means a Participant that is resident in the State of California, United States;

“**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the *Tax Act*;

“**Cash Fees**” has the meaning set forth in Subsection 7.1(a);

“**Cashless Exercise**” has the meaning set forth in Subsection 4.5(b);

“**Cause**” means, with respect to a particular Participant:

- (a) “cause”(or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant’s contract without notice or without pay in lieu thereof or other termination fee or damages;

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect “**beneficial ownership**” (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;

- (c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;
- (d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
- (e) individuals who comprise the Board as of the date hereof (the "**Incumbent Board**") for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
- (f) any other event which the Board determines to constitute a change in control of the Corporation;

provided that, notwithstanding clause (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**") and, following the Non-Qualifying Transaction, references in this definition of "**Change in Control**" to the "**Corporation**" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "**Board**" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes “deferred compensation” (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as “a change in control event” within the meaning of Section 409A of the Code.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any United States Treasury Regulations promulgated thereunder;

“**Committee**” has the meaning set forth in Section 3.2;

“**Consultant**” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services; provided, however, that at the time any Consultant receives any offer of Award or executes any Award Agreement, such Consultant must agree to provide bona fide services that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;

“**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means The Caldwell Partners International Inc., or any successor entity thereof;

**“Date of Grant”** means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

**“Deferred Share Unit”** or **“DSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;

**“Director”** means a director of the Corporation who is not an Employee;

**“Director Fees”** means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

**“Disabled”** or **“Disability”** means, with respect to a particular Participant:

- (a) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

**“Effective Date”** means the effective date of this Plan, being January 12, 2022, subject to the approval of the shareholders of the Corporation;

**“Elected Amount”** has the meaning set forth in Subsection 7.1(a);

**“Electing Person”** means a Participant who is, on the applicable Election Date, a Director;

**“Election Date”** means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);

**“Election Notice”** has the meaning set forth in Subsection 7.1(b);

**“Employee”** means an individual who:

- (a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.

**“Exchange”** means (a) the Toronto Stock Exchange, or (b) the primary exchange on which the Shares are then listed, as determined from by the Plan Administrator, if (i) the Toronto Stock Exchange is no longer the Corporation’s primary exchange, or (ii) the Shares are not listed on the Toronto Stock Exchange;

**“Exercise Notice”** means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;

**“Exercise Price”** means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

**“Expiry Date”** means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

**“In the Money Amount”** has the meaning given to it in Subsection 4.5(b);

**“Insider”** means an **“insider”** as defined in the rules of the Exchange from time to time;

**“Market Price”** at any date in respect of the Shares shall be the volume weighted average trading price of Shares on the Exchange for the ten trading days immediately preceding the Date of Grant; provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Shares and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

**“Option”** means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

**“Option Shares”** means Shares issuable by the Corporation upon the exercise of outstanding Options;

**“Participant”** means a Director, Employee or Consultant to whom an Award has been granted under this Plan;

**“Performance Goals”** means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

**“Performance Share Unit”** or **“PSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

**“Person”** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

**“Plan”** means this Omnibus Equity Incentive Plan, as may be amended from time to time;

**“Plan Administrator”** means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

**“PSU Service Year”** has the meaning given to it in Section 6.1;

**“Restricted Shares”** means Shares awarded with vesting conditions in accordance with Article 5;

**“Restricted Share Unit”** or **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;

**“Retirement”** means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 65 or such other retirement age, with consent of the Plan Administrator, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause and provided that (i) the Participant enters into a non-competition agreement with the Corporation on such terms acceptable to the Plan Administrator and (ii) for U.S. Taxpayers such Retirement also constitutes a Separation from Service within the meaning of Section 409A of the Code;

**“RSU Service Year”** has the meaning given to it in Section 5.1.

“**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

“**Separation from Service**” means a separation from service within the meaning of Section 409A of the Code;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 11, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**Share Awards**” means an award under the Plan that is immediately settled in Shares in accordance with Article 8;

“**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

“**Tax Act**” has the meaning set forth in Section 4.5(d);

“**Termination Date**” means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the

case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;

- (b) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (c) in the case of a Director, the date such individual ceases to be a Director, in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant’s “Termination Date” will be the date the Participant experiences a Separation from Service;

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

“**U.S. Person**” shall mean a “**U.S. person**” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);



“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**U.S. Taxpayer**” shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

## **2.2 Interpretation**

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term “discretion” means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms “Article”, “Section”, “Subsection” and “clause” mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

## **ARTICLE 3 ADMINISTRATION**

### **3.1 Administration**

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;

- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, Restricted Shares, Performance Share Units or Deferred Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
  - (i) the time or times at which Awards may be granted;
  - (ii) the conditions under which:
    - (A) Awards may be granted to Participants; or
    - (B) Awards may be forfeited to the Corporation, including any conditions relating to the attainment of specified Performance Goals;
  - (iii) the number of Shares to be covered by any Award;
  - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
  - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
  - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

### **3.2 Delegation to Committee**

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

### **3.3 Determinations Binding**

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

### **3.4 Eligibility**

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 10.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

### **3.5 Plan Administrator Requirements**

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the

foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

### **3.6 Total Shares Subject to Awards**

- (a) Subject to adjustment as provided for in Article 11 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan shall not exceed 2,563,069 Shares.
- (b) If any Shares covered by an Award or to which an Award relates are not purchased or are forfeited or are reacquired by the Corporation (including any Shares withheld by the Corporation or Shares tendered to satisfy any tax withholding obligation on Awards or Shares covered by an Award that are settled in cash), or if an Award otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under the Plan with respect to such Award, to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Awards under the Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

### **3.7 Limits on Grants of Awards**

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
  - (i) issuable to Insiders at any time, under all of the Corporation's Security-Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares; and
  - (ii) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section 3.7 for any Awards outstanding prior to such purchase of Shares for cancellation.

### **3.8 Award Agreements**

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

### **3.9 Non-transferability of Awards**

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

## **ARTICLE 4 OPTIONS**

### **4.1 Granting of Options**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

### **4.2 Exercise Price**

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

### **4.3 Term of Options**

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

#### **4.4 Vesting and Exercisability**

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

#### **4.5 Payment of Exercise Price**

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent permitted by Securities Laws, or any combination of the foregoing methods of payment.
- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, if permitted by the Plan Administrator, a Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such

Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 9.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.

- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

## **ARTICLE 5**

### **RESTRICTED SHARE UNITS AND RESTRICTED SHARES**

#### **5.1 Granting of RSUs and Restricted Shares**

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs and Restricted Shares to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**” or “**RS Service Year**”, as the case may be). The terms and conditions of each RSU or Restricted Share grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.
- (b) The number of RSUs (including fractional RSUs) and Restricted Shares granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs or Restricted Shares, as determined by the Plan Administrator, by (ii) the greater of (A) the

Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

## **5.2 RSU Account**

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

## **5.3 Vesting of RSUs and Restricted Shares**

The Plan Administrator shall have the authority to determine any vesting terms (which may include Performance Goals) applicable to the grant of RSUs and Restricted Shares, provided that the terms comply with Section 409A with respect to a U.S. Taxpayer but, in all cases, a RSU shall vest and be settled, no later than the final business day of the calendar year which is three (3) years after the RSU Service Year in respect of which a RSU is granted.

## **5.4 Settlement of RSUs**

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs and Restricted Shares, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. The Restricted Shares shall be settled in Shares issued from treasury at the time of vesting. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.



- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 12.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any RSU or Restricted Share shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU or Restricted Share, as the case may be, under this Section 5.4 any later than the term period set forth the Award Agreement.

## **ARTICLE 6 PERFORMANCE SHARE UNITS**

### **6.1 Granting of PSUs**

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**PSU Service Year**”). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

### **6.2 Terms of PSUs**

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant’s service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

### **6.3 Performance Goals**

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. Following the Date of Grant, the Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation’s corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

#### **6.4 PSU Account**

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

#### **6.5 Vesting of PSUs**

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable but, in all cases, a PSU shall vest and be settled no later than the final business day of the calendar year which is three (3) years after the PSU Service Year in respect of which PSU is granted.

#### **6.6 Settlement of PSUs**

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 12.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
  - (ii) a cash payment, or
  - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 12.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any PSU shall

occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

## **ARTICLE 7 DEFERRED SHARE UNITS**

### **7.1 Granting of DSUs**

- (a) The Board may fix from time to time a portion of the Director Fees in respect of services rendered by the applicable Director in a calendar year (the “**DSU Service Year**”) that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b) to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the “**Cash Fees**”).
- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to commencement of the next DSU Service Year (other than for Director Fees payable for the 2022 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are

earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years.

- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule B. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same DSU Service Year and, subject to complying with Subsection 7.1(b), all subsequent DSU Service Years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the DSU Service Year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any DSU Service Year (or portion thereof) is irrevocable for that DSU Service Year after the expiration of the election period for that year and any termination of the election will not take effect until the first day of the DSU Service Year following the DSU Service Year in which the termination notice in the form of Schedule C is delivered.
- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs, as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

## **7.2 DSU Account**

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

### **7.3 Vesting of DSUs**

Except as otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, DSUs shall vest immediately upon grant.

### **7.4 Settlement of DSUs**

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “**separation from service**” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for:
  - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
  - (ii) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.
- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation’s payroll or in such other manner as determined by the Corporation.

### **7.5 No Additional Amount or Benefit**

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm’s length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

**ARTICLE 8  
SHARE AWARDS**

**8.1 Granting Of Share Awards**

- (a) The Board is authorized to grant Share Awards under the Plan that are immediately settled in Shares. The Plan Administrator may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Share Awards to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year.

**ARTICLE 9  
ADDITIONAL AWARD TERMS**

**9.1 Dividend Equivalents**

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

**9.2 Black-out Period**

In the event that an Award expires or is terminated, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry or termination of such Award will be the date that is 10 Business Days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

### **9.3 Withholding Taxes**

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation such amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

### **9.4 Recoupment**

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

## **ARTICLE 10 TERMINATION OF EMPLOYMENT OR SERVICES**

### **10.1 Termination of Employee, Consultant or Director**

Subject to Section 10.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or

settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;

- (b) except as may be set forth in an employment/consulting agreement, Award Agreement or as otherwise determined by the Board, where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause then any RSUs, Restricted Shares, PSUs and DSUs shall continue to vest and be settled until the completion of the current financial year in accordance with the terms of such Award, and all other RSUs, Restricted Shares, PSUs and DSUs shall be immediately forfeited and cancelled. Except as may be set forth in an employment/consulting agreement, Award Agreement or as otherwise determined by the Board, any vested Options (including any Options that may vest prior to termination as set out herein) may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period;
- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any RSUs, Restricted Shares, PSUs and DSUs held by the Participant shall continue to vest and be settled in accordance with the terms of such Award. All Options held by the Participant subsequent to the Termination Date shall be treated in accordance with Section 9.1(b).
- (d) Where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) six months following the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a Award other than an Option, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within twelve months after the date of the Participant's death. Any PSU that is held by the Participant that has not vested as of the date of the death of such Participant, subject to adjustment based upon the performance of the Participant in the last completed fiscal year in the sole discretion of the Plan Administrator, shall vest on such date.



- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then any RSUs, Restricted Shares, PSUs and DSUs held by the Participant shall continue to vest and be settled in accordance with the terms of such Award. In the case of a Award other than an Option, such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or its subsidiary. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period.
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
  - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
  - (ii) the date of the death, Disability or Retirement of the Participant;
- (g) notwithstanding Subsection 10.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) for greater clarity, except as otherwise provided in an applicable Award Agreement or employment agreement, and notwithstanding any other provision of this Section 10.1, in the case of an Award (other than an Option or DSU) that is granted to a U.S. Taxpayer and that becomes vested (in whole or in part) pursuant to this Section 10.1 upon the Participant's Termination Date, such Award will, subject to Section 12.6(d), be settled as soon as administratively practicable following the Participant's Termination Date but in no event later than 90 days following the Participant's Termination Date, provided that if such Award is a PSU, settlement will occur no later than March 15th of the year immediately following the calendar year in which the Termination Date occurs. In the case of an Award (other than an Option or DSU) granted to a U.S. Taxpayer that remains eligible to vest (in whole

or in part) following a Participant's termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the earlier of (i) the originally scheduled settlement date at the end of the performance period (to the extent Performance Goals are achieved) and (ii) the date on which performance vesting conditions are waived, or are deemed satisfied pursuant to the terms of the Applicable Award Agreement. DSUs will be settled in accordance with the U.S. Taxpayer's DSU Election Notice (Schedule A hereto).

## **10.2 Discretion to Permit Acceleration**

Notwithstanding the provisions of Section 10.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator, taking into consideration the requirements of Section 409A of the Code, to the extent applicable, with respect to Awards of U.S. Taxpayers.

## **ARTICLE 11 EVENTS AFFECTING THE CORPORATION**

### **11.1 General**

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder.

### **11.2 Change in Control**

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 11.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan

Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 11.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 11.2(a)) any property in connection with a Change in Control other than rights to acquire shares or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.

- (b) Notwithstanding Section 10.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:
- (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
  - (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) date(s) as determined by the Board. Any

Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.

- (c) Notwithstanding Subsection 11.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 11.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

### **11.3 Reorganization of Corporation's Capital**

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

### **11.4 Other Events Affecting the Corporation**

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

### **11.5 Immediate Acceleration of Awards**

In taking any of the steps provided in Sections 11.3 and 11.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 11.3 and 11.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, provided that any such adjustments or acceleration of vesting undertaken pursuant to sections 11.3, 11.4 or 11.5 shall be undertaken only to the extent they will not result in adverse tax consequences under Section 409A of the Code.

### **11.6 Issue by Corporation of Additional Shares**

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

### **11.7 Fractions**

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 11 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

## **ARTICLE 12 U.S. TAXPAYERS**

### **12.1 Provisions for U.S. Taxpayers**

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“**ISOs**”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non-qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “**service recipient stock**” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

## **12.2 ISOs**

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 2,563,069 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

## **12.3 ISO Grants to 10% Shareholders**

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

## **12.4 \$100,000 Per Year Limitation for ISOs**

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

## **12.5 Disqualifying Dispositions**

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

## 12.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section

409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

### **12.7 Section 83(b) Election**

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

### **12.8 Application of Article 12 to U.S. Taxpayers**

For greater certainty, the provisions of this Article 12 shall only apply to U.S. Taxpayers.

## **ARTICLE 13 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN**

### **13.1 Amendment, Suspension, or Termination of the Plan**

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

### **13.2 Shareholder Approval**

Notwithstanding Section 13.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:



- (a) increases the Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 11 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person in circumstances other than those specified under Section 3.9;
- (h) changes the eligible participants of the Plan; or
- (i) deletes or reduces the range of amendments which require approval of shareholders under this Section 13.2.

### **13.3 Permitted Amendments**

Without limiting the generality of Section 13.1, but subject to Section 13.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 10;

- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

## **ARTICLE 14 CALIFORNIA PARTICIPANTS**

Notwithstanding any other provision of this Plan, the provisions of this Section Article 14 shall apply to any California Award granted or proposed to be granted, unless such California Award is otherwise exempt from the applicable securities laws of California.

### **14.1 Termination Date**

California Awards shall be granted within ten (10) years from the earlier of (i) the date on which this Plan is adopted by the Board and (ii) the date on which this Plan is approved by shareholders of the Company.

### **14.2 Non-Transferability**

No California Participant may transfer any California Award or any rights to acquire any securities thereunder except by will, the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the U.S. Securities Act.

### **14.3 Proportionate Adjustment**

In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the issuer's equity securities without the receipt of consideration by the issuer, the Plan Administrator shall, in the case of a California Award that is

not a California Option, make a proportionate adjustment to the number of securities allocated to any California Participant, and, in the case of California Options, make a proportionate adjustment to the number of securities purchasable and the exercise price thereof.

#### **14.4 Post-Termination Exercise Period**

Subject to Section 14.1, unless employment is terminated for Cause, the terms of the Plan or California Option grant or a contract of employment, the right to exercise a California Option by a California Participant in the event of termination of employment of such California Participant, to the extent that the California Participant is entitled to exercise their California Option on the date employment terminate, continues until the earlier of the option Expiry Date or:

- (a) Six (6) months from the date of termination, if termination was caused by death or Disability.
- (b) At least thirty (30) days from the date of termination, if termination was caused by other than death or Disability.

#### **14.5 Shareholder Approval**

The Company shall not grant a California Award unless:

- (a) the Company is a foreign private issuer, as defined by Rule 3b-4 under the U.S. Exchange Act, on the grant date of the California Award, and the aggregate number of persons in California granted awards under all compensation plans and agreements and issued securities under all purchase and bonus plans and agreements of the Company does not exceed thirty five (35); or
- (b) prior to any grant made in reliance upon this subparagraph (b) and within twelve (12) months before or after the Plan was adopted by the Board, the Plan is approved by a majority of the Company's outstanding securities entitled to vote, not counting for the purpose of calculating such vote any securities issued or granted in California.

### **ARTICLE 15 MISCELLANEOUS**

#### **15.1 Legal Requirement**

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any

provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

### **15.2 No Other Benefit**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

### **15.3 Rights of Participant**

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

### **15.4 Corporate Action**

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

### **15.5 Conflict**

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

### **15.6 Anti-Hedging Policy**

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

### **15.7 Participant Information**

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be

disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

### **15.8 Participation in the Plan**

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

### **15.9 International Participants**

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

### **15.10 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

### **15.11 General Restrictions or Assignment**

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

### **15.12 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

### **15.13 Notices**

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

**The Caldwell Partners International Inc.**  
79 Wellington Street West  
TD South Tower, Suite 2410  
Toronto, ON  
M5K 1E7  
Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

### **15.14 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

### **15.15 Submission to Jurisdiction**

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

**SCHEDULE A**

**THE CALDWELL PARTNERS INTERNATIONAL INC.**

**OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION NOTICE**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive \_\_\_\_% of my Cash Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) \_\_\_\_\_.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

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(Signature of Participant)



**SCHEDULE B**

**THE CALDWELL PARTNERS INTERNATIONAL INC.**

**OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

**SCHEDULE C**

**THE CALDWELL PARTNERS INTERNATIONAL INC.**

**OMNIBUS EQUITY INCENTIVE PLAN  
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs  
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: \_\_\_\_\_

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)

**Note:** An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.