INSCAPE CORPORATION
MANAGEMENT INFORMATION CIRCULAR FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS
July 29, 2021

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by management ("Management") of Inscape Corporation ("Inscape" or the "Company") for use at the annual meeting (the "Meeting") of shareholders of the Company (the "Shareholders") to be held at the time and place and for the purposes set forth in the attached Notice of Annual General Meeting of Shareholders. References in this Circular to the Meeting include any adjournment or adjournments thereof. It is anticipated that the solicitation will be by mail primarily, but employees of the Company may also solicit proxies, or the Company may use the services of an outside proxy solicitation agency to solicit proxies, and the solicitation may be made by means other than mail. The cost of such solicitation will be borne by the Company.

The board of directors (the "**Board**") of the Company has fixed the close of business on July 22, 2021 as the record date, being the date for the determination of the registered holders of securities entitled to notice of the Meeting (the "**Record Date**"). In order to be valid and acted upon at the Meeting or any adjournment thereof, proxies must be received by the registrar and transfer agent of the Company, AST Trust Company (Canada) ("**AST**"), no later than 4:00 p.m. (Eastern Daylight Time) on Thursday, September 14, 2021, and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before the commencement of the postponed meeting or recommencement of the adjourned meeting.

COVID-19 Response

While as of the date of this notice, the Company intends to hold the Meeting as set out in the Notice and Access Notice (as defined herein), it is continuously monitoring the current coronavirus (COVID-19) outbreak. In light of the rapidly evolving situation involving COVID-19, the Company asks that shareholders of the Company follow the current instructions and recommendations of federal, and any applicable provincial and local health authorities when considering attending the Meeting. All shareholders of the Company are strongly encouraged to vote prior to the Meeting by any of the means described in this Circular. In order to adhere to all government and public health authority recommendations, the Company notes that the Meeting will be limited to only the legal requirements for shareholder meetings and guests will not be permitted entrance unless legally required. Rather than attending in person, the Company encourages shareholders to access the Meeting by teleconference. To access the Meeting by teleconference, please dial **1-437-703-4253,** Access Code: **893641306.** Alternatively, to access via the Web Presentation using Teams, click "Click to join meeting". **The conference call and Web Presentation will give shareholders an equal opportunity to access the Meeting regardless of their geographic location. Shareholders attending the Meeting by telephone conference call or by viewing the Web Presentation using Teams will be able to listen to the Meeting, but will not be able to ask questions nor vote over the phone or through the Web Presentation.**

The Company reserves the right to take any additional precautionary measures it deems necessary in relation to the Meeting in response to further development in respect of the COVID-19 outbreak that the Company considers necessary or advisable including changing the time, date or location of the Meeting. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company's press releases as well as its website at www.myinscape.com for updated information. The Company advises you to check its website one week prior to the Meeting date for the most current information. The Company does not intend to prepare or mail an amended management information circular in the event of changes to the Meeting format.

The form of proxy forwarded to the Shareholders with the Notice Package (as defined herein) confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Annual General Meeting of Shareholders or other matters that may properly come before the Meeting or any adjournment thereof. As of the date hereof, Management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

The form of proxy affords the Shareholder the opportunity to specify that the shares registered in the Shareholder's name shall be voted or withheld from voting on any ballot that may be called for at the Meeting or any adjournment thereof, in accordance with the specifications made by the Shareholder.

In respect of proxies in which the Shareholders have not specified that the proxy nominees are required to vote or withhold from voting, the shares represented by such proxies will be voted in favour of the passing of all of the resolutions described herein at the Meeting or any adjournment thereof.

Information herein is given as at July 29, 2021 unless otherwise indicated. All dollar amounts referenced in this Circular are expressed in Canadian dollars, unless otherwise indicated.

APPOINTMENT AND REVOCATION OF PROXIES

The two persons named in the form of proxy contained in the Notice Package are the Chair of the Board and an officer of the Company, respectively. A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the form of proxy to attend and act on the Shareholder's behalf at the Meeting. Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the registrar and transfer agent of the Company, AST, no later than 4:00 p.m. (Eastern Daylight Time) on Tuesday, September 14, 2021, and, in the case of any postponement or adjournment of the Meeting, not less than 48 hours before the commencement of the postponed meeting or recommencement of the adjourned meeting. A registered shareholder ("**Registered Shareholder**") who has given a proxy may revoke it at any time. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, (a) by duly completing and signing a proxy bearing a later date and depositing it with the Company's transfer agent, AST, within the time prescribed herein, at the address on the form of proxy, (b) by instrument in writing executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing (or, if the Registered Shareholder is a body corporate, under its corporate seal or by a duly authorized officer or attorney), and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chair of such Meeting on the day of the Meeting or any adjournment thereof, and (c) in any other manner permitted by law. **Please see above regarding Meeting attendance in light of the ongoing impact COVID-19 and related restrictions. We encourage you to vote in advance of the Meeting to participate in this Meeting.**

NON-REGISTERED HOLDERS

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased shares. Whether or not you are able to attend the meeting, Registered Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

In accordance with the provisions of National Instrument 54-101 – Communication With Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**") and using Notice-and-Access (as defined herein), the Company has distributed or has caused its agents to distribute copies of the Notice Package to the intermediaries and clearing agencies for onward distribution to the Non-Registered Shareholders.

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

(i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "voting instruction form") which the Intermediary must follow; or

(ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o AST at the address on the form of proxy.**

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

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive the Notice Package and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive the Notice Package and to vote which is not received by the Intermediary at least seven days prior to the Meeting. **Please see above regarding Meeting attendance in light of the ongoing impact of COVID-19 and relating restrictions. We encourage you to vote in advance of the Meeting to participate in this Meeting.**

NOTICE-AND-ACCESS

In connection with the Meeting, the Company is availing itself of the notice-and-access provisions under National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**") and NI 54-101 (collectively, "**Notice-and-Access**") to deliver its proxy-related materials to Shareholders.

Under Notice-and-Access, instead of the Company mailing paper copies of the proxy-related materials to Shareholders, such materials can be accessed online under the Company's profile on SEDAR at www.sedar.com, on the Company's website at https://myinscape.com/investors and at the following internet address: www.meetingdocuments.com/ASTCA/INQ. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company's printing and mailing costs.

Shareholder will receive a paper copy of a notice package (the "**Notice Package**") under Notice-and-Access via pre-paid mail containing: (i) a notification regarding the Company's use of Notice-and-Access and how the proxy-related materials maybe obtained (the "**Notice and Access Notice**"); (ii) a form of proxy (if you are a Registered Shareholder) or a voting instruction form (if you are a Non-Registered Shareholder), and (iii) a supplemental mailing list return card to elect to receive paper copies of the Company's financial statements and management's discussion and analysis (which for Registered Shareholders shall be included on the form of proxy in lieu of a separate supplement mailing list return card).

Shareholder will not receive a paper copy of this Circular unless they contact the Company's transfer agent, AST, by phone at 416-682-3801 or 1-888-433-6443 (toll-free in Canada and the US) or by email by emailing fulfilment@astfinancial.com. For shareholders who wish to receive a paper copy of the Circular in advance of the voting deadline for the Meeting, requests must be received no later than September 2, 2021, in order to allow reasonable time to receive and review the Circular prior to the proxy deadline of no later than 4:00 p.m. (Eastern Daylight Time) on Tuesday, September 14, 2021. The Circular will be sent to shareholders within three business days of their request if such request is made prior to the date of the Meeting. Following the Meeting, the Circular will be sent to such shareholders within 10 days of their request. Shareholders with questions about Notice-and-Access may contact the Company's transfer agent, AST, by mail at AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6, by phone at 416-682-3801 or 1-888-433-6443 (toll-free in Canada and the US) or by email by emailing fulfilment@astfinancial.com.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as set out herein, no (a) director or executive officer of the Company who has held such position at any time since May 1, 2020; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the Directors having an interest in the election of Directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at July 29, 2021, there were nil Class A Multiple Voting Shares of the Company ("**Multiple Voting Shares**") and 14,380,701 Class B Subordinated Voting Shares of the Company ("**Subordinated Voting Shares**"), each without par value, issued and outstanding. On October 30, 2020, Bhayana Management Ltd. ("**Bhayana**"), the previously holder of 3,345,881 Multiple Voting Shares, being all of the then issued and outstanding Multiple Voting Shares, converted 3,345,881 Multiple Voting Shares into Subordinated Voting Shares on a one-for-one-basis (the "**Conversion**"), such that, after the Conversion, Bhayana, together with its affiliates, held 6,886,981 Subordinated Voting Shares. As a result of the Conversion, there are no longer any Multiple Voting Shares issued and outstanding and the Subordinated Voting Shares represents 100.0% of the aggregate voting rights. Each Subordinated Voting Share entitles the holder thereof to one vote at all meetings of Shareholders, including the Meeting.

Concurrently with the Conversion, Bhayana and the Madan and Raksha M. Bhayana Family Foundation (collectively, the "**Vendors**") entered into a definition purchase agreement with Pender Growth Fund Inc. ("**PGF**"), a fund managed by PenderFund Capital Management Ltd. **("Pender"),** pursuant to which PGF agreed to purchase from the Vendor an aggregate of 6,886,981 Subordinated Voting Shares (the "**Transaction**"). On November 18, 2020, the parties completed the Transaction.

The Record Date for the determination of shareholders entitled to receive notice of the Meeting has been fixed as July 22, 2021. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company will prepare a list of shareholders as of the Record Date. Each shareholder named in the list will be entitled to vote the shares shown opposite the shareholder's name on the list at the Meeting. All shareholders of record as of the time of the Meeting or any adjournment thereof are entitled either to attend and vote thereat, in person, the shares held by them or, provided a completed and executed proxy shall have been delivered to the Company, to attend and vote thereat by proxy the Subordinated Voting Sharesheld by them.

As at July 29, 2021, to the knowledge of the directors and executive Officers of the company, the only persons or companies that beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Company carrying more than 10% of the voting rights attaching to any class of voting securities of the Company were:

Name	Designation of Class	Number of Securities Owned	Percentage of Class
PenderFund Capital Management Ltd. (1), (2)	Subordinated Voting Shares	7,927,321	55.12%
David LaSalle (3)	Subordinated Voting Shares	2,174,600	15.1%
Bartley Bull (4)	Subordinated Voting Shares	1,510,001	10.5%

(1) PGF and other funds managed by Pender hold, in aggregate, 7,927,321 Subordinated Voting Shares, representing 55.12% of the issued and outstanding Subordinated Voting Shares, which are held as follows: Pender Growth Fund Inc., 6,886,981 Subordinated Voting Shares (47.89%) and other funds managed by Pender 1,040,340 (7.23%).
(2) PGF is an investment company that trades on the TSX Venture Exchange under the symbol "PTF" and that is managed by Pender.
(3) Mr. David LaSalle owns indirectly, through Pacific View Asset Management Perlus Microcap Fund L.P., an entity under his control and direction, 2,174,6000 Subordinated Voting Shares.
(4) Mr. Bartley Bull owns, indirectly through Bullish Management Ltd., a company under his control and direction, 1,510,001.

As of July 29, 2021, the shareholders referred to above beneficially own, directly or indirectly, or exercise control or direction over 80.74% of the Subordinated Voting Shares. As a result of its shareholdings, Pender is able to, on behalf of the investment entities it manages, elect the Board and to take other corporate actions requiring Shareholder approval, as well as to direct the policies of the Company.

PARTICULAR OF MATTERS TO BE ACTED UPON

FINANCIAL STATEMENTS

The financial statements for the financial year ended April 30, 2021 (the "**2021 Financial Year**"), together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting and were mailed to Shareholders that requested such materials with the Meeting Materials. No vote by the Shareholders is required with respect to this matter.

APPOINTMENT OF AUDITOR

At the Meeting, it is proposed to re-appoint Deloitte LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual meeting of shareholders at remuneration to be fixed by the Board. Unless authority to do so is withheld, the persons designated by management of the Company in the enclosed form of proxy, intend to vote to approve the appointment of Deloitte LLP as the Company's auditor and to authorize the Board to fix the auditor's remuneration.

Management of the Company recommends shareholders vote FOR the re-appointment of Deloitte LLP as auditor of the Company and the authorization of the Board to fix their remuneration.

ELECTION OF DIRECTORS

In accordance with the Articles of the Company, the number of directors on the Board shall be between a minimum of three (3) and a maximum of ten (10). The board currently consists of seven directors. The seven directors set out below will be proposed as nominees for election as directors at the Meeting. A director is elected until the next annual meeting of shareholders unless their office is terminated earlier or their office is vacated in accordance with the Company's by-laws. **Unless authority to do so is withheld, the persons named in the form of proxy intend to vote for the election of the nominees whose names are indicated below**.

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the form of proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve.

Majority Voting Policy

The Company has adopted a majority voting policy on the election of directors for non-contested elections in which shareholders vote for each nominee director individually by either voting "for" or "withhold". Any director must immediately tender his or her resignation to the Board if he or she is not elected by "in favour" votes that represent at least a majority (50% +1 vote) of the votes cast with respect to his or her election. The Corporate Governance and Nominating Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept it. The Board will promptly, and in any event within 90 days of the shareholders' meeting, determine whether to accept the director's resignation or not after considering the recommendation of the Corporate Governance and Nominating Committee and, in so doing, may consider the factors considered relevant by the Corporate Governance and Nominating Committee and such additional information and factors that the Board considers to be relevant. The Board shall accept the resignation absent exceptional circumstances, and the resignation will be effective when accepted by the Board. Following the decision of the Board, the Board shall promptly disclose, by way of press release (a copy of which will be provided to the Toronto Stock Exchange ("**TSX**")), its decision whether to accept the director's resignation, including the reasons for rejecting the resignation, if applicable. Any director who tenders his or her resignation will not attend any meetings of, or participate in any deliberations of, the Corporate Governance and Nominating Committee or the Board, where such director's resignation is considered, except that, if necessary, such director may attend such meetings solely for the purpose of establishing quorum.

Nominees

The following table sets forth the name, province or state and country of residence, principal occupation or employment, date the nominees first became a director of the Company and the number of shares of the Company beneficially owned by each nominee as at July 29, 2021. The statement as to the shares of the Company beneficially owned or over which each of the nominees for election as director hereinafter named exercise control or direction is in each instance based upon information furnished by the person concerned.

Name and Municipality of Residence	**Principal Occupation**	**Date First Elected or Appointed Director**	**Class and number of shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised**
Bartley Bull (1), (3) Ontario, Canada	Corporate Director	December 8, 1997	1,510,001 Subordinated Voting Shares (4) 37,500 Share Options (as defined herein)
Dezsö J. Horváth(1), (3) Ontario, Canada	Dean Emeritus, Professor & Tanna H. Schulich Chair in Strategic Management, York University	December 21, 2002	9,600 Subordinated Voting Shares 37,500 Share Options 33,596 Deferred Share Units
Eric Ehgoetz (6) Ontario, Canada	Chief Executive Officer of Inscape Corporation, President & Founder, TEV Capital Corporation	June 16, 2016	32,360 Subordinated Voting Shares 87,500 Share Options
Tania Bortolotto (2) Ontario, Canada	President, Bortolotto Design Architects	March 6, 2018	11,000 Subordinated Voting Shares 22,500 Share Options
David LaSalle(1), (3) California, USA	Portfolio Manager, Pacific View Asset Management Perlus Microcap, L.P.	September 12, 2018	2,174,600 Subordinated Voting Shares (4) 22,500 Share Options
Quentin Kong(2) Ontario, Canada	Vice President of Sales, Content & Partners, Top Hat Inc.	September 12, 2019	15,000 Share Options
Tracy Tidy (2), (5) Surrey, British Columbia	Equity Analyst, PenderFund Capital Management Ltd.	December 9, 2020	7,927,321 Subordinated Voting Shares(4)(5)

(1) Member of the Audit Committee.
(2) Member of the Human Resources and Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.
(4) Reference is made to “Voting Securities and Principal Holders of Voting Securities” as to the manner in which these individuals own the shares referred to.
(5) 7,927,321 Subordinated Voting Shares are held by Pender of which Ms. Tidy is an employee. Ms. Tidy does not exercise control or direction over such shares. Ms. Tidy has been nominated for election as a director by Pender, the majority shareholder of Inscape Corporation. Ms. Tidy joined Pender’s investment team as an Equity Analyst in January 2019. She began her investing career in 1996. Prior to joining Pender she was an Associate Vice President at a national investment firm from 2006.
(6) Mr. Ehgoetz was appointed as CEO on March 5, 2020 and as a director on June 16, 2016.

Management of the Company recommends Shareholders vote FOR the election of the persons identified above as Directors.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days ("**order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) 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 (ii) has, within ten years prior to 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 proposed director.

No proposed director has been subject to (i) any 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

This section provides a comprehensive discussion of the significant elements that comprise the Company's executive compensation program, with a particular emphasis on the process of determining compensation for the Company's Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"), the three other most highly compensated executive officers of the Company and each individual who would be a Named Executive Officer (as defined herein) of the Company but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of the 2021 Financial Year (collectively, the "**Named Executive Officers**" or "**NEOs**"). The NEOs for the 2021 Financial Year were:

1. Eric Ehgoetz, Director and Chief Executive Officer
2. Jon Szczur, Chief Financial Officer and Secretary
3. Stephen Dean, Senior Vice President, Sales & Distribution
4. Dennis Dyke, Vice President, Manufacturing & Supply Chain
5. John Gols, former Chief Operating Officer (resigned January 29, 2021)
6. David Gerson, former Chief Brand Officer (resigned February 23, 2021)

Subsequent to the 2021 Financial Year, the Company appointed Ms. Laura Barski as Vice President, Marketing and Product Design, effective May 31, 2021.

Compensation Discussion and Analysis

During the financial year ended April 30, 2018, (the "**2018 Financial Year**"), the Company's Human Resources and Compensation Committee retained Willis Towers Watson, an independent executive compensation consultant, to conduct a benchmarking review.

Together with Willis Towers Watson, in the 2018 Financial Year, the Board selected a comparator group that consisted of capital-intensive organizations with revenue between $100 and $400 million. The Board has determined this group to continue to be a relevant comparator group for compensation for the 2021 Financial Year given it represents a general view of the market. In addition, to provide comparison to Inscape's direct competitors, the Board analyzed the general pay practices among a list of companies within Inscape's industry. The following is a list of the companies included in the comparator group:

Absolute Software Corporation
Alberta Energy Regulator
Avaya Canada
Ball Canada
Brink's Canada Limited
BuildDirect
Canada Colors and Chemicals Limited
Carlton Cards Limited
Coach Canada
Crombie REIT
Cushman & Wakefield Canada
DECAST LTD.
DHL
DHL Express Canada
DHL Global Business Services
DHL Global Forwarding & Freight
Ecolab Canada
Equifax Canada
EuroMoney
Flowserve Corporation Canada
G&K Services Canada
Galderma Manufacturing Canada
Gateway Casinos & Entertainment Limited
Hammond Power Solutions Inc.
Heart and Stroke Foundation of Canada
Henry Schein Canada Inc.
HIS Canada
IMS Health (Canada)
Independent Electricity System Operator
Intel Canada
JT International S.A.
Kit and Ace Designs, Inc.
Mercury Marine Limited
Michael Kors Canada
Moen
Mosaic Sales Solutions Canada Inc.
Nokia Canada
Paladin Labs, Inc.
Pet Valu Canada
Pitney Bowes of Canada
Ricoh Canada Inc.
Rocky Mountain Railtours
SGS Canada Inc.
T.D. Williamson
Teranet Inc.
Vector Aerospace
VIA Rail Canada Inc.
Western Drug Distribution Center
Westport Innovations Inc.
WhiteWater West Industries Ltd.

Although the Company assesses its compensation against the comparator group, it does not formally benchmark a level of compensation as against this group.

The objectives of the Company's executive compensation policy are to:

1. attract and retain qualified executives as leaders to drive the growth and profitability of the business;
2. reward the executives fairly based on their individual performance and their contributions to shareholder value;
3. align the long-term financial interests of the executives with those of shareholders; and
4. position total compensation on a comparative basis with companies of a size that Inscape is looking to grow to.

To achieve the above objectives, the Company's executive compensation program consists of the following fixed and variable components:

Base Salaries
Base salaries for each of the Company's executive officers are set on an individual basis after taking into consideration the executive's performance and contributions to the Company's success, tenure in the job, competitive industry pay practices for comparable positions and internal equities among positions. The objective is to compensate executives with a base salary that is expected to attract and retain qualified executives as leaders in order to drive the growth and profitability of the Company. Base salaries are a fixed element of compensation that serves to attract and retain qualified executives. Base salaries are also used as the basis to determine the variable short-term and long-term incentive programs discussed below. A periodic survey of companies of similar size in terms of sales revenues, lines of business, geographic location and employment levels provides insight into what competitive base salaries are.

Short-term Incentives
To reward the executives fairly, based on their contributions to Shareholder value*,* the Company's executive officers have an opportunity to earn annual bonuses under the Company's short-term incentive program. The bonuses for executive officers are a variable element of compensation and are calculated and paid annually as follows.

Target bonuses ranging from 30% to 50% of an executive's base salary are set based on each executive's position. There are different levels of bonus pay out potential based on performance on the measures discussed below ("**performance levels**"):

1. zero times the target bonus for performance that does not meet the target; and
2. target bonus for performance at target.

For the 2021 Financial Year, there was only one quantitative performance measure that all executives had, being EBITDA achievement, with weighting as follows:

Performance measures	**Weights**
EBITDA	100%

Annual bonus is calculated as follow:

Annual bonus = Target bonus x (performance level of each individual metric x percentage of bonus weighting)

The Company did not achieve the required sales and operating income performance measures in the 2021 Financial Year, and as such, no annual bonuses based on EBITDA achievement were awarded to the NEOs. Notwithstanding, given the significant challenges to managing the business during the 2021 Financial Year as a result of the COVID-19 pandemic, and the successful strategic initiates executed by its leadership, the Board elected to award discretionary bonuses to the CEO, CFO and Vice President, Manufacturing & Supply Chain in the amounts of $150,000, $50,000 and $40,000, respectively, which, in accordance with Company policy, were paid in July 2021 of the subsequent fiscal period.

Long-term Incentives
The executive long-term incentive program ("**LTIP**") is adopted to ensure retention and encourages the alignment of an executive's long-term financial interests with those of the Shareholders. The program consists of two components: (1) performance share units ("**PSUs**") and restricted share units ("**RSUs**") granted under the Performance and Restricted Share Unit Plan ("**PSU/RSU Plan**"); and (2) Share Options granted under the Company's Employee Share Option Plan (the "**Share Option Plan**"). PSUs are similar to an RSU, except the vesting of the award is subject to the achievement of additional forward-looking performance conditions over a three-year performance period. PSUs are intended to increase the alignment between executive pay and performance. During the Financial Year 2021, the Board approved a shift toward a more performance based long term incentive program for executives, with less emphasis on Shares Options. As a result, nil Share Options were granted to NEOs during the 2021 Financial Year.

PSUs or RSUs and Share Options with tandem share appreciation rights of equal value are granted to the executives annually and form the variable element of compensation. Total value of the PSUs or RSUs and Share Options on the grant date is targeted at 20% to 30% of an executive's base salary. Previous grants are not taken into account when considering new grants.

RSUs are settled in cash at the end of a three-year vesting period. PSUs will be settled in cash after the end of the third-year performance period ("cliff vesting"), based on the cumulative achievement of actual to budgeted EBITDA in each respective three-year period.

Actual pay out of PSUs and RSUs at that time is calculated as follows:

PSU cash pay out value = Number of PSUs x market price of the Company's Subordinated Voting Shares at the time of pay out x long-term performance factor of 0% or 100%.

RSU cash pay out value = Number of RSUs x market price of the Company's Subordinated Voting Shares at the time of pay out.

Currently, there are a total of 112,939 PSUs and 140,977 RSUs outstanding.

Share Options vest at the end of the three-year vesting period and become exercisable for the Company's Subordinated Voting Shares or the share appreciation rights, as determined by the optionee.

In the 2021 Financial Year, nil Share Options, RSUs or PSUs were granted to Mr. Ehgoetz, the CEO in accordance with his employment agreement. 7,500 Share Options were issued to Mr. Ehgoetz in respect of his role as a director of the Company. For other NEOs, Share Options, PSUs and RSUs were issued with grant date fair values calculated as a percentage of the NEOs' base salary as follows:

	Eric Ehgoetz(1)	**Jon Szczur(2)**	**Stephen Dean(3)**	**Dennis Dyke(4)**	**John Gols(5)**	**David Gerson(5)**
Share Option Value as % of Base Salary(6)	Nil	Nil	Nil	Nil	N/A	N/A
PSU Value as % of Base Salary (7)	N/A	10%	Nil	10%	N/A	N/A
RSU Value as % of Base Salary (7)	N/A	10%	Nil	10%	N/A	N/A
Total Share Option, PSU and RSU Value as % of Base Salary	**N/A**	**20%**	**Nil**	**20%**	**N/A**	**N/A**

(1) Mr. Ehgoetz's employment agreement with the Company does not provide for participation in the LTIP. During the 2021 Financial Year, Mr. Ehgoetz was issued 7,500 in respect of his role as a director of the Company.

(2) Effective July 6th, 2020, Mr. Szczur was appointed as the permanent CFO & Secretary of the Company, after previously serving as interim CFO. His employment agreement with the Company provides for participation in the LTIP as follows: PSU – 10% of base salary and RSU – 10% of base salary for Financial Year 2021.

(3) Mr. Dean, the former Vice President, Distribution was promoted to Senior Vice President, Sales and Distribution, effective October 2, 2020. With this promotion, his employment agreement with the Company was adjusted for incentives as follows: PSU – 10% of base salary and RSU – 10% of base salary, which takes effect for the 2022 Financial Year.Mr. Dean did not participate in the Company's LTIP during the 2021 Financial Year.

(4) Mr. Dyke is currently the Vice President, Manufacturing & Supply Chain. His employment agreement with the Company provides for participation in the LTIP as follows: PSU – 10% of base salary and RSU – 10% of base salary for Financial Year 2021.

(5) Mr. Gols, the former Chief Operating Officer, and Mr. Gerson, the former, Chief Brand Officer resigned on January 29, 2021 and February 23, 2021, respectively. All unvested Shares Units, RSUs and PSUs held by Mr. Gols and Mr. Gerson were forfeited and cancelled. Prior to their resignations, each of Mr. Gols' and Mr. Gerson's employment agreements with the Company provided for participation in the LTIP as follows: Mr. Gols, PSU – 15% of base salary and RSU – 15% of base salary for Financial Year 2021; Mr. Gerson, PSU – 10% of base salary and RSU – 10% of base salary for Financial Year 2021.

(6) During the Financial Year 2021, the Board approved a shift toward a more performance based long term incentive program for executives, with less emphasis on Shares Options. As a result, nil Share Options were granted to NEOs during the 2021 Financial Year.

(7) Does not include adjustment made to the RSU and PSU grant values as determined by the Board, in its sole discretion, during the 2021 Financial Year (the "**RSU and PSU Value Adjustment Factor**"). For the 2021 Financial Year, the RSU and PSU Value Adjustment Factor, as determined by the Board, was 86.4%. The final value of the RSUs and PSUs granted to each eligible NEO during the 2021 Financial Year was determined by dividing the initial RSU and PSU grant value (being the pre-determined percentage of each eligible NEO's base salary that the value of the RSU and PSU grants are based on) by the RSU and PSU Value Adjustment Factor.

During the 2021 Financial Year, a total of nil Share Options, 112,939 PSUs and 112,939 RSUs were granted to the NEOs. As at the end of the 2021 Financial Year, there were 421,839 Share Options, 206,757 RSUs and 112,939 PSUs outstanding.

Risk Management

The Board is responsible for ensuring the application of the compensation policy is appropriately aligned to support its stated objects and encourage the right management behaviours, while avoiding excessive risk-taking by executive officers. In light of the limited elements of executive compensation, at this time the Board has not formally assessed the implications of the risks associated with the Company's compensation policies and practices.

The Company has not adopted a policy with respect to whether directors and officers are permitted to purchase financial instruments, including, for greater certainty, 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 equity securities granted as compensation or held, directly or indirectly, by the directors or officers.

2022 Financial Year Compensation Plan

Short-term Incentives

For the 2022 Financial Year, the performance measure will continue to focus on EBITDA performance targets only:

Performance measures	Weights
EBITDA	100%

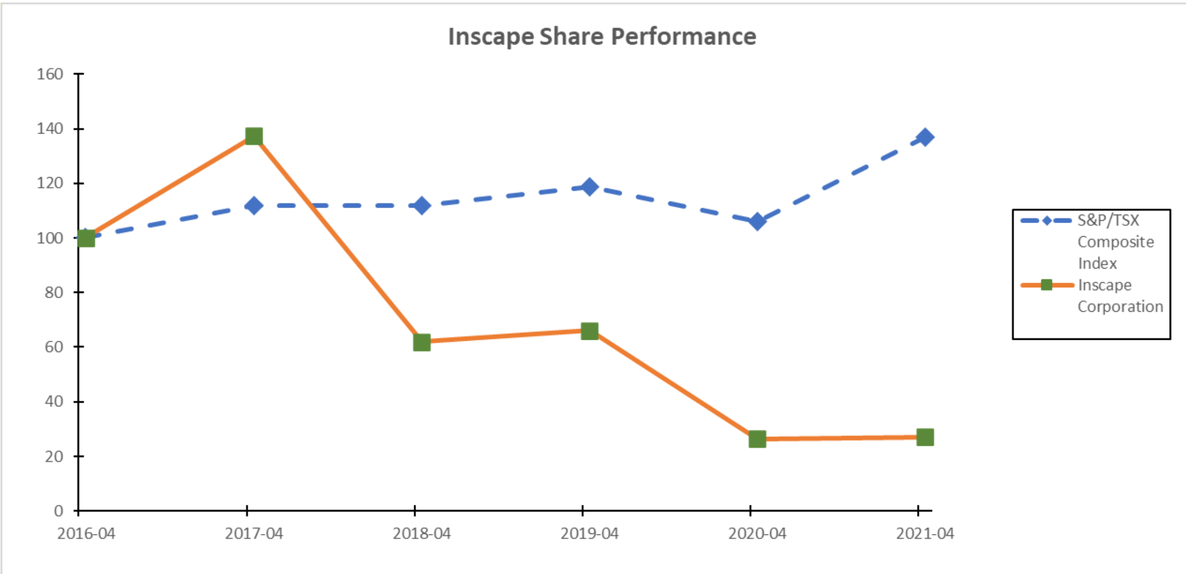
Long-term Incentives

For the Financial Year 2022, the Board will continue its shift toward a more performance based long term incentive program, providing for grants of RSUs and PSUs, rather than Share Options. Grants will still be awarded according to the compensation objectives discussed herein.

Performance measures	Weights
EBITDA	100%

PERFORMANCE GRAPH

The following graph shows the cumulative total shareholder return on the Subordinated Voting Shares, which class of shares is listed on the TSX, compared to the cumulative total return of S&P/TSX Composite Index (the "**Index**") for the last five most recently completed financial years.



	Apr. 30, 2016	Apr. 30, 2017	Apr. 30, 2018	Apr. 30, 2019	Apr. 30, 2020	Apr. 30, 2021
S&P/TSX Composite Index	100.00	111.72	111.87	118.85	105.94	136.96
Inscape Corporation	100.00	137.29	62.03	66.10	26.44	27.12

The graph shows that the shareholder return for the Company from 2016 to 2017 financial years outperformed the Index. In financial years 2018 to 2021, the Shareholder return was significantly lower than the Index. NEOs' annual variable bonuses are based on achieving certain specified performance targets. In the financial years when such targets were not achieved, the NEOs did not receive bonuses relating to those measures irrespective of the improvements in shareholder return performance. As the Subordinated Voting Share price has a direct impact on the fair values of the PSUs, RSUs and Share Options with tandem share appreciation rights, the trend in the NEOs long-term incentives is consistent with those of the cumulative total shareholder return over the same period of time.

Human Resources and Compensation Committee

The Company's Human Resources and Compensation Committee is currently composed of three directors, two of whom are independent Directors, being Ms. Bortolotto (Chair) and Mr. Kong and one of whom is not independent, being Ms. Tidy, each of whom has the experience below which has provided them the necessary analytical and reasoning skills to assess compensation and performance and make independent decisions.

The experience of each member of the Human Resources and Compensation Committee that is relevant to the performance of his or her responsibilities as a member of the Human Resources and Compensation Committee is summarized in the following table:

Name	**Relevant experience**
Tania Bortolotto	President, Bortolotto Design Architect
Quentin Kong	Vice President of Sales, Content & Partners, Top Hat Inc., Former Executive Vice President Marketing & Product Development of Inscape Corporation
Tracy Tidy	Equity Analyst, PenderFund Capital Management Ltd. Associate Vice President in a national investment firm

The primary function of the Human Resources and Compensation Committee relating to compensation is to assist the Board in fulfilling its oversight responsibilities by:

- reviewing, approving and recommending to the Board salary, bonus, benefits, and employment agreements for the CEO, the CFO, and other executives of the organization;
- the administration of the Company's compensation plans, outside directors compensation plans, and such other compensation plans or structures as adopted by the Company from time-to-time; and
- reviewing and approving the Company policies with respect to management's benefits and perquisites.

To fulfil its responsibilities and duties, the Human Resources and Compensation Committee shall:

- be satisfied that the executive compensation policies followed by the Company are designed to recognize and reward performance and to establish a compensation framework which is industry competitive and which results in the creation of shareholder value (i.e. management incentives are aligned with shareholders' gains). General industry compensation levels and policies may be confirmed through periodic surveys; and
- establish a philosophy for the basis of establishing fair compensation and disclose the philosophy in appropriate public documents, including the management information circular.

Option-based Award Process

The Human Resources and Compensation Committee recommends to the Board for approval the list of executive officers who are eligible for the option-based awards under the LTIP. The Board also approves the grant date value of the Share Option awards for each eligible executive officer, which is calculated as a percentage of the executive officer's base salary, as previously discussed.

Employee Share Option Plan

The purpose of the Share Option Plan is to advance the interests of the Company and its shareholders by providing to key employees, officers, directors and consultants of the Company and its subsidiaries performance incentives for continued and improved service with the Company and its subsidiaries.

The Share Option Plan is administered by the Board, which determines the eligibility of individuals to participate under the Share Option Plan, the number of shares to be covered by Share Options granted to eligible individuals, the term and any vesting conditions of Share Options and the exercise price. Under the terms of the Share Option Plan, up to 1,500,000 Subordinated Voting Shares (10.4% of the issued and outstanding Subordinated Voting Shares) are reserved for issuance for share options in the Company ("**Share Options**") granted under the Share Option Plan (the "**Share Option Reserve**"). The Share Option Reserve is reduced by the number of outstanding Share Options but will be reloaded on a continuous basis by (i) the number of Share Options exercised and (ii) that number of Share Options that expire without being exercised. Since the Share Options that are exercised pursuant to the Share Option Plan will become available again for future grant, the Share Option Plan is considered an "evergreen" plan. As such, the TSX requires that such plan be submitted to shareholders of the Company for ratification every three years. The Plan was last approved by the shareholders at the September 17, 2020 annual general and special meeting of the shareholders of the Company. The Plan is therefore not required to be ratified by the Shareholders again until September 17, 2023. As of the end of the 2021 Financial Year, there were 421,839 Share Options outstanding (representing 2.93% of the issued and outstanding Subordinated Voting Shares as at the end of the 2021 Financial Year) and an additional 1,078,161 unallocated Share Options available for granted under the Share Option Plan (representing 7.50% of the issued and outstanding Subordinated Voting Shares as at the end of the 2021 Financial Year). Share Options held by any person under the Share Option Plan cannot at any time exceed 5% of the aggregate number of the Subordinated Voting Shares outstanding from time to time. In addition, the maximum number of the Subordinated Voting Shares issued to "insiders" of the Company within any one-year period, or which may be reserved for issuance to "insiders" of the Company at any time, under the Share Option Plan and under any other share compensation arrangement is 10% of the number of the Subordinated Voting Shares outstanding at such time. Under the Share Option Plan, the Share Options are not transferable or assignable by the optionee other than by will or the laws of descent and distribution. Eligible participants under the Share Option Plan may be granted non-assignable Share Options to acquire the Subordinated Voting Shares at a price that is not less than the volume weighted average trading price of the Subordinated Voting Shares for the last five trading days immediately prior to the date of the Share Options grant. The Share Options have a maximum term of 10 years (subject to earlier expiration upon the termination of employment or office) and may include tandem share appreciation rights either at the time of grant or by amendment or supplemental grant. Share appreciation rights shall entitle a holder to surrender to the Company all or any part of such Share Option which such holder could then exercise and receive from the Company upon such surrender, cash or Subordinated Voting Shares, as the holder may elect, equal in value to the excess of the fair market value of one Subordinated Voting Share at the time of surrender over the option exercise price multiplied by the number of Subordinated Voting Shares with respect to which the Share Option is surrendered. The fair market value of the Subordinated Voting Shares at the time of surrender shall be the sale price per Subordinated Voting Share on the TSX on the day the Share Option is surrendered.

The Board has the authority to determine the limitations, restrictions and conditions, if any, including vesting, applicable to the exercise of a Share Option. In the event that no contrary specific determination is made by the Board with respect to each Share Option, a holder may take up not more than 20% of the Subordinated Voting Shares covered by the Share Option during each 12 month period from the date of the grant of the Share Option; provided, however, that if the number of Subordinated Voting Shares taken up under the Share Option during any such 12 month period is less than 20% of the Subordinated Voting Shares covered by the Share Option, the holder shall have the right, at any time or from time to time during the remainder of the term of the Share Option, to purchase such number of Subordinated Voting Shares subject to the Share Option which were purchasable, but not purchased by such holder, during such 12 month period.

In the event that a Share Option expires during a period which directors, officers and employees are precluded from trading in the Company's securities in accordance with the Company's policies (a "**Blackout Period**"); or within two days after the day of a Blackout Period, the date of the expiry of such Share Option will become the tenth business day following the end of the Blackout Period.

If an optionee ceases to be an employee, officer or director of the Company for any reason whatsoever other than death, each Share Option held by the optionee will cease to be exercisable 30 days after the termination date. If any portion of a Share Option is not vested by the termination date, that portion of the Share Option may not under any circumstances be exercised by the optionee. If an optionee dies, the legal representative of the optionee may exercise the Share Options within six months after the date of the optionee's death, but only to the extent the Share Options were by their terms exercisable on the date of death.

Under the terms of the Share Option Plan, at any time, the Board may make amendments to the Share Option Plan that, in their sole judgment are required without obtaining the approval of the Shareholders of the Company, except for (i) amendments to the maximum number of Share Options that can be granted under the Share Option Plan to acquire Subordinated Voting Shares, (ii) amendments to the exercise price of Share Options granted to "insiders" of the Company, and (iii) amendments to extend the terms of outstanding Share Options granted pursuant to the Plan. In addition, pursuant to the rules of the TSX, any amendments to exceed or remove the insider participation limits or to amend the amending provisions of the Share Option Plan will also require shareholder approval. Any amendments made to the Share Option Plan shall, if required, be subject to the prior approval of or acceptance by the TSX.

For greater certainty, based on current TSX rules, shareholder approval is not required for the following amendments and the Board may make any changes which may include but are not limited to:

- amendments of a "housekeeping" nature or to address changes in securities or tax laws or rules of the TSX;
- a change to the provisions of any option governing vesting, assignability and effect of termination of a participant's employment or cessation of a participant's directorship;
- the introduction or amendment of a cashless exercise feature payable in cash or securities;
- the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted; and
- a change to advance the date on which any option may be exercised under the Plan.

The table below shows the Share Option burn rate in accordance with the requirements of the TSX:

	2021	**2020**	**2019**
Share Option Plan Burn Rate (1)	0.31%	3.69%	4.48%

(1) Annual burn rate is expressed as a percentage and is calculated by dividing the number of Share Options granted under the Share Option Plan during the applicable financial year by the weighted average number of securities outstanding for the applicable financial year. The weighted average number of Subordinated Voting Shares outstanding is the number of Subordinated Voting Shares outstanding at the beginning of the period, adjusted by the number of Subordinated Voting Shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Subordinated Voting Shares are outstanding as a proportion of the total number of days in the period.

Performance and Restricted Share Unit Plan

The Company has a PSU/RSU Plan for certain executive employees. The purposes of the PSU/RSU Plan are (i) to advance the interest of the Company by providing members of the PSU/RSU Plan with additional performance incentives which are linked to the success of the Company and the creation of shareholder value, (ii) to encourage the members to remain with the Company, (iii) to attract new executives, and (iv) to reward members of the PSU/RSU Plan for their part in the success of the business.

The PSU/RSU Plan is administered by the Board, which determines the eligibility of individuals to participate under the PSU/RSU Plan, the number of PSUs or RSUs to be issued annually, the vesting period, the performance criteria and the cash pay out value of the PSUs or RSUs. PSUs/RSUs may not be granted for a period longer than 10 years and shall not be transferable or assignable otherwise than by will or the laws of descent and distribution. If a member ceases to be an executive for any reason other than death or retirement, each unvested PSU/RSU will become null and void. If a member ceases to be an executive as a result of death or retirement, each unvested PSU/RSU shall be valued on a pro-rata basis based on performance to the termination date. Additional details of the PSU/RSU Plan are provided above under the heading "Compensation Discussion and Analysis – Long-term Incentives".

Deferred Share Unit Plan

The Company has a Deferred Share Unit Plan for the members of the Board and the executives. Under the plan, each director receiving director's fees may elect to receive all or a percentage of the fees in the form of notional Subordinated Voting shares of the Company called deferred share units ("**DSU**"). The issue price of each DSU is equal to the weighted average share price at which Subordinated Voting Shares of the Company were traded on the TSX during the last five-day period of the quarter prior to the DSU issue. Upon retirement from the Board, a director's DSU is redeemed for cash based on the market price of the shares at the time of redemption. The Board has discretion to issue DSU to certain executives as long-term incentives for the executives. Nil DSUs were issued to the NEOs during the 2021 Financial Year.

Summary Compensation Table

The following table provides information about the compensation earned by the Named Executive Officers for each of the financial years ended April 30, 2019, 2020 and 2021:

Name and principal position	Years Ended April 30	Salary ($)	Share-based awards (1) ($)	Option-based awards (2) ($)	Non-equity annual incentive plans ($)		Pension value (4) ($)	All other comp.(10)	Total compensation ($)
					Annual incentive plans (3)	Long-term incentive plans			
Eric Ehgoetz Director and Chief Executive Officer(5)	2021	236,699	N/A	-	150,000	N/A	N/A	3,841	390,540
	2020	54,277	N/A	16,045	N/A	N/A	N/A	38,000	108,322
	2019	N/A	N/A	7,683	N/A	N/A	N/A	56,150	63,833
Jon Szczur Chief Financial Officer & Secretary(7)	2021	198,172	55,555	N/A	50,000	N/A	4,693	3,201	311,621
	2020	143,082	N/A	N/A	N/A	N/A	N/A	N/A	143,082
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stephen Dean Senior Vice President, Sales and Marketing(7)	2021	194,718	-	N/A	N/A	N/A	2,388	N/A	197,106
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Gols former Chief Operating Officer(8)	2021	355,399	-	-	-	-	1,935	-	357,334
	2020	489,805	55,675	72,099	131,660	-	14,824	-	764,063
	2019	420,661	49,542	75,257	-	-	18,135	-	563,595
David Gerson former Chief Brand Officer(9)	2021	212,237	-	-	-	-	5,848	-	218,085
	2020	327,077	32,095	41,563	-	-	12,797	-	413,532
	2019	322,798	32,585	49,499	-	-	12,912	-	417,794
Dennis Dyke Vice President, Manufacturing & Supply Chain	2021	152,662	43,831	-	40,000	-	3,911	3,841	244,245
	2020	195,493	18,935	24,521	-	-	5,207	4,240	248,396
	2019	195,493	18,935	28,763	-	-	5,021	5,512	253,724

(1) Amounts reported in this column represent the grant date fair values of RSUs and PSUs granted to the NEOs. The value of the RSUs and PSUs granted to the NEOs are based on pre-determined percentage of their base salary, as adjusted by the RSU and PSU Value Adjustment Factor (see previous discussion on LTIP under "Executive Compensation – Compensation Discussion and Analysis – Long Term Incentives"). PSUs have a long-term performance factor that determines if the PSUs vest or not over their three-year vesting period. The grant date fair value of the PSUs assumes that the long-term performance factor is satisfied and 100% of the PSUs granted have vested. RSUs vest over a three-year period. The grant date fair value assumes that the RSUs granted have vested. For the 2021 Financial Year, Mr. Szczur was granted 63,131 RSUs and 63,131 PSUs having an aggregate grant date fair value of $55,555 (calculated by multiplying the number of RSUs and PSUs granted by the closing price of the Subordinated Voting Shares on the TSX on the grant date (July 7, 2020) of $0.44). For the 2021 Financial Year, Mr. Dyke was granted 49,808 RSUs and 49,808 PSUs having an aggregate grant date fair value of $43,831 (calculated by multiplying the number of RSUs and PSUs granted by the closing price of the Subordinated Voting Shares on the TSX on the grant date (July 7, 2020) of $0.44). At the end of the 2021 Financial Year, the total accounting fair value of the RSUs and PSUs issued to the NEOs determined in accordance with IFRS2 "Shared-based Payment" was $24,506 (2020 - $13,346) and Nil (2020 – N/A), respectively. The difference in the value of the RSUs is because the accounting fair value of the RSUs is measured as the number of RSU multiplied by the market price of the Subordinated Voting Shares at the end of a reporting period amortized over the three-year vesting period. For PSUs, failure to achieve the performance criterion resulted in a Nil valuation. Mr. Gols and Mr. Gerson resigned from the Company during the 2021 Financial Year, forfeiting any RSUs and PSUs issued to them which were not vested (including all RSUs and PSUs granted to Mr. Gols and Mr. Gerson during the 2021 Financial Year). For

the 2021 Financial Year, prior to the forfeiture and cancellation of the unvested RSUs and PSUs granted to Mr. Gols and Mr. Gerson upon each of their respective resignations from the Company, Mr. Gols was granted 215,357 RSUs and 215,357 PSUs having an aggregate grant date fair value of $189,514 (calculated by multiplying the number of RSUs and PSUs granted by the closing price of the Subordinated Voting Shares on the TSX on the grant date (July 7, 2020) of $0.44) and Mr. Gerson was granted 87,937 RSUs and 87,937 PSUs having an aggregate grant date fair value of $77,385 (calculated by multiplying the number of RSUs and PSUs granted by the closing price of the Subordinated Voting Shares on the TSX on the grant date (July 7, 2020) of $0.44). As Mr. Ehgoetz is not participant of the RSU Plan or PSU Plan, he did not receive any RSU or PSU grants during the 2021 Financial Year as part of his compensation. Mr. Dean did not receive any RSU or PSU grants during the 2021 Financial Year as part of his compensation.

(2) Amounts reported in this column represent the grant date fair values of Share Options with share appreciation rights the Board awarded to the NEOs. During the Financial Year 2021, the Board approved a shift toward a more performance based long term incentive program for executives, with less emphasis on Shares Options and more emphasis on RSUs and PSUs. As a result, nil Share Options were granted to NEOs during the 2021 Financial Year.

The amount reported for Mr. Ehgoetz for the 2021 Financial Year was 7,500, as a director of the Company. The grant date fair value of the 7,500 Shares Options was $3,554, an estimate based on the Black-Scholes-Merton option pricing model with volatility rate of 56.66%, dividend yield of 0% and interest rate of 0.39%. At the end of the 2021 Financial Year, the accounting fair value of the update Share Options was $2,747, which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 62.28%, dividend yield of 0% and interest rate of 1.19% amortized over the vesting period. The amount reported for Mr. Ehgoetz for the 2020 Financial Year represent 7,500 Share Options granted to him during the period when he was a Director and a further 50,000 Share Options granted in accordance with his employment agreement as CEO of the Company. The grant date fair value of the 7,500 Shares Options was $2,507, an estimate based on the Black-Scholes-Merton option pricing model with volatility rate of 49.93%, dividend yield of 0% and interest rate of 0.36%. The grant date fair value of the 50,000 Shares Options was $13,538, an estimate based on the Black-Scholes-Merton option pricing model with volatility rate of 63.35%, dividend yield of 0% and interest rate of 0.20%. At the end of the 2020 Financial Year, the accounting fair value of the 50,000 Share Options was $6,943, which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 67.80%, dividend yield of 0% and interest rate of 0.20% amortized over the vesting period. Similarly, the accounting fair value of the 7,500 Share Options was $1,409, which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 51.77%, dividend yield of 0% and interest rate of 0.47% amortized over the vesting period.

Nil Share Options were granted to Mr. Gols for the 2021 Financial Year. The amount reported for Mr. Gols for the 2020 Financial Year was 138,699 (2019 – 192,904) Share Options granted. The grant date fair value for the 2020 Financial Year of $72,099(2019 - $75,257) was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 44.4% (2019 – 45.5%), dividend yield of 0% (2019 - 0%) and interest rate of 2.28% (2019 – 2.85%). At the end of the 2020 Financial Year, the accounting fair value was $14,607 (2019 - $74,589), which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 45.5% (2019 – 45.5%), dividend yield of 0% (2019 – 0%) and interest rate of 0.38% (2019 – 2.26%) amortized over the vesting periods. Mr. Gols resigned from the Company during the 2021 Financial Year, forfeiting any Share Options issued to him which were not vested or not in the money.

Nil Share Options were granted to Mr. Gerson for the 2021 Financial Year. The amount reported for Mr. Gerson for the 2020 Financial Year was the grant date fair value of 79,956(2019 – 61,105) Share Options granted. The grant date fair value for the 2020 Financial Year of $41,563 (2019 - $49,499) was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 44.4% (2019 – 45.5%), dividend yield of 0% (2019 – 0%) and interest rate of 2.28% (2019 – 2.85%). At the end of the 2020 Financial Year, the accounting fair value was $8,421 (2019 - $49,059), which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 54.57% (2019 – 45.5%), dividend yield of 0% (2019 – 0%) and interest rate of 0.38% (2019 – 2.26%) amortized over the vesting periods. Mr. Gerson resigned from the Company during the 2021 Financial Year, forfeiting any Share Options issued to him which were not vested or not in the money.

Nil Share Options were granted to Mr. Dyke for the 2021 Financial Year. The amount reported for Mr. Dyke for the 2020 Financial Year was 47,171 (2019 – 35,508) Share Options granted. The grant date fair value for the 2020 Financial Year of $24,521(2019 - $28,763) was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 44.4% (2019 – 45.5%), dividend yield of 0% (2019 – 0%) and interest rate of 2.28% (2019 – 2.85%). At the end of the 2020 Financial Year, the accounting fair value was $4,968 (2019 - $28,508), which was estimated based on the Black-Scholes-Merton option pricing model with volatility rate of 54.57% (2019 – 45.5%), dividend yield of 0% (2019 –0%) and interest rate of 0.38% (2019 – 2.26%) amortized over the vesting periods.

Nil Share Option have been granted to Mr. Deans for each of the 2021 Financial Year, 2020 Financial Year and 2019 Financial Year.

The Company selected the Black-Scholes-Merton model for valuing Share Options given its prevalence of use within North America.

(3) Amount reported in this column represents annual cash bonus payable under the short-term incentive plan and retention bonuses payable to NEOs for the applicable Financial Year. Cash bonuses of $240,000 accrued during the 2021 Financial Year (2020 - $131,660). See "Executive Compensation – Compensation Discussion and Analysis – Short term Incentives".

(4) Amount reported in this column represents the Company's contribution to the defined contribution pension plan for the NEOs.

(5) Prior to his appointment as CEO of the Company, Mr. Ehgoetz was a non-executive director of the Company and Chair of the Audit Committee. Mr. Ehgoetz was appointed CEO of the Company beginning March 5, 2020, with annual base salary of $325,000 and 50,000 Share Options granted to him in accordance with his employment agreement with the Company. The figure reported under the column "All Other Compensation" for 2020 Financial Year and 2019 Financial Year represents the amount paid to Mr. Ehgoetz as a director of the Company prior to his appointment as CEO on March 5, 2020. As at the end of the 2020 Financial Year, $54,277 was paid to Mr.

Ehgoetz in his role as CEO of the Company. While Mr. Ehgoetz continues to serve as a director of the Company following his appointment as CEO of the Company, Mr. Ehgoetz ceased receiving director fees following such appointment.

(6) Mr. Szczur joined the Company as interim CFO replacing Mr. Aziz Hirji, who resigned January 10, 2020. Mr. Szczur was fully appointed as CFO of the Company effective July 6, 2020, with annual base salary of $240,000. During the period that Mr. Szczur acted as interim CFO of the Company, he had a contractual relationship with the Company through a third-party recruiting agency. The amount stated in the table also includes total payments made to that agency.

(7) Mr. Dean was promoted to Senior Vice President, Sales and Distribution, to lead both the Canadian and U.S. Sales teams, effective October 2, 2020. Mr. Dean previously served the Company as Vice President, Distribution.

(8) Mr. Gols' base salary for 2021 Financial Year to the date of his resignation on January 29, 2021, was U.S.$268,892 (2020 – U.S.$366,538, 2019 – U.S.$308,462). Effective, November 15, 2019, Mr. Gols, previously the Chief Commercial Officer, became the Chief Operating Officer with an annual base salary of U.S.$400,000. The amount reported in the table was the amount Mr. Gols earned during the 2021 Financial Year translated to Canadian dollars at U.S.$1.00 = $1.32 (2020 - U.S.$1.00 = $1.34, 2019 - U.S.$1.00 = $1.32). In 2021, Mr. Gols was paid a bonus of Nil (2020 - U.S. $100,000).

(9) Mr. Gerson joined the Company as Vice President, Marketing on October 16, 2017. Mr. Gerson's base salary for 2021 Financial Year to the date of his resignation on February 23, 2021 was U.S.$160,628 (2020 – U.S.$245,000, 2019 – U.S.$245,000). The amount reported in the table was the amount Mr. Gerson earned during the 2021 Financial Year translated to Canadian dollars at U.S.$1.00 = $1.32 (2020 - U.S.$1.00 = $1.34, 2019 - U.S.$1.00 = $1.32).

(10) For the 2021 Financial Year, this field captures other fringe benefits such as dental care, and director's fees paid to Mr. Ehgoetz for 2020 and 2019 Financial Years in respect of his role as a non-executive director of the Company.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table summarizes all option-based awards and share-based awards outstanding at the end of the 2021 Financial Year for each NEO:

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options** [(3)]	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)** [(1)]	**Number of shares or units of shares that have not vested** [(4)]	**Market or payout value of share-based awards that have not vested ($)** [(2)]	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Eric Ehgoetz [(6)] Director and Chief Executive Officer	7,500	4.02	December 16, 2021	-	-	-	-
	7,500	3.41	December 14, 2022	-			
	7,500	1.37	December 21, 2023	-			
	7,500	0.78	March 16, 2025	150			
	50,000	0.78	March 16, 2022	1,000			
	7,500	0.99	December 18, 2025	-			
Jon Szczur Chief Financial Officer & Secretary	-	-	N/A	-	63,131 RSUs 63,131 PSUs	$50,505	-
Stephen Dean[(5)], Senior Vice President, Sales and Distribution	-	-	N/A	-	-	-	-
Dennis Dyke Vice President, Manufacturing & Supply Chain	47,171	1.37	July 10, 2024	-	77,846 RSUs 49,808 PSUs	$62,277	-
	35,508	1.82	July 6, 2023	-			
	17,466	3.70	July 4, 2022	-			
	16,878	3.02	July 8, 2021	-			

(1) Value is determined based on the closing price of the Subordinated Voting Shares on the TSX on April 30, 2021, being $0.80. These Share Options have not been and may never be exercised. Actual gains, if any, on exercise will depend on the value of the Subordinated Voting Shares on the date of exercise.

(2) Represents the aggregate value of the RSUs and PSUs issued to Mr. Szczur and Mr. Dyke based on the closing share price of the Subordinated Voting Shares on the TSX on April 30, 2021, being $0.80, multiplied by the number of RSUs and PSUs, as applicable. PSUs have been calculated using a long term performance factor of 100%. 12,041 RSUs held by Mr. Dyke will vest on July 6, 2021. 15,997 RSUs held by Mr. Dyke will vest on July 10, 2022. An aggregate of 112,939 RSUs held by Mr. Szczur (63,131 RSUs) and Mr. Dyke (49,808 RSUs) will vest on July 7, 2023. An aggregate of 112,939 PSUs held by Mr. Szczur (63,131 PSUs) and Mr. Dyke (49,808 PSUs) will vest on July 7, 2023.Actual amounts will vary depending on the performance of the Company to such dates. See "*Executive Compensation – Compensation Discussion and Analysis – Long-term Incentives*" for the applicable terms of such awards. See below "*Incentive Plan Awards – Value Vested or Earned During the Year Ended April 30, 2021*"

(3) If a NEO ceases to be an employee for any reason whatsoever other than death, each Share Option held by the NEO will cease to be exercisable 30 days after the termination date. If any portion of a Share Option is not vested by the termination date, that portion of the Share Option may not under any circumstances be exercised by the NEO.

(4) If a NEO ceases to be an employee for any reason whatsoever other than death, each unvested PSU/RSU held by the NEO will become null and void at the termination date.

(5) As at the end of the 2021 Financial Year Mr. Dean has not been granted any Share Options, RSUs nor PSUs.

(6) Mr. Ehgoetz was granted 50,000 Share Options in the 2020 Financial Year as an incentive on assuming the role of CEO of the Company. 7,500 Share Options were granted to Mr. Ehgoetz for the 2021 Financial Year in respect of his role as a director of the Company.

(7) Option-based awards and share-based awards for Mr. Gols and Mr. Gerson were excluded from the table as they both resigned before the end of the 2021 Financial Year.

Incentive Plan Awards – Value Vested or Earned During the Year Ended April 30, 2021

Name	Option-based awards Value vested during the year (1) ($)	Share-based awards Value vested during the year (2) ($)	Non-equity incentive plan compensation Value earned during the year (3) ($)
Eric Ehgoetz Director and Chief Executive Officer	-	-	150,000
Jon Szczur Chief Financial Officer & Secretary	-	-	50,000
Stephen Dean Senior Vice President, Sales and Distribution	-	-	-
Dennis Dyke Vice President, Manufacturing & Supply Chain	-	$2,606	40,000
John Gols(4) Former Chief Operating Officer	-	$4,389	-
David Gerson(4) Former Chief Brand Officer	-	$27,119	-

(1) During the 2021 Financial Year, an aggregate of 32,466 Shares Options vested, however not-in-the-money, as follows: Mr. Ehgoetz had 15,000 Share Options vested and Mr. Dyke had 17,466 Share Options vested. Mr. Szczur and Mr. Dean have not yet been granted any Shares Options. Before the end of the 2021 Financial Year, Mr. Gols with 61,279 vested, but not-in the money, Share Options and Mr. Gerson with 31,399 vested, but not-in the money, Share Options, resigned from the Company and such vested Share Options were forfeited and cancelled. As of the end of the 2021 Financial Year, there are an aggregate of 82,679 unvested Share Options attributed to NEOs which remain outstanding.

(2) During the 2021 Financial Year an aggregate of 42,947 RSUs vested, of which Mr. Gols had 9,881 RSUs (2020 - 10,898 RSUs), Mr. Gerson had 27,143 RSUs (2020 – Nil RSUs), Mr. Dyke had 5,923 RSUs (2020 – 5,724 RSUs). Value calculated as the number of RSUs multiplied by the closing price of the Subordinated Voting Shares on the TSX on the vesting date. Nil PSUs vested during the 2021 Financial Year.

(3) Amount reported in this column represents annual cash bonus payable under the short-term incentive plan and retention bonuses payable to NEOs for the 2021 Financial Year. Cash retention bonuses of $240,000 accrued during the 2021 Financial Year (2020 - $131,660). See "Executive Compensation – Compensation Discussion and Analysis – Short term Incentives".

(4) During the 2021 Financial Year, Mr. Gols and Mr. Gerson resigned from the Company. Share Options which were not vested and those vested but not-in-the-money were forfeited and cancelled. Similarly, all unvested RSUs and PSU were forfeited and cancelled.

Defined Contribution Pension Plan:

Name	Accumulated value at start of year ($)	Compensatory ($) (1)	Accumulated value at end of year ($)
Eric Ehgoetz Director and Chief Executive Officer	N/A	N/A	N/A
Jon Szczur Chief Financial Officer & Secretary	-	4,693	12,693
Stephen Dean Senior Vice President, Sales and Distribution	11,676	13,915	68,318
John Gols (2) Former Chief Operating Officer	208,371	39,494	304,739
David Gerson (2) Former Chief Brand Officer	64,985	0	0
Dennis Dyke Vice President, Manufacturing & Supply Chain	289,912	3,911	363,501

(1) Compensatory represents employer contributions.

(2) Amounts for Mr. Gols and Mr. Gerson are paid in U.S. dollars but have been reported in Canadian dollars at exchange rate of U.S. $1.00 = $1.3910, U.S. $1.00 = $1.3088 and U.S. $1.00 = $1.2285 for the opening accumulated value, compensatory amounts and the accumulated value at the end of the year, respectively.

Under the Company's defined contribution pension plan, employees may choose to join the plan on the completion of one year of service. An employee contributes 3% of base salary up to each year's maximum pensionable earnings ("**YMPE**") plus 5% of excess earnings over the YMPE. The Company contributes 3% of base salary up to YMPE plus 2.5% of employee's excess earnings over YMPE. The sum of employee and Company's contributions cannot exceed the RSP limit of the year. Normal retirement age under the plan is 65. Plan members may retire early at the age of 55 on the completion of two years of plan membership. For plan members who leave the Company, the combined member and Company account value can be transferred to a Locked-In Retirement Account, a Life Income Fund or to the Registered Pension Plan of the successor employer.

Termination Benefits

The Company has an employment agreement with Mr. Ehgoetz, CEO. If Mr. Ehgoetz agreement is terminated by the Company without cause, the severance payment is 3 months base salary and a continuation of other benefits such as medical and dental for that time period.

The Company has an employment agreement with Mr. Szczur, CFO. If Mr. Szczur agreement is terminated by the Company without cause, the severance payment is 6 months base salary and a continuation of other benefits such as medical and dental for that time period.

The Company has an employment agreement with Mr. Dean, Senior Vice President, Sales and Distribution. Mr. Dean's is a U.S. employee in a State where the "at-will" employment relationship applies. At-will means that an employer can terminate an employee at any time for any reason, except an illegal one, or for no reason without incurring legal liability. Likewise, an employee is free to leave a job at any time for any or no reason with no adverse legal consequences. Therefore, the Company has no severance obligation to Mr. Dean pursuant to his employment agreement with the Company.

The Company has an employment agreement with Mr. Dyke, Vice President, Manufacturing & Supply Chain, but there is no formal termination clause in his agreement.

If the employment of Mr. Ehgoetz or Mr. Szczur were terminated on the last business day of the 2021 Financial Year without cause, they would have been entitled to the estimated incremental payments as follows:

		Eric Ehgoetz		Jon Szczur
Base salary	$	81,250	$	120,000
Short-term incentives				
Long-term incentives				
Pension and other benefits (20%)		16,250		24,000
	$	97,500	$	144,000

None of the employment agreements provide for payment to a NEO at, following or in connection with a change of control of the Company.

Resignations During 2021 Financial Year

During the 2021 Financial Year, two NEOs resigned to pursue other opportunities, namely John Gols and David Gerson. The Company thanks them for their valuable services over the period of their tenure. Any compensation paid on resignation is reflected in the "Summary Compensation Table" and/or footnotes thereof before mentioned.

COMPENSATION OF DIRECTORS

The following table sets out the 2022 Financial Year compensation for non-executive directors:

	Annual retainer(1) ($)	Meeting fees(1) (per meeting attended in person) ($)	Meeting fees (per meeting attended by phone) ($)
Board			
Chair	27,500	1,000	500
Member	17,500	1,000	500
Audit Committee			
Chair	7,500	1,000	500
Member	1,500	1,000	500
Corporate Governance and Nominating Committee			
Chair	5,000	1,000	500
Member	1,500	1,000	500
Human Resources and Compensation Committee			
Chair	5,000	1,000	500
Member	1,500	1,000	500

(1) In response to the economic impact of the COVID-19 pandemic on the Company and the measures the Company applied to its employees, to demonstrate leadership, the Board of Directors approved, effective as of the first quarter of the 2021 Financial Year, a 30% reduction to the annual retainer and meeting fees for all directors. Mr. LaSalle opted to waive the payment of all of the annual retainer and meeting fees payable to him as a director of the Company.

(2) Effective, May 1, 2021, all reductions to the annual retainer and meeting fees were discontinued, other than with respect to Mr. LaSalle, who has agreed to continue to waive the payment of all of the annual retainer and meetings fees payable to him as a director of the Company.

For the 2021 Financial Year, each director, except for Ms. Tidy, was issued 7,500 Share Options, which vested immediately on the grant date. As Ms. Tidy is an employee of Pender, the controlling shareholder of the Company, for the 2021 Financial Year, Ms. Tidy opted to waive the issuance of the Share issuable to her as a director of the Company. During the 2021 Financial Year, a total of 45,000 Share Options were issued to the directors pursuant to this arrangement. These Share Options are valid for 5 years. In the event that a director should leave the Board, all Share Options owned by that director will expire one month after the date of resignation. Directors and committee members are also entitled to reimbursement for out-of-pocket expenses incurred in connection with attending committee meetings or company business.

The Company has a Deferred Share Unit Plan for non-executive members of the Board. Under the plan, each non-executive director may elect to receive all or a percentage of the director's fees in the form of notional Subordinated Voting Shares called DSUs. The issue price of each DSU is equal to the weighted average share price at which the Subordinated Voting Shares trade on the TSX during the last five-day period of the quarter prior to the DSU issue. Upon retirement from the Board, a director's DSUs are redeemed for cash based on the market value of the Subordinated Voting Shares. During the 2021 Financial Year, 24,203 DSUs were redeemed and nil DSUs were issued by the Company. As at the end of the 2021 Financial Year, a total of 33,596 DSUs with fair value of $26,877 were issued and outstanding.

The following table shows all amounts of compensation provided to the non-Executive Directors for the 2021 Financial Year:

Name	Fees earned ($)	Share-based awards ($) (1)	Option-based awards ($) (2)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Bartley Bull(4), (5)	36,838	-	3,554	-	-	-	40,392
Dezsö Horváth(4)	27,650	-	3,554	-	-	-	31,204
Tania Bortolotto(4)	21,350	-	3,554	-	-	-	24,904
David LaSalle(4)	-	-	3,554	-	-	-	3,554
Quentin Kong(4)	20,825	-	3,554	-	-	-	24,379
Tracy Tidy(3)	-	-	-	-	-	-	-

(1) These amounts represent the DSU grant date fair values, which are the same as the cash values of the related director fees. The accounting fair values of the DSUs are measured as the number of DSUs multiplied by the market price of the Company's Subordinated Voting Shares at the end of each accounting period. (The number of DSUs is determined as the grant date fair value divided by the volume weighted average market price of the Company's Subordinated Voting Shares for the last five trading days of the quarter prior to the grant date). During the 2021 Financial Year, nil DSUs were issued.

(2) These amounts represent the grant date fair values of 7,500 Share Options granted to the directors on December 18, 2020 when the share price was $0.99 by using the Black-Scholes-Merton option pricing model valuation with an estimated volatility rate of 56.66%, estimated dividend yield of 0%, interest rate of 0.39% and an option term of 5 years. At the end of the 2021 Financial Year, when the share price was $0.80, the accounting fair values of the 7,500 Share Options reduced to $2,747 as the underlying assumptions changed for the Black-Scholes-Merton option pricing model with volatility rate of 62.28%, dividend yield of 0% and interest rate of 1.19% amortized over the vesting periods.

(3) Ms. Tidy was appointed to the Board on December 9, 2020, following the Transaction, pursuant to which Pender became the controlling shareholder of the Company. As Ms. Tidy is an employee of Pender, the controlling shareholder of the Company, for the 2021 Financial Year, Ms. Tidy opted to waive all of her annual retainer and meeting fees payable to her , and the issuance of the Share Option issuable to her, as a director of the Company.

(4) In response to the economic impact of the COVID-19 pandemic on the Company and the measures the Company applied to its employees, effective as of the first quarter of the 2021 Financial Year, the Board of Director waived 30% of meeting and retainer fees payable to the directors of the Company. Mr. LaSalle opted to waive the payment of all of the annual retainer and meeting fees payable to him as a director of the Company. Effective, May 1, 2021, all reductions to the annual retainer and meeting fees were discontinued, other than with respect to Mr. LaSalle, who has agreed to continue to waive the payment of all of the annual retainer and meetings fees payable to him as a director of the Company.

(5) During the 2021 Financial Year, an ad hoc committee of the Board was formed., and was comprised of Mr. Bull, Mr. Horváth, Mr. LaSalle and Ms. Tidy. Mr. Bull opted to waive the payment of all meeting fees payable to him as a member of an ad hoc committee of the Board that was constituted during the 2021 Financial Year. During the year there were nine meetings held by this ad hoc committee. Mr. Horváth is the only member of the ad hoc committee that received fees for his attendance at meetings of the ad hoc committee.

Outstanding Option-based Awards and Share-based Awards

The following table summarizes for each non-executive director all option-based awards and share-based awards outstanding at the end of the 2021 Financial Year:

	Option-based Awards				Share-based Awards		
Name [2]	**Number of securities underlying unexercised options**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)** [1]	**Number of shares or units of shares that have not vested**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**[3]
Bartley Bull	7,500	4.02	December 16, 2021	-	-	-	-
	7,500	3.41	December 14, 2022	-			
	7,500	1.37	December 21, 2023	-			
	7,500	0.78	March 16, 2025	150			
	7,500	0.99	December 18, 2025	-			
Dezsö Horváth	7,500	4.02	December 16, 2021	-	-	-	26,877
	7,500	3.41	December 14, 2022	-			
	7,500	1.37	December 21, 2023	-			
	7,500	0.78	March 16, 2025	150			
	7,500	0.99	December 18, 2025	-			
David LaSalle	7,500	1.37	December 21, 2023	-	-	-	-
	7,500	0.78	March 16, 2025	150			
	7,500	0.99	December 18, 2015	-			
Tania Bortolotto	7,500	1.37	December 21, 2023	-	-	-	-
	7,500	0.78	March 16, 2025	150			
	7,500	0.99	December 18, 2025	-			
Quentin Kong	7,500	0.78	March 16, 2025	-	-	-	-
	7,500	0.99	December 18, 2025	150			
Tracy Tidy	-	-	-	-	-	-	-

(1) Value is determined based on the closing price of the Subordinated Voting Shares on the TSX on April 30, 2021, being $0.80. These Share Options have not been and may never be exercised. Actual gains, if any, on exercise will depend on the value of the Subordinated Voting Shares on the date of exercise. As at the end of the Financial Year 2021, there was an aggregate of 37,500 vested and in-the money Share Options.

(2) Share Options granted to Mr. Ehgoetz, director and CEO of Inscape Corporation, are disclosed under "Executive Compensation – Summary Compensation Table".

(3) Mr. Horváth held 33,596 DSUs as at April 30, 2021. DSUs are settled when a director retires from the Board. The value is determined by the number of DSUs multiplied by the closing price of the Subordinated Voting Shares on the TSX on April 30, 2021, being $0.80.

Option-based Awards and Share-based Awards Vested during the Year

The following table summarizes for each non-executive director all option-based awards and share-based awards that vested during the 2021 Financial Year:

Name	Option-based awards Value vested during the year(1) ($)	Share-based awards Value vested during the year ($)	Non-equity incentive plan compensation Value earned during the year ($)
Bartley Bull (2)	150	-	-
Dezsö Horváth (2)	150	-	-
David LaSalle	150	-	-
Tania Bortolotto	150	-	-
Quentin Kong	150	-	-
Tracy Tidy	-	-	-

(1) An aggregate of 95,000 Share Options held by non-executive directors with tandem share appreciation rights vested during the 2021 Financial Year. As at the end of the 2021 Financial Year, there was an aggregate of 37,500 vested and in-the money Share Options held by non-executive directors with an exercise price of $0.78. As at the end of the 2021 Financial Year, there was an aggregate of 57,500 vested, but not in-the-money Share Options held by non-executive directors, with an weighed average exercise price of $1.48. The closing price of the Subordinated Voting Shares on the TSX as at the date of vesting, being November 18, 2020, was $0.95. The closing price of the Subordinated Voting Shares on the TSX as at the end of the 2021 Financial Year, being April 30, 2021, was $0.80.

(2) As a consequence of the acquisition of control by Pender on October 30, 2020, all Share Options held by non-executive directors prior to this date became fully vested. As at April 30, 2021, there were an aggregate of 97,500 Share Options vested and not-in-the-money held by non-executive directors as follows: Mr. Bull, 30,000 Share Options (2020 – 5,000 Share Options); Mr. Horváth, 30,000 Share Options (2020 – 5,000 Share Options); Mr. LaSalle, 15,000 Share Options (2020 – Nil); Ms. Bortolotto, 15,000 Share Options (2020 – Nil); and Mr. Kong 7,500 Share Options (2020 – Nil).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information pertaining to securities authorized for issuance by the Company under equity compensation plans as at April 30, 2021:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	421,839(1)	$1.75	1,078,161 Share Options
There are no equity compensation plans not approved by security holders.			

(1) Reflects Share Options outstanding to acquire Subordinated Voting Shares under the Share Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, or former directors or executive officers, nor any associate of such individuals, is as at the date hereof, or has been, during the 2021 Financial Year, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

The Company has a Directors & Officers insurance policy in place, which provides coverage on directors and executive officers' risks. The amount of insurance coverage is $15 million, and the premium paid in the 2021 Financial Year was $38,300.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the best of the knowledge of the directors and executive officers of the Company, no "informed person" of the Company, as such term is defined in the National Instrument 51-102 - *Continuous Disclosure Obligations*, or any proposed director of the Company or any of their associates or affiliates had any material interest, direct or indirect, in any transaction since the commencement of the 2021 Financial Year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed in this Circular.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators address matters relating to constitution and independence of directors, the functions of corporate boards and committees, and the effectiveness and education of directors. Following is the Company's governance practices disclosure required by Form 58-101F1.

Board of Directors

As at the end of the 2021 Financial Year, the Board consisted of seven directors; five of the seven directors were independent directors as defined in Multilateral Instrument 52-110 - *Audit Committees*. Mr. Ehgoetz, who is the current CEO of the Company and Ms. Tidy, who is an employee of Pender, a control person of the Company , are not independent directors.

Mr. Bull, Mr. Horváth, Mr. LaSalle, Mr. Kong, and Ms. Bortolotto are considered independent directors.

At the Meeting, shareholders will be asked to elect seven directors. Five nominees, being Mr. Bull, Mr. Horváth, Ms. Bortolotto, Mr. LaSalle and Mr. Kong are considered to be independent directors. As noted above, Mr. Ehgoetz and Ms. Tidy are considered to be non-independent directors on the basis that Mr. Ehgoetz is an executive officer of the Company and Ms. Tidy is an employee of Pender, a control person of the Company.

Mr. Bull is the Chair of the Board, and is considered an independent director. The Chair is primarily responsible for facilitating highly effective performance by the Board. In discharging his/her responsibility, the Chair will, from time to time, (i) provide leadership to the Board on specific issues, (ii) assist the Board in performing its duties and meeting its obligations, including the duties and obligations of the Board specified in the mandate of the Board relating to strategic planning, (iii) act as the spokesperson for the Board, (iv) act as an intermediary between the Board and the CEO, and (v) provide advice and counsel to the CEO.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, other than in camera sessions held at each regularly scheduled Board meeting. Whenever it is deemed appropriate, the non-independent directors and members of management are asked to abstain from parts of the meetings to facilitate open and candid discussion among the independent directors.

Independent directors' have unrestricted access to all members of management and to the auditor of the Company in order to ensure that the directors can fulfill their obligations to shareholders. The Board is assisted and advised by the Audit Committee, the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, and the Special Committee. The following table sets out the members of the committees and their independence as at July 29, 2021:

	Audit Committee	**Independence (Yes) (No)**
Chair	Bartley Bull	Yes
Member	Dezsö Horváth	Yes
Member	David LaSalle	Yes
	Corporate Governance and Nominating Committee	
Chair	Dezsö Horváth	Yes
Member	Bartley Bull	Yes
Member	David LaSalle	Yes
	Human Resources and Compensation Committee	
Chair	Tania Bortolotto	Yes
Member	Quentin Kong	Yes
Member	Tracy Tidy	No

The directors attended all the Board meetings and all their respective committee meetings during the 2021 Financial Year, as outlined below:

	Board Meetings		**Audit Committee(1)**		**Corporate Governance and Nominating Committee(1)**		**Human Resources and Compensation Committee(1)**		**Total Meetings**	
	#	%	#	%	#	%	#	%	#	%
Bull Bartley	6/6	100%	4/4	100%	4/4	100%	N/A	N/A	**14/14**	**100%**
Eric Ehgoetz	6/6	100%	4/4	100%	N/A	N/A	N/A	N/A	**10/10**	**100%**
Dezsö Horváth	6/6	100%	4/4	100%	4/4	100%	N/A	N/A	**14/14**	**100%**
David LaSalle	6/6	100%	4/4	100%	4/4	100%	N/A	N/A	**14/14**	**100%**
Tania Bortolotto	6/6	100%	N/A	N/A	N/A	N/A	4/4	100%	**10/10**	**100%**
Quentin Kong(3)	6/6	100%	N/A	N/A	2/2	100%	2/2	100%	**10/10**	**100%**
Tracy Tidy(2)	2/2	100%	N/A	N/A	N/A	N/A	1/1	100%	**3/3**	**100%**

(1) Attendance figures for each committee includes only those directors who served as members of such committees during the 2021 Financial Year. In addition to the meetings held by the Board and each of its standing committees, during the 2021 Financial Year, an ad hoc committee of the Board, comprised of Mr. Bull, Mr. Horváth, Mr. LaSalle and Ms. Tidy, held nine meetings. Each of the members of the ad hoc committee attended all meetings held by such committee.

(2) Ms. Tidy join the Board on December 9, 2020. Attendance reflects meetings held subsequent to her appointment.

(3) Mr. Kong was a member of the Corporate Governance and Nominating Committee for second and third quarters of the 2021 Financial Year.

Board Mandate

The Board has adopted a written mandate, the text of which is set forth in Schedule A hereto. The Board supervises the management of the Company's affairs directly and through its committees. The Board appoints the Company's senior executives and meets with them on a regular basis to receive and consider reports on the Company's affairs. In addition to approving specific corporate actions, the Board reviews and approves the reports issued to Shareholders, including the annual and interim financial statements, as well as materials prepared for Shareholder meetings. Directors contribute to the management of the Company's business through:

- reviewing all major strategic initiatives to ensure that the Company's proposed actions are in line with Shareholder's objectives;
- contributing to succession planning and selection of senior executives;
- assessing management's performance against realistic business plans previously approved by the board of directors and thereafter fairly rewarding performance;
- considering the principal risks facing the Company and the initiatives being taken to manage these risks; and
- safeguarding Shareholders' equity interests, including the approval of treasury share issues, stock option issues, dividends and the optimum utilization of common equity.

Term Limits

The Company has not adopted a policy that would require a director to retire after a fixed period of tenure. It believes that its continual evaluation of the changing skills and experience that are required, together with its performance assessment processes, facilitate appropriate Board renewal. The Corporate Governance and Nominating Committee is responsible for the long-term plan for Board composition, and at this time, believes that any term limit would be arbitrary. The Corporate Governance and Nominating Committee continually assesses potential new candidates, and in developing the long-term plan believes it is important to strike a balance to ensure there are new perspectives added to the Board from time to time, while maintaining the benefits achieved from continuity and directors having in-depth knowledge of each facet of the Company's business.

Diversity

Currently, the Company does not have a policy on the identification and nomination of women on the Board or in senior management, nor has it adopted specific targets with respect to women on the Board or in senior management, as the Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, selection is made based on merit, skills, qualifications, and needs of the Company at the time. However, the Board is mindful of the benefit of diversity in the Company's leadership positions and the need to maximize the effectiveness of the Board and enhance diversity in its decision-making abilities. Accordingly, in searches for new directors or officers, the Board will consider the level of female representation and diversity on the Board and in executive officer positions, and this is just one of several factors that will be used in its search process.

The Company, in conducting searches for new directors or officers, may consider engaging qualified external advisors to conduct searches for candidates that that meet the Board's and/or senior management team's criteria. If such external advisors are engaged, they will be instructed to put forward a diversity of candidates, including female candidates."

As of July 29, 2021, the Board is comprised of 28.6% (2 of 7) women and the executive team is comprised of 20% (1 of 5) women.

Position Descriptions for the Board Chair, Committee Chairs and the CEO

The Board has not developed written position descriptions for the chair of the Board and the chair of each Board committee on the basis that the role of the chair and the chair of each committee is well understood by all directors. However, the Board has approved a written charter for the Board and each Board committee. The chair of the Board and each committee is responsible for fulfilling the mandate and the charter.

The Company has developed a position description for the CEO, which is set forth in Schedule B. The CEO has general responsibility for effective, efficient and prudent management of the Company, subject to the Board's stewardship responsibilities.

Director Orientation and Continuing Education

New directors are provided with comprehensive information about the role of the Board, its committees, its directors, the nature and operation of the Company and the furniture industry. In addition, new members meet with senior management to review the business operations. On an ongoing basis, directors are provided with comprehensive information about the Company and the industry in general. Management also provides and presents specific topical information to the Board from time to time and in response to requests from the Board.

Ethical Business Conduct

The Board has adopted a written code of conduct and ethics for its directors, officers and employees. The code is posted on the Company's website and under its profile on SEDAR at www.sedar.com. The Company has engaged a service provider to operate an employee complaint tool for anonymous and confidential reporting. The Audit Committee reviews reports of employee complaints in its quarterly meetings. The Board has responsibility for monitoring compliance with the code by ensuring all directors, officers and employees receive and become familiar with the code and acknowledge their understanding of the code.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the code and, in particular, the rules regarding disclosing conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Company operates; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Nomination of Directors

The Corporate Governance and Nominating Committee is responsible for reviewing the credentials of nominees for election or appointment to the Board and for recommending candidates for Board membership. The process by which the Board anticipates that it will identify new candidates is through recommendations of the Human Resources and Compensation Committee and Corporate Governance and Nominating Committee whose responsibility it is to develop and recommend to the Board a long-term plan for Board composition, taking into consideration the independence of each director, the competencies and skills the Board should possess and the strategic direction of the Company. The Corporate Governance and Nominating Committee is responsible for developing an adequate process for the orientation of new directors. All of the members of the Corporate Governance and Nominating Committee, and a majority of the members of the Human Resources and Compensation Committee, are independent directors, which is how the Board ensures an objective nomination process.

Compensation

The Company has a standing Human Resources and Compensation Committee, which is responsible for periodically reviewing compensation paid to directors and executive officers. The Human Resources and Compensation Committee ensures that the compensation for directors adequately reflects the responsibilities and risks. In setting salaries for executive officers, the Human Resources and Compensation Committee reviews their performance and contributions to the Company's success, their tenure in the job and competitive industry pay practices. Two of the three members of the Human Resources and Compensation Committee are independent directors. The Human Resources and Compensation Committee reports its findings to the Board.

The Human Resources and Compensation Committee is also responsible for reviewing and reporting to the Board on human resource planning, including succession planning, proposed senior management appointments, the levels and form of executive compensation in general and the compensation of senior executives.

Assessments

The Corporate Governance and Nominating Committee is responsible for assessing the effectiveness of the Board, the committees and the contribution of individual directors. An annual Board effectiveness questionnaire is completed by each director and the results are discussed and reviewed by the Corporate Governance and Nominating Committee.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee assists the Board in shaping the corporate governance of the Company. This includes (i) develop and recommend an approach to corporate governance that optimally supports the Company's strategic priorities; (ii) oversee all aspects of the Company's corporate governance functions on behalf of the Board; (iii) recommend prospective candidates to the Board for nomination to serve as directors and committee members; (iv) recommend re-election of existing directors and (v) propose a process to assess the effectiveness of the Board and monitor its implementation annually. It is the responsibility of the Corporate Governance and Nominating Committee, in consultation with the Chair of the Board, to periodically assess the size and composition of the board and its committees, to review the effectiveness of the Board's operations and its relations with management, to assess the performance of the Board and to review and recommend directors' compensation. All members of this Corporate Governance and Nominating Committee are independent directors.

Audit Committee

Disclosure relating to the Company's Audit Committee pursuant to Multilateral Instrument 52-110 - *Audit Committees* is contained in the Company's Annual Information Form for the 2021 Financial Year, which is available on SEDAR under the Company's profile at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR under the Company's profile at www.sedar.com.

Financial information relating to the Company is provided in the Company's consolidated financial statements and management's discussion and analysis for its 2021 Financial Year, which are available on SEDAR under the Company's profile at www.sedar.com, the Company's website at www.myinscape.com or upon written request to the Chief Financial Officer of the Company at 67 Toll Road, Holland Landing, Ontario, L9N 1H2.

GENERAL

The directors will place before the Meeting their annual report and the consolidated financial statements of the Company for the 2021 Financial Year and the Financial Year ended April 30, 2021 and the report of the auditor to the Shareholders will be presented. Receipt at the Meeting of the annual report of the directors and the Company's financial statements for its completed financial year, together with the report of the auditor, will not constitute approval or disapproval by the Shareholders of any matters referred to therein. **A copy of the current Annual Information Form together with all documentation incorporated therein by reference is available for inspection at the Company's registered office or on SEDAR under the Company's profile at www.sedar.com.**

APPROVAL

The Board of Directors of the Company has authorized the contents of this management information circular and the sending thereof to the Shareholders.

DATED as of July 29, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Jon Szczur"

Chief Financial Officer and Secretary

Schedule A

CHARTER OF THE BOARD OF DIRECTORS
PURPOSE

The Board of Directors ("the **Board**") has the responsibility for the stewardship of Inscape Corporation ("the **Corporation**"). To enable the Board to discharge its duties in a highly effective manner, the Board has established (i) certain requirements relating to the composition and structure of the Board, and Board Committees (the "**Structural Governance Requirements**") and (ii) certain Board and Board Committee practices (the "**Governance Practices**"). The Structural Governance Requirements and the Governance Practices are described in the Statement of "Corporate Governance Principles and Guidelines".

The Board is required to gain and maintain reasonable assurance that the Structural Governance Requirements are met and the Governance Practices are implemented.

MEMBERSHIP

The Board is elected by the shareholders to oversee their interests in the long-term performance and overall success of the Corporation.

AUTHORITY

The approval of the Board's Charter shall be construed as a delegation of authority to the Board with respect to the responsibilities set forth herein. At least annually, the Board shall review and reassess this Charter and recommend any proposed changes. The Board shall have sole authority to amend this Charter.

ROLE OF THE BOARD/RESPONSIBILITIES

The primary responsibilities of the Board are oversight, counseling, and direction to the management of the corporation in the interest and for the benefit of the Corporation. The Board's detailed responsibilities, some of which are conducted through Committees of the Board, include:

(a) Selecting, regularly evaluating the performance of, and approving the compensation of senior executives in the corporation;

(b) Planning for succession of senior executives in the company;

(c) Reviewing and approving the Corporation's major financial objectives, strategic and operating plans and actions; and

(d) Overseeing the processes for maintaining the integrity of the Corporation with regard to its financial statements and other public disclosures, and compliance with law and ethics.

Board of Directors

Structure and Composition

The Board of Directors is currently composed of seven directors. The Board of Directors has established criteria for the selection of new directors, and for the evaluation of current directors, in an effort to foster a diversity of viewpoints and to ensure a depth of business and other valuable experience. There should be no fewer than three and no more than nine directors.

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") suggests that the board of directors of every listed corporation should be constituted with a majority of individuals who qualify as independent directors. An independent director is a director who has no direct or indirect relationship with the issuer which could, in the view of the Board of Directors, be reasonably expected to interfere with the director's independent judgment.

To ensure the independence of the Board in the discharge of its responsibilities, the majority of the committees of the Board are currently comprised of independent directors. The Board also affords the independent directors the opportunity, at every meeting, to meet without management present in sessions chaired by the chair of the Board to discuss any procedural or substantive issues.

POSITION DESCRIPTION

The Chair of the Board's Position Description, Broadly Stated

The Chair of the Board ("**Chair**") of the Corporation is primarily responsible for facilitating highly effective performance by the Board.

In discharging his/her responsibility, the Chair will, from time to time, (i) provide leadership to the Board on specific issues, (ii) assist the Board in performing its duties and meeting its obligations, including the duties and obligations of the Board specified in the mandate of the Board relating to strategic planning, (iii) act as the spokesperson for the Board, (iv) act as an intermediary between the Board and the Chief Executive Officer of the Corporation (the "**CEO**"), and (v) provide advice and counsel to the CEO.

Board Culture

The Chair of the Board will:

a) use reasonable efforts to promote and support a Board culture characterized by

   i. the Board's acceptance of its accountability for the performance of the Corporation;

   ii. the acceptance by each director of his/her responsibility to use his/her best efforts in carrying out his/her duties as a director;

   iii. the Board's insistence on the highest level of integrity and honesty in the actions of the Board and management;

   iv. respect and trust amongst directors;

   v. the open and timely sharing of all relevant information amongst all directors;

   vi. acceptance by all directors of the right of every director to hold and express dissenting opinions;

   vii. a genuine commitment by directors to good governance practices; and

   viii. a willingness on the part of directors to function in a collaborative manner;

Board Composition, Education and Compensation

b) in co-operation with the Corporate Governance and Nominating Committee ("**CG & NC**") of the Board,

   i. assist in the identification of appropriate Board candidates to be nominated for election by the shareholders of the Corporation;

   ii. communicate on behalf of the Board with all proposed nominees for election by the shareholders of the Corporation;

   iii. arrange for management to provide new directors with a comprehensive orientation and education program with respect to the Corporation and its businesses;

   iv. design and implement processes for evaluating the performances of the Board and individual directors;

   v. use reasonable efforts to cause the Board to be made aware on a timely basis of changes in the law and/or best practice respecting the duties of the Board; and

   vi. provide the Board with information and recommendations regarding the amount and nature of directors' compensation.

The Director's Job Description, Broadly Stated

The primary duty of a director of the Corporation is to contribute consistently and meaningfully to the effective performance of the Board.

As required by the *Business Corporations Act* (Ontario), a director must, in discharging his/her duties,

(i) act honestly and in good faith with the best interests of the Corporation; and

(ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Values and Commitment

Each Director must:

a) be demonstrably committed to the success of the Corporation;

b) be demonstrably committed to honesty and integrity in the conduct of the Corporation's affairs;

c) accept accountability, jointly with the rest of the Board, for the performance of the Corporation;

Annual Work Schedule

The Board, in consultation with management of the Corporation, shall develop an annual work schedule responsive to the Board's responsibilities as set out in this Charter. The work schedule must be approved by the Board and will be included in the material provided for each of the Board's meetings.

Meetings

The Board shall meet at least four times annually or more frequently as circumstances dictate and may be held in person or via remote communication. The decisions of the Board shall be determined by a simple majority of votes cast by members present and eligible to vote. The presence in person or by telephone of a majority of the Board's members shall constitute a quorum for any meeting of the Board. All actions of the Board will require:

(i) the vote of a majority of the members present at a meeting of the Board at which a quorum is present; or

(ii) unanimous written consent of the members of the Board then serving. The Board may establish rules and procedures for the conduct of its meetings that are consistent with this Charter.

Minutes of each meeting will be kept and distributed to each member of the Board, and the Secretary of the Corporation, and shall be placed in the Corporation's minute book.

Reporting

The chair of the CG & NC shall report on the proceedings at each Board meeting at the next-following regularly scheduled meeting of the Board. However, in urgent situations, the chair of the Board should be informed immediately. The chair of the Board will decide on the need for a meeting of the full Board.

Schedule B

Role of the Chief Executive Officer

The primary purpose of the CEO is to build long-term growth in shareholder value by developing and implementing a vision and strategic plan with the corporation. The CEO leads management in developing the basic objective policies and operating plans of the business, as well as developing and recommending a concise business plan to the Board which includes annual operating and capital expenditure budgets that supports the Corporation's long-term strategies. The CEO reports to the Board and has the vice presidents, presidents, C-Suite members and general managers as direct reports.
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Primary tasks and responsibilities:

- Develop with management, recommend and obtain Board approval; subsequently implementing a vision, 3-year strategic plan and 1 year operational for the Corporation.
- Lead management in developing the basic objectives, policies and operating plans (strategic & current) of the business.
- Create an effective and efficient organization that is capable of meeting the Corporation's objectives; ensuring that corporate policies are understood and are properly interpreted and administered by the organization.
- Plan for the development of Human Resources within the organization and maintain programs, including talent management and succession planning which encourage successful future management of the business.
- Develop, recommend to the Board and ensure the implementation of a concise business plan which includes annual operating and capital expenditure budgets that support the Corporation's long-term strategy, and regularly report on the financial performance relative to objectives.
- Analyze and negotiate major acquisitions, mergers and divestitures.
- Recommend the use of partners, joint ventures and other strategic alliances, where appropriate, to expand the capabilities of the Corporation.
- Cultivate a corporate culture that thrives in continuous and rapid change, and is flexible, dynamic, lean, market-driven, promotes ethical practices and encourages individual integrity.
- Ensure the short and long-term adequacy and soundness of the Corporation's financial structure and risk management.
- Ensure the Corporation is represented and communicated appropriately to all affected groups, including the organization, the Board, clients, the investment community, the industry and the public.