

**CALIAN GROUP LTD.**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders of CALIAN GROUP LTD. (the “Corporation”) will be held on Friday, February 11, 2022 at 10:00 a.m. (Eastern Time), at the TMX Market Centre at 120 Adelaide St. W., Ground Floor, Toronto, Ontario M5H 1P9 (the “Meeting”), for the following purposes:

- a) to receive the financial statements of the Corporation for the financial year ended September 30, 2021, together with the report of the auditors of the Corporation thereon;
- b) to elect the directors of the Corporation, as more fully described in the section of the Corporation’s management information circular for the Meeting (the “Circular”) entitled “Election of Directors”;
- c) to appoint the auditors of the Corporation and to authorize the directors of the Corporation to fix the auditors’ remuneration, as more fully described in the section of the Circular entitled “Appointment of Auditors”; and
- d) to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

**Meeting attendance is subject to all laws, regulations and public health measures applicable to indoor public gatherings as of February 11, 2022, including capacity limits, proof of vaccination requirements and mask mandates. Advanced voting is recommended due to unpredictability of restrictions caused by the COVID-19 pandemic.**

The Corporation is sending proxy-related materials to registered and non-registered shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online.

The Circular, this Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2021 and the management’s discussion and analysis relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com). Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation, at the toll-free number 1-877-225-4264. In order for shareholders to receive paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended to contact the Corporation, at the number above as soon as possible but not later than January 27, 2022.

If you are a registered shareholder a form of proxy is enclosed. A copy of the proxy is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com). If you are a non-registered shareholder a voting instruction form is enclosed.

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable.

In order for a registered shareholder to be represented by proxy at the Meeting, the shareholder must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by TSX Trust Company at Proxy Department, PO Box 721, Agincourt, ON M1S 0A1, not later than 10:00 a.m. (Eastern Time) on Wednesday, February 9, 2022 or may be accepted by the Chair of the Meeting prior to the commencement of the Meeting. The Form of Proxy also provides details on how you may submit your proxy by telephone or internet.

Non-registered shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

**DATED** at Kanata, Ontario this 14th of December, 2021.

BY ORDER OF THE BOARD OF DIRECTORS



Patrick Houston, Secretary

**CALIAN GROUP LTD.  
MANAGEMENT PROXY CIRCULAR  
December 14, 2021**

**SOLICITATION OF PROXIES**

**This Management Proxy Circular (this “Circular”) is furnished in connection with the solicitation by the management of CALIAN GROUP LTD. (the “Corporation”) of proxies to be used at the annual meeting of shareholders of the Corporation to be held on Friday, February 11, 2022 at 10:00 a.m. (Eastern Time), at the TMX Market Centre at 120 Adelaide St. W., Ground Floor, Toronto, Ontario M5H 1P9, for the purposes set forth in the enclosed notice of meeting or any adjournment thereof (the “Meeting”).** It is expected that the solicitation will be primarily by mail, but officers, employees or agents of the Corporation may also solicit proxies personally, at nominal cost and without additional compensation. The cost of solicitation by management will be borne by the Corporation. Except as otherwise stated, the information contained in this Circular is given as of December 14, 2021. All dollar amounts in this Circular are in Canadian dollars unless otherwise indicated.

**APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES**

A vote at all meetings of shareholders of the Corporation may be given in person or by proxy, whether or not the proxy holder is a shareholder. The persons named in the Form of Proxy enclosed with this Circular are officers of the Corporation. **Each registered shareholder is entitled to appoint a person other than the individuals named in the Form of Proxy to represent such shareholder at the Meeting. A registered shareholder desiring to appoint some other person to represent that shareholder at the Meeting may do so either by inserting such person’s name in the blank space provided in the appropriate Form of Proxy or by completing another proper Form of Proxy.**

Completed Forms of Proxy must be delivered to the Corporation’s transfer agent, TSX Trust Company, at Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, in the addressed envelope enclosed or by fax to 1-866-781-3111, or by email to proxyvote@astfinancial.com or to the Secretary of the Corporation no later than 10:00 a.m. (Eastern Time) on Wednesday, February 9, 2022.

The officers named in the Form of Proxy will vote for, against or withhold from voting the common shares in the capital of the Corporation (the “Common Shares”) for which they are appointed proxy holders (including on any ballot that may be called for) in accordance with the instructions of the shareholder appointing them. If a shareholder appoints some person other than the officers named in the Form of Proxy to represent the shareholder, such person will vote the Common Shares in respect of which that person is appointed proxy holder in accordance with the direction of the shareholder who appointed that person. In the absence of such direction, that person may vote such shares at that person’s discretion. It is the responsibility of the shareholder appointing any other person to represent such shareholder to inform that person that that person has been so appointed. **In the absence of such instructions, such Common Shares will be voted FOR all matters scheduled to come before the meeting.**

The Form of Proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters, which may properly come before the Meeting. At the date hereof, management of the Corporation is not aware of any other matters to come before the Meeting. Any amendment, variation or other matter, which is not known to management, which may properly come before the Meeting, will be voted upon by the proxies hereby solicited in accordance with the best judgment of the person or persons voting such proxies.

Pursuant to Section 148(4) of the *Canada Business Corporations Act* (the “CBCA”), a proxy given pursuant to this solicitation may be revoked (1) by instrument in writing, executed by the shareholder or by the shareholder’s attorney authorized in writing and deposited (a) at the registered office of the Corporation at 770 Palladium Drive, suite 400, Ottawa, Ontario, K2V 1C8 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 (b) prior to voting with the chair of the Meeting on the day of the Meeting, or any adjournment thereof or (3) in any other manner permitted by law.

Only registered holders of Common Shares, or the persons that they appoint as proxies, are permitted to attend and vote at the Meeting. In many cases, however, Common Shares are beneficially owned by a shareholder (a “Non-Registered Holder”) and are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, 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 (“CDS”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. If you are a Non-Registered Holder, your name and address will appear on the voting instruction form sent to you by the Corporation’s transfer agent, TSX Trust Company, or by an Intermediary (bank, broker or trust company). A Non-Registered Holder may vote or appoint a proxy by mail, phone, fax or on the Internet, as applicable, in accordance with the voting instruction form. TSX Trust Company (Canada) or your Intermediary, as applicable, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set out in the voting instruction form.

**IF YOU HOLD YOUR COMMON SHARES THROUGH A BROKERAGE ACCOUNT OR OTHER INTERMEDIARY YOU ARE A NON-REGISTERED HOLDER. NON-REGISTERED HOLDERS SHOULD CAREFULLY FOLLOW THE INSTRUCTIONS IN THE VOTING INSTRUCTION FORM, INCLUDING THOSE REGARDING WHEN AND WHERE THE VOTING INSTRUCTIONS FORM IS TO BE DELIVERED. IF YOU OR A PERSON YOU DESIGNATE PLAN TO ATTEND THE MEETING AND VOTE YOU MUST APPOINT YOURSELF OR THAT PERSON AS PROXY USING THE VOTING INSTRUCTION FORM.**

A Non-Registered Holder may revoke a voting instruction form previously given to an Intermediary by providing written notice to your Intermediary following the instructions on the voting instruction form. To ensure that an Intermediary, as applicable, acts upon a revocation of a voting instruction form, the written notice should be received well in advance of the Meeting.

These security holder materials are being provided to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has provided these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to provide these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) providing these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## NOTICE AND ACCESS

The Corporation is sending proxy-related materials to all shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2021 and the management’s discussion and analysis relating to such financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.calian.com](http://www.calian.com). Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation at the toll-free number 1-877-225-4264.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at December 14, 2021, 11,313,274 Common Shares were issued and outstanding, the holders of which are entitled to one vote for each Common Share held. The board of directors of the Corporation (the “Board”) has fixed the close of business on December 14, 2021 as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at the Meeting. The failure of any shareholder to receive notice of a meeting of the shareholders does not, however, deprive such shareholder of a vote at such meeting.

As of December 14, 2021, no shareholder is known to the directors or executive officers of the Corporation to be the beneficial owner of or exercise control or direction, directly or indirectly, over more than 10% of the Common Shares.

## PRESENTATION OF FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

The Corporation’s audited financial statements for the year ended September 30, 2021 (the “Financial Statements”) and the auditors’ report on the Financial Statements will be presented to shareholders at the Meeting. The Financial Statements are included in the Corporation’s 2021 Annual Report which accompanies this Circular. In accordance with the provisions of the CBCA, the Financial Statements are merely presented at the Meeting and will not be voted on.

The Corporation has filed an Annual Information Form (the “AIF”) for its 2021 fiscal year and its 2021 Annual Report on SEDAR at [www.sedar.com](http://www.sedar.com) that contain, among other things, all of the financial disclosure (including copies of the Financial Statements and management’s discussion and analysis of the Financial Statements) required under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. In particular, the information that is required to be disclosed in Form 52-110F1 of National Instrument 52-110 may be found under the heading “Audit Committee” in the AIF. Upon request, the Corporation will promptly provide copies of the AIF to shareholders free of charge.

## ELECTION OF DIRECTORS

The Board is elected annually. The number of directors of the Corporation to be elected at the Meeting is set at seven (7). Each of the persons listed below is proposed to be nominated as a director of the Corporation to serve until the next annual meeting or until such person’s successor is elected or appointed, and each has agreed to serve as director if elected. Unless a shareholder directs that such shareholder’s Common Shares are to be withheld from voting for the election of directors, the persons designated in the enclosed proxy will vote FOR the election of each proposed nominee listed in the table below, all of whom are currently directors of the Corporation except for Valerie Sorbie:

<b>Name and Present Principal Occupation</b>	<b>Period of Service as a Director</b>	<b>Number of Common Shares Beneficially Held, Directly and Indirectly</b>
George Weber <sup>(1)(2)(3)(4)(5)</sup> , Ontario, Canada President, WebX Consulting Ltd.	2012 – 2021	4,042
Ray Basler <sup>(1)(2)(3)</sup> , Saskatchewan, Canada Consultant	2005 – 2021	25,756
Kevin Ford, Ontario, Canada President and Chief Executive Officer of the Corporation	2015 – 2021	21,400
Jo-Anne Poirier <sup>(1)(2)(3)(4)</sup> , Ontario, Canada President and CEO, VON Canada	2016 – 2021	3,689
Young Park <sup>(1)(2)(3)</sup> , Ontario, Canada Corporate Director	2017 – 2021	575

Name and Present Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Held, Directly and Indirectly
Ronald Richardson <sup>(1)(2)(3)</sup> , Ontario, Canada Corporate Director	2020-2021	2,520
Valerie Sorbie, Ontario, Canada Partner and Managing Director, Gibraltar & Company	N/A	Nil

- (1) Member of the Audit Committee of the Board  
(2) Member of the Compensation Committee of the Board  
(3) Member of the Governance Committee of the Board  
(4) Member of the Nominating Committee  
(5) Chair of the Board

**Management does not contemplate that any of the nominees listed above will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's Common Shares are to be withheld from voting in the election of the initial nominee who is unable to serve as a director.**

The above-mentioned persons have held the principal occupations set below their names or other management functions within their respective organizations for at least the last five years except for:

- Young Park, who was Executive VP and CIO for D+H from September 2012 to June 2016.
- George Weber, who was President and Chief Executive Officer of Royal Ottawa Health Care Group until August 2018.
- Ronald Richardson, who was Vice President Product Strategy for Benbria Corporation from May 2018 to May 2020, and Vice President Product Management for Benbria Corporation from October 2015 to May 2018.

Other than as described below:

- a) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the propose 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;
- b) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director or executive officer of any 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;
- c) no proposed director is, or has been within 10 years before the date of this Circular, 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 the assets of the proposed director; and
- d) 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 security holder in deciding whether to vote for said proposed director.

Jo-Anne Poirier is the President and CEO of VON Canada Group, which includes Victorian Order of Nurses for Canada ("VON Canada"), Victorian Order of Nurses for Canada, Eastern Region ("VON East") and Victorian Order of Nurses for

Canada- Western Region ("VON West"). The Ontario Superior Court of Justice granted an initial order under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") on November 25, 2015, staying all claims and actions against VON Canada, VON East and VON West and its assets, and allowing these entities to prepare a plan of compromise or arrangement for its creditors. The plans of arrangement for these three legal entities received a favourable vote from the creditors and Ontario Superior Court of Justice granted these three legal entities a Sanction Order for their respective plans of arrangement and compromise on November 23, 2016. In January 2017, the VON Canada, East and West emerged from CCAA protection. VON Ontario and Nova Scotia continue to operate as well and were not part of the CCAA process.

### **Directors' Attendance**

For the 12-month period ended September 30, 2021, the Board met fifteen times, the Audit Committee met four times, the Compensation Committee met five times, the Governance Committee met four times, and the Nominating Committee met four times. Compensation and governance issues are also discussed during the quarterly Board meetings with all the Board members present. Seven directors were present at all Board meetings and all committee members were present at all committee meetings either by phone or in person during the 12-month period ended September 30, 2021 with the exception of two meetings where six members were present. During these two meetings, the company had only six directors in place as it was during a transition period from a director retiring, and a new director being voted in.

### **Majority Voting Policy**

The Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the applicable shareholders' meeting. Following receipt of resignation, the Governance Committee will consider whether to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose in a news release their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable. The Board shall accept the resignation absent exceptional circumstances. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the Governance Committee at which the resignation is considered.

## **APPOINTMENT OF AUDITORS**

At the Meeting shareholders will be asked to reappoint Deloitte LLP as auditors of the Corporation and to authorize the directors to fix the auditors' remuneration. Deloitte LLP was first appointed as the Corporation's auditors on March 25, 1991.

It is intended that the Proxies solicited hereby (unless the shareholder directs its Common Shares to be withheld from voting in the appointment of auditors) shall be voted for the re-appointment of Deloitte LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors' remuneration.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis and the following tables and narratives set forth below present information regarding the compensation of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, President of Advanced Technologies and the Chief Technology Officer (the "Named Executive Officers" or "NEOs"), who, in addition to the Chief Executive Officer and Chief Financial Officer, represent the three most highly compensated executive officers of the Corporation who earned more than \$150,000 in total compensation during the fiscal year ended September 30, 2021 in accordance with the National Instrument 51-102 of the Canadian Securities Administrators.

### **Executive Summary**

The financial strength of the Corporation that has been cultivated under the current executive team has enabled the Corporation to maintain sufficient liquidity and financial flexibility to continue delivering a high return to shareholders along with a healthy dividend. The performance of the Corporation is measured by adjusted EBITDA performance. Based on this performance, the Board approved compensation to NEOs as described below. Looking ahead to 2022, attraction and

retention of critical talent, including executive expertise, remains a focus. The Board believes that the Corporation is well positioned to continue to execute on its plans.

### **Objectives of the Compensation Program**

The Board has adopted a pay for performance philosophy and executive compensation program whereby executives receive compensation based upon the market value of the type of job they perform and their level of individual performance. The Corporation's policy with respect to the compensation of NEOs is intended to:

- Seek to align management's interest with shareholder interest through both short and long-term incentives linking compensation to performance. The short-term incentive is in the form of cash incentives while the longer-term incentive is in the form of stock options, performance share units and restricted share units which create a direct correlation between variations in the Corporation's stock price and the compensation of NEO's.
- Ensure that overall compensation for NEOs is not only internally equitable, but also competitive in today's market based on experience and length of service with the Corporation to attract, retain and motivate individuals with the qualifications and commitment needed to enhance shareholder value and maintain the Corporation's competitiveness in its market segment.

## **COMPENSATION GOVERNANCE**

### **Compensation Committee**

The Compensation Committee comprises the following 6 independent directors: Kenneth Loeb (chair), George Weber (former compensation committee chair), Jo-Anne Poirier, Young Park, Ray Basler and Ronald Richardson, each of whom the Board has determined to be independent within the meaning of Section 1.4 of National Instrument 52-110 of the Canadian Securities Administrators, and to have the necessary knowledge and experience to effectively perform his or her responsibilities. The members of the Committee have expertise in, among other areas, business management and finance, and all of whom are current or former principal executive officers.

The Compensation Committee's mandate includes reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives is determined by the Chief Executive Officer.

### **Compensation Consultant**

In fiscal 2021, the Company retained the services of Mercer Canada to assist in reviewing the compensation philosophy and to ensure best practices were being utilized with respect to executive compensation. Mercer Canada's findings and recommendations will be implemented in the executives' fiscal 2022 compensation.

As part of this process, the Corporation undertook a benchmarking exercise whereby it reviewed the executive compensation practices of a peer group of 19 companies. The peer group was a list of comparable organizations based primarily on their industry, geography and size. The peer group consisted of Alithya Group Inc., Baylin Technologies Inc., CareRX Corporation, Chartwell Retirement Residences, Converge Technology Solutions Corporation, CRH Medical Corporation, DATA Communications Management Corporation, Enghouse Systems Limited, Evertz Technologies Limited, EXFO Inc., Heroux-Devtek Inc., IBI Group Inc., Kinaxis Inc., Lightspeed POS Inc., Magellan Aerospace Corporation, Medical Facilities Corporation, Sienna Senior Living Inc., Sierra Wireless Inc., and The Descartes Systems Group.

During fiscal 2021, the Corporation paid to Mercer Canada the sum of \$56,500 for Executive Compensation consulting services.

### **Executive Stock Ownership Guidelines**

As part of its compensation review, in 2020 fiscal year, the Board of Directors adopted, for the first time, Executive Stock Ownership Guidelines (the "Guidelines"). The Guidelines serve to align the interests of NEOs and Board Members with those of the Company's shareholders. Pursuant to the Guidelines, each NEO and Director is expected to accumulate either the following fixed or the following variable number of shares (which includes full shares, restricted share units and deferred

share units, but does not include stock options) within five years starting 2021 fiscal year for executives, and three years for Directors.

<b>Executive Level</b>	<b>Fixed Number of Shares</b>	<b>Variable Number of Shares</b>
Chief Executive Officer	35,000	3x salary
Chief Financial Officer	6,500	1x salary
Executive Officer	5,000	1x salary
President (Segment)	5,000	1x salary
<b>Non-Executive Board Members</b>	<b>Fixed Number of Shares</b>	<b>Variable Number of Shares</b>
Chair	8,500	3x retainer
Board Members	5,000	3x retainer

## Risk Assessment

Risk management begins with an active Board and management team engaged in analysing many risks the Corporation faces and working with Corporation leaders to manage those risks. Compensation programs can help mitigate risk-taking, but risks cannot be solely managed through these incentive plans. In connection with the adoption of the annual objectives for 2021, the Compensation Committee considered the extent to which the incentive plans could potentially incentivize unnecessary or inappropriate risk-taking or short-term decision making.

The Corporation's compensation philosophy addresses both short and long-term performance. The Compensation Committee believes that certain tools and policies mitigate the potential for executives to take excessive short-term risks at the expense of the long-term health of the Corporation. Short-term compensation is based only on profitability achieved, which is compared to the annual business plan reviewed as part of the Audit Committee review of financial results for the Corporation as a whole and each business segment; and is only paid to executives after the audited annual results are approved by the Board. In addition, overall compensation risks are further mitigated through the business planning process as annual and strategic plans are reviewed in detail by the Board with a focus on creating long-term value. Finally, the board can exercise judgment in giving compensation when special circumstances dictate that the current incentive plans do not align with the overall performance objectives of the Corporation.

The Compensation Committee considers that the processes in place, including mitigating factors, are effective and based on its review, does not believe that the compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.

## Summary of Compensation Elements

The Corporation believes that the following elements of compensation, when combined, provide an appropriate mix of conventional and incentive-based compensation. The following describes the Corporation's compensation elements and philosophy for the year ended September 30, 2021.

Element	Purpose
Base salary	Provide a fixed level of compensation for performing day-to-day responsibilities, competency and for attraction and retention.
Short-term incentive plan	Provide a competitive, performance-based cash award based on adjusted EBITDA.
Long-term incentive in the form of Options and Restricted Share Unit awards	Both options and restricted share units are issued under the 2016 equity plans to enable management and executives to share in the long-term success of the Corporation.

For fiscal 2021, base salaries were determined based on outside market data as well as individual performance and experience level. The annual bonus paid to each of the Chief Executive Officer, the Chief Financial Officer, the Chief Information Officer, the President of Advanced Technologies and Chief Technology Officer is based on the overall operating profitability of the Corporation. Annual bonuses are also paid to the senior managers of the Corporation based on a

percentage of their segment's performance, and the corporation's performance against their respective plans. Certain members of the executive team are primarily responsible for the financial performance of a specific segment.

In establishing levels of compensation, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation.

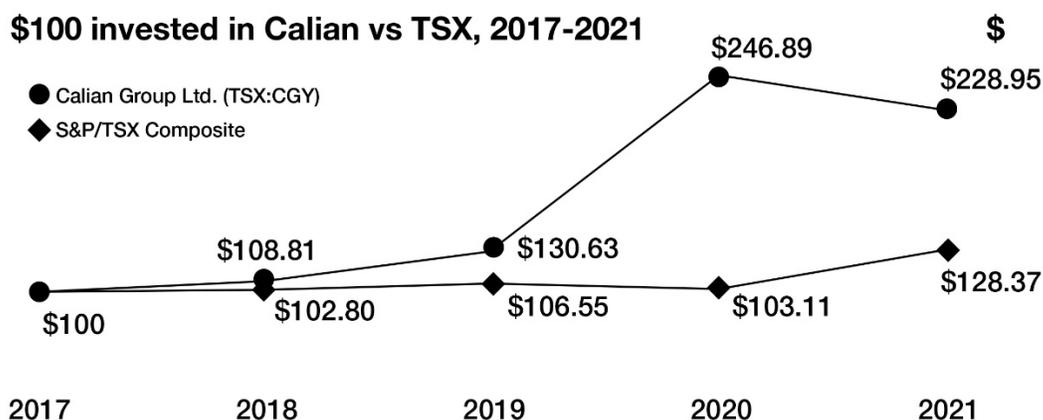
The Compensation Committee ultimately determines the grant size and terms to be recommended to the Board in respect of the Chief Executive Officer. The Chief Financial Officer and Corporate Secretary, Patrick Houston, is responsible for oversight of the equity plans. Any plan or material change to existing plan must be approved by the board of directors and, if applicable, shareholders, but from time to time the CFO and Corporate Secretary must update the plan for minor changes as required. When any change to the plan or plan text is made, the Compensation Committee must approve.

#### Trading Policy:

NEOs and directors are not permitted to speculate on the Corporation's securities and therefore are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by NEOs or directors.

#### Performance Graph

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Total Return Index for the five-year period ended September 30, 2021. The following graph assumes \$100 was invested on October 1, 2016 and assumes the reinvestment of all dividends received.



The trend shown by the performance graph above represents a growth of 129% in the cumulative shareholder return from 2017 to 2021. Over the same period the total compensation received by three highest paid NEOs in aggregate, increased by 13%.

#### **SUMMARY COMPENSATION TABLE** (all Canadian dollar amounts rounded to nearest dollar)

The following table sets forth all compensation earned by each Named Executive Officer for each of the Corporation's three most recent completed financial years.

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation(1)		Pension Value	All Other Compensation	Total Compensation
					Annual incentive plan	Long-term incentive plans			
Kevin Ford <sup>(6)</sup> President and Chief Executive Officer	2021	\$480,000	\$285,000 <sup>(2)</sup>	-	\$368,497	-	-	-	\$1,133,497
	2020	\$426,360	\$572,457	-	\$377,967	-	-	-	\$1,376,784
	2019	\$418,000	\$148,776	-	\$360,075	-	-	-	\$926,851

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation(1)		Pension Value	All Other Compensation	Total Compensation
					Annual incentive plan	Long-term incentive plans			
Patrick Houston <sup>(6)(8)</sup> Chief Financial Officer and Corporate Secretary	2021	\$275,000	\$110,000 <sup>(2)</sup>	-	\$144,875	-	-	-	\$529,875
	2020	\$255,500	\$226,899	-	\$149,259	-	-	-	\$631,658
	2019	\$180,137	\$75,400	-	\$130,707	-	-	-	\$386,244
Patrick Thera <sup>(7)</sup> President, Advanced Technologies	2021	\$306,000	\$50,000 <sup>(2)</sup>	-	\$147,740	-	-	-	\$503,740
	2020	\$300,000	\$91,675	-	\$170,424	-	-	-	\$562,099
	2019	\$280,745	\$74,520	-	\$179,558	-	-	-	\$534,823
Jerry Johnston <sup>(6)</sup> Chief Information Officer	2021	\$233,000	\$35,000 <sup>(2)</sup>	-	\$137,808	-	-	-	\$405,808
	2020	\$230,200	\$68,801	-	\$141,978	-	-	-	\$440,979
	2019	\$225,726	\$41,760	-	\$143,266	-	-	-	\$410,752
Seann Hamer <sup>(5)(6)</sup>	2021	\$210,000	\$44,740 <sup>(2)(3)</sup>	-	\$126,198	-	-	-	\$380,938
	2020	\$204,100	\$22,405	-	\$102,920	-	-	-	\$329,425
	2019	\$198,747	\$41,490	-	\$109,561	-	-	-	\$349,798

(1) Non-equity incentive plan compensation accrued during the fiscal year and payable in cash within two months of the fiscal year-end.

(2) The compensation costs related to the issuance of share-based awards in the form restricted share units granted in November 2020 based on fair values of a share price of \$59.35.

(3) The compensation costs related to the issuance of share-based awards in the form of stock options granted in November 2020 based on fair value of \$10.24.

(4) Unless otherwise indicated, perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus of the Named Executive Officer.

(5) Seann Hamer was appointed as the Chief Technology Officer on October 1, 2020. Prior to that date, Mr. Hamer was the Vice-President of Marketing and Business Development in our Advanced Technologies segment.

(6) The STI for 2021 was calculated based on a 101% attainment of the corporation budgeted adjusted EBITDA.

(7) The STI for 2021 was calculated based on a 68% attainment of the combination of segment and corporation budgeted adjusted EBITDA.

(8) Patrick Houston was appointed as the Chief Financial Officer and Corporate Secretary on March 1, 2019.

(9) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes. This is the case for share-based awards in the form of stock options. For share-based awards in the form of restricted share units, the close price on the business day prior to the date of grant is used as the fair value of the awards as it is the methodology also used for accounting purposes.

## INCENTIVE PLAN AWARDS

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

The following table sets out all of the option-based and share-based awards outstanding for each of the Named Executive Officers as at September 30, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin Ford	44,130	\$60.30	August 11, 2025	\$30,891	4,802 3,654 966	\$292,922 \$222,894 \$58,926	N/A

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Houston	18,353	\$60.30	August 11, 2025	\$12,847	1,853 1,316 225	\$113,033 \$80,276 \$13,725	N/A
Patrick Thera	6,715 12,000	\$60.30 \$29.55	August 11, 2025 November 19, 2023	\$4,701 \$377,400	842 653 300	\$51,362 \$39,833 \$18,300	N/A
Jerry Johnston	4,775	\$60.30	August 11, 2025	\$3,343	590 521 200	\$35,990 \$31,781 \$12,200	N/A
Seann Hamer	1,000 2,000	\$61.16 \$29.55	November 24, 2025 November 19, 2023	Nil \$62,900	581 409 200	\$35,441 \$24,949 \$12,200	N/A

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2021 and the exercise price of such options.

(2) Calculated based on the market value of the shares underlying the awards at the end of the fiscal year ended September 30, 2021.

## 2. Incentive Plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the Named Executive Officers or vested in their favour during the financial year ended September 30, 2021.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based Awards – Value vested in the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Kevin Ford	\$132,390	\$219,474	\$368,497
Patrick Houston	\$147,102	\$52,892	\$144,875
Patrick Thera	\$20,147	\$54,329	\$147,740
Jerry Johnston	\$14,328	\$38,695	\$137,808
Seann Hamer	\$32,630	\$35,341	\$126,198

(1) Calculated based on the difference between the market value of the shares underlying the options at the date of vesting and the exercise price of such option.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	204,913 <sup>(1)</sup>	\$49.46	810,812
<p>(1) These securities include Common Shares issuable under the Corporation's 2016 Stock Option Plans and Common Shares issuable under the Corporation's 2016 Restricted Share Unit Plan (see discussion below) but do not include Common Shares authorized for issuance pursuant to the Purchase Plan (as defined below). Under the Purchase Plan, the Corporation issued approximately 30,270 Common Shares in February 2020 at a purchase price of approximately \$24.74 per share, following which approximately 207,343 Common Shares were available for issuance under the Purchase Plan, all in accordance with the terms and conditions thereof as disclosed to and approved by the Corporation's shareholders on February 5, 2016.</p>			

The table below provides further detail on the number of securities authorized for issuance under equity compensation plans as at December 14, 2021:

Total number of Common Shares available for issuance pursuant to the Corporation's security-based compensation arrangements, being 9% of the outstanding Common Shares:	1,018,195
Common Shares issuable pursuant to options outstanding under the 2016 Stock Option Plan:	244,023
Common Shares issuable pursuant to options outstanding under the 2016 Restricted Share Unit Plan:	44,468
Total number of Common Shares remaining available for issuance pursuant to the Corporation's security-based compensation arrangements, including any issuance under the 2020 ESPP after deducting the foregoing:	729,704

### 2016 Stock Option Plan

On February 6, 2020, the shareholders re-approved and confirmed the 2016 Stock Option Plan.

The 2016 Stock Option Plan is administered by the Compensation Committee, which has the authority to select those directors and employees to whom options are granted, the number of options to be granted to each director and employee and the price at which Common Shares underlying such options may be purchased, provided that such price is not less than the market price of the Common Shares on the business day immediately preceding the date the option is granted. If the option is granted during a blackout period, the exercise price shall be equal to the greater of (i) the market price of the Common Shares on the business day immediately prior to the date of grant, and (ii) the post-blackout period price following the end of such blackout period, which is calculated based on a five-day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX"). Options granted under the 2016 Stock Option Plan are generally non-transferable and each option, unless terminated pursuant to the 2016 Stock Option Plan, expires on a date determined by the Compensation Committee, which date will not be later than 10 years from the date the option was granted (unless the expiry falls during or within nine business days of the expiration of a blackout period, in which case the expiry date shall instead be 10 business days following the date the blackout period is lifted, terminated or removed).

Unless otherwise determined by the Compensation Committee, one-third of any option shall vest and may be exercised following each anniversary of the date of an option grant. The Compensation Committee may by written notice to any

participant accelerate the vesting of all or any portion of any option.

The vesting of any or all outstanding options of a participant shall be accelerated upon the occurrence of both a Change in Control (as such term is defined in the 2016 Stock Option Plan) and a termination of such holder within one year from the date of the Change in Control. Upon a Change in Control, the Compensation Committee may provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from such change in control.

Employees and directors of the Corporation are entitled to participate in the 2016 Stock Option Plan while they are engaged with the Corporation. If a participant under the 2016 Stock Option Plan dies or becomes disabled while engaged with the Corporation or retires from engagement with the Corporation, the right of that participant (or of that participant's legal representative) to participate in the 2016 Stock Option Plan terminates as of the date of death, disability or retirement, as may be applicable, but any vested options may be exercised within 180 days of that event (unless such options terminate earlier pursuant to their terms) and any unvested options terminate immediately on the date of that event. If a participant under the 2016 Stock Option Plan is terminated by the Corporation or voluntarily resigns from the Corporation, that participant may exercise any vested options may within 30 days of that event (unless such options terminate earlier pursuant to their terms) but any unvested options terminate immediately on the date of that event.

The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options granted pursuant to the 2016 Stock Option Plan, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time. For greater certainty, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares that may be issued pursuant to options granted under the 2016 Stock Option Plan, any Common Shares subject to an option that expires or terminates without having been fully exercised may be made the subject of a further option, and any exercises of options will make new grants available under the 2016 Stock Option Plan, effectively resulting in a "re-loading" of the number of options available to grant under the 2016 Stock Option Plan. The maximum number of Shares (i) issued to insiders of the Corporation within any one-year period, and (ii) issuable to insiders of the Corporation, at any time, under the 2016 Stock Option Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed 9% of the outstanding shares, respectively. The equity award value of any grant of options to non-employee directors under the 2016 Stock Option Plan cannot exceed \$100,000 per year per non-employee director and the equity award value of any grant of options to non-employee directors on under the plan and any other security-based compensation arrangements of the Corporation cannot exceed \$150,000 per year per non-employee director in the aggregate. The 2016 Stock Option Plan does not authorize the Corporation to provide financial assistance to participants.

The Board may at any time without shareholder approval amend any provision of the 2016 Stock Option Plan, any terms of any options granted or terminate the 2016 Stock Option Plan, including making amendments relating to the exercise of options (including by the inclusion of a cashless exercise feature), amendments deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws, amendments relating to the administration of the plan or amendments of a clerical or housekeeping nature. Notwithstanding the foregoing, shareholder approval is required to make amendments to: (a) increase the maximum number of Common Shares that may be issued under the 2016 Stock Option Plan or any increase to the insider participation limits, (b) increase the ability of the board to amend the 2016 Stock Option Plan without shareholder approval, (c) increase the limits imposed on non-director employee participation in the plan, (d) reduce the exercise price of any option, (e) extend the term of any option beyond the expiry date, (f) permit transferability or assignability other than for normal estate settlement purposes or (g) add any form of financial assistance to a participant.

At September 30, 2021, options to purchase 204,913 Common Shares (representing approximately 2% of the aggregate number of issued and outstanding Common Shares) were outstanding under all Stock Option Plans. At December 14, 2021, options to purchase 244,023 Common Shares (representing approximately 2% of the aggregate number of issued and outstanding Common Shares) were outstanding under the Stock Option Plan.

### **2016 Restricted Share Unit Plan**

On February 6, 2020, the shareholders re-approved and confirmed the 2016 Restricted Share Unit Plan. The 2016 Restricted Share Unit Plan allows for the grant of RSUs to the Corporation's officers and employees.

The maximum aggregate number of Common Shares issuable from treasury by the Corporation pursuant to the 2016 Restricted Share Unit Plan at any time, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time.

The Board is responsible for administering the 2016 Restricted Share Unit Plan. Subject to the terms of the 2016 Restricted Share Unit Plan, the Corporation may from time to time award to any eligible person a number of RSUs deemed appropriate in respect of services rendered to the Corporation by such person. RSUs shall consist of an award of units, each of which represents the right to receive one Common Share or, in the discretion of the Board, a cash payment equal to the fair market value of such share. The Board has the discretion to determine the date upon which each RSU vests or any other vesting requirements provided, however, that each awarded RSU shall vest not later than the third anniversary of its award date. Unless otherwise determined by the Board at the time of award of an RSU, one third of each award of RSUs will vest on the first, second and third anniversaries of the award date.

The Board has overall authority for interpreting, applying, amending and terminating the 2016 Restricted Share Unit Plan; provided that subject to any additional requirements of the rules of the TSX, the following amendments to the 2016 Restricted Share Unit Plan or RSUs issued thereunder shall not be made without the prior approval of the TSX and approval of the Shareholders: i) other than customary adjustments resulting from certain corporate changes, amendments to the 2016 Restricted Share Unit Plan that would increase the percentage of Common Shares issuable under the 2016 Restricted Share Unit Plan, ii) any amendment that would increase the number of Common Shares issuable to insiders under the 2016 Restricted Share Unit Plan, iii) any amendment that would change the eligible participants in the plan to permit the introduction of non-employee directors on a discretionary basis; and iv) amendments to amending provision of the 2016 Restricted Share Unit Plan. The maximum number of Common Shares (i) issued to insiders of the Corporation within any one year period, or (ii) issuable to insiders of the Corporation, at any time, under the 2016 Restricted Share Unit Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed nine percent (9%) of the Corporation's total issued and outstanding Common Shares as at the applicable award date, respectively.

Certain amendments to the 2016 Restricted Share Unit Plan may be made by the Board without TSX or other stock exchange approval and without shareholder approval including but not limited to the following: 1) making any amendments to the vesting provisions of each RSU set out in any RSU agreement; ii) making any amendments to the provisions set out in Section 3.8 of the 2016 Restricted Share Unit Plan; iii) making any amendments to add covenants of the Corporation for the protection of participants in the plan, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of Participants; iv) making any amendments not inconsistent with the 2016 Restricted Share Unit Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board, having in mind the best interests of the participants in the plan, it may be expedient to make, provided that the Board shall be of the opinion that such amendments will not be prejudicial to the interests of the participants; or v) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purposes of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or correction will not be prejudicial to the rights and interests of the participants in the plan.

Holders of RSUs will be entitled to modified vesting on certain events, including termination of service without cause or by reason of death. All unvested RSUs terminate if a holder's employment or service terminates by reason of termination for cause. Subject to obtaining any requisite approval from the TSX or other regulatory authority, our Board may take any one or more actions relating to RSUs including, without limitation, accelerating vesting or providing for the conversion or exchange of any outstanding RSUs into or for RSUs or any other appropriate securities in any entity participating in or resulting from, a change of control transaction. Except as required by law, the rights of a participant under the 2016 Restricted Share Unit Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the participant.

At September 30, 2021, 40,924 RSUs (representing approximately 0.4% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2019 Restricted Share Unit Plan. At December 14, 2021, 44,468 RSUs (representing approximately 0.4% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2016 Restricted Share Unit Plan.

## Burn Rate

Burn rate is defined as the total number of equity awards issued in a year, divided by the weighted average number of shares outstanding in the fiscal year. The table below summarizes the burn rates for the stock option, the restricted share unit, and the deferred share unit plans as of September 30 of each year:

<b>Burn rates</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Stock Option Plan	0.28%	1.47%	1.64%
Restricted Share Unit Plan	0.19%	0.25%	0.47%
Deferred Share Unit Plan	0.03%	0.04%	0.05%

## 2020 Employee Stock Purchase Plan

The Corporation also has in place an employee stock purchase plan that was approved by the shareholders of the Corporation on February 6, 2020 (further amended by the Corporation as of August 11, 2020 (the “2020 ESPP”), pursuant to which the Corporation has reserved 500,000 Common Shares for issuance, of which 32,017 Common Shares have been issued in the 2021 period, representing 0.3% of the current issued and outstanding Common Shares as at September 30, 2021, leaving 449,819 Common Shares remaining to be issued under the plan. In the period from September 30, 2021 to December 14, 2021, an additional 7,644 shares have been issued under the plan, leaving 442,175 shares remaining to be issued.

The Board has full power and authority to administer the 2020 ESPP on behalf of the Corporation, including the power and authority to delegate the administration of the 2020 ESPP to the Compensation Committee. The Board shall determine questions of interpretation or application of the 2020 ESPP and its decisions shall be final and binding on all participants. Board members will receive no additional compensation for their services in administering the 2020 ESPP.

Eligible employees become participants in the 2020 ESPP by delivering to the Corporation an election to purchase shares prior to the commencement of the applicable purchase period. Each participant shall contribute to the 2020 ESPP, at the participant’s option, a minimum of one percent (1%) of the participant’s basic compensation, and a maximum of ten percent (10%) of the participant’s basic compensation. Each participant in the plan shall also be entitled, up to once per year, to contribute an additional lump sum amount of up to ten percent (10%) of the participant’s basic compensation contributed through a payroll deduction against commissions, bonus payments or other non-basic compensation. The contributions shall be made through payroll deductions at the end of each employee’s bi-weekly or monthly pay period, as applicable. The Corporation, as agent of the participant, shall make such deductions.

On the last business day of each month, the Corporation will issue Common Shares from treasury to the Administrator (as defined in the 2020 ESPP) based on the contributions received from each participant during the preceding month (the “**Participant Shares**”). The purchase price of the Participant Shares will be the volume weighted average closing trading price of the Common Shares on the TSX for the five trading days immediately preceding the last business day of such month. The Administrator will deposit the Participant Shares into an account in the name of the participant and will hold such shares on behalf of such participant.

The Corporation will match a portion of each employee’s participation in the 2020 ESPP by, in its discretion, either (i) issuing to the Administrator that number of Common Shares equal to twenty-five percent (25%) of the aggregate number of Participant Shares issued to the Administrator on behalf of the participants for such month; or (ii) delivering an amount equal to twenty-five (25%) of the amount of all contributions received from the Participants during such month to the Administrator who shall use such amount to purchase Common Shares at available market prices through the facilities of the TSX or such other stock exchange as the Common Shares may from time to time be listed and posted for trading (the shares so issued or purchased are referred to as the “**Matching Shares**”). The Matching Shares will be deposited into a trust account by the Administrator on behalf of the Corporation.

The Participant Shares purchased on behalf of each participant will vest immediately to the benefit of such participant. Subject to provisions in the 2020 ESPP relating to a change in control of the Corporation, the Matching Shares will vest six months from the date of issuance of the Participant Shares to which they relate.

In the event of a change of control of the Corporation, the Board, in its sole discretion (but subject to obtaining the prior approval of the TSX if required by the rules, regulations and policies of the TSX) may, without any action or consent of the participants

in the 2020 ESPP, provide for: (a) the continuation of the vesting period with regard to any unvested Matching Shares; (b) the substitution of any unvested Matching Shares for shares of the acquirer; (c) the substitution of any unvested Matching Shares with a cash incentive program of the acquirer; (d) the acceleration of the vesting period to a date prior to or on the date of the change of control; (e) the cancellation of all or any portion of any unvested Matching Shares by a cash payment and/or other consideration receivable by the holders of any unvested Matching Shares as a result of the change in control equal to the market price of the unvested Matching Shares on the date of the change in control; or (f) such other actions or combinations of the foregoing actions as it deems fair and reasonable in the circumstances.

Upon the termination of employment of any participant for any reason, any unvested Matching Shares held by the Administrator for such participant will be forfeited by such participant. A participant whose employment is terminated for any reason other than death must withdraw or otherwise transfer all of their Participant Shares and vested Matching Shares in such participant's account within ninety (90) days of such termination of employment. The participant may also request that the Administrator sell the Participant Shares and vested Matching Shares in the participant's account and distribute the cash proceeds to the participant. In the event of the death of a participant, the Participant Shares and vested Matching Shares in such participant's account shall be distributed to such participant's estate in accordance with the instructions of such participant's legal representative. Such distribution may take the form of a distribution of the cash realized from the sale of such Participant Shares and vested Matching Shares by the Administrator if so requested by the legal representative of the participant's estate.

The Corporation reserves the right to discontinue use of payroll deductions at any time such action is deemed advisable. The 2020 ESPP will terminate on the date which is ten (10) years from the Effective Date, unless earlier terminated by the Board. No right or interest of any participant in or under the 2020 ESPP may be assigned by such participant.

No Common Shares are issuable under the 2020 ESPP at any time to any Insider (as such term is defined in the 2020 ESPP) if such issuance, together with all of the Corporation's previously established or proposed Share Compensation Arrangements (as such term is defined in the 2020 ESPP), including the 2020 ESPP, could result, at any time, in: (i) the number of Common Shares issued to Insiders pursuant to the 2020 ESPP, together with all of such other security-based compensation arrangements, within any one (1) year period exceeding nine percent (9%) of the issued and outstanding Common Shares; or (ii) the number of Common Shares issuable to Insiders at any time pursuant to the 2020 ESPP and all such other security-based compensation arrangements exceeding nine percent (9%) of the issued and outstanding Common Shares.

Amendments to the 2020 ESPP generally require the consent of the TSX and the shareholders of the Corporation given at a duly constituted meeting. However, certain amendments to the 2020 ESPP may be made by the Board without TSX or other stock exchange approval and without shareholder approval including but not limited to the following: (a) amendments of a technical, clerical or "housekeeping" nature, or to clarify any provision of the 2020 ESPP, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the 2020 ESPP or to correct or supplement any provision of the 2020 ESPP that is inconsistent with any other provision of the 2020 ESPP; (b) suspension or termination of the 2020 ESPP; (c) amendments to respond to changes in legislation, regulations, instruments (including National Instrument 45-106), stock exchange rules (including the rules, regulations and policies of the TSX) or accounting or auditing requirements; (d) amendments respecting administration of the 2020 ESPP; (e) any amendment to the definition of "Employee" in the 2020 ESPP; (f) any amendment to the definition of "Subsidiary" in the 2020 ESPP; (g) changes to the vesting provisions for any outstanding Unvested Matching Shares (as defined in the 2020 ESPP); (h) amendments to the participant contribution provisions of the 2020 ESPP; (i) amendments to the withdrawal and suspension provisions of the 2020 ESPP; (j) amendments to the termination provisions of the 2020 ESPP; (k) adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of the Corporation; and (m) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules, regulations and policies of the TSX.

Shareholder approval will be required for the following types of amendments of the 2020 ESPP: (a) amendments to the number of common shares issuable under the 2020 ESPP, including an increase to the fixed maximum number of common shares or a change from a fixed maximum number of common shares to a fixed maximum percentage; (b) amendments to the number or percentage of Matching Shares contributed by the Corporation; (c) amendments to the definition of "Purchase Price" (as defined in the 2020 ESPP) to introduce a discount; and (d) amendments required to be approved by shareholders under applicable law or the rules, regulations and policies of the TSX.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Kevin Ford

Pursuant to an employment agreement dated July 27, 2020, Kevin Ford is employed as the Corporation's President and Chief Executive Officer. As of the date of this Circular, the compensation payable to Mr. Ford under this agreement comprises a salary in the amount of \$480,000, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, options as determined by the Compensation Committee or the Board and a car allowance of \$700 per month, and an annual grant of equity under the Company's long term incentive plans. In the event Mr. Ford is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Ford, any amounts accrued and owed, and an amount equal to 24 months' base salary, short term incentive and benefits continuance, subject to agreeing to a non-competition period of 24 months. Mr. Ford is also subject to non-solicitation, non-disparagement and confidentiality agreements with the Corporation.

### Patrick Houston

Pursuant to an employment agreement dated July 27, 2020, Patrick Houston is employed by the Corporation as Chief Financial Officer and Corporate Secretary. As of the date of this Circular, the compensation payable to Mr. Houston under this agreement comprises a salary in the amount of \$275,000, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, and an annual grant of equity under the Company's long term incentive plans and a car allowance of \$650 per month. In the event Mr. Houston is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Houston an amount equal to 12 months' salary and benefits plus an amount equal to the outstanding bonus earned to the date of termination and continuance of 12 months' benefits.

### **Termination benefits**

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers upon termination.

<b>Name</b>	<b>Termination benefits</b>
Kevin Ford	\$1,340,000
Patrick Houston	\$423,500

The amounts above are payable upon termination for convenience. If termination for cause, no amounts would be payable to either Mr. Ford or Mr. Houston. For purposes of Mr. Ford and Mr. Houston's employment, "termination for cause" is defined according to the laws in the Province of Ontario.

## COMPENSATION OF DIRECTORS

### **Narrative Discussion**

For fiscal 2019, the Chair of the Board was entitled to an annual retainer of \$82,500 and each director of the Corporation who is not an employee was entitled to an annual retainer in the amount of \$55,000 in addition to reimbursement of out of pocket expenses. For fiscal 2020, the Chair of the Board was entitled to an annual retainer of \$107,500 and each director of the Corporation who is not an employee was entitled to an annual retainer in the amount of \$67,500 in addition to reimbursement of out of pocket expenses. For fiscal 2021, the Chair of the Board was entitled to an annual retainer of \$127,500 and each director of the Corporation who is not an employee was entitled to an annual retainer in the amount of \$80,000 in addition to reimbursement of out of pocket expenses. The directors of the Corporation are required to hold minimum numbers of Common Shares as set out in the Executive Share Ownership Guidelines.

To encourage the directors of the Corporation who are not employees of the Corporation to better align their interests with those of the shareholders by having an investment in the Corporation, a Deferred Share Unit Plan (the "**DSU Plan**") was implemented on November 10, 2010. The DSU Plan provides that the Chair of the Board of the Corporation be required to receive a minimum of \$27,500 of his annual Board retainer fees in the form of Deferred Share Units and that all other directors of the Corporation who are not employees of the Corporation are required to receive a minimum of \$20,000 of their annual Board retainer fees in the form of Deferred Share Units.

DSUs have a value equal to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the date when DSUs are credited to each director who is not an employee of the Corporation. DSUs take the form of a bookkeeping entry credited to his or her account which cannot be redeemed for cash for as long as he or she remains a member of the Board. All DSUs will, upon request by him or her, be redeemed for cash by the Corporation after he or she ceases to be a member of the Board; however, failing such request, the redemption of such DSUs for cash will occur automatically upon the expiry of a period as determined under the DSU Plan. The value of a DSU, when redeemed for cash, will be equivalent to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day of the redemption. DSUs confer the right to receive dividends paid in the form of additional DSUs at the same rate as the dividend paid on shares of the Corporation. The DSU plan is not dilutive.

### Director Compensation table

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended September 30, 2021.

Name	Fees earned (\$)	Share-based awards <sup>(1)(2)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
George Weber <sup>(3)</sup>	\$92,500	\$30,000	\$77,404	Nil	Nil	Nil	\$199,904
Kenneth J. Loeb	\$65,000	\$21,875	\$52,593	Nil	Nil	Nil	\$139,468
Ray Basler	\$57,500	\$19,375	\$43,223	Nil	Nil	Nil	\$120,089
Jo-Anne Poirier	\$57,500	\$19,375	\$43,223	Nil	Nil	Nil	\$120,089
Young Park	\$57,500	\$19,375	\$43,223	Nil	Nil	Nil	\$120,089
R. Ronald Richardson	\$45,000	\$15,000	\$18,025	Nil	Nil	Nil	\$78,025
Richard Vickers	\$25,500	\$4,375	Nil	Nil	Nil	Nil	\$29,875

(1) Represents the value of DSUs awarded as part of the total compensation of directors.

(2) The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes.

(3) George Weber was appointed Chair of the Board on September 1, 2020 after assuming the position from Kenneth J. Loeb.

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

The following table sets out all of the option-based and share-based awards outstanding for each non-executive director as at September 30, 2021.

Name	Option-based Awards				Share-Awards <sup>(3)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
George Weber	7,559 1,000	\$61.00 \$36.49	November 24, 2025 November 25, 2024	Nil \$24,510	77	\$6,478	\$271,311
Kenneth Loeb	5,136	\$61.00	November 24, 2025	Nil	106	\$4,711	\$553,005
Ray Basler	4,221 5,000 5,000 1,000	\$61.00 \$36.49 \$29.55 \$27.30	November 24, 2025 November 25, 2024 November 19, 2023 May 12, 2022	Nil \$122,550 \$157,250 \$33,700	77	\$4,711	\$215,800
Jo-Anne Poirier	4,221 5,000 3,000	\$61.00 \$36.49 \$29.55	November 24, 2025 November 25, 2024 November 19, 2023	Nil \$122,550 \$94,350	77	\$4,711	\$193,136
Young Park	4,221 5,000 5,000	\$61.00 \$36.49 \$29.55	November 24, 2025 November 24, 2024 November 19, 2023	Nil \$122,550 \$157,250	77	\$4,711	\$120,043
R. Ronald Richardson	1,817	\$60.35	February 9, 2026	\$1,181	77	\$4,711	\$14,199

(1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2021 and the exercise price of such options.

(2) Calculated based on the market value of the shares on September 30, 2021 and the grant price of such awards.

(3) Including DSUs.

## 2. Incentive plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the non-executive directors or vested in their favour during the financial year ended September 30, 2021.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested in the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
George Weber	\$24,239	\$30,000	N/A
Kenneth J. Loeb	\$41,969	\$21,875	N/A
Ray Basler	\$22,062	\$19,375	N/A
Jo-Anne Poirier	\$22,062	\$19,375	N/A
Young Park	\$22,062	\$19,375	N/A
R. Ronald Richardson	Nil	\$15,000	N/A

- (1) Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2021 and the exercise price of such options.

## **INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

There was no indebtedness owed to the Corporation during the fiscal year ended September 30, 2021 by any individual who was a director, executive officer or senior officer of the Corporation (and any associate of the foregoing).

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

The Corporation maintains directors' and officers' liability insurance in the aggregate principal amount of \$70,000,000. The premium payable for such insurance during the period from October 26, 2021 to October 26, 2022 is \$196,705. The by-laws of the Corporation generally provide that the Corporation shall indemnify a director or officer of the Corporation against liability incurred in such capacity to the extent permitted or required by the CBCA. To the extent the Corporation is required to indemnify the directors or officers pursuant to its by-laws, the insurance policy provides that the Corporation is liable for the initial \$150,000 in the aggregate for each loss claimed.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There are no interests, direct or indirect, of any directors, officers or holders of over 10% of the Common Shares, or any directors or officers of any holders of over 10% of the Common Shares, or any affiliates or associates of any of the foregoing, in any transactions of the Corporation since the commencement of Corporation's most recently completed financial year or in any proposed transaction, that has materially affected or that would materially affect the Corporation or any of its subsidiaries.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Canadian Securities Administrators have introduced National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “National Instrument”) and National Policy 58-201 – *Corporate Governance Guidelines* (the “National Policy”). A complete description of the Corporation’s approach to corporate governance in accordance with each of the National Instrument and the National Policy is set out in the “Statement of Corporate Governance Practices” attached as Appendix 1 to this Circular.

## **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting, however, if any other matters which are not now known to management should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgment of the person voting the Proxy.

## **DEADLINE FOR SHAREHOLDER PROPOSALS**

If any person entitled to vote at an annual meeting of the Corporation’s shareholders wishes to propose any matter for consideration at the next annual meeting, in order for such proposal to be considered for inclusion in the materials mailed to shareholders in respect of such meeting, such proposal must be received by the Corporation no longer than 90 days before the anniversary date of this notice.

## **ADDITIONAL INFORMATION**

Financial Information is provided in the Corporation’s comparative financial statements and management discussion and analysis for its most recently completed financial year. Copies of the Corporation’s financial statements and management discussion and analysis can be requested by contacting Investor Relations at [IR@calian.com](mailto:IR@calian.com) or by calling 1-613-599-8600.

Additional information relating to the Corporation can also be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**DIRECTORS' APPROVAL**

The undersigned hereby certifies that the directors of the Corporation have approved the contents and the sending of this Circular.

DATED: December 14, 2021

A handwritten signature in black ink, appearing to read 'P. Houston', written in a cursive style.

Patrick Houston, Secretary  
Calian Group Ltd.  
Ottawa, Ontario

**APPENDIX 1**  
**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	George Weber, Ray Basler, Kenneth Loeb, Jo-Anne Poirier, Young Park and Ronald Richardson are independent directors. The proposed director, Valerie Sorbie, is also independent.
(b) Disclose the identity of directors who are not independent and describe the basis for that determination.	Kevin Ford is not independent as he is currently the President and Chief Executive Officer of the Corporation.
(c) Disclose whether or not a majority of directors are independent.	The Board currently comprises seven members, six of whom are independent directors.
(d) Identify any director who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction and identify that issuer.	None of the members of the Board are directors of any other reporting issuer (or the equivalent). The proposed director, Valerie Sorbie, is a director of Neighbourly Pharmacy (NPLY) and LXR and Co. (LXR).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	At each of its quarterly meetings, the Board meets without management present. In addition, at each of its quarterly meetings, a meeting comprising only independent Board members is also held. During fiscal 2021, independent Board members met 11 times without management present.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	The chair of the Board, George Weber, is an independent member of the Board.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	For the 12-month period ended September 30, 2021, the Board met 15 times, the Audit Committee met 4 times, the Compensation Committee met 5 times, the Governance Committee met 4 times, and the Nominating committee met 4 times. Compensation and governance issues are also discussed during the quarterly Board meetings with all the Board members present. All directors were present at all Board and committee meetings either by phone or in person.
<b>2. Board Mandate</b>	
Disclose the text of the board's written mandate.	The text of the Board's written mandate and those of its committees are set out in Appendix 2 to this Circular.

<b>3. Position Descriptions</b>	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	As part of the Board’s mandate, the Board has developed a position description for the Chair of the Board. The Board has not developed position descriptions for the Chairs of the Audit Committee, the Compensation Committee, the Nominating Committee and the Governance Committee, however, the Board has developed a mandate for each of these committees and, as such, the Chair of each committee is responsible to ensure that such mandates are followed.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board has developed a position description for the Chief Executive Officer. In addition, the Board annually approves the strategic and operational plans, business objectives and key results for which the Chief Executive Officer is responsible.
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding <ul style="list-style-type: none"> <li>(i) the role of the board, its committees and its directors, and</li> <li>(ii) the nature and operation of the issuer’s business</li> </ul>	The Board has a formal process of orienting new members overseen by the Chair which includes individual meetings with all Board and Corporate Management members in addition to visiting specific operational locations.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors	The Board has engaged in continuing education for relevant and timely topics to reflect advancements in governance. As part of the education program, the Governance Committee has rolled out a few sessions that relate to advancements in ESG, oversight of climate change, human resource management in concert with compensation practices, board oversight of technology and long-range strategic planning. As well, the Corporation’s Corporate Secretary provides regular updates to the Board on new developments in corporate governance. Information on seminars and conferences are also passed along to directors and several directors attend these sessions and report back to the board. Cost of attendance to seminars and conferences are paid by the Corporation.
<b>5. Ethical Business Conduct</b>	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: <ul style="list-style-type: none"> <li>(i) disclose how a person or company may obtain a copy of the code;</li> <li>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</li> <li>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</li> </ul>	The Board has adopted a written Guide to Ethical Business Practices (the “Guide”). In particular: <ul style="list-style-type: none"> <li>(i) The Guide is available on the Corporation’s website and explains the mechanisms in place to report departures from the Guide.</li> <li>(ii) The Guide provides for a reporting mechanism to the Board. In addition, all of the Corporation’s employees who do not work directly at a customer’s premises must certify annually that they have read, understand and agree to comply with the Guide.</li> <li>(iii) There has been no material change report filed that pertains to any conduct of a director or an executive officer that constitutes a departure from the Guide.</li> </ul>

(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	The Board has adopted a policy on related party transactions which does not allow for any transactions to occur between the Corporation and a third party who has direct or indirect ties with the directors, officers or employees of the Corporation.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board believes the Guide is sufficient to encourage and promote a culture of ethical business conduct.
<b>6. Nomination of Directors</b>	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Nominating Committee mandate is set out in Appendix 2 to this Circular.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Nominating Committee is composed of George Weber (Chair), Kenneth Loeb and Jo-Anne Poirier, each of whom is an independent director.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Nominating Committee mandate is set out in Appendix 2 to this Circular.
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers	<p>The Compensation Committee is tasked with (i) reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; (ii) reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and (iii) reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives (except for that contractually provided for) is determined by the Chief Executive Officer.</p> <p>Additional information regarding the Corporation's compensation philosophy can be found in the Circular under the heading "STATEMENT OF EXECUTIVE COMPENSATION – COMPENSATION DISCUSSION AND ANALYSIS"</p> <p>The Compensation Committee is responsible for reviewing the directors' compensation in relation to current norms and recommending changes to the Board. Director compensation is approved by the Board.</p>
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Compensation Committee is composed of Kenneth Loeb (Chair), George Weber, Jo-Anne Poirier, Young Park, Ray Basler and Ronald Richardson, each of whom is an independent director.
(c) If the board has a compensation committee, describe the responsibilities, powers and	The mandate of the Compensation Committee is attached at Appendix 2 to this Circular.

operation of the compensation committee.	
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	During fiscal 2019, Mercer Canada assisted the Corporation in undertaking a review of its compensation practices for executives, which was incorporated into the compensation of executives in 2020. During fiscal 2021, Mercer assisted the Corporation in updating its compensation practices for executives. The recommendations arising from the 2021 review will be implemented in fiscal 2022.
<b>8. Other Board Committees</b>	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board has a Governance Committee, the mandate of which committee is attached at Appendix 2 to this Circular.
<b>9. Assessments</b>	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	<p>The Chair of the Board has the ongoing responsibility of assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.</p> <p>The Governance Committee of the Board annually review the skills matrix for the board to reflect the changing needs of the organization. If gaps in skills and competencies are identified it informs the approach to board recruitment. A board effectiveness questionnaire has been developed that is to be filled out annually by all board members and submitted to a third party. The Chair of the board then interviews each board director to discuss overall and individual board effectiveness.</p>
<b>10. Director Term Limits and Other Mechanisms of Board Renewal</b>	
Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	<p>The Corporation has adopted term limits for the directors of 12 years with a few exceptions for extenuating circumstances. The Corporation believes that a balance is important that includes sound knowledge of the organization with the onboarding of new board members to bring on complementary expertise.</p> <p>The Governance Committee of the Board also reviews annually the size and composition of the Board, and mechanisms to promote an appropriate level of board renewal, as well as to review the results of the annual assessment process.</p>
<b>11. Policies Regarding the Representation of Women and Designated Groups on the Board</b>	
(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.	On August 5, 2015, the Board adopted a Board Diversity and Term Limits Policy relating in part to the promotion of diversity and ensuring that its recruitment process will consider all individuals all individuals from diverse backgrounds, regardless of gender, age, ethnicity, Indigenous heritage, geography, sexual orientation, political affiliation and persons with disabilities.
(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:	Under the policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female

<p>(i) a short summary of its objectives and key provisions,</p> <p>(ii) the measures taken to ensure that the policy has been effectively implemented,</p> <p>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</p> <p>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</p> <p>(c) indicate whether or not the issuer has adopted a written policy relating to the identification and nomination of members of designated groups (as defined in the regulations to the <i>Canada Business Corporations Act</i>) for directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy.</p>	<p>representation. The Governance and Nominating Committees will however consider candidates on merit against objective criteria. Diversity is considered within the context of the Corporation's needs and objectives, its diverse customer base and its domestic and international operations. The Board does not set specific gender representation targets when identifying potential candidates to the Board of Directors.</p> <p>Similarly, in identifying and considering potential candidates for executive appointments, the Corporation seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, the corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, but more so, factors such as years of service, regional background, merit, experience and qualification. The Board does not set specific gender representation targets when identifying potential candidates to executive officer positions.</p> <p>The policy must be reviewed and approved by the Board annually.</p>
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**12. Consideration of the Representation of Women and Designated Groups in the Director Identification and Selection Process**

<p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p> <p>Disclose whether or not the board of directors or its nominating committee considers the level of the representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board and, as the case may be, how that level is considered or the reasons why it is not considered.</p>	<p>As stated above, under the Board Diversity and Term Limits Policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female representation.</p>
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**13. Consideration Given to the Representation of Women and Designated Groups in Executive Officer Appointments**

<p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p> <p>Disclose whether or not the distributing corporation considers the level of representation of designated groups when appointing members</p>	<p>In identifying and considering potential candidates for executive appointments, the Corporation seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, the Corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, but more so, factors such as years of service, regional background, merit, experience and qualification.</p>
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<p>of senior management and, as the case may be, how that level is considered or the reasons why it is not considered.</p>	
<p><b>14. Targets Regarding the Representation of Women and Designated Groups on the Board and in Executive Officer Positions</b></p>	
<p>(a) For purposes of this Item, a “target” means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer’s board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer’s board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <ul style="list-style-type: none"> <li>(i) the target, and</li> <li>(ii) the annual and cumulative progress of the issuer in achieving the target</li> </ul> <p>(e) Disclose whether or not the distributing corporation has for each group referred to in the definition of designated groups in the regulations to the <i>Canada Business Corporations Act</i>, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors or to be members of senior management by a specific date and</p> <ul style="list-style-type: none"> <li>(i) for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target; and</li> <li>(ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target.</li> </ul>	<p>The Board does not set specific gender or designated group representation targets when identifying potential candidates to the board or executive officer positions. The Corporation believes that diversity is appropriately considered as part of its hiring and nomination process and that a numerical target would not afford the Corporation the flexibility to select the best possible candidates based on a range of factors.</p>
<p><b>15. Number of Women and Designated Groups on the Board and in Executive Officer Positions</b></p>	
<p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer’s board who are women.</p> <p>(b) Disclose the number and proportion (in</p>	<p>The Corporation currently has two women directors, representing approximately 30% of the Board. The Corporation currently has three women executive officers, representing 27% of the Corporation’s executive officers.</p>

<p>percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p> <p>(c) disclose, for each group referred to in the definition designated groups in the regulations to the <i>Canada Business Corporations Act</i> , the number and proportion, expressed as a percentage, of the members of each group who hold positions on the board of directors or who are members of senior management of the distributing corporation including all of its major subsidiaries.</p>	<p>To the knowledge of the Corporation, the Corporation currently has no directors or members of senior management who are Aboriginal peoples.</p> <p>To the knowledge of the Corporation, the Corporation currently has no directors or members of senior management who are persons with disabilities.</p> <p>To the knowledge of the Corporation, the Corporation currently has 1 director who is a visible minority, representing 17% of the Board. To the knowledge of the Corporation, the Corporation currently has 1 member of senior management who is a visible minority, representing 10% of the senior management team.</p>
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**APPENDIX 2**  
**CALIAN GROUP LTD.**  
**MANDATE OF THE BOARD OF DIRECTORS**

The Board of Directors (Board) has the overall responsibility for the stewardship of the Corporation. As such, the Board delegates to management some of its authority and certain responsibilities to manage the business of the Corporation. The delegation of authority conforms to statutory limitations and certain responsibilities cannot be delegated to management and remain with the Board. The Calian Board of Directors has a Chair, a Corporate Governance Committee, a Nominating Committee, a Compensation Committee and an Audit Committee.

The primary objective of the Board is to make sure that management is thinking and acting in a manner that reflects our core values of 1) adding value, 2) thinking long-term and 3) being honest, transparent and prudent in all business activities.

This document is intended to provide the Directors, Management and interested investors insight into the Board process that affects the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Board shall be composed of a minimum of 5 directors, with the majority being independent directors.
- 1.2 The Board shall meet on a quarterly basis. Each quarterly meeting will include the following sessions:
  - Informal board dinner with board members and senior management present;
  - Independent Directors meeting;
  - Board meeting with management present;
  - Board meeting without management present.
- 1.3 Special meetings shall be held at the call of the Chair or upon the request of two members of the Board.
- 1.4 A quorum shall be a majority of the members.
- 1.5 Unless the Board otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 1.6 A copy of the minutes of each meeting of the Board of Directors shall be provided to each director in a timely fashion.
- 1.7 Board meeting agendas shall be the responsibility of the Chair of the Board.
- 1.8 The Board shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management at least five (5) days in advance of meeting dates.
- 1.9 To assist the Board in discharging its responsibilities, the Board may retain at the expense of the Corporation, one or more persons having special expertise.

## **2. Specific Responsibilities and Duties**

### **2.1 Strategic Planning and Annual Operational Plans**

- 2.1.1 Review and approve the strategic plan and monitor the implementation of the strategic plan by management;
- 2.1.2 Review and approve the financial goals of the Corporation;
- 2.1.3 Review and Approve the annual operating plan and budget of the Corporation;
- 2.1.4 Review and approve major business decisions and transactions not in the ordinary course of business such as acquisitions, divestitures and capital transactions.

### **2.2 Risk Management**

- 2.2.1 Review the processes utilized by management with respect to risk assessment and risk management and the identification by management of the principal risks of the business of the Corporation including financial risks;
- 2.2.2 Review the implementation by management of appropriate systems to manage business and financial risks;
- 2.2.3 Review the processes to ensure respect for and compliance with applicable regulatory, corporate, securities, environmental, health and safety and other legal requirements.

### **2.3 Succession Planning and Senior Officers Performance**

- 2.3.1 Choose the Chief Executive officer and approve the appointment of Senior Officers;
- 2.3.2 Review and approve the corporate objectives that the Chief Executive Officer is responsible for meeting
- 2.3.3 Assess the performance of the Chief Executive Officer in relation to such objectives;
- 2.3.4 Establish the compensation for the Chief Executive Officer;
- 2.3.5 Assess and oversee the succession plan for Senior Officers;
- 2.3.6 Ensure that processes are in place for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence;

### **2.4 Internal Controls**

- 2.4.1 Oversee the establishment by management of an adequate system of internal controls and procedures and assess its effectiveness;
- 2.4.2 Oversee the reliability and integrity of accounting and disclosure principles and practices followed by management;
- 2.4.3 Approve the Annual Financial Statements, Management Discussion and Analysis and other statutory filings such as the AIF, Management Proxy Circular and Annual Report;
- 2.4.4 Approve the Interim Financial Statements and Management Discussion and Analysis.

### **2.5 Communication and Public Disclosure**

- 2.5.1 Adopt communication policies and monitor the Corporation's investor relations program;
- 2.5.2 Oversee the establishment of processes for accurate, timely and full public disclosure.

### **2.6 Governance**

- 2.6.1 Establish appropriate structures and procedures to allow the Board to function independently of management;
- 2.6.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;
- 2.6.3 Review periodically the Corporation's Guide to Ethical Business Practices;
- 2.6.4 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;
- 2.6.5 Review shareholder proposals and determine appropriate course of action.
- 2.6.6 Annually review and update the Board skills matrix to reflect the changing needs of the organization in concert with the Nominations Committee.

### **ROLE OF THE CHAIR**

The Chair has primary responsibility for the Corporation's strategic direction. The Chair, along with the CEO, will ensure that the Corporation's management and employees conduct their business with honesty and integrity with a view to creating sustainable, long term value and profitable growth. Along with the Board of Directors, the Chair assumes responsibility for the stewardship of the Corporation. The Chair manages the affairs of the Board, ensuring that the Board is organized properly, functions effectively, operates independently from management, and meets its obligations and responsibilities relating to corporate governance matters.

#### **Specific Responsibilities**

- 1.1 Provide leadership to the Board in reviewing and deciding upon matters that exert major influence on the manner in which the Corporation's business is conducted, such as corporate strategic planning, policy formulation, and mergers and acquisitions;
- 1.2 Provide liaison between the Board and management of the Corporation;
- 1.3 Provide overall leadership to enhance the effectiveness of the Board. Chair meetings of the Board and attend committee meetings as appropriate;
- 1.4 In collaboration with the Nominating Committee support the director recruitment process and recommend to the Board of Directors nominees for election to the Board;
- 1.5 Support the orientation of new and the continued education of incumbent directors;
- 1.6 Periodically review the performance of Directors and the effectiveness of the Board and each of its committees;

**CALIAN GROUP LTD.**  
**MANDATE OF THE CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities in relation to the corporate governance practices and policies of the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Committee shall be composed of a minimum of 3 directors, with the majority being independent directors.
- 1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chair or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.
- 1.3 A quorum shall be a majority of the members.
- 1.4 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 1.5 In the absence of the Chair of the Committee, the board Chair shall chair the meeting.
- 1.6 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.
- 1.7 Committee meeting agendas shall be the responsibility of the Chair of the Committee.
- 1.8 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.
- 1.9 The Committee shall review its performance and mandate on an annual basis.

**2. Specific Responsibilities and Duties**

- 2.1 Establish appropriate structures and procedures to allow the Board to function independently of management;
- 2.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;
- 2.3 Provide oversight to Enterprise Risk Management framework and ESG program.
- 2.4 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;
- 2.5 Monitor best practices and ensure compliance with all legal requirements relating to corporate governance. Develop and recommend to the Board of Directors a set of corporate governance guidelines including the Board of Directors' mandate in accordance with applicable laws and regulations. Review such guidelines periodically and recommend changes as deemed necessary;
- 2.6 Develop and implement the education program for the Board on an annual basis.
- 2.7 With the Chair of the Board, implement the annual board evaluation process to prepare for the board slate for the Annual General Meeting and to inform the board recruitment process.

Review and assess the adequacy of the Corporation's Disclosure Policy, Insider Trading Policy, Guide to Ethical Business Practices and other related policies and guidelines, as deemed appropriate.

**CALIAN GROUP LTD.**  
**MANDATE OF THE NOMINATING COMMITTEE**

The Nominating Committee (The Committee) will be responsible for identifying individuals qualified to become new Board members and recommending to the Board of directors nominees for each annual meeting of the shareholders of the Corporation.

**1. GENERAL PROCEDURES**

- 1.1 The Committee shall be composed of a minimum of 3 directors, all being independent directors.
- 1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chair or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.
- 1.3 A quorum shall be a majority of the members.
- 1.4 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.
- 1.5 Committee meeting agendas shall be the responsibility of the Chair of the Committee.
- 1.6 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.
- 1.7 The Committee shall review its performance and mandate on an annual basis.

**2. Specific Responsibilities and Duties**

- 2.1 Review periodically the size and composition of the Board to ensure that the Board has the appropriate mix of competencies and skills to facilitate effective decision making as well as the capacity to effectively discharge its responsibilities;
- 2.2 Review from time to time the retirement plans of directors;
- 2.3 Develop plans for the orderly succession of directors to keep the Board appropriately balanced in terms of skills and experience;
- 2.4 Recommend to the Board addition or replacement of one or more directors as may be considered necessary or appropriate from time to time;
- 2.5 Be satisfied that the Corporation has effective plans for the orientation of new directors and the continued education of incumbent directors

**CALIAN GROUP LTD.**  
**MANDATE OF THE COMPENSATION COMMITTEE**

The purpose of the Compensation Committee (The Committee) is to review and establish the compensation of Senior Executive of the Corporation.

**1. General Procedures**

- 1.1 The Committee shall be composed of a minimum of 3 independent directors;
- 1.2 The Committee shall meet at least annually to discuss compensation arrangements for the Corporation's Senior Executives;
- 1.3 A quorum shall be a majority of the members;
- 1.4 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise;

**2. Specific Responsibilities and Duties**

- 2.1 Establish the Corporation's general compensation philosophy, and oversee the development and implementation of compensation programs;
- 2.2 Review and Approve the corporate objectives that the Chief Executive Officer is responsible for meeting, assess the performance of the Chief Executive Officer in relation to such objectives and establish the compensation for the Chief Executive Officer;
- 2.3 Review and approve compensation programs applicable to the Senior Executives of the Corporation;
- 2.4 Review and approve severance or similar termination payments proposed to be made to any current or former Senior Executives of the Corporation;
- 2.5 Oversee the development and implementation of the succession plan for Senior Executives.
- 2.6 Oversee the processes for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence.
- 2.7 Review the Directors' compensation in relation to current norms and recommend changes to the Board of Directors;