

APRIL 15, 2020

NOTICE OF ANNUAL AND
SPECIAL MEETING TO BE
HELD MAY 8, 2020, AND

IBI GROUP INC. MANAGEMENT INFORMATION CIRCULAR



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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of IBI Group Inc. (the "**Corporation**") will be held at the head office of the Corporation, Suite 700, 55 St. Clair Avenue West, Toronto, Ontario, M4V 2Y7 on Friday, the 8th day of May 2020 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditors' report thereon;
2. to elect directors of the Corporation;
3. to appoint KPMG LLP as auditors of the Corporation and to authorize the Board of Directors to fix their remuneration;
4. to consider, and if deemed advisable, pass an ordinary resolution amending the Stock Option Plan to increase the number of Shares that may be granted upon exercise of Options granted under the Stock Option Plan by 800,000 Shares from 1,755,268 Shares to a maximum of 2,555,268 Shares;
5. to consider, and if deemed advisable, pass an ordinary resolution confirming in a non-binding, advisory capacity the Corporation's approach to executive compensation policies (Say on Pay); and
6. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

This year, out of an abundance of caution, the Corporation is taking steps to proactively deal with the impact of COVID-19 on public health and mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders. As a result, the Corporation asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>). **The Corporation encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing.** The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

In view of the current and rapidly evolving COVID-19 outbreak, the Corporation's transfer agent, AST Trust Company (Canada) ("**AST**") will not be registering Shareholders that attend the Meeting in person. **This year, the Corporation is offering its Shareholders the opportunity to participate in the Meeting by way of a live webcast via the following link:**

https://produceredition.webcasts.com/starthere.jsp?ei=1298743&tp_key=46611f72aa

Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. The Corporation encourages Shareholders to participate in the Meeting by accessing the link provided above. **Shareholders will not have the ability to vote virtually at the Meeting through the live webcast. Accordingly, the Corporation encourages its registered Shareholders and duly appointed proxyholders to vote their Shares in advance of the Meeting and complete, sign and date the**

accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in accordance with the instructions and timelines set forth in the Circular.

To be valid, proxies must be sent to AST by mail to: Proxy Department, P.O. Box 721, Agincourt ON M1S 0A1, or by facsimile to 1-866-781-3111 (toll free) or 416-368-2502 (within the 416 area code), by email to proxyvote@astfinancial.com, so as not to arrive later than 5:00 p.m. (Toronto time) on May 6, 2020, or may be deposited with the chairperson of the Meeting prior to the commencement of the Meeting.

Non-registered shareholders (being shareholders who hold their shares, among others, through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to participate at the Meeting in person but may listen to the Meeting through the live webcast.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Circular and on their form of proxy or voting instruction form.

Copies of the Circular and form of proxy accompany this notice. The specific details of the matters proposed to be put before Shareholders at the Meeting are set forth in the Circular. Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

The Board of Directors has determined the record date to be April 1, 2020 (the "**Record Date**"). Only Shareholders as of the Record Date are entitled to vote their Shares at the Meeting, or at any adjournment thereof.

DATED this 15th day of April 2020.

By order of the Board of Directors,

(Signed) "*Dale Richmond*"

Chair of the Board of Directors

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GLOSSARY OF TERMS

In this Circular, the following terms shall have the following meanings unless indicated otherwise:

"Administration Agreement" means the administration agreement made as of January 1, 2016 among the Corporation, IBI Group and the Management Partnership pursuant to which, among other things, IBI Group provides administrative and support services to the Corporation and the Management Partnership provides the services of the principals of its partners to IBI Group and the IBI Group of firms;

"Associates" means senior professionals within the IBI Group of firms holding the title of "Associate";

"Associate Directors" means senior professionals within the IBI group of firms holding the title of "Associate Director";

"Beneficial Holder" has the meaning ascribed to such term under the heading "Information for Beneficial Shareholders";

"Board of Directors" means the board of directors of the Corporation, as it is comprised from time to time;

"CBCA" means *Canada Business Corporations Act*;

"CDS" has the meaning ascribed to such term under the heading "Information for Beneficial Shareholders";

"Change of Control" means the occurrence of any one or more of the following events:

- A. any transaction or series of transactions with or into any other person or entity that effects any transfer, conveyance, sale, lease or exchange of all or substantially all of the assets of the Corporation or IBI Group (other than a person who is an affiliate of such entity);
- B. any acquisition or series of acquisitions by any means whatsoever by any person (other than the Corporation or IBI Group or any affiliate thereof) or by a group of persons acting jointly or in concert (other than with the Corporation or IBI Group or any affiliate thereof) of that number of securities of the Corporation or IBI Group which have associated with them that number of votes which is equal to or greater than 50% of the votes associated with the then issued and outstanding voting securities of the Corporation or IBI Group, as the case may be; or
- C. any transaction or event in which the Corporation ceases to be a "reporting issuer" under the *Securities Act* (Ontario), as may be amended from time to time, or in which the Shares cease to be listed for trading on the TSX;

"Circular" means the Management Information Circular of IBI Group Inc. dated April 15, 2020;

"Class B Units" means the Class B partnership units of IBI Group, held by the Management Partnership;

"Corporation" means IBI Group Inc., a corporation incorporated pursuant to the CBCA;

"Currency Date" has the meaning ascribed to such term in the section titled "Solicitation of Proxies";

"**Directors**" means the senior professionals within the IBI Group of firms having the title of "Director";

"**DSUs**" has the meaning ascribed to such term in the section titled "Deferred Share Unit Plan";

"**Eligible Person**" means:

- A. any officer or other senior management employee of the Corporation or IBI Group or any affiliate of the Corporation (including Directors and Associate Directors), or any other New Eligible Person (an "**Eligible Individual**"); or
- B. a corporation controlled by an Eligible Individual, all of the issued and outstanding voting securities of which are, and will continue to be, beneficially controlled, directly or indirectly, by such Eligible Individual and/or the spouse of such Eligible Individual (an "**Employee Corporation**");

"**IBI**" means together, the Corporation and IBI Group as its operating partnership;

"**IBI Group**" means IBI Group, the operating entity of the Corporation, a general partnership existing under the laws of the Province of Ontario between the Management Partnership and the Corporation;

"**IBI Group Partnership Agreement**" means the amended and restated partnership agreement of IBI Group made as of January 1, 2017 between the Management Partnership and the Corporation, as same may be amended or restated from time to time;

"**IBI Group U.S.**" means IBI Group, a general partnership existing under the laws of California;

"**Independent Director**" means a director of the Corporation who is "independent" as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;

"**Insider**" means an "insider" as defined in Part 1 of the Toronto Stock Exchange Company Manual;

"**Management Partnership**" means IBI Group Management Partnership, a limited partnership existing under the laws of the Province of Ontario and its subsidiary partnership, IBI Group Management Partnership II, a limited partnership existing under the laws of the Province of Ontario;

"**Meeting**" has the meaning ascribed to such term in the section titled "Management Information Circular";

"**Named Proxyholders**" has the meaning ascribed to such term under the heading "Proxy Solicitation and Voting – Voting of Proxies";

"**New Eligible Person**" means a newly hired or promoted officer or other senior management employee of the Corporation or IBI Group or any affiliate of the Corporation who is not an existing holder of an Option;

"**Non-Participating Voting Shares**" means the non-participating voting shares of the Corporation, representing voting rights in the Corporation that accompany securities convertible into or exchangeable for Shares, currently held by the Management Partnership;



"Notice of Meeting" means the notice of annual and special meeting of Shareholders dated April 15, 2020 accompanying this Circular;

"Option" has the meaning ascribed to such term under the heading "Share-Based and Option-Based Awards – Stock Option Plan";

"Partners Compensation Amount" means the aggregate amount paid by IBI Group and certain of its subsidiary entities to the Management Partnership in respect of services provided to such entities by certain Directors and Associate Directors who have an indirect equity interest in the Management Partnership, which amount is determined in accordance with the compensation policies established by IBI Group and approved by the Governance and Compensation Committee of the Corporation, taking into consideration amounts such persons may otherwise receive directly from the IBI Group of firms;

"Performance Period" has the meaning ascribed to such term under the heading "Share-Based and Option-Based Awards – Performance Share Unit Plan";

"PSUs" has the meaning ascribed to such term in the section titled "Performance Share Unit Plan";

"SEDAR" means the System for Electronic Documents Analysis and Retrieval available at www.sedar.com;

"Shares" means the common shares of the Corporation, traded on the TSX under the symbol "IBG";

"Shareholders" means the holders of Shares and the holders of Non-Participating Voting Shares, collectively, from time to time; and

"TSX" means the Toronto Stock Exchange.



IBI GROUP INC.

MANAGEMENT INFORMATION CIRCULAR

This Circular is furnished in connection with the solicitation by the Corporation of proxies to be used at the annual and special meeting (the "**Meeting**") of Shareholders to be held on May 8, 2020 at the head office of the Corporation, Suite 700, 55 St. Clair Avenue West, Toronto, Ontario, Canada M4V 2Y7 commencing at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. All dollar amounts in this Circular are expressed in Canadian dollars, unless otherwise indicated.

THE CORPORATION

The business of the Corporation is the provision of integrated professional services and technology related to architecture, planning, engineering and transportation. The business of the Corporation is conducted indirectly through IBI Group, a general partnership existing under the laws of the Province of Ontario, and its subsidiary entities, including the provision of professional services in three main sectors: intelligence, buildings and infrastructure. IBI helps clients create livable, sustainable and advanced urban environments and Smart Cities through expertise in mobility, healthcare, education, residential and commercial markets. The Corporation holds all of the Class A partnership units of IBI Group, and the Management Partnership holds all of the Class B partnership units of IBI Group, which are exchangeable into Shares. The Corporation markets its services and technologies through various channels and manages the business operations both by geographic region in Canada and in international locations, and by sector in the United States and the United Kingdom.

The Corporation's head and registered office is located at 55 St. Clair Avenue West, 7th Floor, Toronto, Ontario M4V 2Y7. The Corporation's Shares are listed on the TSX under the symbol "IBG".

Administration Agreement

The following is a summary of the principal terms of the Administration Agreement, but does not purport to be complete. Reference is made to the Administration Agreement and the full text of its provisions for a complete description of its terms which is available on the Corporation's reference page on SEDAR.

Under the terms of the Administration Agreement, IBI Group provides administrative and support services required by the Corporation to the extent that such services are not provided by the Corporation's employees, including (without limitation) those necessary to: (i) comply with continuous disclosure obligations under applicable securities laws; (ii) provide investor relation services; (iii) provide to Shareholders information concerning income taxes; (iv) call and hold meetings of Shareholders and distribute materials in respect of such meetings; and (v) attend to administrative and other matters arising in connection with the exchange of any exchangeable securities for Shares. The Administration Agreement also provides that the Management Partnership shall make available to IBI Group and the IBI Group of firms the services of certain partners of the Management Partnership.

Under the Administration Agreement, the Corporation pays to IBI Group as consideration for its services all out-of-pocket expenses incurred by IBI Group in providing such services to the Corporation. IBI Group and IBI Group U.S. also paid to the Management Partnership \$14.68 million for such services for the year ended December 31, 2019.



The Administration Agreement may be terminated by the Corporation in the event of the insolvency or receivership of IBI Group, or in the case of default by IBI Group in the performance of a material obligation of the Administration Agreement (other than as a result of the occurrence of a force majeure event) which is not remedied within 30 days after written notice thereof has been delivered. In the event of a wind-up, dissolution or termination of any of the parties, other than the Corporation or IBI Group, the Administration Agreement shall continue to survive as between the remaining parties and shall not affect the performance of the payment obligations of such party (or its successor) to IBI Group in respect of services performed by IBI Group prior to such event.

The Administration Agreement also shall terminate automatically upon the dissolution of the Corporation.

PROXY SOLICITATION AND VOTING

Solicitation of Proxies

The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally or by telephone on behalf of the Board of Directors. The Corporation will bear the total cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of this Circular. The information contained herein is given as at March 24, 2020 (the "**Currency Date**"), except where otherwise noted.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are members of the Board of Directors. A Shareholder who wishes to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting may do so by crossing out the persons named in the form of proxy and inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy.

If you hold Shares beneficially through a broker or intermediary rather than directly registered in your own name, please see the section below titled "Information for Beneficial Shareholders".

To be valid, proxies must be sent to AST Trust Company (Canada) ("**AST**"), by mail to, Proxy Department, P.O. Box 721, Agincourt ON M1S 0A1, or by facsimile to 1-866-781-3111 (toll free) or 416-368-2502 (within the 416 area code), by email to proxyvote@astfinancial.com, so as not to arrive later than 5:00 p.m. (Toronto time) on May 6, 2020, or may be deposited with the chairperson of the Meeting prior to the commencement of the Meeting. If the Meeting is adjourned, proxies must be deposited at least 24 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used, or be deposited with the chairperson of such meeting prior to the commencement of the reconvened meeting. The document appointing a proxy must be in writing and completed and signed by a registered Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

A registered Shareholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as noted above; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the chairperson of the Meeting prior to the commencement of

the Meeting on the day of the Meeting or any adjournment thereof; or (c) in any other manner permitted by law.

Voting of Proxies

The persons named in the accompanying form of proxy ("**Named Proxyholder**") will vote for, against or withhold from voting shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the form of proxy. In the absence of such instructions, such shares will be voted (a) FOR the appointment of KPMG LLP as auditors of the Corporation and the authorization of the Board of Directors to fix their remuneration, (b) FOR the election as directors of the nominees specified under the heading "Matters to be Considered at the Meeting – Election of Directors", (c) FOR the resolution amending the Stock Option Plan to increase the number of Shares that may be granted upon exercise of Options granted under the Stock Option Plan by 800,000 Shares from 1,755,268 Shares to a maximum of 2,555,268 Shares; and (d) FOR the resolution confirming in a non-binding, advisory capacity the Corporation's approach to executive compensation policies (Say on Pay).

The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the form of proxy and Notice of Meeting and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matter or business. As of the time of the printing of this Circular, the Board of Directors knew of no such amendments, variations or other matters.

INFORMATION FOR BENEFICIAL SHAREHOLDERS

Information in this section is extremely important to all holders of Shares, as all Shares are registered in the name of CDS & Co. ("**CDS**") as nominee of The Canadian Depository for Securities Limited, which acts as a depository for many Canadian brokerage firms. Shares registered in the name of CDS can only be voted at the Meeting upon the instructions of the beneficial holder (the "**Beneficial Holder**") of those Shares. Therefore, Beneficial Holders should ensure that instructions in respect of the voting of their Shares are communicated to the appropriate party.

In Canada, brokers and other intermediaries are required to seek voting instructions from Beneficial Holders in advance of shareholders' meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Shares are appropriately voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered Shareholders, but its purpose is limited to instructing the person in whose name the Shares are registered how to vote on behalf of the Beneficial Holder. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Canada ("**Broadridge**"). Broadridge normally prepares a "Voting Instruction Form" based on the Corporation's form of proxy which it then distributes to Beneficial Holders. The Voting Instruction Form must be returned to Broadridge by the Beneficial Holder in order for the Beneficial Holder's voting instructions to be acted upon. Broadridge will tabulate all instructions received by it and provide appropriate instructions in respect of the voting of the Shares. A Beneficial Holder who receives a Voting Instruction Form cannot use that form to vote Shares directly

at the Meeting. The Voting Instruction Form must be returned to Broadridge well in advance of the Meeting to have the Shares voted at the Meeting.

Beneficial Holders who wish to attend the Meeting and vote their Shares, or appoint someone to do so on their behalf, must do so as proxyholder for the registered holder, as all Shares are registered in the name of CDS. Beneficial Holders who wish to attend the Meeting and vote their Shares as proxyholder for the registered holder, or appoint someone on their behalf, should enter their own name, or the name of the person they wish to attend and vote for them, in the blank space on the Voting Instruction Form or form of proxy provided to them. Once completed, the Voting Instruction Form or form of proxy should be signed and dated, and returned as directed by the instructions well in advance of the Meeting. At the Meeting, you should speak to a representative of AST, the registrar and transfer agent for the Shares, so that you may be recognized to vote at the Meeting.

HOW TO VOTE YOUR SHARES

Your vote is important. Please read the information below so that your Shares are properly voted.

You are a non-registered Shareholder, as an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Shares for you, or for someone else on your behalf, registered in the name of CDS. CDS acts as the top-level securities intermediary in the indirect holding system, holding securities entitlements for its participants (which include substantially all of the major banks, trust companies, insurance companies, brokers and dealers in Canada). If your Shares are listed in an account statement provided to you by a broker or other intermediary, then those Shares will not be registered in your name and are more likely registered under the name of your broker or other nominee or an agent thereof. In Canada, the vast majority of Shares will be registered in the name of CDS, which acts as a nominee for many brokerage firms. Shares registered in the name of any intermediary can only be voted upon the instructions of the non-registered Shareholder. Without specific instructions, intermediaries are prohibited from voting Shares on behalf of their clients. Therefore, non-registered Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person by the appropriate time. In accordance with applicable securities laws, the Corporation distributes copies of its Meeting materials to non-registered Shareholders directly or to intermediaries for onward distribution to non-registered Shareholders. As a non-registered Shareholder, you will most likely receive a Voting Instruction Form from Broadridge on behalf of intermediaries. It is also possible, however, that in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Shares.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote by phone, internet or mail in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

Voting at the Meeting

While it is the Corporation's intention to resume holding in-person meetings under normal circumstances, out of an abundance of caution, the Corporation is holding a hybrid meeting of Shareholders this year. The Corporation is taking this step to proactively deal with the impact of COVID-19 on public health and mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders. As a result, the Corporation asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the Public Health Agency of Canada (PHAC) (<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html>).

The Corporation encourages Shareholders not to attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak.

In view of the current and rapidly evolving COVID-19 outbreak, the Corporation's transfer agent, AST, will not be registering Shareholders that attend the Meeting in person. **This year, the Corporation is offering its Shareholders the opportunity to participate in the Meeting by way of a live webcast via the following link:**

https://produceredition.webcasts.com/starthere.jsp?ei=1298743&tp_key=46611f72aa

Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. The Corporation encourages Shareholders to participate in the Meeting by accessing the link provided above. **Shareholders will not have the ability to vote virtually at the Meeting through the live webcast. Accordingly, the Corporation encourages its registered Shareholders and duly appointed proxyholders to vote their Shares in advance of the Meeting and complete, sign and date the accompanying form of proxy in accordance with the instructions provided therein and in the Circular and return it in accordance with the instructions and timelines set forth in the Circular.**

If you have received a Voting Instruction Form and wish to attend the Meeting or have someone else (who need not be a Shareholder) attend on your behalf, you must complete, sign and return the Voting Instruction Form in accordance with the instructions on the form in that regard. Unless prohibited by law, the person you designate to attend the Meeting (including yourself) will have full authority to present matters to the Meeting and vote all matters presented at the Meeting, even if those matters are not set out in the Voting Instruction Form or this Circular. You, or such other designated person if applicable, may then vote your Shares at the Meeting.

If you have received a form of proxy instead of a Voting Instruction Form and wish to attend the Meeting or have someone else attend on your behalf, you must insert your name, or the name of the person you wish to attend on your behalf, in the blank space provided on the form of proxy. You must make sure that your completed and signed proxy form is received by AST by the established proxy cut-off date before the time set for the Meeting, or any adjournment or postponement thereof, if applicable. You, or such other designated person if applicable, may then vote your Shares at the Meeting.

Revoking a Voting Instruction Form or Proxy

If you wish to revoke a Voting Instruction Form or a form of proxy as to any matter on which a vote has not already been cast pursuant to its authority and you received your Voting Instruction Form from Broadridge, and voted by phone or internet, you may vote again by phone or internet prior to the deadline specified by Broadridge. If you received your Voting Instruction Form from Broadridge and voted by mail, please contact your account service provider at your intermediary for instructions should you wish to revoke your Voting Instruction Form.

QUORUM

A quorum is required for the Meeting. Two individuals present in person and holding or representing by proxy not less than in the aggregate 25% of the votes attached to all Shares then outstanding and entitled to vote at the meeting will constitute a quorum for the Meeting.



SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of Non-Participating Voting Shares. As of the Currency Date, there were outstanding 31,240,044 Shares (37,522,266 Shares on a partially diluted basis, assuming the exchange of the Class B Units for Shares) and 6,282,222 Non-Participating Voting Shares, Series 1 (issued to the Management Partnership in respect of the Class B Units held by the Management Partnership).

All Shares are of the same class with equal rights and privileges. The Shares are not subject to future calls or assessments, and entitle a holder to one vote for each Share held at all meetings of Shareholders.

The Non-Participating Voting Shares are used for providing voting rights in the Corporation to the Management Partnership in respect of its holdings of Class B Units in IBI Group and to persons who hold other securities that are, directly or indirectly, exchangeable for Shares and that are entitled to voting rights with respect to the Corporation. Non-Participating Voting Shares are issued in conjunction with, and will not be transferable separately from, the Class B Units or other securities to which they relate. The Non-Participating Voting Shares must be transferred upon a transfer of the associated Class B Units or other securities. Each Non-Participating Voting Share entitles the holder thereof to a number of votes at any meeting of Shareholders equal to the number of Shares which may be obtained upon the exchange of the Class B Units or other securities to which the Non-Participating Voting Shares relate, but will not otherwise entitle the holder to any rights with respect to the Corporation's property or income. Currently, the Non-Participating Voting Shares entitle the holders to an aggregate of 6,282,222 votes (equal to the number of Shares on the date hereof which may be obtained upon the exchange of the Class B Shares to which the Non-Participating Voting Shares relate).

The Record Date for the purposes of determining Shareholders entitled to receive notice of the Meeting is April 1, 2020. The Corporation will prepare a list of the Shareholders at the close of business on the Record Date. Each Shareholder on the list will be entitled to vote at the Meeting the Shares shown opposite such Shareholder's name on the list. Any Shareholder who was a Shareholder on the Record Date shall be entitled to vote at the Meeting or any adjournment thereof even though the Shareholder since that time disposed of his or her Shares, and no Shareholder becoming such after the Record Date shall be so entitled to vote at the meeting or at any adjournment thereof.

To the knowledge of the Board of Directors, as of the Currency Date, the following beneficially owned, directly or indirectly, or controlled or directed, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation:

- Management Partnership owned, of record and beneficially, 6,282,222 Non-Participating Voting Shares, which represented 100% of the issued and outstanding Non-Participating Voting Shares, and, with affiliated partnerships, 7,105,910 Shares, representing approximately 22.75% of the issued and outstanding Shares (approximately 18.94% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). Together, these interests represent an interest of approximately 35.68% of IBI on a non-diluted basis, assuming no exchange of the Class B Units for Shares and approximately 35.68% on a partially diluted basis, assuming the exchange of the Class B Units for Shares.

- Van Berkom and Associates Inc. owned 3,963,247 Shares, representing approximately 12.69% of the issued and outstanding Shares (approximately 10.56% on a partially diluted basis, assuming the exchange of the Class B Units for Shares).
- Connor, Clark & Lunn Investment Management Ltd. owned 2,716,165 Shares, representing approximately 8.69% of the issued and outstanding Shares (approximately 7.24% on a partially diluted basis, assuming the exchange of the Class B Units for Shares).

In addition, as of the Currency Date, the Board of Directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 628,812 Shares, representing approximately 2.01% of the issued and outstanding Shares (approximately 1.68% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). This information, not being within the knowledge of the Corporation, is based on information provided to the Corporation and on public filings.

MATTERS TO BE CONSIDERED AT THE MEETING

Financial Statements

The financial statements of the Corporation for the year ended December 31, 2019 and the auditors' report thereon along with the Corporation's 2019 Corporate Profile report sent to Shareholders will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.


Election of Directors



The Corporation is required to have seven directors, to be elected by the Shareholders at the Meeting. It is proposed that the individuals noted below be nominated for election as directors by the Shareholders at the Meeting. The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, intend to vote for the election, as directors, of such persons. It is not contemplated that any of the proposed nominees 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 another nominee at their discretion. Voting will be for the election of each individual director, and not on a slate basis. Each director elected will hold office until the next annual meeting or until his or her successor is elected or appointed.


The Board of Directors has adopted a majority voting policy which requires that any nominee for election as a director who receives more "withhold" votes than "for" votes cast with respect to his or her election, other than at a contested meeting, will be required to forthwith submit his or her resignation to the Board of Directors, effective upon acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Governance and Compensation Committee for consideration and the Board of Directors will determine whether or not to accept the resignation within 90 days after the date of the meeting of Shareholders. The Board of Directors will accept the resignation unless it determines that there are exceptional circumstances relating to the composition of the Board of Directors or the voting results that should delay the acceptance of the resignation or justify rejecting it. No director who is required to submit his or her resignation will participate in the deliberations of the committee or the Board of Directors with respect to the resignation. The Corporation will promptly issue a news release with respect to the Board of Directors' decision. Subject to any corporate law restrictions, the Board of Directors may leave a

vacancy unfilled until the next annual meeting of the Shareholders, fill the vacancy by appointing a new director whom the Board of Directors considers to merit the confidence of the Shareholders, or call a special meeting of Shareholders to consider another nominee to fill the vacancy.


The following table sets forth the names of, and certain information for, the persons proposed to be nominated for election as directors. Other than Paula Sinclair, all of the persons nominated are currently members of the Board of Directors and were appointed as such by the Shareholders at the last annual and special meeting held on May 10, 2019. For further detailed information on director independence, Board of Directors and Committee attendance, compensation and share ownership, please refer to the tables and narratives following this section.


| SCOTT STEWART Toronto, Ontario, Canada | |
|---|--|
|  <p>Chief Executive Officer</p> <p>Member of the Board of Directors</p> | Principal Occupation: Chief Executive Officer Director Since: ⁽¹⁾ July 23, 2004 |
| | Scott Stewart is Chief Executive Officer of IBI Group Inc. and IBI Group, responsible for providing executive leadership with a particular focus on operational management and execution. He became Chief Executive Officer in August 2013, but has been with the firm since 1983, initially as a transportation engineer and planner. He led the development of the Intelligence sector of the firm, turning it into a worldwide business with projects and offices around the world. Mr. Stewart has been active in a number of professional organizations including sitting on the Board of the Transportation Association of Canada (TAC) and the Board of ITS Canada where he fulfilled various roles including Chair. Mr. Stewart received his Bachelor of Science (Civil Engineering) degree from the University of Waterloo. |
| | Securities held: ⁽²⁾⁽³⁾ 307,289 Shares 469,272 Options 83,511 PSUs \$102,000 (principal amount) 5.5% Convertible Debentures |

| DAVID THOM Vancouver, British Columbia, Canada | |
|---|--|
|  <p>President</p> <p>Member of the Board of Directors</p> | Principal Occupation: President Director Since: ⁽¹⁾ July 23, 2004 |
| | David Thom is President of IBI Group Inc. and IBI Group, responsible for providing executive leadership with a particular focus on managing and leading the firm's multidisciplinary teams of professionals. He specializes in the planning and design of complex projects that integrate planning, architecture and transportation. He has had senior responsibility for many major urban development projects across Canada, in the United States and internationally, including public/private partnerships and private finance initiatives. Mr. Thom joined the firm in 1975 after receiving his Bachelor of Architecture degree from the University of Toronto. He is a member of the American Institute of Architects (AIA) and the Royal Architectural Institute of Canada (RAIC). |
| | Securities held: ⁽²⁾⁽³⁾ 32,200 Shares 219,893 Options 63,211 PSUs |
| DALE RICHMOND Oakville, Ontario, Canada | |
|  <p>Chair of the Board of Directors</p> <p>Member of the Governance and Compensation Committee</p> <p>Member of the Audit Committee</p> | Principal Occupation: Corporate Director, Chair of the Board of Directors and Chair of the Governance and Compensation Committee Independent Director Since: ⁽¹⁾ July 23, 2004 |
| | Mr. Richmond is the Chair of the Board of Directors, the Chair of the Governance and Compensation Committee and a member of the Audit Committee. Mr. Richmond is the past Chair of The Canadian Council for Public-Private Partnerships. He has participated on a number of corporate boards and has served the community as past Chair of The Toronto Board of Trade, The Canadian Urban Institute and Humber College. From 1993 to 2003, he was the President and Chief Executive Officer of the Ontario Municipal Employees Retirement System (OMERS). Prior to 1993, Mr. Richmond served with the Municipality of Metropolitan Toronto for 17 years, where he held various positions including Chief Administrative Officer (for a period of eight years), Deputy Commissioner of Transportation, and Commissioner of Management and Computer Services. He also held various public sector positions in Halifax, Calgary and Sudbury. Mr. Richmond received a Bachelor of Commerce degree from Mount Allison University, a Master of Arts (Economics) degree from Dalhousie University and is a Fellow of the Chartered Professional Accountants of Ontario and a Fellow of the Certified Management Accountants of Ontario. |
| | Securities held: ⁽²⁾⁽³⁾ 46,000 Shares 300,855 DSUs |

| MICHAEL NOBREGA Toronto, Ontario, Canada | |
|---|---|
|  <p>Member of the Governance and Compensation Committee</p> <p>Member of the Audit Committee</p> | <p>Principal Occupation: Chair, Audit Committee, Toronto Hydro Corporation</p> <p>Independent Director Since: May 11, 2017</p> <p>Other Public Board Memberships: Toronto Hydro Corporation</p> |
| | <p>Mr. Nobrega is Chair of the Audit Committee, a member of the Governance and Compensation Committee and a director of the Toronto Hydro Corporation, an electric utility that operates the electricity distribution system for the City of Toronto. Mr. Nobrega is the Chair of the Centre for Commercialization of Regenerative Medicine, a not-for-profit organization that supports development and commercialization of cell and gene therapies and regenerative medicine technologies. From March 2019 to February 2020, Mr. Nobrega was a director of Cellcube Energy Storage Systems Inc., a Canadian company that acts as a fully integrated producer of vanadium, vanadium electrolytes and vanadium redox flow batteries for the energy storage industry. In the past, Mr. Nobrega has acted as the Chair of the Ontario Centres of Excellence, an Ontario-based organization that drives the commercialization of leading-edge technologies across the transportation, communications and other key market sectors. He was also the interim President and Chief Executive Officer of Waterfront Toronto. Mr. Nobrega was President and Chief Executive Officer of the Ontario Municipal Employees Pension System (OMERS), one of Canada's largest pension funds, from 2007 to 2014, and President and Chief Executive Officer of Borealis Infrastructure, the infrastructure investment entity of OMERS, from 1998 to 2007. Prior to Borealis Infrastructure, Mr. Nobrega was a tax partner of Arthur Andersen. Between 2014 and 2016, Mr. Nobrega was appointed by the Ontario provincial government as Chair of the Expert Panels on the financial restructuring of MaRS (Ontario's innovation hub for medical and related sciences) and on the reconstruction of the Macdonald Block in Toronto. Mr. Nobrega holds an Honours BA (Economics and Mathematics) from the University of Toronto and is a Fellow of the Chartered Professional Accountants of Ontario.</p> |
| | <p>Securities held:⁽²⁾⁽³⁾</p> <p>27,900 Shares</p> <p>56,876 DSUs</p> |

| CLAUDIA KRYWIAK Toronto, Ontario, Canada | |
|---|--|
|  <p>Member of the Governance and Compensation Committee</p> <p>Member of the Audit Committee</p> | Principal Occupation: President and CEO, Ontario Centres of Excellence Independent Director Since: May 10, 2018 |
| | <p>Ms. Krywiak is currently the President and CEO, having acted as Interim President and CEO and Vice President, Corporate Planning, Development and Strategic Initiatives, of the Ontario Centres of Excellence ("OCE"), a not-for-profit organization that drives the growth of a knowledge-based economy in Ontario. Ms. Krywiak is also a Board Member (ex officio) of OCE. In partnership with industry, OCE co-invests in industrially relevant research and development and the commercialization of leading-edge technologies, supporting the next generation of innovators and entrepreneurs. Prior to joining OCE, Ms. Krywiak held the position of Vice President, Business Development (Ontario) at Mitacs, a national research organization that funds research and training programs. She also had five years of experience with Bruker BioSpin, a world leader in Nuclear Magnetic Resonance (NMR) technology. Ms. Krywiak holds a Hon.B.Sc. and a Ph.D. in Chemistry from the University of Toronto.</p> |
| | Securities held: ⁽²⁾⁽³⁾ 13,142 DSUs |

| JOHN O. REID Toronto, Ontario, Canada | |
|---|---|
|  <p>Member of the Governance and Compensation Committee</p> <p>Member of the Audit Committee</p> | Principal Occupation: Chartered Professional Accountant, John O. Reid Professional Corporation Independent Director Since: May 11, 2017 |
| | <p>Mr. Reid is a Chartered Professional Accountant, Chartered Accountant, with over 40 years' experience. He was Audit Leader for KPMG LLP in the Greater Toronto Area from 2008 to 2014. He has extensive experience in auditing as well as the management of professional service organizations, and has experience in strategic planning, development and growth management in all business sectors and industries, with a focus on mergers and acquisitions, technology and health care. Mr. Reid is a founding member and Chair of the Audit Committee of the Perimeter Institute of Theoretical Physics, which supports physics research, training and outreach throughout the world. Mr. Reid served as Chair of six hospital boards and two colleges across Canada. Mr. Reid received a Bachelor of Commerce degree from the University of Alberta, and is a Fellow of the Chartered Professional Accountants of Ontario.</p> |
| | Securities held: ⁽²⁾⁽³⁾ 57,387 DSUs |

| PAULA SINCLAIR Toronto, Ontario, Canada | |
|---|---|
|  | Principal Occupation: Partner and CTO, Cargo Management Consulting |
| | <p>Ms. Sinclair spent the first half of her career building or working for software development and technology companies in the medical, manufacturing, logistics, asset management and supply chain sectors. In each case, she focused on the development of applications and solutions by applying new and emerging technologies to create business value. From there, she moved into the financial services and media sectors as an executive and chief information officer (CIO) leading large transformation initiatives. With more than 20 years of experience in the IT industry, Ms. Sinclair previously served as the SVP Digital for Aviva Canada, the CIO for Torstar Corporation and the SVP IT & CIO of Royal Sun Alliance Canada where she focused on leveraging technology to drive operational effectiveness, cost optimization and product innovation.</p> |
| | <p>Throughout her career, she has been at the forefront of technology change and disruption associated with the Internet, data analytics, digital, cloud technology, distributed computing, off-shoring, integration and robotics. Ms. Sinclair is currently the Partner and CTO for Cargo Management Consulting, a boutique consulting firm based in Toronto, Ontario. Cargo was formed with the intention of supporting organizations in reducing the risk of technology investment in their businesses. She currently sits on the Advisory Boards of Softdrive Corp. (which specializes in solution development using the Internet of Things) and Isherwood Geostuctural Engineering in Toronto. Ms. Sinclair also serves as a director of Roil Blue Corporation, which holds a patent for deep water spill containment systems.</p> |
| | <p>Ms. Sinclair holds a Bachelor and Master's degree in Engineering from the University of Western Ontario.</p> |
| | Securities held: ⁽²⁾⁽³⁾ Nil |

Notes:

- (1) Includes period of time served as a trustee of IBI Income Fund.
- (2) The information as to securities beneficially owned, or controlled or directed, directly or indirectly, by the nominees, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.
- (3) See "Performance Share Unit Plan" and "Deferred Share Unit Plan" below for a description of PSUs and DSUs, respectively.

The Board of Directors recommends that you vote FOR the election of each of the nominee directors. If you have not specified how you want your Shares voted and if you have authorized the Named Proxyholders as your proxyholder, the Named Proxyholders will vote FOR the election of each of the nominee directors.

Retiring Director

Lorraine Bell is not standing for re-election as a director of the Corporation and will retire at the end of the Meeting. Ms. Bell has served on the Board of Directors since 2011. Ms. Bell is a Chartered Professional

Accountant, Chartered Accountant with over 30 years' experience in the financial sector. She has also worked in capital markets for over 20 years at various firms and specialized in the derivatives market. Ms. Bell is currently a member of the Institute of Corporate Directors in Canada.

Appointment of Auditors

The Board of Directors, on the advice of the Audit Committee, recommends that KPMG LLP, Chartered Professional Accountants, be reappointed as independent auditors of the Corporation. The auditors appointed at the Meeting will serve until the next annual meeting of the Shareholders, or until their successors are appointed, at a remuneration to be fixed by the Board of Directors. KPMG LLP have been the auditors of the Corporation and the Corporation's predecessor, IBI Income Fund, since their inception.

The Board of Directors recommends that you vote FOR the appointment of KPMG LLP as independent auditors of the Corporation. If you have not specified how you want your Shares voted and if you have authorized the Named Proxyholders as your proxyholder, the Named Proxyholders will vote FOR the appointment of KPMG LLP as independent auditors of the Corporation.

External Auditor Service Fee

For the years ended December 31, 2019 and December 31, 2018, the following fees were billed to the Corporation by its external auditors, KPMG LLP and its affiliates:

| | Year ended December 31, 2019 | Year ended December 31, 2018 |
|-----------------------------------|------------------------------|------------------------------|
| Audit Fees ⁽¹⁾ | \$1,040,000 | \$1,146,658 |
| Audit Related Fees ⁽²⁾ | \$229,339 | \$251,720 |
| Tax Fees ⁽³⁾ | \$389,013 | \$481,710 |
| All Other Fees ⁽⁴⁾ | Nil | Nil |
| Total Fees Paid | \$1,658,352 | \$1,880,088 |

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Corporation's consolidated financial statements, as well as the annual audits of certain subsidiaries of the Corporation.
- (2) For assurance and related services that are reasonably related to the performance of the audit of the financial statements of the Corporation and which are not included in "Audit Fees". These services were provided in relation to quarterly reviews and a Federal Acquisition Overhead Rate audit.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax advice and tax planning. These services were provided in relation to tax compliance.
- (4) "All Other Fees" include fees for products and services provided by the auditors other than those included in "Audit Fees", "Audit Related Fees" and "Tax Fees".

Amendment to Stock Option Plan

On March 19, 2014, the Board of Directors approved the implementation of the Stock Option Plan. See "Share-Based and Option-Based Awards – Stock Option Plan" below for a description of the Stock Option Plan.

The Stock Option Plan initially reserved a total of 1,755,268 Shares for issuance pursuant to the exercise of Options under the Stock Option Plan. An aggregate of 1,551,192 Options have been granted as of the Currency Date. As its business continues to grow, the Corporation will have a need to retain new and qualified directors, officers, employees and other key personnel. As part of an overall compensation and incentive plan to attract such qualified individuals, the Corporation believes a larger option pool will be necessary.

In accordance with the policies of the TSX, the Corporation wishes to amend Section 4.1 of the Stock Option Plan to increase the number of Options that may be granted under the Stock Option Plan by 800,000 Shares from 1,755,268 Shares to a maximum of 2,555,268 Shares, representing 8.18% of the issued and outstanding Shares as of the Record Date (or 6.81% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). As of the Currency Date, an aggregate of 1,551,192 Options have been granted and an aggregate of 24,167 Options have been exercised; 979,909 Options would be available for further issuance under the Stock Option Plan following the proposed amendment.

The following is a summary only of the principal provisions of the Stock Option Plan and is qualified by reference to the full text of the Stock Option Plan, as amended, attached as "Schedule B – Stock Option Plan" to this Circular.

Proposed New Section 4.1 of Stock Option Plan

The proposed new amending provision will be substantively the same except with respect to the maximum number of Shares reserved for issuance pursuant to the Stock Option Plan:

Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares reserved for issuance upon the exercise of all Options granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Section 8 hereof, shall not exceed 2,555,268 Shares. Optioned Shares in respect of which Options are not exercised prior to the expiry or termination of such Options shall be available for subsequent Options. No fractional Shares may be purchased or issued under the Plan.

Recommendation of the Board of Directors

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, the resolution to amend the Stock Option Plan to increase the aggregate number of Shares that may be reserved for issuance pursuant to the exercise of Options under the Stock Option Plan.

The Board of Directors has determined that the proposed amendment to the Stock Option Plan is in the best interests of the Corporation and its Shareholders and recommends that Shareholders vote in favour of the resolution to amend the Stock Option Plan as detailed above.

Resolution to Amend the Stock Option Plan

The resolution to approve the amendments to the Stock Option Plan is as follows:

"RESOLVED as an ordinary resolution that:

1. An amendment to the Stock Option Plan to increase the aggregate number of Shares that may be reserved for issuance pursuant to the exercise of Options under the Stock Option Plan by 800,000 Shares from 1,755,268 to a maximum of 2,555,268 is hereby authorized and approved.
2. Section 4.1 of the Stock Option Plan is hereby deleted in its entirety and replaced with the following:

"Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares reserved for issuance upon the exercise of all Options granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Section 8 hereof, shall not exceed 2,555,268 Shares. Optioned Shares in respect of which Options are not exercised prior to the expiry or termination of such Options shall be available for subsequent Options. No fractional Shares may be purchased or issued under the Plan."
3. The Stock Option Plan and any amendment thereto shall remain in full force and effect, except as amended by this resolution which is deemed to be a part of the Stock Option Plan; and
4. any officer of the Corporation be and is hereby authorized to take such actions as such officer may determine to be necessary or advisable to implement these resolutions, such determination to be conclusively evidenced by the taking of any such actions."

The resolution must be passed, with or without amendment, by not less than a majority of votes cast by Shareholders who vote in respect of the resolution at the Meeting. No Shareholders are excluded from voting in respect of the resolution.

The increase to the Stock Option Plan pool contemplated by the resolution to amend the Stock Option Plan is also subject to approval of the TSX.

The Board of Directors recommends that you vote FOR the resolution to amend the Stock Option Plan. If you have not specified how you want your Shares voted and if you have authorized the Named Proxyholders as your proxyholder, the Named Proxyholders will vote FOR the resolution to amend the Stock Option Plan.

Interests of Certain Persons or Companies in Matters to be Acted Upon

As of the Currency Date, there are 31,240,044 issued and outstanding Shares. The Board of Directors and the NEOs, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 532,512 Shares, representing approximately 1.70% of the issued and outstanding Shares (approximately 1.42% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). All NEOs have an interest or potential interest in the resolution to amend the Stock Option Plan as they are participants or potential participants in the Stock Option Plan.

Non-Binding Advisory Vote on Executive Compensation

The purpose of the annual Shareholder non-binding advisory vote on executive compensation is to provide appropriate director accountability to the Shareholders for the Board of Directors' compensation decisions by giving Shareholders a formal opportunity to provide their views on the disclosed approach to executive compensation plans. While Shareholders will provide their collective advisory vote, the Board of Directors remains fully responsible for their compensation decisions and are not relieved of these responsibilities by a positive or negative advisory vote by Shareholders.

Resolution to Confirm Non-Binding, Advisory Vote

The non-binding, advisory resolution is as follows:

"RESOLVED as an ordinary resolution that:

1. on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in the Corporation's Circular delivered in advance of the 2020 annual and special meeting of Shareholders; and
2. any officer of the Corporation be and is hereby authorized to take such actions as such officer may determine to be necessary or advisable to implement these resolutions, such determination to be conclusively evidenced by the taking of any such actions."

As this is an advisory vote, the results will not be binding upon the Board of Directors. The Board of Directors will, however, take the results of the vote into account, as appropriate, when considering future compensation policies, procedures, and decisions and in determining whether there is a need to significantly increase their engagement with Shareholders on compensation and related matters.

The Corporation will disclose the results of the Shareholder advisory vote as part of its report on voting results for the Meeting. The Board of Directors will disclose to Shareholders in the management information circular for its next annual meeting, or earlier and by other means if advisable, any changes to the compensation plans made or to be made (or why no such changes were made) by the Board of Directors as a result of its engagement with Shareholders. The Corporation plans to hold an advisory vote on its approach to executive compensation on an annual basis.

The Board of Directors recommends that you vote FOR the non-binding, advisory resolution on executive compensation. If you have not specified how you want your Shares voted and if you have authorized the Named Proxyholders as your proxyholder, the Named Proxyholders will vote FOR the non-binding, advisory resolution on executive compensation.

Other Business

The Board of Directors is not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.



STATEMENT OF EXECUTIVE COMPENSATION

Introduction

This Compensation Discussion and Analysis describes and explains elements of the executive compensation program of the Corporation, with particular emphasis on the process for determining compensation awarded to, earned by, paid to or payable to the Chief Executive Officer, the Chief Financial Officer and each of the three other most highly compensated executive officers of the Corporation in the Corporation's most recently completed financial year (collectively, "**Named Executive Officers**" or "**NEOs**"). In 2019, our NEOs were:

| Name | Position |
|-------------------|--------------------------------|
| Scott Stewart | Chief Executive Officer |
| Stephen Taylor | Chief Financial Officer |
| David Thom | President |
| Peter Moore | Regional Director, Canada West |
| Mansoor Kazerouni | Global Director, Buildings |

Philosophy

The executive compensation philosophy of the Corporation is guided by its objective to retain the senior management critical to the success of IBI Group and the enhancement of Shareholder value. Compensation is set at competitive market levels, designed to retain the Chief Executive Officer and other members of the senior management team and align the interests of management with the creation of Shareholder value.

Under the Administration Agreement, IBI Group pays the Partners Compensation Amount to the Management Partnership in respect of the base compensation for the services of the principals, including the NEOs, of the partners of the Management Partnership. The Governance and Compensation Committee reviews and approves on an annual basis the compensation policy pursuant to which the amount of the Partners Compensation Amount paid by IBI Group to the Management Partnership and the portion thereof paid by the Management Partnership to each corporation which is a partner of the Management Partnership and of which a member of management of the Corporation, including each NEO, is principal. In addition, each NEO receives a portion of his compensation directly from the Corporation. The income paid to the Management Partnership for the year ended December 31, 2019 was \$14.68 million.

General Description of the Executive Compensation Elements

The following table outlines the Corporation's compensation elements for the 2019 compensation program for NEOs. In addition to base salary and benefits, the Corporation's executive compensation features a short-term incentive plan bonus ("**STIP Bonus**") and long-term incentive plan awards ("**LTIP**") pursuant to the Corporation's Stock Option Plan and Performance Share Unit Plan. The Board of Directors believes that the mix of annual and variable compensation, which is also known as "at-risk" compensation

since payment is not guaranteed, links the interests of the Corporation's executives and those of the Shareholders by rewarding executives for creating Shareholder value.

KEY ELEMENTS OF COMPENSATION PROGRAM

| Compensation Element | Description | Objectives |
|---|---|--|
| Base salary | Competitive fixed rate of pay | Attract and retain executives with the required skills and experience to successfully achieve the Corporation's short-term business plan and longer-term strategic goals |
| Benefits | Health, dental, life and disability insurance plans | Provide market competitive benefits to attract and retain executives |
| Annual Short-term Incentive Plan Bonus (STIP Bonus) | At-risk annual cash bonus based on corporate and individual performance targets for a calendar year Payment can be higher or lower (down to zero) than target percentage depending on individual and corporate performance | Reward executives for their contribution to the achievement of annual corporate and individual goals related to the Corporation's strategy |
| Long-term Incentive Plan (LTIP) Awards | At-risk long-term incentives that reward performance over various time horizons to incentivize long-term sustained performance and creation of Shareholder value | Motivate executives to achieve objectives set forth in the Corporation's strategic plan |
| PSUs | Annual awards of rights to receive Shares that fully vest on the third anniversary of the date of grant Conditional upon achievement of specific performance targets or goals during the three-year vesting period | Encourage executives to pursue initiatives that will increase Shareholder value over the long run Promote retention via three-year vesting |
| Options | Options to purchase Shares at the exercise price determined at the time of grant Vest as determined by the Board of Directors in accordance with the provisions of the Stock Option Plan | Promote retention Link future rewards to long-term share price appreciation |

Managing Executive Compensation Related Risk

The Board of Directors and the Governance and Compensation Committee review the Corporation's compensation policies and practices to align the pay outcomes with the Corporation's risk management strategies and to discourage inappropriate risk-taking by senior management of the Corporation.

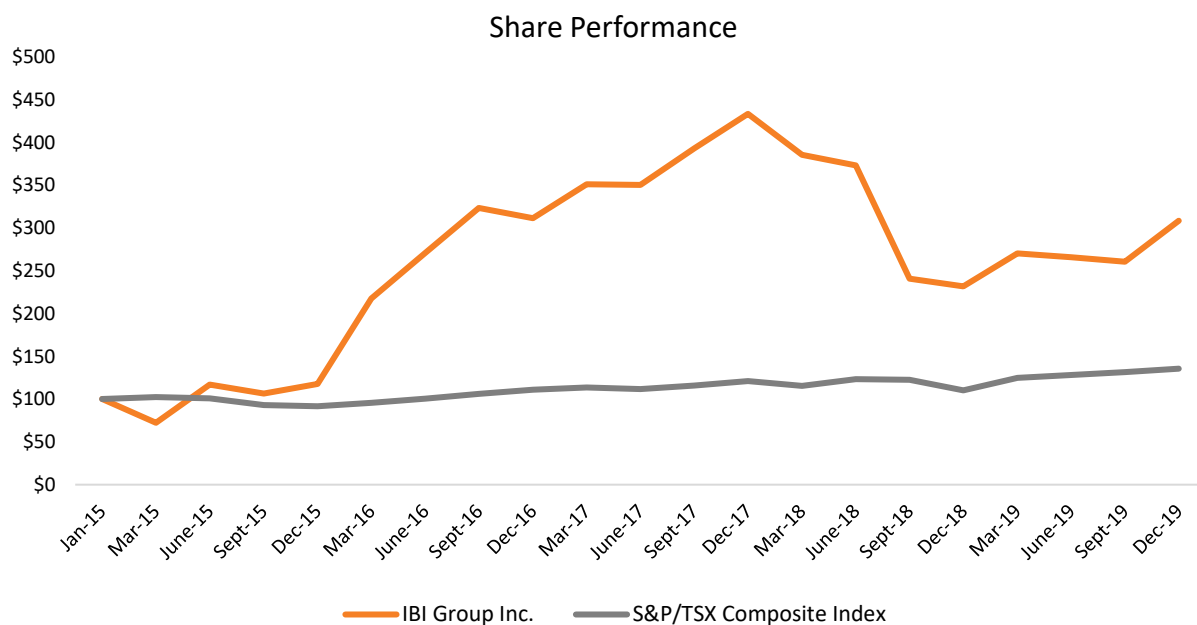
The Board of Directors uses, among other things, the following practices to discourage or mitigate excessive risk-taking:

- the Board of Directors approves the Corporation's strategic plan, annual budgets, and financial and other targets, which are considered in the context of assessing performance and awarding incentives;
- there is an appropriate mix of pay, including fixed and performance-based compensation with short- and longer-term performance conditions and vesting periods;
- base salaries are established to provide regular income, regardless of Share price;
- annual bonus awards are capped and based on the achievement of financial and individual performance objectives; and
- LTIP awards, if and when granted, are approved by the Board of Directors and the Governance and Compensation Committee and are comprised of: (i) PSUs which fully vest after three years only if time and performance criteria are met, ensuring executives remain exposed to the risks of their decisions and that vesting periods align with risk realization periods, and (ii) Options which also generally vest after three years of their issuance and the intrinsic value of which lies in the long-term performance of the Corporation's Share price, thereby aligning interests of the executives with those of the Shareholders.

Executive officers and directors of the Corporation require prior approval from the Chief Financial Officer for all trades of securities and for purchases of financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of the Corporation's equity securities. Any such purchases are required to be disclosed in insider report filings, and to date no purchases of financial instruments have been disclosed.

Performance Graph

The following graph illustrates the total cumulative return for \$100 invested in Shares of the Corporation for the five-year period from January 1, 2015 to December 31, 2019, with the total cumulative returns of the S&P/TSX Composite Index, assuming reinvestment of dividends.



The compensation of the Corporation's executive officers was relatively static from 2010 to 2013. Total compensation did increase by approximately 10% in 2014 due to bonuses paid to the Chief Financial Officer and the President, although this was significantly less than the 114% increase in Share price in 2014. Total compensation did not increase in 2015 while the Share price increased 17.6%, and increased by approximately 48% in 2016 due to bonuses and stock options, although this was significantly less than the 165% increase in Share price in 2016. During 2017, the Share price increased by 33% while total compensation increased by 28.38% primarily due to increases in bonuses and stock option awards and the introduction of equity-based awards (PSUs). During 2018, the Share price decreased by 47% and total compensation decreased by 13.29% due to decreases in bonuses or equity-based compensation awards. During 2019, the Share price increased by 25% and total compensation increased by 6.55% due to increases in bonuses or equity-based compensation awards.

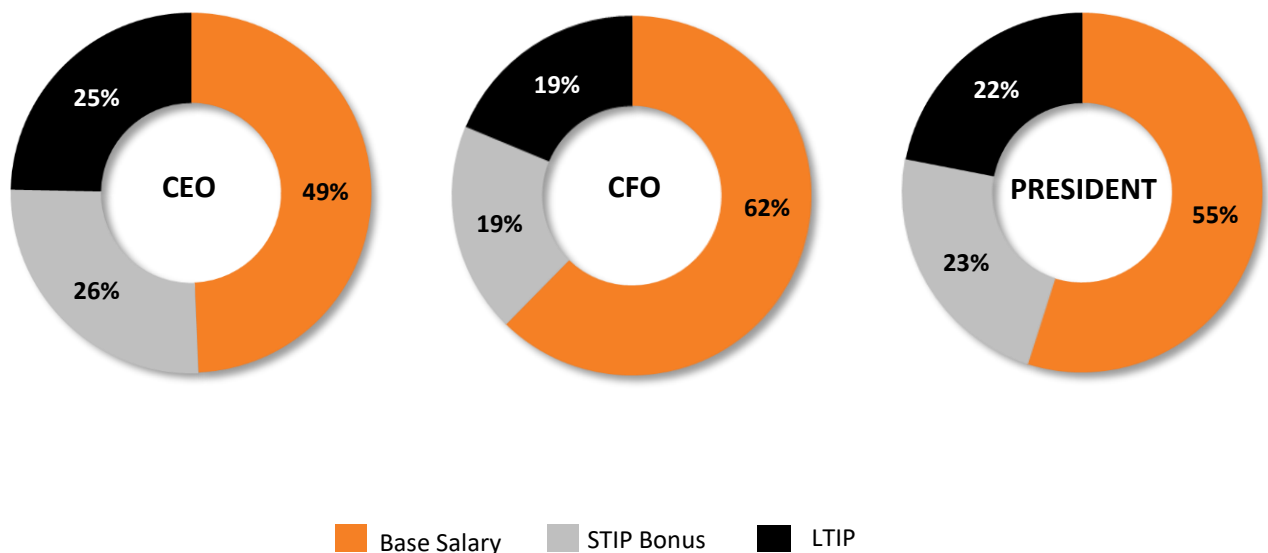
Compensation Mix

In determining the appropriate mix of compensation elements, the Governance and Compensation Committee considers market practices including the compensation mix for similar positions in the Corporation's Peer Group. See "Peer Group" below.

As illustrated in the charts below, a significant portion of compensation of the Chief Executive Officer, Chief Financial Officer and the President is performance-based. In total, approximately 50% of the compensation of Scott Stewart, the Chief Executive Officer of the Corporation, 37% of the compensation of Stephen Taylor, the Chief Financial Officer, and 45% of the compensation of David Thom, the President of the Corporation, was "at-risk" in 2019.

Mix of Compensation Elements

The figures in the following charts are based on the compensation mix of the Chief Executive Officer, the Chief Financial Officer, and the President for 2019:



Annual Compensation Review Process

Role of the Governance and Compensation Committee

The Board of Directors has a Governance and Compensation Committee which has the responsibility for, among other things, assisting the Board of Directors in fulfilling their responsibilities relating to the compensation of management of IBI Group, including NEOs, and directors of the Corporation.

On the Currency Date, the Governance and Compensation Committee was comprised of the following five directors: Dale Richmond (Chair), Lorraine Bell, John Reid, Claudia Krywiak and Michael Nobrega. The Board of Directors has determined that all members are currently "independent" as determined in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Each member of the Governance and Compensation Committee has relevant direct experience in matters of executive compensation. The members have experience in chief executive officer roles and as directors of public companies and two members of the Board of Directors are or have been members of compensation committees of other public companies. The skills and experience of the members of the committee enable the committee to make decisions on the suitability of compensation policies and practices.

With respect to the compensation of the directors, the Governance and Compensation Committee reviews and recommends compensation to the Board of Directors, including annual retainer, meeting fees and other benefits conferred upon the directors. The Governance and Compensation Committee reviews the compensation being paid to directors of the Corporation's Peer Group and makes recommendations to the Board of Directors with respect to any proposed changes to the compensation of the directors. See "Director Compensation" below.

With respect to the compensation of the executive officers, the Governance and Compensation Committee approves the compensation policy pursuant to which the following are determined each year: (i) the amount of the Partners Compensation Amount paid by IBI Group to the Management Partnership; and (ii) the allocation to each corporation which is a partner of the Management Partnership, and of which a member of management, including each NEO, is principal of its share of the Partners Compensation Amount.

Role of the Compensation Consultants

Independent Consultants:

In 2019, Willis Towers Watson was retained by the Governance and Compensation Committee and the Board of Directors to provide Black-Scholes valuation modeling for LTIP awards. Willis Towers Watson was originally retained in August 2013.

Other services provided to the Corporation at the request of management are approved by the Chief Executive Officer and do not require pre-approval by the Board of Directors or the Governance and Compensation Committee.

Executive Compensation-Related Fees:

Willis Towers Watson billed the Corporation an aggregate of \$6,881.30 in 2019 and an aggregate of \$3,379.48 in 2018, in each case in connection with directors and executive compensation-related services.

All Other Fees:

In 2019, Willis Towers Watson billed the Corporation \$11,036.81 in other fees for services not included in the amount reported above under "Executive Compensation-Related Fees".

In 2018, Willis Towers Watson billed the Corporation \$12,725.06 in other fees for services not included in the amount reported above under "Executive Compensation-Related Fees".

Upcoming Changes in Executive Compensation

The Governance and Compensation Committee approved base salary increases and changes to the STIP Bonus performance measures of certain executives in order to reflect contribution and scope of responsibilities. These changes became effective as of January 1, 2019. Significant changes to the Corporation's executive compensation are not contemplated for 2020.

Benchmarking

As part of its annual compensation review, the Governance and Compensation Committee reviews the comparator group used to benchmark executive compensation to ensure that it represents the most appropriate group of comparator companies in light of the Corporation's size, breadth of services and geographic scope.

The Governance and Compensation Committee determined the Corporation's group of comparator companies in 2019 using selection criteria based on, among other things, organizations with which the Corporation competes for investor capital.

Peer Group

In identifying a pay comparator group ("**Peer Group**"), the Board of Directors acknowledges that no one company is entirely comparable with the Corporation in terms of size, scope, industry, complexity and services provided. A Peer Group provides valuable information regarding relevant market compensation levels and practices and provides market context to inform the Governance and Compensation Committee and the Board of Directors' decision-making.

The following table sets out the current approved Peer Group, including ticker symbol and industry type:

| Canadian Companies | Ticker | Industry |
|-------------------------------------|---------------|---------------------------------------|
| Aecon Group Inc. | TSX:ARE | Construction and Engineering |
| Bird Construction Inc. | TSX:BDT | Construction and Engineering |
| North American Energy Partners Inc. | TSX:NOA | Oil and Gas Equipment and Services |
| SNC-Lavalin Group Inc. | TSX:SNC | Construction and Engineering |
| Stantec Inc. | TSX:STN | Research and Consulting Services |
| Stuart Olson Inc. | TSX:SOX | Construction and Engineering |
| WSP Global Inc. | TSX:WSP | Construction and Engineering |
| U.S. Companies | Ticker | Industry |
| Fluor Corporation | NYSE:FLR | Construction and Engineering |
| AECOM | NYSE:ACM | Construction and Engineering |
| Jacobs Engineering Group Inc. | NYSE:JEC | Construction and Engineering |
| KBR, Inc. | NYSE:KBR | Construction and Engineering |
| Tutor Perini Corporation | NYSE:TPC | Construction and Engineering |
| Tetra Tech, Inc. | NASDAQ:TTEK | Environmental and Facilities Services |

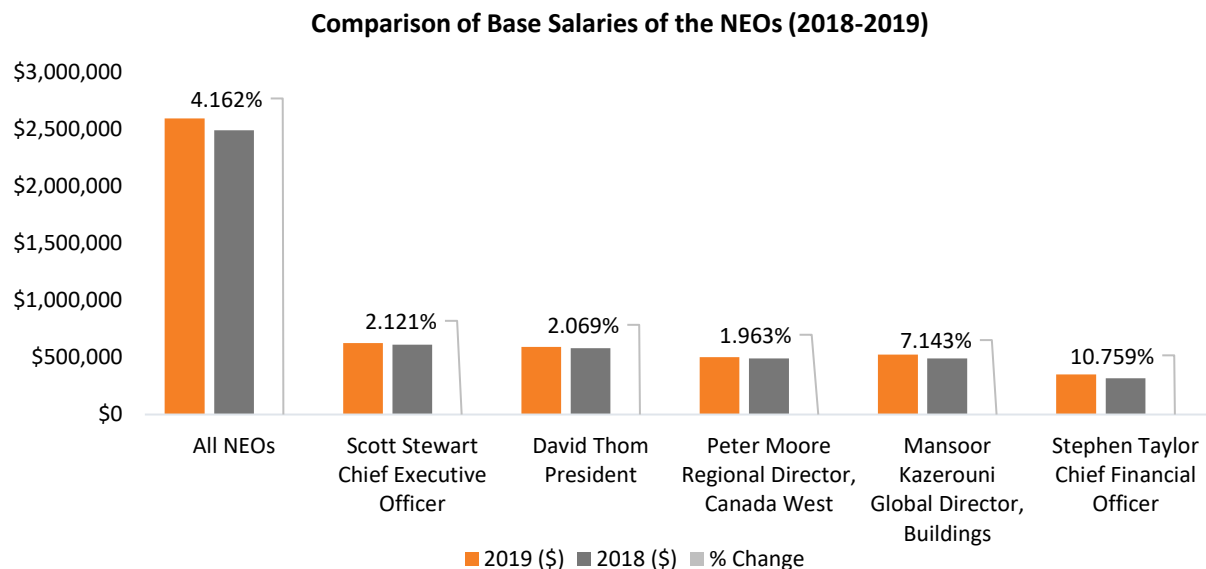
| International Companies | Ticker | Industry |
|-------------------------|--------------|------------------------------------|
| WorleyParsons Limited | ASX:WOR | Oil and Gas Equipment and Services |
| CIMIC Group Limited | ASX:CIM | Construction and Engineering |
| Técnicas Reunidas, S.A. | BME:TRE | Oil and Gas Equipment and Services |
| Acciona, S.A. | BME:ANA | Electric Utilities |
| Saipem S.p.A. | BIT:SPM | Oil and Gas Equipment and Services |
| Petrofac Limited | LSE:PFC | Oil and Gas Equipment and Services |
| Balfour Beatty plc | LSE:BBY | Construction and Engineering |
| ARCADIS NV | ENXTAM:ARCAD | Construction and Engineering |

Description of Compensation paid to NEOs in 2019

Base Salary

The base salaries of the NEOs and other executives of the Corporation are generally reviewed annually and set at around the median of the Peer Group, but may be set above or below the median to reflect experience, individual contribution and performance, changes in scope or responsibilities, attracting new executives and other specific circumstances.

The following chart sets out the comparison of Base Salaries of the NEOs from 2018 to 2019:



Annual Short-Term Incentive Plan (STIP) Bonus

The persons eligible to receive a STIP Bonus include the Chief Executive Officer, the President, the Chief Financial Officer and other executive officers or key employees of the Corporation approved by the Board of Directors as being eligible to participate ("**Participants**"). The Board of Directors, unless it delegates the administration to a committee, administers the STIP Bonus based on annual corporate and individual performance measures for a calendar year, commencing on January 1 ("**Performance Year**") and calculated in accordance with the following formula:

$$\begin{array}{ccccc} \text{The Participant's} & & \text{The Participant's STIP} & & \text{The} \\ \text{actual amount of} & & \text{Bonus Target} & & \text{Participant's} \\ \text{Base Fixed Pay for} & \times & \text{Percentage} & \times & \text{Performance} \\ \text{the Performance} & & \text{(30\% to 50\%)} & & \text{Score} \\ \text{Year for Active} & & & & \text{(0.0 to 1.5)} \\ \text{Employment} & & & & \end{array}$$

Note:

(1) "STIP Target Percentage" refers to a performance target established for each Participant, expressed as a percentage of such Participant's Base Fixed Pay from 30% to 50%; "Performance Score" refers to the extent to which the actual performance of the Participant met their strategic/individual objectives as at the end of the Performance Year and is assessed by the Board of Directors.

In determining the performance measures of the 2019 STIP Bonus, the Governance and Compensation Committee focused the STIP Bonus for 2019 on the same corporate performance metrics as in 2018 and selected financial performance indicators and individual performance goals that are part of the Corporation's annual business plan and long-term strategic plan and are highly correlated with value creation for Shareholders. For each financial metric, targets were set at the consolidated level and were approved by the Governance and Compensation Committee.

For 2019, the Governance and Compensation Committee reviewed the Corporation's results and assessed the Chief Executive Officer's performance against his performance measures. The Governance and Compensation Committee also analyzed and discussed with the Chief Executive Officer the performance of the Chief Financial Officer and the President in order to recommend their respective STIP Bonus payments to the Board of Directors for approval. The consolidated corporate performance measures, weighting, targets, actual results and payout under the STIP Bonus for the Chief Executive Officer, the Chief Financial Officer and the President for 2019 are set out in the following table:

| Performance Measures ⁽¹⁾ | Relative Weight | Performance Target (Payout =100 %) | Performance Stretch (Payout = 150%) | Achieved ⁽²⁾ | Payout ⁽³⁾⁽⁷⁾ |
|---------------------------------------|-----------------|------------------------------------|-------------------------------------|-------------------------|--------------------------|
| Revenue ⁽⁴⁾ | 30% | \$374,381,000 | \$411,800,000 | \$377,000,000 | 103% |
| EBITDA ⁽⁵⁾ | 50% | \$40,625,000 | \$48,700,000 | \$42,000,000 | 108% |
| Individual Performance ⁽⁶⁾ | 20% | See Note 6. | See Note 6. | See Note 6. | 80% - 100% |

Notes:

- (1) Performance measures indicated in this table are derived from the Corporation's annual business plan or budget. Performance goals for each metric and the various performance levels were recommended by the Chief Executive Officer and approved by the Governance and Compensation Committee.
- (2)
 - (a) Where the performance achieved for the Performance Year is less than the related Performance Target, the related Performance Score is such percentage as may be determined by the Board of Directors, or a committee delegated by the Board of Directors, in its discretion;
 - (b) Where the performance achieved for the Performance Year is at least equal to the related Performance Target, but less than the related Performance Stretch, the related Performance Score is an amount pro-rated between 1.0 times target and 1.5 times target in a straight-line interpolation;
 - (c) Where the performance achieved for the Performance Year is equal to or greater than the related Performance Stretch, the related Performance Score is 1.5 times target.
- (3) The payout represents a percentage of the relative weight of the performance measures.
- (4) Revenue is reported revenue for the year.
- (5) EBITDA is the Corporation's adjusted earnings before interest, taxes, depreciation and amortization of the Performance Year.
- (6) The Governance and Compensation Committee assesses individual performance against the strategic objectives of the Corporation and determines the performance score for individual performance based on an assessment of the individual's performance against those strategic objectives over the Performance Year. Individual performance targets vary based on each executive.
- (7) Mr. Moore and Mr. Kazerouni receive bonuses based entirely on the achievement of their individual performance goals. See "Summary Compensation Table" below.

For 2019, the target bonus and actual payout under the STIP Bonus for the Chief Executive Officer, the Chief Financial Officer and the President represented the following percentages of their respective annual base salary:

| NEOs | Target Percentage ⁽¹⁾ | Maximum Percentage ⁽¹⁾ | Actual Payout Percentage ⁽¹⁾⁽³⁾ | Actual Payout Amount ⁽²⁾⁽³⁾ (\$) |
|---|----------------------------------|-----------------------------------|--|---|
| Scott Stewart Chief Executive Officer | 50% | 75% | 52.64% | 329,527 |
| Stephen Taylor Chief Financial Officer | 30% | 45% | 30.38% | 106,344 |
| David Thom President | 40% | 60% | 42.11% | 249,303 |

Notes:

- (1) The target, maximum and actual payout percentages represent a percentage of the NEO's base salary.
- (2) The actual payout amount represents the actual payout amount of the STIP Bonus target.
- (3) Mr. Moore and Mr. Kazerouni receive bonuses based entirely on the achievement of their individual performance goals. See "Summary Compensation Table" below.

Long-Term Incentive Plan (LTIP) Awards

The following table describes the various types of LTIP awards made to each of the Chief Executive Officer, Chief Financial Officer and the President in 2019 and their respective performance conditions:

| Performance Measures ⁽¹⁾ | Relative Weight | PSUs | |
|---|-----------------|---|---|
| | | Performance Target (Payout = 100 %) ⁽²⁾ | Performance Stretch (Payout = 150%) ⁽²⁾ |
| 3-year cumulative EBITDA ⁽⁴⁾ | 50% | \$119,179,000 | \$143,000,000 |
| Total Shareholder Return ("TSR") ⁽³⁾ | 50% | 50th percentile of 3-year average annual TSR achieved by each company in the Corporation's Peer Group | 75th percentile of 3-year average annual TSR achieved by each company in the Corporation's Peer Group |

Notes:

- (1) Performance measures indicated in this table are derived from the Corporation's annual business plan or budget. Performance goals for each metric and the various performance levels were recommended by the Chief Executive Officer and approved by the Governance and Compensation Committee.
- (2)
 - (a) Where the performance achieved for the Performance Period is less than the related Performance Target, the related Performance Score is such percentage as may be recommended by the Chief Executive Officer and approved by the Governance and Compensation Committee;
 - (b) Where the performance achieved for the Performance Period is at least equal to the related Performance Target, but less than the related Performance Stretch, the related Performance Score is an amount pro-rated between 1.0 times target and 1.5 times target in a straight-line interpolation; and
 - (c) Where the performance achieved for the Performance Period is equal to or greater than the related Performance Stretch, the related Performance Score is 1.5 times target.

Amounts may be varied or changed at the time of payout of a PSU by the Governance and Compensation Committee, in its absolute and uncontrolled discretion.

- (3) TSR is measured over the entire Performance Period. For both measuring TSR performance achieved and the TSR Performance Target, TSR reflects the change in Share price over the Performance Period plus dividend reinvestment at the Share price in effect on the relevant dividend payment dates using the publicly traded Share price at the close of trading on the dividend payment date. For purposes of such calculation, (i) the Share price at the end of the Performance Period is the average closing price of the Shares during the last 20 days of

the last year of the Performance Period and (ii) the Share price at the beginning of the Performance Period is the average closing price of the Shares during the first 20 trading days of the year.

- (4) Represents the Corporation's 3-year cumulative adjusted earnings before interest, taxes, depreciation and amortization, which is the sum of the Corporation's actual annual EBITDA for the Corporation's last three financial years, as determined by the Governance and Compensation Committee.
- (5) Mr. Moore and Mr. Kazerouni receive bonuses based entirely on the achievement of their individual performance goals. See "Summary Compensation Table" below.

| Options | |
|---|---|
| Description and Vesting Matrix | Characteristic and Valuation |
| Options issued generally vest three years after grant date (one-third vesting after each of first three years) and have a 10-year term. | Options provide value only if the Share price increases above the Option Price prior the end of term. Option Price shall not be less than the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the date of grant. |

Performance conditions selected in 2019 are aligned with the Corporation's strategic plan and with the interests of Shareholders.

TSR Peer Group

Wherever possible, TSR for the Corporation or a peer group company is calculated based on the trading price on the TSX. If the Shares or peer group company are not listed on the TSX, then TSR is calculated based on the principal stock exchange on which the relevant shares are traded. No adjustment is made for foreign currency exchange rates if the relevant stock exchange reports trades in a currency other than Canadian dollars.

For purposes of the TSR Performance Target, the publicly traded companies in the Peer Group are considered to be part of the TSR peer group of the Corporation.

2019 LTIP Awards

When making decisions in determining the 2019 awards of PSUs and/or Options to be granted to each of the Chief Executive Officer, the Chief Financial Officer and the President, the Governance and Compensation Committee gave due consideration to the value of such executive officer's present and potential future contribution to the Corporation's success, and considered other factors such as the Corporation's performance both in absolute terms and relative to the Corporation's Peer Group and the degree to which previous long-term incentive grants continue to motivate executives to achieve the Corporation's long-term objectives and pursue initiatives that will create value for the Shareholders over the long run.

The following table shows the various awards under the LTIP for each of the Chief Executive Officer, the Chief Financial Officer and the President approved by the Governance and Compensation Committee and granted in the financial year ended December 31, 2019:

2019 LTIP Awards

| NEOs | PSU/Options Mix | PSU Award Value⁽¹⁾ (\$) | Option Award Value⁽²⁾ (\$) | Total Award Value (\$) |
|---|-------------------------------|---|--|-----------------------------------|
| Scott Stewart Chief Executive Officer | 26,890 PSUs 62,851 Options | 156,500 | 156,500 | 313,000 |
| Stephen Taylor Chief Financial Officer | 9,021 PSUs 21,084 Options | 52,500 | 52,500 | 105,000 |
| David Thom President | 20,344 PSUs 47,550 Options | 118,400 | 118,400 | 236,800 |

Notes:

- (1) Represents the grant date fair value of PSUs.
(2) See also Note 9 under "Summary Compensation Table" below.

In 2019, the Chief Executive Officer, the Chief Financial Officer, and the President received an aggregate of 137,764 Options, with an estimated value of \$316,650 based on the Black-Scholes valuation model, and an aggregate of 79,362 PSUs for a value of \$316,650 based on the market value of Shares on the date of the grant.

Payout of 2017 PSUs

The PSUs granted to each of the CEO, CFO and President on May 12, 2017 and August 9, 2017 (collectively, the "**2017 PSU Awards**") were at-risk compensation and vested on December 31, 2019 (the end of the three-year performance period for the 2017 PSU Awards). The 2017 PSU Awards are expected to be paid out on or around April 15, 2020.

The following table shows the difference between the grant value and payout value of the 2017 PSU Awards, illustrating the at-risk nature of PSU awards. Each of the CEO, CFO and President realized 64.54% of the grant value of the 2017 PSU Awards, illustrating the link between pay and performance and the alignment with the experience of the Corporation's Shareholders.

| NEO | 2017 PSU Awards Grant Value⁽¹⁾ (\$) | Number of 2017 PSU Awards | Overall Payout Factor | Number of 2017 PSU Awards Vested | Share Price⁽²⁾ (\$) | Final Payout Amount (\$) | Final Payout Percentage of 2017 PSU Awards Grant Value |
|---|---|----------------------------------|------------------------------|---|---|-------------------------------------|---|
| Scott Stewart Chief Executive Officer | 289,530 | 49,919 | 65% | 32,314 | 5.78 | 186,869 | 64.54% |
| Stephen Taylor Chief Financial Officer | 85,301 | 14,707 | 65% | 9,520 | 5.78 | 55,055 | 64.54% |
| David Thom President | 219,252 | 37,802 | 65% | 24,469 | 5.78 | 141,509 | 64.54% |

Notes:

- (1) Grant values were based on the volume weighted average trading price of the Shares on the TSX for the five trading days ending January 1, 2017, being \$5.80.
(2) Volume weighted average trading price of the Shares on the TSX for the last 20 trading days ending December 31, 2019.

Calculation of the Overall Payout Factor for the 2017 PSU Awards

The Corporation used two steps to calculate the overall payout factor for the payout of 2017 PSUs Awards: (i) 3-year cumulative EBITDA and (ii) TSR.

The following table summarizes the performance target and results for the three-year performance period from January 1, 2017 to December 31, 2019 and shows that the overall payout factor for the payout of the 2017 PSU Awards was 65%:

| Performance Measures | Relative Weight | Performance Target (Payout =100 %) | Performance Stretch (Payout = 150%) | Performance Achieved | 2017 Payout Factor |
|--------------------------|-----------------|---|---|---|--------------------|
| 3-year cumulative EBITDA | 50% | \$144,700,000 | \$173,640,000 | \$119,153,000 | 56% |
| TSR | 50% | 50th percentile of 3-year average annual TSR achieved by each company in the Corporation's Peer Group | 75th percentile of 3-year average annual TSR achieved by each company in the Corporation's Peer Group | 37th percentile of 3-year average annual TSR achieved by each company in the Corporation's Peer Group | 74% |
| Overall Payout Factor | | | | | 65% |

Notes:

- (1) See "PSUs" under the section titled "Long-Term Incentive Plan (LTIP) Awards" above for additional information on the use of these metrics.

Summary Compensation Table

The Corporation does not directly carry on a business and its primary purpose is to hold the securities of IBI Group; pursuant to the Administration Agreement, the Management Partnership makes available to IBI Group and the IBI Group of firms the services of the principals of its partners, including the NEOs, in connection with professional work that IBI Group and the IBI Group of firms perform for their clients, and to serve as members of management of IBI Group.

The following table summarizes the NEOs' total annual compensation for the years ended December 31, 2017, December 31, 2018 and December 31, 2019, as applicable. Except in the case of the Chief Financial Officer, each executive officer of IBI Group is a partner of the Management Partnership through a corporation owned by such executive officer ("**partner corporation**"), and each partner corporation is paid a portion of the Partners Compensation Amount by the Management Partnership. In addition, each NEO receives a portion of his compensation directly from the Corporation. The table includes all compensation paid to the Named Executive Officers, including, where applicable, the portion of the Partners Compensation Amount paid to their partner corporation.

Summary Compensation Table

| Name and Principal Position | Year | Salary (\$) | Share- based Awards ⁽¹⁾ (\$) | Option-based Awards ⁽²⁾ (\$) | Non-equity incentive plan compensation | | Pension Value (\$) | All other compensation (\$) | Total compensation (\$) |
|--|------|-------------|---|---|--|--------------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive plans ⁽³⁾ (\$) | Long-term incentive plans (\$) | | | |
| Scott Stewart Chief Executive Officer | 2019 | 626,000 | 156,500 | 156,500 ⁽⁹⁾ | 329,527 | Nil | Nil | Nil | 1,268,527 |
| | 2018 | 613,000 | 153,250 | 44,400 ⁽⁶⁾ 153,250 ⁽⁸⁾ | 220,723 | Nil | Nil | Nil | 1,184,623 |
| | 2017 | 601,000 | 150,250 | 150,250 ⁽⁴⁾ | 300,500 | Nil | Nil | Nil | 1,202,000 |
| Stephen Taylor Chief Financial Officer | 2019 | 350,000 | 52,500 | 52,500 ⁽⁹⁾ | 106,344 | Nil | Nil | Nil | 561,344 |
| | 2018 | 316,000 | 47,400 | 13,600 ⁽⁶⁾ 47,400 ⁽⁸⁾ | 68,402 | Nil | Nil | Nil | 492,802 |
| | 2017 | 310,000 | 46,500 | 46,500 ⁽⁴⁾ | 93,000 | Nil | Nil | Nil | 496,000 |
| David Thom President | 2019 | 592,000 | 118,400 | 118,400 ⁽⁹⁾ | 249,303 | Nil | Nil | Nil | 1,078,103 |
| | 2018 | 580,000 | 116,000 | 32,000 ⁽⁶⁾ 116,600 ⁽⁸⁾ | 159,400 | Nil | Nil | Nil | 1,003,400 |
| | 2017 | 569,000 | 113,800 | 113,800 ⁽⁴⁾ | 218,500 | Nil | Nil | Nil | 1,015,100 |
| Peter Moore Regional Director, Canada West | 2019 | 501,000 | Nil | 14,200 ⁽¹⁰⁾ | 82,500 | Nil | Nil | Nil | 597,700 |
| | 2018 | 491,354 | Nil | 23,050 ⁽⁷⁾ | 84,100 | Nil | Nil | Nil | 598,504 |
| | 2017 | 481,720 | Nil | 98,250 ⁽⁵⁾ | 51,009 | Nil | Nil | Nil | 630,979 |
| Mansoor Kazerouni Global Director, Buildings | 2019 | 525,000 | Nil | 21,300 ⁽¹⁰⁾ | 106,500 | Nil | Nil | Nil | 652,800 |
| | 2018 | 490,000 | Nil | 23,050 ⁽⁷⁾ | 110,300 | Nil | Nil | Nil | 623,350 |
| | 2017 | 465,289 | Nil | 49,125 ⁽⁵⁾ | 49,136 | Nil | Nil | Nil | 563,550 |

Notes:

- (1) Consists of PSUs granted under the PSU Plan. The final PSU award is subject to a multiplier based on specified performance targets and can range from 0 to 1.5 times the award amount.
- (2) Option-based awards represent the grant date fair value of the options granted to the NEO during the year.
- (3) For Mr. Stewart, Mr. Taylor and Mr. Thom only, this represents cash bonus payment for the performance achieved in the year specified, but paid in the following year.
- (4) Represents Long-Term Incentive payment paid with options. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$4.01 |
| Share price at grant date | \$6.77 |
| Exercise price | \$6.79 |
| Expected volatility (weighted average) | 65.0% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0% |
| Risk-free interest rate | 1.61% |

- (5) Represents bonus payments paid with options. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$3.93 |
| Share price at grant date | \$6.63 |
| Exercise price | \$6.63 |
| Expected volatility (weighted average) | 65.2% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0% |
| Risk-free interest rate | 1.60% |

- (6) Represents a portion of the STIP Bonus paid with Options. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|---------------------------|--------|
| Fair value at grant date | \$2.60 |
| Share price at grant date | \$4.49 |
| Exercise price | \$4.49 |

| | |
|--|---------|
| Expected volatility (weighted average) | 62.6% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0.00% |
| Risk-free interest rate | 1.71% |

- (7) In 2018, each of Mr. Moore and Mr. Kazerouni were granted 5,000 Options. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$4.61 |
| Share price at grant date | \$7.65 |
| Exercise price | \$7.49 |
| Expected volatility (weighted average) | 64.5% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0.00% |
| Risk-free interest rate | 2.24% |

- (8) Option-based awards represent the grant date fair value of the options granted to the Chief Executive Officer, Chief Financial Officer and the President in 2018. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$4.40 |
| Share price at grant date | \$7.24 |
| Exercise price | \$7.24 |
| Expected volatility (weighted average) | 64.6% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0.00% |
| Risk-free interest rate | 2.01% |

- (9) Option-based awards represent the grant date fair value of the options granted to the Chief Executive Officer, Chief Financial Officer and the President in 2019. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$2.49 |
| Share price at grant date | \$5.16 |
| Exercise price | \$5.16 |
| Expected volatility (weighted average) | 50.34% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0.00% |
| Risk-free interest rate | 1.28% |

- (10) In 2019, each of Mr. Moore and Mr. Kazerouni were granted 5,000 and 7,500 Options, respectively. The fair value of the option-based award is calculated using the generally accepted Black-Scholes valuation model, using the assumptions described below.

Stock Options – Values and Assumptions

| | |
|--|---------|
| Fair value at grant date | \$2.84 |
| Share price at grant date | \$4.96 |
| Exercise price | \$4.98 |
| Expected volatility (weighted average) | 62.10% |
| Expected life (weighted average) | 6 years |
| Expected dividends | 0.00% |
| Risk-free interest rate | 1.58% |

Outstanding Share-based awards and Option-based awards

The following table sets out the details with respect to the awards for each NEO outstanding as at December 31, 2019:

| 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 ⁽¹⁾ (\$) | Number of shares or units of shares that have not vested | Market or payout value of share-based awards that have not vested (\$) | Market or payout value of vested share-based awards not paid out or distributed (\$) |
| Scott Stewart | 125,000 | 2.33 | Jan 15, 2026 | 344,269 | | | |
| Chief Executive Officer | 99,213 | 4.49 | May 25, 2026 | - | | | |
| | 33,947 | 7.0089 | May 12, 2027 | - | | | |
| | 37,406 | 6.79 | Aug 9, 2027 | - | 83,511 (PSUs) | 460,000 | 186,869 |
| | 34,807 | 7.24 | Mar 20, 2028 | - | | | |
| | 17,084 | 4.49 | Mar 06, 2029 | 22,380 | | | |
| | 58,964 | 4.49 | Mar 06, 2029 | 77,242 | | | |
| Stephen Taylor | 35,000 | 2.33 | Jan 15, 2026 | 121,450 | | | |
| Chief Financial Officer | 9,457 | 7.0089 | May 12, 2027 | - | | | |
| | 11,577 | 6.79 | Aug 9, 2027 | - | 26,537 (PSUs) | 140,400 | 55,055 |
| | 10,772 | 7.24 | Mar 20, 2028 | - | | | |
| | 5,233 | 4.49 | Mar 06, 2029 | 6,855 | | | |
| | 18,238 | 4.49 | Mar 06, 2029 | 23,891 | | | |
| David Thom | 35,000 | 2.33 | Jan 15, 2026 | 121,450 | | | |
| President | 25,703 | 7.0089 | May 12, 2027 | - | | | |
| | 28,332 | 6.79 | Aug 9, 2027 | - | 63,211 (PSUs) | 348,200 | 141,509 |
| | 26,363 | 7.24 | Mar 20, 2028 | - | | | |
| | 12,312 | 4.49 | Mar 06, 2029 | 16,128 | | | |
| | 44,633 | 4.49 | Mar 06, 2029 | 58,469 | | | |
| Peter Moore | 30,000 | 2.33 | Jan 15, 2026 | 104,100 | - | - | - |
| Regional Director, Canada West | 25,000 | 6.6663 | July 17, 2027 | - | - | - | - |
| | 5,000 | 7.4884 | May 9, 2028 | - | - | - | - |
| | 5,000 | 4.9821 | May 9, 2029 | 4,089 | - | - | - |
| Mansoor Kazerouni | 10,000 | 2.33 | Mar 4, 2026 | 34,700 | - | - | - |
| Global Director, Buildings | 12,500 | 6.6663 | July 17, 2027 | - | - | - | - |
| | 5,000 | 7.4884 | May 9, 2028 | - | - | - | - |
| | 7,500 | 4.9821 | May 9, 2029 | 6,134 | - | - | - |

Note:

(1) Based on the closing price of the Shares on the TSX on December 31, 2019, being \$5.80 per Share, and the option exercise price of the stock options.

Incentive Plan Awards – Value vested or earned during the year

The following table sets out the details with respect to the value vested of all awards for each NEO for the financial year ended December 31, 2019:

| Name and Principal Position | Option Awards – Value Vested During the year (\$) | Share-based Awards – Value Vested During the year (\$)⁽²⁾ | Non-equity Incentive Plan Compensation – Value Earned During the year (\$) |
|--|--|---|---|
| Scott Stewart Chief Executive Officer | 99,274 | 186,869 | 329,527 |
| Stephen Taylor Chief Financial Officer | 19,833 | 55,055 | 106,344 |
| David Thom President | 19,833 | 141,509 | 249,303 |
| Peter Moore Regional Director, Canada West | Nil | - | 82,500 |
| Mansoor Kazerouni Global Director, Buildings | Nil | - | 106,500 |

Note:

(1) 380,303 stock options had vested in the financial year ended December 31, 2019.

(2) See section titled "Payout of 2017 PSUs" above.

Equity Compensation Plan Information

The following table sets out information on the Corporation's Stock Option Plan as at December 31, 2019:

| Plan Category | Number of Shares to be issued upon exercise of outstanding options | Weighted-average exercise price of outstanding options | Number of Shares remaining available for future issuance under equity compensation plans (excluding Shares reflected in the first column)⁽¹⁾ |
|---|---|---|--|
| Equity compensation plans approved by Shareholders (Stock Option Plan) | 1,431,540 | \$4.78 | 1,099,561 |
| Equity compensation plans not approved by Shareholders | Not applicable | Not applicable | Not applicable |
| Total | 1,431,540 | \$4.78 | 1,099,561 |

Note:

(1) This number is equal to the maximum number of Options authorized to be issued under the Stock Option Plan (2,555,268), less the 1,431,540 Options issued and outstanding and less the 24,167 Options exercised as at December 31, 2019.

Annual Burn Rate

The following table set out, for each of the Corporation's three most recently completed financial years, the annual burn rate for Options and DSUs:

| | 2019 | 2018 | 2017 |
|---------|-------|-------|-------|
| Options | 0.79% | 0.45% | 1.48% |
| DSUs | 0.26% | 0.32% | 0.23% |

Note:

(1) The annual burn rate is the number of awards granted annually under each of the Corporation's Stock Option Plan and DSU Plan, as applicable, expressed as a percentage of the total number of Shares outstanding as of end of the applicable financial year.

Pension Plan Benefits

The Corporation does not provide pension plans to executive officers that provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Corporation entered into an employment agreement with each of Scott Stewart, the Chief Executive Officer of the Corporation, and David Thom, the President of the Corporation, in 2015 and with Stephen Taylor, the Chief Financial Officer of the Corporation, in 2016. Each of these employment agreements were amended on August 9, 2017 to provide for LTIP awards.

In the event of a change of control of the Corporation and in the following 12 months the Corporation terminates Mr. Stewart's or Mr. Thom's employment without cause, the Corporation will pay the terminated executive, within 15 days following the termination date:

- (a) all unpaid salary or wages and accrued but unused vacation pay;
- (b) a lump sum equal to two times the then current annual base salary and, in the case of Mr. Stewart, the amount received by his partner corporation via the Partners Compensation Amount, but only to the extent such amounts have been approved by the Board of Directors or disclosed in the Corporation's most recent management information circular for its annual meeting of shareholders; and
- (c) a lump sum equal to the sum of the bonuses, if any, actually paid in the two most recent financial years of the Corporation.

Amounts paid by the Corporation pursuant to the change of control provision in any year will be an expense of the Corporation to be funded by distributions from IBI Group, and a corresponding deduction will be made to the Partners Compensation Amount payable to the Management Partnership under the Administration Agreement.

In the event of a change of control of the Corporation and in the following six months the Corporation terminates or is deemed to terminate Mr. Taylor's employment without cause, the Corporation will pay Mr. Taylor:

- (a) all unpaid salary or wages and accrued but unused vacation pay; and
- (b) payment in lieu of notice, by way of lump sum or regular salary continuance payments, equal to 18 months' pay based on the current annual base salary and average bonuses, if any, paid in the two most recent financial years of the Corporation.

If there is a change of control and the executive voluntarily leaves the employ of the Corporation, the executive shall not be entitled to any of the foregoing payments.

The following table sets out the estimated payment amounts in the event of termination of employment without cause following a change of control for each of the following NEOs:

| Name | Termination Payment |
|----------------|---------------------|
| Scott Stewart | \$1,846,650 |
| David Thom | \$1,624,703 |
| Stephen Taylor | \$619,173 |

DIRECTOR COMPENSATION

Philosophy and Objectives

The compensation program of the Board of Directors is designed to attract and retain highly talented and experienced directors, align the interests of directors and shareholders and provide competitive compensation which appropriately reflects the responsibilities, time commitment and risk involved in being a director of the Corporation.

No director compensation is paid to directors who are also employees of the Corporation.

Compensation Decisions

In setting Independent Director compensation, the Governance and Compensation Committee reviews and considers the compensation practices of publicly traded companies similar to the Corporation in size, industry and complexity. The review also considers the role of the Board of Directors, the Chair of the Board of Directors, committees and committee chairs, and their responsibilities, time commitment and expected contribution to the Corporation.

Fees and Retainers

In 2019, Independent Directors' compensation comprised of two elements: (i) annual cash retainer with additional "per meeting" fees, and (ii) 2,000 DSUs per quarter under the Corporation's Deferred Share

Unit Plan. The Chair of the Board of Directors and the other Independent Directors, at their option, may elect to receive their annual cash retainer and meeting fees as DSU awards.

The Corporation reimburses directors for out-of-pocket expenses for attending director meetings. Directors participate in the insurance and indemnification arrangements described below under "Directors' and Officers' Insurance".

The following table displays the annual retainers and meeting fees for the year ended December 31, 2019 of all Independent Directors:

| Independent Director Fees by Role | |
|--|--|
| Base Compensation | \$35,000 and 2,000 DSUs every quarter |
| Chair of the Board of Directors | \$35,000 |
| Chair of the Audit Committee | \$15,000 |
| Chair of the Governance and Compensation Committee | \$12,500 |
| Committee Members (Non-Chair) | \$5,000 |
| Independent Director Fees by Meeting | |
| Special Meeting | \$1,000 |
| Regular Meeting | \$1,500 |
| Full Day Meeting | \$3,000 |

Note:

(1) Independent Directors may elect to receive their fees in the form of DSUs.

Board of Directors and Committee Attendance

The following table summarizes the attendance of the directors and committee members of the Board of Directors for the period from January 1, 2019 to December 31, 2019:

| Directors | Board | Audit Committee | Governance and Compensation Committee | Committees (Total) | Board and Committees (Total) |
|-----------------|--------|-----------------|---------------------------------------|--------------------|------------------------------|
| Scott Stewart | 7 of 7 | N/A | N/A | N/A | 7 of 7 (100%) |
| David Thom | 7 of 7 | N/A | N/A | N/A | 7 of 7 (100%) |
| Dale Richmond | 7 of 7 | 4 of 4 | 5 of 5 | 9 of 9 | 16 of 16 (100%) |
| Lorraine Bell | 7 of 7 | 4 of 4 | 4 of 5 | 8 of 9 | 15 of 16 (93.75%) |
| Claudia Krywiak | 7 of 7 | 4 of 4 | 5 of 5 | 9 of 9 | 16 of 16 (100%) |
| John O. Reid | 7 of 7 | 4 of 4 | 5 of 5 | 9 of 9 | 16 of 16 (100%) |
| Michael Nobrega | 7 of 7 | 4 of 4 | 4 of 5 | 8 of 9 | 15 of 16 (93.75%) |

Independent Director Equity Ownership

To align the interests of directors with those of the Shareholders, each Independent Director is required to own a certain value in the Corporation's Shares or DSUs. In accordance with the Corporation's Equity Ownership Policy, each Independent Director is required to hold equity in the Corporation with an aggregate acquisition cost equal to at least three times their base annual retainer (the "**Equity Ownership Requirement Amount**") as at the later of May 8, 2009 and the date the director joins the Board of Directors (the "**Applicable Date**"). Independent Directors have three years from the Applicable Date to satisfy the Equity Ownership Requirement Amount. All Independent Directors have either met or are on schedule to meet or exceed the Equity Ownership Requirement Amount.

The following table presents equity ownership information for Independent Directors as at December 31, 2019:

| Name | Equity Ownership Requirement Amount | Number of Shares | Number of Equity-Based Awards⁽¹⁾ | Total number of Shares and Equity-Based Awards | Value of at-Risk Holdings and Equity-Based Awards⁽²⁾ |
|--------------------------------|--|-------------------------|--|---|--|
| Lorraine Bell | \$105,000 | 15,000 | 38,846 | 53,876 | \$272,958.05 |
| Claudia Krywiak ⁽³⁾ | \$105,000 | Nil | 13,142 | 13,142 | \$67,356.84 |
| Michael Nobrega | \$105,000 | 25,000 | 56,876 | 81,876 | \$462,226.27 |
| Dale Richmond | \$105,000 | 46,000 | 300,855 | 346,855 | \$1,719,827.05 |
| John O. Reid | \$105,000 | Nil | 57,387 | 57,387 | \$333,333.04 |

Notes:

- (1) Consists of DSUs issued under the DSU Plan.
- (2) The value of at-risk holdings for director nominees represents the total value of Shares and DSUs. The value of the Shares and the DSUs has been calculated based on the original Share purchase price or DSU issuance price, respectively.
- (3) Ms. Krywiak was appointed to the Board of Directors on May 10, 2018 and has until May 10, 2021 to satisfy the requirements of the Corporation's Equity Ownership Policy.

Incentive Plan Awards (DSUs)

The following table provides information regarding the incentive plan awards, comprised solely of DSUs, for each of the Independent Directors outstanding as of December 31, 2019. All DSUs fully vest upon grant, however payouts of DSUs are made after the date on which the holder ceases to be a director of the Corporation for any reason including retirement and death.

| Value of Deferred Share Units | |
|--|---|
| Equity-based awards as at December 31, 2019 ⁽¹⁾ | |
| Name | Market or payout value of vested share-based awards not paid out or distributed⁽¹⁾ (\$) |
| Lorraine Bell | 225,306.80 |
| Claudia Krywiak | 76,223.60 |
| Michael Nobrega | 329,880.80 |
| Dale Richmond | 1,744,959 |
| John O. Reid | 332,844.60 |

Note:

- (1) Consist of DSUs issued under the DSU Plan. Based on the closing price of the Shares on the TSX of \$5.80 at the close of market on December 31, 2019.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table sets out the values of equity-based awards to Independent Directors that vested during 2019:

| Name | Option Awards – Value Vested During the year (\$) | Equity-based Awards – Value Vested During the year (\$) | Non-equity Incentive Plan Compensation – Value Earned During the year (\$) |
|-----------------|---|---|--|
| Lorraine Bell | N/A | 101,760 | N/A |
| Claudia Krywiak | N/A | 41,560 | N/A |
| Michael Nobrega | N/A | 118,560 | N/A |
| Dale Richmond | N/A | 41,560 | N/A |
| John O. Reid | N/A | 120,060 | N/A |

Director Compensation Table

The following table shows the total compensation earned by each Independent Director, as of December 31, 2019, for services rendered in the financial year ended December 31, 2019. All fees are paid in Canadian dollars.

| Name | Cash Fees Earned (\$) | Equity-Based Awards ⁽¹⁾ (\$) | Option-based Award (\$) | Non-equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|--------------------------------|-----------------------|---|-------------------------|---|--------------------|-----------------------------|-------------------------|
| Lorraine Bell ⁽²⁾ | 25,800 | 101,760 | Nil | Nil | Nil | Nil | 127,560 |
| Claudia Krywiak ⁽³⁾ | 78,500 | 41,560 | Nil | Nil | Nil | Nil | 120,060 |
| Michael Nobrega ⁽⁴⁾ | Nil | 118,560 | Nil | Nil | Nil | Nil | 118,560 |
| Dale Richmond ⁽⁵⁾ | 121,000 | 41,560 | Nil | Nil | Nil | Nil | 162,560 |
| John O. Reid ⁽⁶⁾ | Nil | 120,060 | Nil | Nil | Nil | Nil | 120,060 |

Notes:

- (1) Consist of DSUs issued under the DSU Plan.
- (2) During 2019, Ms. Bell was Chair of the Audit Committee and a member of the Governance and Compensation Committee.
- (3) Ms. Krywiak is a member of the Governance and Compensation Committee and member of the Audit Committee.
- (4) Mr. Nobrega is a member of the Governance and Compensation Committee and member of the Audit Committee.
- (5) Mr. Richmond is the Chair of the Board of Directors and Chair of the Governance and Compensation Committee. Mr. Richmond is also a member of the Audit Committee.
- (6) Mr. Reid is a member of the Governance and Compensation Committee and member of the Audit Committee.

Equity-based awards, option-based awards and non-equity incentive plan compensation

Other than under the DSU Plan, the Independent Directors are not eligible to receive any equity-based awards, option-based awards, non-equity incentive plan or pension plan compensation as directors.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

IBI is a technology driven, globally integrated architecture, planning, engineering, and technology firm. Its collaborative and combined approach focuses on future-forward solutions, bridging the gap between design and technology, creating the best solutions for today and the right solutions for tomorrow. IBI believes that cities must be designed with intelligent systems, sustainable buildings, efficient infrastructure and a human touch. Thus, IBI is dedicated to defining how cities look, feel and work.

IBI meets or exceeds all applicable health and safety laws and regulations and is committed to providing its staff, clients and all others who may be affected by its activities with a healthy, safe and secure environment. From the planning stages of a project through its execution, IBI strives to achieve continuous improvement in all aspects of its operations. This approach prepares and positions IBI's staff to act as leaders in Environmental, Social and Governance ("ESG") matters within the industry. With staff and operations all over the world, IBI takes a comprehensive approach to ESG matters.

Environmental

IBI integrates client-driven collaboration with responsible environmental and sustainable design into its products and services. Sustainable design is a guiding principle that is integral to IBI's vision for Smart Cities and providing healthy, long-lasting communities for future generations. IBI's sustainable design strategies give careful consideration to all of the unique aspects of a project – physically – from the soils, water and bedrock geology to its plants, people and future uses, and digitally – considering the consequences of the technologies being deployed and carbon footprints at both the local and global levels. IBI integrates life-cycle costing and green design into its overall approach to project management. This is evidenced by IBI's long list of completed projects that have attained LEED® Certification and BREEAM® ratings. Environmentally responsible design will continue to play a key role in IBI's planning services, landscape and building architectural practices, as well as its engineering work in the Infrastructure sector.

The Royal Architectural Institute of Canada (the "RAIC") and the American Institute of Architects (the "AIA") along with architects in the United Kingdom have recently committed and resolved to engage the architectural profession in the fight against climate change. Each of the RAIC, the AIA and architects in the United Kingdom have concluded that the environmental impact of designing, constructing, and operating buildings can no longer be ignored. They have committed to designing and developing sustainable, resilient communities for the future that will intertwine the built environment with the living ecosystem.

By keeping holistic and regenerative principles in mind, the RAIC has declared certain actionable commitments for Canadian architects and has called upon them to take an active role in implementing such commitments. The RAIC commitments encourage its signatories to commit to and implement the following actions:

- Design for holistic reductions in greenhouse gas emissions and advocate for investments in a rapid transition to resilient climate-positive alternatives;
- Eliminate waste and harm, and support a rapid transition to circular economies;
- Design for holistic health, resilience, and regeneration; respecting the rights and wisdom of Indigenous Peoples as outlined in the UN Declaration on the Rights of Indigenous Peoples;
- Adopt regenerative design principles and practices to build the necessary capability to design and develop projects and environments that go beyond the standard of net zero in use; and

- Advocate for the rapid systemic changes required to address the climate and ecological health crises, as well as the policies, funding priorities, and implementation frameworks that support them.

IBI agrees with the principles and commitments of the RAIC and proudly stands with the RAIC as a signatory to its commitments. Going forward, IBI will strive to implement and meet the actions and principles outlined by the RAIC.

The AIA hopes to make the fight against climate change a top priority in order to address the crises faced by communities. It has encouraged the design of sustainable and resilient communities for over 20 years, with efforts focusing on designing for energy, economy and equitable communities. In the future, the AIA will continue to support architects in fighting climate change, focusing on mitigation and adoption strategies. The AIA also encourages participation in its 2030 Commitment to develop new programs and resources that will support architects in fighting climate change through sustainable and resilient design. The 2030 Commitment provides a platform for architects, engineers and clients to demonstrate climate action through energy efficient design. By designing and constructing buildings that can combat greenhouse gas effects and prioritizing effective actions to decelerate the production of greenhouse gases, the AIA sees a path towards a healthy and resilient future. To that end, the AIA is developing the necessary resources to assist architects in achieving a zero-carbon and healthy built environment. IBI agrees with the principles and commitments of the AIA as a signatory to its 2030 Commitment.

Similar to the RAIC and AIA, architects in the United Kingdom have also resolved to advocate for faster change in regenerative design practices, upgrade existing infrastructure for extended use as a more efficient alternative to demolition and collaborate with engineers, contractors and clients to further reduce waste and positively mitigate risks associated with climate change. IBI stands with the architects in the United Kingdom as a signatory to their declarations.

Responding to the adverse effects of climate change is of paramount importance for IBI. IBI is actively developing advanced technologies to monitor and respond to environmental events, such as the use of TravellIQ with built-in weather monitoring, which provides clients with a live, streamlined method to plan efficient trips and reduce consumption of excess fuel. Reducing greenhouse gas footprints remains an active goal of IBI as it works internally and with clients to reduce emissions by designing buildings that use resilient materials and efficient construction methods. In addition, the Corporation deployed BlueIQ for Toronto Water, Canada's largest water distribution utility. BlueIQ is an innovative real-time energy management software solution that assists in the control of pumps and valves system wide to optimize the operation of the water distribution system. Toronto Hydro and Toronto Water have verified a reduction of electrical energy consumption of approximately 8 million kWh per year with corresponding cost savings in excess of \$1 million.

The Corporation's Sustainability and Environmental Management System (the "**SEM System**") is structured around the framework of ISO 14001 and was designed to not only meet the needs of IBI's internal and external stakeholders, but to also allow it to continually develop and improve its management systems. To satisfy the needs of external stakeholders such as clients, investors and governments, the SEM System provides guidance to IBI so that projects are successfully delivered on time and within budget. IBI continues to be a sustainable business with growth that meets its strategic objectives and all applicable environmental laws and regulations. Internally, the SEM System considers the needs of the Board of Directors, Shareholders and employees to ensure that IBI manages business and environmental risks appropriately and that it is recognized as a leader in the field of smart and sustainable cities.

The SEM System applies to all locations and offices of IBI worldwide, with the offices in Canada, the United Kingdom and Ireland ISO 14001:2015 registered. The SEM System also ensures that the IBI's day-to-day operations are designed to minimize its impact on the environment. The Corporation has adopted a Sustainability and Environmental Policy under the SEM System that guides IBI in implementing best practices with respect to enhancing the long-term sustainability of projects and implementing environmental goals and targets to minimize its impact on the environment.

IBI provides a wide range of environmentally impactful services to clients. In line with the principles and commitments of the RAIC, the AIA and architects in the United Kingdom, whether it is designing sustainable and green buildings incorporating ecologically resilient materials that respond to the current climate change challenges, or providing intelligent and advanced traffic management systems to make cities more efficient and livable, IBI's commitment to sustainability promotes innovation, reduces environmental risks and minimizes impact on the environment. With guidance from the SEM System, IBI focuses on embedding sustainability into operations and decision-making across its business.

As the Corporation continues to grow, it will continue to focus on the value it offers its internal and external stakeholders through its approach to sustainability. For example, the Corporation's Intelligence projects are designed to improve the environmental sustainability of cities through its Smart City Platform, which helps cities and communities make better choices to improve services for their residents. IBI's Advanced Traffic Management Systems gives operators a real-time view of network conditions and incidents, featuring controllable video coverage and message display output, helping to increase traffic flows and reduce congestion and the environmental impacts of transportation.

IBI considers possible future needs or requirements in the performance and delivery of its services and is an active participant in the communities in which it operates and serves. IBI takes the necessary steps to ensure that it meets, if not exceeds, the compliance requirements of each individual project.

As encouraged by the commitments and declarations of the RAIC, the AIA and architects in the United Kingdom, the SEM System requires that clients be presented with options that enhance the overall sustainability of the project. This can be in the form of ensuring that systems, buildings and infrastructure are designed to meet local green building codes and standards, storm water and drainage standards and climate change standards. In support of this, the SEM System provides consistent guidance to IBI's Intelligence, Buildings and Infrastructure sectors, which may include:

Intelligence:

- Options to move towards a fully-integrated transportation management system, reducing the negative effects to the environment.
- Options to develop and integrate multi-modal technologies maximizing the capacities of existing infrastructure while reducing its carbon footprint.
- Options to move to Cloud-based IT Systems, thereby reducing space requirements, energy and carbon footprint.

Buildings:

- Options for more sustainable and greener systems.
- Options for more sustainable materials, considering life cycle in their selection.

Infrastructure:

- Applying leading best practices and green standards for lower environmental impact even when certification is not required (e.g. LEED®, BREEAM®).
- Meeting environmental requirements and regulations.

IBI conducts regular audits to monitor compliance and the continued effectiveness of the SEM System.

In an effort to reduce paper waste and clutter and to implement the Corporation's commitment to sustainability, the Board of Directors holds paperless board meetings. In addition, to reduce the environmental impact of its office-related activities, IBI has implemented best practices related to the following:

- Paper Usage and Procurement.
- Sustainable Facilities Procurement.
- Travel Minimization.
- Green Procurement.

Social

IBI relies on the expertise of highly technical staff and strives to hire the best talent in the industry. IBI's experts collaborate across disciplines on architecture, engineering, planning, systems and technology initiatives and projects. From high-rises to hospitals, and transit systems to schools, IBI and its experts are shaping the way people live, move, learn and heal in the Cities of Tomorrow. Thus, IBI puts great effort into managing, mentoring and retaining its staff. IBI is committed to providing a collegial, collaborative and safe work environment. IBI offers competitive employee benefits as well as the opportunity to work on projects that will shape communities for the future and design the next chapter of urban existence. IBI's continued focus on inclusion and diversity increases employee engagement, connects IBI with clients and our communities and improves overall employee well-being.

IBI's professionals breathe life into all aspects of the constructed world; from buildings to systems and equipment. IBI's award-winning landscape architecture practice is one of the largest in the world, integrating client-driven collaboration with responsible environmental design. Globally, cities rely on IBI's leading-edge systems and software to keep their communities moving in the right direction. IBI brings deep technology expertise to the interconnected Smart Cities of today and tomorrow. A smart city is one that uses technology to raise its urban IQ, directly improving quality of life, economic efficiency and environmental sustainability. IBI is a proud leader in the application of technology in the design and planning of Smart Cities. It is a key element of IBI's multi-disciplinary approach, from the creation of connected schools and hospitals, to the use of social media and smart devices to improve urban mobility.

For clients, IBI considers the social impacts of decisions made when managing projects throughout their life cycles, providing more sustainable and green options. IBI's business model is designed to ensure that it is close to its clients and its communities. Looking to the future, IBI will continue to integrate and consider elements of resiliency and climate change adaptation and mitigation within its designs and projects. IBI is committed to its responsibility to contribute to the continuous improvement of the economic, social and environmental well-being of the communities in which its staff live and work. IBI is committed to defining the Cities of Tomorrow.

The *Accessibility for Ontario with Disabilities Act* (AODA) requires that all public facilities be accessible to all Ontarians by January 1, 2025. The Corporation carried out audits of over 200 City of Toronto buildings,

identifying upgrades needed to meet the AODA Design of Public Spaces Standards and other accessibility compliance requirements, including the Ontario Building Code Barrier-Free Design requirements and the City of Toronto Accessibility Design Guidelines (TADG). Subsequently, the Corporation has been selected by the City of Toronto to provide program management and full architectural and engineering services to upgrade over 350 city buildings prior to the 2025 deadline. The Corporation will support the City of Toronto's vision of streamlined communication and document review processes over the course of the project using its InForm by IBI Group software platform. This project compliments IBI's global Buildings-sector portfolio and demonstrates its strength in integrating Smart City technologies across all business sectors.

IBI designs better cities from the inside out. One of its core values is community engagement and IBI develops and promotes this value by participating and playing a key role in several ongoing community events across its operations. In 2019, staff at IBI participated in a number of such events including Habitat for Humanity community builds (including a dedicated Women's Build in Toronto), the Wipe Out Waste (WOW) Initiative and the Trash Tag Challenge as well as supporting Earth Day campaigns in many local communities. Globally, various IBI teams actively participate and positively affect their local communities through a broad spectrum of events. In particular, an IBI team participated in the Construction Cup soccer tournament, an event that was at the forefront of raising awareness and breaking the silence on mental health issues in a fun and competitive way.

In addition, IBI staff participated in curling bonspiels in support of the United Way and played an important role in support of food banks through several industry events, including CANstruction. IBI staff also organized and contributed to several seasonal events to help less fortunate individuals by holding bake sales, donating gifts and clothing and providing food supplies. Across all of its operations and locations, IBI encourages its staff to engage and participate in events and activities that improve the well-being of the communities IBI operates in and to positively affect and enhance the lives of those impacted by the work of IBI.

Governance

IBI believes that strong governance is essential to maintaining an ethical, effective and profitable business. By embracing ethical business strategies and implementing best practices to reduce the environmental impact of its operations, IBI demonstrates its core values. IBI advocates within various forums and associations for enhancing sustainability and participates as an active member of industry work groups and associations that focus on sustainability within society. It engages in public dialogues around making cities smarter, more sustainable and better places to live. IBI's business processes and management systems provide a disciplined and accountable framework that monitor risks and hazards, reduce inefficiencies, maximize resources and directly support the implementation of its business growth strategies. IBI believes this provides the Corporation and its clients with a competitive advantage in the global marketplace.

IBI's desire for strong, ethical and honest governance practices within IBI is backstopped by IBI's Code of Business Conduct and Ethics (the "**Code**"). The Code sets forth the principles of conduct and ethics that all IBI management and staff are required to follow. The Code is intended to:

- promote honest and ethical conduct within IBI;
- promote the avoidance of conflicts of interest;
- promote compliance with applicable governmental laws, rules and regulations;
- provide guidance to IBI staff to help them recognize and deal with ethical issues;

- provide mechanisms to report unethical conduct;
- promote a culture of honesty and accountability for IBI Group; and
- promote accountability for adherence to the Code.

All IBI staff are required to comply and act in accordance with the Code at all times. Any violations of the Code are grounds for disciplinary action, including termination of employment. The Board of Directors formally monitors compliance with the Code through reporting at Board of Directors' meetings.

In furthering the objectives of the Code, IBI has instituted a whistleblower process regarding violations of the Code; thereby, allowing IBI staff to submit, on a confidential and anonymous basis, reports concerning questionable accounting, internal accounting controls or auditing matters, or other violations of the Code. Discrimination, harassment or retaliation against any person who submits a report, provides information or otherwise assists in an investigation in accordance with the whistleblower process is strictly prohibited. The Code outlines the administrative process that any IBI professional or staff may follow to submit a confidential and anonymous report. The Chair of the Audit Committee is granted the power to investigate each reported matter and take any appropriate corrective and disciplinary action.

In delivering diverse, inclusive and technologically connected design solutions that define the Cities of Tomorrow, IBI interacts with structured and unstructured data; qualitative and quantitative data; discrete and continuous data; and personal and business data. In addition to their adherence to the Code, all IBI staff are required to follow established IBI policies (the "**Data Protection Policies**") with respect to maintaining confidentiality and protecting the data IBI interacts with as well as ensuring legal and contractual compliance with respect to such data. Where required, IBI only processes data with consent and as necessary to fulfill, enforce or defend its contractual and legal obligations. IBI only processes data as needed to conduct business and does not permit processing of data in any manner that is incompatible with its Data Protection Policies. IBI does not sell or otherwise disclose to third parties any personal data except as strictly required or permitted by law. IBI retains only the minimum data required for its business purposes and ensures that there is sufficient staff supervision and quality assurance processes to maintain the accuracy and integrity of any data that is collected. Where data is identified as inaccurate, IBI takes immediate steps to rectify any inaccuracy accordingly.

IBI understands the importance of securing the data it collects and has instituted a series of security measures that include physical security such as restricted areas and electronic registration of visitors as well as technological security maintained by a dedicated information technology team through the use of robust systems and reliable services providers. IBI ensures that all of its worldwide professionals and staff are aware of its policies and processes with respect to data security and provides the necessary training to effectively protect data and maintain its confidentiality. To that end, IBI has appointed a Data Protection Officer to ensure compliance with the Data Protection Policies as well as applicable data protection laws. Reporting directly to the CEO, the Data Protection Officer monitors compliance with respect to data protection and takes a lead role in raising awareness and providing training to IBI staff involved in processing data. Furthermore, the Data Protection Officer informs and advises IBI management and staff of their obligations in relation to protecting and keeping confidential the data IBI processes. IBI has instituted comprehensive response processes relating to incidents or breaches of data security that provide guidance to employees on the appropriate methods to investigate, verify and assess a data security incident or breach appropriately. IBI mitigates the risk of such incidents or breaches by backing up data to offsite back-up facilities and relies on encryption of data on all of its devices to prevent data from being accessed by unauthorized sources. As technology evolves, so does the ease of execution

and scope of data security breaches. Accordingly, appropriate training relating to maintaining the security of data at IBI will continue to be provided to all IBI staff.

It is the responsibility of all IBI staff to comply with the Code and the Data Protection Policies. In order to foster and promote a safe, honest and ethical work environment as well as to protect the confidential data of clients and employees, compliance with the Code and the Data Protection Policies is not only an individual, but a collective responsibility.

EQUITY-BASED AND OPTION-BASED AWARDS

Stock Option Plan

The Board of Directors approved the implementation of a stock option plan on March 19, 2014 (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to enhance Shareholder value by: (i) providing a long-term incentive to the Corporation's key personnel; (ii) improving the ability of the Corporation to attract, retain and motivate its key personnel; (iii) reinforcing the importance of and rewarding participants in the Stock Option Plan for superior sustained corporate performance; and (iv) encouraging participants in the Stock Option Plan to maintain a significant level of investment in the Corporation, thereby closely aligning their personal interests with those of the Shareholders.

The Stock Option Plan is administered by the Board of Directors or the Governance and Compensation Committee or other committee appointed by the Board, which has the power to (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Stock Option Plan; (b) interpret and construe the Stock Option Plan and to determine all questions pertaining to the Stock Option Plan or any option granted under the Stock Option Plan; and (c) prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

The grant of options to purchase Shares ("**Options**") to Eligible Persons shall be considered and determined by the Board in accordance with the provisions of the Stock Option Plan. The Board shall determine which Eligible Persons are to be granted Options and the time or times when Options will be granted as it deems appropriate in its sole discretion. For each grant of Options, the Board shall determine at the time of grant (i) the number of Shares subject to each Option; (ii) the period in which the holder of an Option may exercise an Option (the "**Option Period**"); (iii) the vesting schedule providing for the maximum number of Shares in respect which the Option shall be exercisable at specified times or other vesting conditions; (iv) any restrictions upon the sale, transfer or disposition of Optioned Shares; and (v) any other terms and conditions relating to each Option.

The price at which Shares may be purchased under an Option will be set by the Board of Directors at the time of grant and will be fixed for the term of an Option, provided that the price shall not be less than the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the date of grant. Unless otherwise determined by the Board, the Option Period shall be ten years from the date of grant, provided that in the event that the Option Period should end within a blackout period in which Eligible Persons cannot trade securities of the Corporation pursuant to the Corporation's policy on trading restrictions, or within the nine business days following the expiry of a blackout period, the Option Period will end on the date which is ten business days after the expiry of the blackout period.

If the resolution to amend the Stock Option Plan is approved as described above, the total number of Shares issuable upon the exercise of all Options that may be granted under the Stock Option Plan, subject to any adjustment as described below, is 2,555,268 Shares, representing 8.18% of the 31,240,044 Shares

that are currently issued and outstanding (or 6.81% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). As of the Currency Date, an aggregate of 1,551,192 Options have been granted and an aggregate of 24,167 Options have been exercised; 979,909 Options remain available for further issuance under the Stock Option Plan.

In addition to the total limit on Shares issuable, the Stock Option Plan provides for the following limits: (a) the aggregate number of Shares issued under the Stock Option Plan and any of the Corporation's other equity based compensation arrangements to Insiders, within any one-year period, shall not exceed 10% of the Shares then issued and outstanding; (b) the aggregate number of Shares issuable under the Stock Option Plan and any of the Corporation's other equity based compensation arrangements to Insiders at any time shall not exceed 10% of the Shares then issued and outstanding; and (c) the aggregate number of Shares reserved for issuance pursuant to all Options granted to any one Option holder shall not exceed 2% of the Shares issued and outstanding.

Optioned Shares in respect of which Options are not exercised prior to the expiry or termination of such Options shall be available for subsequent Options. Options are personal to the holders and are not assignable or transferrable except as provided for in the Stock Option Plan.

In the event of the termination of services or position of an Option holder for cause, all outstanding Options granted to such holder shall terminate on the effective date of the termination. In the event of the death of an Option holder, outstanding Options granted to such holder shall be exercisable by the estate of the holder, to the same extent that the Options would have otherwise been exercisable by the holder immediately prior the time of death (unless the Board determines otherwise), until the earlier of: (i) the expiration date of the Options, and (ii) one year after the holder's death. In the event of the termination of services or position of an Option holder by reason of disability or retirement, outstanding Options granted to such holder shall be exercisable by the holder or the holder's representative, as the rights to exercise accrue in accordance with the terms of the Options, until the earlier of: (i) the expiration date of the Options, and (ii) one year after the termination of services or position of the holder or the effective date on which the holder becomes eligible to receive long-term disability benefits. In the event of the termination of services or position of an Option holder other than for cause, death, disability, or retirement, all outstanding Options granted to such holder shall be exercisable by the holder, to the same extent that the Options would have otherwise been exercisable by such holder immediately prior to the date of the termination of services or position (unless the Board determines otherwise), until the earlier of: (i) the expiration date of the Options, and (ii) the final day of the 90 days after the termination of services or position of the holder. In each case, after the period when the Options may be exercised, the Options and all rights of the holder thereunder shall immediately expire and terminate.

An Option may be exercised from time to time during the Option Period by the delivery to the Corporation of notice of exercise and by payment of the total option price for the Optioned Shares being purchased. The holder may use a broker to assist in its exercise of Options by selling on the TSX the necessary number of Shares issuable upon the exercise of such Options to effect payment of the Option Price with the resulting proceeds. With the consent of the Board of Directors, a holder may, rather than exercise an Option as provided above, elect a "cashless exercise" of options whereby the holder will receive a lesser number of Shares based on the difference between the current market price of the Shares and the

exercise price of the Option. The number of shares to be received will be determined in accordance with the following formula^{1,2}:

$$\text{Number of Shares} = \frac{\text{Number of Shares issuable upon exercise of the Option, or portion of the Option, being exercised}}{\text{market price}} \times (\text{market price} - \text{exercise price})$$

The Stock Option Plan includes provisions which allow the Corporation to make such adjustments to the number of Shares issuable upon the exercise of Options that are appropriate to prevent dilution or enlargement of the rights granted under Options issued under the Stock Option Plan, or to account for the reclassification, reorganization or other changes to the Shares, or to account for the consolidation, merger or amalgamation of the Corporation.

Subject to any required approval of any regulatory authority, the Board of Directors may at any time or from time to time suspend, terminate or discontinue the Stock Option Plan, provided that without the consent of the Option holders, such suspension, termination or discontinuance may not in any manner adversely affect the rights under any Options previously granted under the Stock Option Plan. Subject to any required approval of any regulatory authority, the Board of Directors may at any time amend the Stock Option Plan or any outstanding Option without the approval of the Shareholders including, without limitation, an amendment that: (a) is of a "housekeeping" nature, including without limitation, for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan; (b) is necessary to comply with applicable law or the requirements of the TSX; (c) changes the vesting provisions of any Option; or (d) changes the termination provisions of an Option or the Stock Option Plan which does not entail an extension beyond the original expiry date.

The following amendments to the Stock Option Plan require the approval of Shareholders: (a) increasing the number of Shares issuable under the Stock Option Plan; (b) reducing the Option Price of any outstanding Option; (c) extending the Option Period applicable to any Option issued to an Insider; (d) increasing the limit on the number of Shares issued or issuable to Insiders; or (e) amending the amendment provisions of the Stock Option Plan.

In the event of a Change of Control and the termination of services or position of an Option holder, other than for cause, in anticipation of or within 12 months of the Change of Control, all outstanding Options granted to such Option holder shall immediately become exercisable by the Option holder until the earlier of: (i) the expiration date of the Options; and (ii) the final day of the 20 days following the termination of services or position.

Performance Share Unit Plan

On August 9, 2017, the Corporation adopted a Performance Share Unit Plan (the "**PSU Plan**") to support the achievement of performance criteria and contribute to the Corporation's future success over a three-year period. Unlike the STIP Bonus, which rewards past performance, a performance share unit ("**PSU**") granted under the PSU Plan (an "**Award**") is awarded to an employee or affiliate of the Corporation (the "**Participant**") to incentivize services rendered or to be rendered in the calendar year the award is made

¹ For the purposes of this formula, "**market price**" means the volume weighted average trading price of the Shares for the five trading days prior to the date of delivery of a notice of exercise by the holder to the Corporation.

² By way of illustration, a holder exercising 1,000 Options with an exercise price of \$2.50 per Share when the market price is \$5.00 per share will receive on a cashless exercise 500 Shares (1,000 x (\$5.00 – \$2.50)/\$5.00).

and the subsequent two years. Unless otherwise specified in the Award notice, all PSUs vest on the third anniversary of the date of grant.

The PSU Plan is administered by the Governance and Compensation Committee, which may, in its sole discretion: (i) determine the individuals and entities (from among the Participants) to whom grants under the PSU Plan may be made; (ii) make grants of Awards under the PSU Plan relating to the issuance of Shares in such amounts, to such persons and on such terms and conditions as it determines including, the time(s) at which Awards may be granted, the conditions under which Awards may be granted or forfeited, the number of Shares covered by any Award, whether restrictions or limitations are to be imposed on the Shares issuable pursuant to an Award (and the nature of such restrictions or limitations, if any), and any acceleration of vesting or waiver of termination regarding any Award; (iii) establish the form(s) of Award agreements; (iv) cancel, amend, adjust or otherwise change any Award; (v) construe and interpret the PSU Plan and all Award agreements; (vi) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the PSU Plan; and (vii) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the PSU Plan.

Each PSU represents a right to receive the market value of a Share on the date a PSU becomes vested. The right may also be conditional upon the achievement of specific performance targets or goals (the "**Performance Targets**") during the three-year period in which the award is granted (the "**Performance Period**"). The Performance Targets may be based upon the achievement of corporate, divisional or individual targets or goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board of Directors. The Board of Directors may modify, at any time, the Performance Targets as necessary to align them with the Corporation's corporate objectives. The Performance Targets may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payouts will be made (or specified vesting will occur), and a maximum level of performance above which no additional amount will be paid out (or at which full vesting will occur).

The Governance and Compensation Committee may, at its sole discretion, pay the Award as a lump sum cash amount, net of all withholdings required by law, on the settlement date. The amount of lump sum cash payment shall be calculated by multiplying the number of PSUs which, after giving effect to any Performance Targets for the Award, have vested as of a vesting date by the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the settlement date, net of all withholdings required by law.

The Board of Directors may from time to time, amend, modify, change, suspend or terminate the PSU Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination may materially impair any accrued rights of a Participant or materially increase any obligations of a Participant under the PSU Plan without the consent of the Participant, unless the Board of Directors determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements.

Except as otherwise may be permitted by the Board of Directors, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

Deferred Share Unit Plan

The Deferred Share Unit Plan (or "**DSU Plan**") is available to the independent, non-employee directors of the Corporation and was originally adopted by the unitholders of IBI Income Fund in 2009. The Deferred Share Unit Plan is intended to enhance the Corporation's ability to attract and retain talented individuals to serve as Independent Directors by providing such directors with the opportunity to acquire deferred share units ("**DSUs**"), thereby allowing them to participate in the long-term success of the Corporation and promoting a greater alignment of interests between directors and the Shareholders of the Corporation. The Deferred Share Unit Plan is administered by the Governance and Compensation Committee, which may, in its sole discretion, impose certain conditions on the grant of DSUs.

A DSU is a unit of participation in the Deferred Share Unit Plan, equivalent in value to one Share, credited by means of a bookkeeping entry to the account maintained in the records of the Corporation for each director participating in the Deferred Share Unit Plan. Corporate directors may elect to receive all or a portion of their annual compensation (the annual retainer and compensation for attendance at meetings of the Board of Directors and for acting as chair of a committee) in the form of DSUs.

DSUs granted to a director are credited to the director's account in quarterly instalments effective as of the last business day of March, June, September and December (the "**Reference Date**"). The number of DSUs to be credited to a director's account each quarter will be determined based on the portion of the compensation that the director has elected to receive in the form of DSUs and the market value of the Shares (based on the weighted average trading price of a Share on the TSX on the five days prior to the applicable Reference Date). If the Corporation declares dividends on Shares, the account maintained for each director will be credited with additional DSUs in respect of an equivalent dividend on such director's deferred units.

DSUs are fully vested at the time granted but are not redeemable until a director ceases to be a director of the Corporation. When a director ceases to be a director of the Corporation, the DSUs in the director's account will be redeemed, and the director may elect to receive, without being required to make any payment, either: (i) Shares issued from treasury equal to the number of DSUs in the director's account (less any Shares withheld by the Corporation to satisfy withholding tax obligations); or (ii) a cash payment equal to the market value of such Shares, based on the weighted average trading price of a Share on the TSX for the five days prior to the redemption date (less applicable withholding taxes).

Shares in respect of DSUs that are redeemed for cash shall be available for subsequent DSUs.

The rights and interests of a director in respect of DSUs are not transferable or assignable other than to a director's estate.

The Board of Directors may amend the Deferred Share Unit Plan at any time, provided that no amendment shall adversely affect the DSUs credited to any director prior to such amendment. The Board of Directors may amend the Deferred Share Unit Plan without the approval of Shareholders, including without limitation, an amendment that: (a) is of a technical, clerical or "housekeeping" nature including, without limitation, for the purpose of curing any ambiguity, error or omission in the Deferred Share Unit Plan or to correct or supplement any provision that is inconsistent with any other provision of the Deferred Share Unit Plan; (b) responds to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements; (c) is with respect to administration of the Deferred Share Unit Plan; (d) adds or modifies vesting or redemption provisions of the Deferred Share Unit Plan or any DSU; (e) is with respect to the eligibility of any director; (f) facilitates the participation in the Deferred Share Unit Plan by, and the granting of DSUs to, directors who are subject to the laws of countries other than those of Canada, which

grants may have terms and conditions that differ from the terms thereof as provided elsewhere in the Deferred Share Unit Plan for the purpose of complying with foreign laws; (g) facilitates a cash payment option under the Deferred Share Unit Plan; (h) reflects any subdivision, consolidation or distribution of Shares or other alterations of the capital of the Corporation; and (i) suspends or terminates the Deferred Share Unit Plan.

The Board of Directors may, in its sole discretion and without the consent of any director as a participant in the Deferred Share Unit Plan, terminate or suspend the Deferred Share Unit Plan at any time, provided that the DSUs credited to any director prior to such termination or suspension shall not be adversely affected.

The total number of Shares issuable under the Deferred Share Unit Plan is 1,248,337 Shares, representing approximately 4.00% of the 31,240,044 Shares that are currently issued and outstanding (or approximately 3.33% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). The Deferred Share Unit Plan was amended in 2016 to increase the total number of Shares issuable under the plan from 532,555 Shares to 1,248,337 Shares, and the amendment was approved by Shareholders at the annual meeting held on May 11, 2016. An aggregate of 467,106 DSUs are outstanding as of the Currency Date, representing, assuming they will be redeemed for Shares, approximately 1.50% of the issued and outstanding Shares (or approximately 1.25% on a partially diluted basis, assuming the exchange of the Class B Units for Shares). To date, outstanding DSUs have been redeemed for an aggregate of 176,688 Shares on the retirement of directors and have otherwise been settled in cash. Going forward, IBI anticipates that DSUs will continue to be settled in cash. An aggregate of 604,543 DSUs remain available for issuance under the Deferred Share Unit Plan.

In addition to the total limit on Shares issuable, the Deferred Share Unit Plan provides for the following limits: (a) the number of Shares issued under the Deferred Share Unit Plan and any of the Corporation's other equity-based compensation arrangements to Insiders, within any one-year period, shall not exceed 10% of the issued and outstanding Shares; and (b) the number of Shares issuable under the Deferred Share Unit Plan and any of the Corporation's other security based compensation arrangements to Insiders shall not exceed 10% of the issued and outstanding Shares.

Other than under the Deferred Share Unit Plan, none of the Independent Directors receive any equity-based awards, option-based awards or non-equity incentive plan compensation as directors.

GOVERNANCE

General

The Corporation is administered by the Board of Directors and by IBI Group which provides administrative services to the Corporation pursuant to the Administration Agreement to the extent that such services are not provided by the Corporation's employees. IBI Group (and its subsidiaries) are also the entities which carry on the operating business of the Corporation.

The Board of Directors, pursuant to the IBI Group Partnership Agreement, has the authority and responsibility to exercise general oversight over IBI Group and to approve general policies for the operation of IBI Group and to ensure compliance with such policies. Such authority of the directors includes all customary elements of board authority as if IBI Group were a corporation governed by the *Business Corporations Act* (Ontario). The Board of Directors maintains an Audit Committee and a Governance and Compensation Committee.



National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires the Corporation to disclose, on an annual basis, its approach to corporate governance with reference to the guidelines provided in National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**").

The Board of Directors and the management of IBI Group ("**management**") recognize that effective governance practices are fundamental to the long-term success of the Corporation. Sound governance contributes to Shareholder value through increased confidence. The Board of Directors and management are, therefore, committed to maintaining a high standard of governance in substantial conformity with the Guidelines.

The Board of Directors and its committees operate under charters that clearly define their roles and responsibilities.

Board of Directors

Independence of the Board of Directors is essential to management fulfilling its role in overseeing the Corporation's business and affairs. The Board of Directors has determined that, in 2019, a majority of its members, being Dale Richmond, Lorraine Bell, Claudia Krywiak, John O. Reid and Michael Nobrega were "independent" as determined in accordance with NI 58-101. In determining whether a director is an Independent Director, the Board of Directors considers, among other things, whether the director has a direct or indirect material relationship with the Corporation which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Currently, Scott Stewart, the Chief Executive Officer of the Corporation and IBI Group, and David Thom, the President of the Corporation and IBI Group, are members of management of IBI Group, the operating entity of the Corporation, as well as principals of partners of the Management Partnership which holds, with its affiliated partnerships, an interest of approximately 35.68% in IBI on a non-diluted basis, assuming no exchange of the Class B Units for Shares and approximately 35.68% on a partially diluted basis, assuming the exchange of the Class B Units for Shares, and are, therefore, considered by the Board of Directors not to be "independent" for the purposes of NI 58-101. The Chair of the Board of Directors is Dale Richmond, who is an Independent Director.

The Board of Directors meets regularly to review the business operations and financial results of the Corporation. Meetings of the Board of Directors include regular meetings with management to review and discuss specific aspects of the operations of the Corporation. The Chair of the Board chairs all meetings and reviews the agenda for each Board of Directors meeting with management. The Board of Directors also functions independently of management by holding sessions without the non-Independent Directors or any members of management present. Sessions are held with only the Independent Directors present at all scheduled quarterly Board of Directors meetings and at other times throughout the year as required. Since January 1, 2019, the directors have held eight sessions without the non-Independent Directors or any members of management present.

The following table sets forth the names of other reporting issuers for which any of the Corporation's current directors also serve as a director:

| Name | Reporting Issuer |
|-----------------|--|
| Lorraine Bell | Brookfield Real Estate Services Inc. Brookfield Real Estate Services Fund |
| Michael Nobrega | Toronto Hydro Corporation |

Charter of Board of Directors

The Board of Directors has adopted a board charter, setting out the Board of Directors' mandate and responsibilities. A copy of the board charter of the Board of Directors is attached to this Circular as Schedule "A".

Position Descriptions

The Board of Directors has developed a written position description for the Chair of the Board of Directors. The Chair of the Board of Directors is responsible for the management, the development and the effective performance of the Board of Directors and provides leadership to the Board of Directors for all aspects of the Board of Directors' work. The Chair of the Board of Directors takes all reasonable measures to ensure that the Board of Directors has structures and procedures in place to enable it to function independently of management, carries out its responsibilities effectively and clearly understands and respects the boundaries between Board of Directors and management responsibilities. The Chair of the Board of Directors acts in an advisory capacity to the Chief Executive Officer and to other officers in all matters concerning the interests and management of the Corporation and, in consultation with the Chief Executive Officer, plays a role in the Corporation's external relationships.

While the Board of Directors has not developed written position descriptions for the chairs of any committee of the Board of Directors, the chairs of the committees of the Board of Directors are expected to supervise the activities of such committees and to ensure that such committees are taking all steps necessary to fulfil their respective mandates.

The Board of Directors is responsible for the overall stewardship of the Corporation, including overseeing management of the Corporation and reviewing and approving long-term strategy with a view to ensuring that management is working to maximize Shareholder value in a way that is consistent with good corporate citizenship, and the Chief Executive Officer is responsible for implementing the Corporation's strategic plan and business objectives as prepared by management and submitted to the Board of Directors annually. The Corporation has not developed a formal mandate for the Chief Executive Officer as it considers that the Chief Executive Officer's role is to implement the Corporation's plan and objectives. The Board of Directors is also responsible for satisfying itself, to the extent feasible, as to the integrity of the officers of the Corporation and of the Chief Executive Officer and other members of management of IBI Group, and that the officers of the Corporation and the Chief Executive Officer and other members of the management of IBI Group create a culture of integrity throughout the organization.

Orientation and Continuing Education

Newly-appointed directors are provided with a directors' handbook, which includes corporate policies, the Corporation's recent continuous disclosure documents and minutes of previous meetings of the Board of Directors. The directors' handbook is regularly updated and kept current. The Board of Directors ensures that prospective candidates fully understand the role of the Board of Directors and its committees and the contribution that individual directors are expected to make, including the commitment of time required.

The Board of Directors ensures its members' skills and knowledge are maintained for the performance of their necessary functions through assessment procedures that include the Governance and Compensation Committee's annual Board of Directors' review and nomination process.

Ethical Business Conduct

The Board of Directors has had a formal written Code of Business Conduct and Ethics as well as a Whistleblower Policy since October 2004 which were consolidated into the Code. The Code and the Whistleblower Policy were circulated to directors, trustees, executive officers and employees at the time of adoption, are reviewed regularly, and are provided to all new directors, executive officers and employees. See "Environmental, Social and Governance – Governance" above.

Copies of the Code may be obtained upon request without charge from the Chief Financial Officer of IBI Group, 55 St. Clair Avenue West, 7th Floor, Toronto, Ontario, M4V 2Y7, Telephone (416) 596-1930.

There have been no material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

In circumstances in which the Board of Directors must consider transactions and agreements in respect of which a director or officer has a material interest, the nature of such interest is declared, and the affected individual does not participate in the vote on the matter. This is mandated by the IBI Group Partnership Agreement.

Nomination of Directors, Compensation and Assessments

The Board of Directors has a Governance and Compensation Committee, which has a mandate that includes responsibility for recruiting and selecting nominees and making recommendations to the Board of Directors. As of the Currency Date, this Committee was composed of five Independent Directors, being Dale Richmond (Chair), Lorraine Bell, John O. Reid, Michael Nobrega and Claudia Krywiak.

In recruiting new candidates for the Board of Directors and senior management of IBI, new candidates may be identified through business contacts of the current members of the Board of Directors and management. Professional service consultants may also be engaged to help identify candidates for any position within IBI, including for appointment to the Board of Directors, and such consultants will be specifically directed to include female candidates and candidates who are members of the Designated Groups (as defined below). IBI may also conduct a review of the candidate database maintained by the Institute of Corporate Directors, having due regard to the benefits of diversity and the needs of its business. Qualified individuals will then be discussed by the Governance and Compensation Committee with a view to determining which candidates would best fulfill the needs of the Corporation given the competencies and skills that the remaining directors possess, and the Governance and Compensation Committee will then propose to the Board of Directors the individuals that it recommends be nominated as directors.

Discussion of compensation of directors and executive officers and the role of the Governance and Compensation Committee with respect to compensation is set out above under "Statement of Executive Compensation – Annual Compensation Review Process."

In addition to its nominating and compensation functions, the Governance and Compensation Committee's primary duties and responsibilities are to:

- assist in the orientation and education of new directors;

- assess the composition and effectiveness of the directors as a whole as well as discuss the contribution of individual directors; and
- develop and assess the Corporation's approach to governance issues.

To ensure board renewal, the Governance and Compensation Committee's mandate includes responsibility for assessing, on an annual basis, the effectiveness of the Board of Directors and its various committees, and the contribution of individual directors, including making recommendations, where appropriate, that sitting directors be removed or not re-appointed. This assessment process is done through an annual board survey, the results of which are then reviewed by the Governance and Compensation Committee and presented to and discussed with the Board of Directors.

Age and Term Limits for Directors

To balance the benefit of experience and the need for renewal and new perspectives, the Corporation adheres to a Term Limit Policy for its Independent Directors appointed to the Board of Directors after January 1, 2015. The Term Limit Policy provides that each Independent Director appointed after such date may generally serve up to a maximum of 10 years, assuming such Independent Director is re-elected annually and meets all other applicable legal requirements. The Board of Directors is of the view that regular turnover of directors will help ensure that the Board of Directors remains independent, provides fresh ideas and viewpoints and improves diversity on the Board of Directors. However, having a 10-year term of service also means that experienced, high-performing Independent Directors can provide a continuing benefit to the Corporation. The Governance and Compensation Committee of the Corporation, however, has the discretion to recommend to the Board of Directors to extend an Independent Director's term for such period as it deems appropriate and in the best interest of the Corporation. The Board of Directors believes that the effectiveness of this approach to board renewal is evidenced by the fact that 60% of the Independent Directors (three out of five) were not directors three years ago.

The Governance and Compensation Committee, in consultation with the chair of the Board of Directors and the CEO, reviews each Independent Director's continuation on the Board of Directors once a year, and each Independent Director is given the opportunity to confirm his or her desire to continue as a member of the Board of Directors.

The Board of Directors has not adopted a formal policy imposing an arbitrary retirement age limit for directors because the Corporation believes in building a Board of Directors with the skills and expertise necessary to provide strong oversight for the Corporation as well as ensuring directors continue to be engaged and effective participants. The Board of Directors is of the view that a director with longer tenure is able to increase his or her contribution to the Board of Directors over time. The Board of Directors does recognize that some turnover is necessary in order to introduce new ideas and perspectives, and that this must be balanced against the need for directors with increased insight into the Corporation gained over their years of service. Imposing an arbitrary retirement age would unnecessarily expose the Corporation to losing valuable expertise and insight that could not be easily replaced.

Diversity, Inclusion and Belonging

In considering individuals for director, executive and senior management appointments, the Corporation believes in balancing all eligibility criteria, including appropriate business competencies, skills, industry knowledge, financial experience and personal qualities of candidates, as well as the diversity of their background (including gender identity, ethnicity, sexual orientation, age, experience, geography,

Aboriginal heritage and disabilities). IBI's success is due in large measure to its experience and expertise in the markets in which it operates. The aforementioned selection criteria recognize this important factor and ensure that the Corporation supports its diversity, inclusion and belonging objectives, while continuing to have the subject matter experts on the Board of Directors and among its executive and senior management teams who can effectively provide experience, expertise and business and operational insight into each of the markets in which the Corporation operates. Diversity and inclusion are carefully considered within the context of the Corporation's needs and objectives, its client base and its domestic and international operations. Nominees proposed to join the Board of Directors or the executive and senior management teams are selected after considering the aforementioned selection criteria. In furtherance of such principles, the Corporation will continue to consider the level of representation of each of: (i) women; (ii) members of visible minorities; (iii) Aboriginal persons; or (iv) persons with disabilities (collectively, the "**Designated Groups**") when making director, executive and senior management appointments by taking into consideration such candidates' potential to reflect appropriate diversity, and will remain committed to the recruitment, development and promotion of diverse qualified candidates.

Diversity

The Board of Directors has adopted a written diversity, inclusion, and belonging policy (the "**Diversity, Inclusion and Belonging Policy**") with respect to the identification and nomination of directors, executive officers and senior management. The objective of the Diversity, Inclusion and Belonging Policy is to continue to strengthen the Corporation, maximize shareholder returns and better lead the Corporation by recruiting and managing on the basis of diversity, inclusion and belonging, competence, qualification and performance of diversified members of the Corporation. The Diversity, Inclusion and Belonging Policy provides that the Corporation will conduct all director, executive and senior management appointments as well as general hiring appointment processes in a manner that promotes diversity (in particular, gender identity, ethnicity, sexual orientation, age, experience, geography, Aboriginal heritage and disabilities), including establishing a structured approach for identifying a pool of suitable candidates and using external advisors where necessary. IBI is committed to creating a culture where everyone has an equal opportunity to grow, develop, succeed and be their truest self. IBI is committed to creating and contributing to an inclusive culture by focusing on increasing gender representation and diversity at all levels across IBI. In the years to come, a focus on targeted initiatives and actions will support IBI's continued success and advancement of its culture of diversity, inclusion and belonging.

Under the Diversity, Inclusion and Belonging Policy, the Board of Directors is responsible for developing, where possible, measurable objectives and strategies to meet the objectives established by the Diversity, Inclusion and Belonging Policy, and for monitoring the progress of the objectives through evaluation and reporting. The Governance and Compensation Committee will monitor the scope and currency of the Diversity, Inclusion and Belonging Policy and will review it from time to time as appropriate to ensure its effectiveness.

Pursuant to the Diversity, Inclusion and Belonging Policy, by the end of 2023, the Corporation is committed to achieving the following targets:

- (i) with respect to the Board of Directors, at least 25% of members shall be women and at least 14% of members shall be members of visible minorities; and
- (ii) with respect to the senior management, at least 17% of members shall be women and at least 18% of members shall be members of visible minorities.

In establishing the targets, the Corporation has considered a number of factors including a specific consideration of succession planning initiatives, the size of the Corporation, the Board of Directors and

the executive officer and senior management team, the projected impact of the Corporation's Diversity, Inclusion and Belonging policy, the limited availability of candidates from the Designated Groups possessing the required experience and expertise to fulfill roles on the Board of Directors the executive officer and senior management team and the importance of setting and achieving progressive, yet credible targets.

The Corporation has not set specific targets regarding Aboriginal persons or persons with disabilities due to the fact that a measurable target would not be achievable within the current time horizon as the Corporation feels that establishing targets for these groups at this time will not necessarily assist in the identification or selection of the best candidates. However, pursuant to the Diversity, Inclusion and Belonging Policy, the Corporation has created an Inclusion Council which is mandated to specifically identify opportunities for further diversity, inclusion and belonging initiatives targeting individuals from each of the Designated Groups with a view to the future establishment of targets for each of the Designated Groups. The Inclusion Council contains representation from all levels of senior management and guides the Corporation's strategy and initiatives with respect to the implementation of the Corporation's diversity, inclusion and belonging objectives. See also "Inclusion and Belonging" below.

The Corporation is extremely proud that the representation of women on its Board of Directors is above its established target as, during 2019, the Corporation had two out of seven women on the Board of Directors, representing approximately 29% of the members of the Board of Directors and 40% of the Corporation's Independent Directors. If all the nominee directors for this year are elected, the Board of Directors will continue to have two female directors, representing approximately 29% of the Board of Directors and 40% of the Corporation's Independent Directors. In addition, during 2019, the Corporation currently had one out of seven directors who was of Aboriginal heritage, representing 14% of the Board of Director and 20% of the Corporation's Independent Directors. While the Corporation does not have any member of the Board of Directors who is a member of a visibility minority or a person with disabilities, the Corporation will continue to work towards achieving the targets it has established for each of the Designated Groups under the Diversity, Inclusion and Belonging Policy.

While the Corporation does not have any women or members of visible minorities in executive officer positions, 10.8% and 14.7% of senior management positions are held by women and by members of visible minorities, respectively. The Corporation does not have any members of its executive team or senior management that identify as Aboriginals or as persons with disabilities.

The Corporation will continue to promote diversity and ensure that its recruitment process continues to consider all individuals from diverse backgrounds, regardless of gender identity, ethnicity, sexual orientation, age, experience, geography, Aboriginal heritage and disabilities. Merit has always been and will always be, a key requirement for board and executive appointments as the Corporation continues to become a group of people that is as diverse as the communities in which it operates and the clients it serves and a place where people have full opportunity to show their value and develop their potential. The Corporation will continue to select individuals based on the belief that the Corporation, its clients and its stakeholders would benefit from such a broad range of talent and experiences.

Inclusion and Belonging

IBI fosters a work environment in which all individuals are treated with respect and dignity. IBI is an equal opportunity employer and is committed to actions and policies to ensure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination or harassment within its workforce. IBI ensures that its workplace is free from violent, threatening or intimidating behaviour and that its staff enjoy a safe and secure work environment throughout all of its operations. IBI is well-positioned for the future due to the various programs it has



developed in order to enhance employee engagement, promote employee inclusion and retention and improve overall employee well-being. The Corporation has implemented programs to collect certain information regarding its employees, including demographics, sectors, services, promotions and compensation. These programs allow the Corporation to inform its corporate strategy and effect positive change going forward.

IBI is proud of its ongoing efforts to promote inclusivity throughout all of its offices. Throughout 2019, the Corporation organized regular lunches between the Corporation's executive officers and its female employees in order to provide a direct platform for female employees to share their experiences and provide feedback to the Corporation. IBI considers it an extremely important responsibility to listen to the feedback it receives from its employees and works with them to continue to improve IBI as a workplace. For instance, provided that employees continue to demonstrate a high level of performance and meet any required deadlines, IBI accommodates its employees by providing them with the flexibility to complete their work from home or any other suitable location. IBI hopes to continue to be a flexible employer and maintain the higher levels of satisfaction, productivity and engagement within its workforce. IBI will continue to respond to the needs of its employees that make up its engaged and motivated workforce by providing them with the necessary resources to excel in their roles within IBI.

IBI has launched a Mentorship Program to provide mentorship and guidance to its employees. This program provides employees with the opportunity to connect with other IBI staff who can share their knowledge and experience on how to build a professional career and reach their full potential within IBI. In addition, IBI has an active Global Women's Network ("**GWN**") to provide networking and professional development for IBI's female employees. The GWN is focused on bringing a network of women together to build sustainable, long-term mentorship and professional development programs for women with the primary goal of advancing and accelerating the careers of women at IBI. Through the support and collaboration of both women and men within the firm, IBI provides the resources to support the necessary cultural changes within IBI needed to develop and promote women leaders across the firm, in all practices and disciplines, and at all levels.

IBI recognizes that its staff are critical to its continued success and will remain an invaluable asset for the future of the firm. In order to allow IBI's staff members to continue to grow and contribute to the continued success of its business, IBI has instituted the LEAD program. The LEAD program is designed to support employees who have the potential and desire to be leaders and managers of people within the firm. Employees are nominated into the LEAD program by their managers and provided opportunities that allow them to step outside of their comfort zone and gain diverse experiences, with the goal of developing leadership skills and competencies. While the LEAD program does not represent the only pathway to leadership roles within IBI, it does offer growth and development opportunities to learn and develop key leadership skills.

Audit Committee

On the Currency Date, the Audit Committee of the Board was comprised of five directors, being Lorraine Bell (Chair), Dale Richmond, John O. Reid, Michael Nobrega and Claudia Krywiak, each of whom is considered by the Board to be an Independent Director. The Chair of the Audit Committee, Ms. Bell, is a Chartered Professional Accountant, Chartered Accountant.

The Audit Committee meets at least four times per year to review the Corporation's quarterly and annual financial statements. The Board of Directors periodically reviews the mandate of the Audit Committee as well as the members of the Audit Committee to confirm each member's financial literacy. The Audit Committee's mandate provides that the Audit Committee is appointed by the Board of Directors to assist

the Board of Directors in fulfilling its oversight responsibilities and that its primary duties and responsibilities are to:

- recommend to the Board of Directors (a) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review and attest services for the Corporation, and (b) the compensation of the external auditors;
- oversee the work and review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant;
- pre-approve all audit and non-audit services not prohibited by law to be provided to the Corporation by the external auditors;
- review the financial statements of the Corporation and recommend to the Board of Directors whether or not they should be approved;
- review the Corporation's interim and annual earnings news releases and any other public disclosure documents that are required to be reviewed by the Audit Committee under any applicable laws prior to their public disclosure and/or filing with any governmental body;
- review the plans of the auditors to determine whether the committee believes that the proposed combined evaluation and testing of controls will be comprehensive, well-coordinated, cost-effective and appropriate to risks, business activities and changing circumstances; and
- establish procedures for the receipt, retention and treatment of reports received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations of the Code, and the confidential, anonymous submission by employees of such reports.

The Audit Committee has the authority to conduct or authorize any investigations into any matters within the scope of its responsibilities, and to communicate directly with the external auditors as well as any of the Corporation's executive officers and employees. The Audit Committee has the ability to retain, at the Corporation's expense, independent counsel and other advisors as it deems necessary to carry out its duties. All members of the Audit Committee are financially literate, having accounting and related financial management expertise.

Advance Notice By-law

The Corporation's By-law No. 3 (the "**Advance Notice By-law**") was adopted by the Board of Directors on August 8, 2018 and confirmed by the Shareholders at the annual and special meeting of the Shareholders on May 10, 2019.

The following is a summary only of the principal provisions of the Advance Notice By-law and is qualified by reference to the full text of the Advance Notice By-law, which is available on the Corporation's website at <https://www.ibigroup.com>.

The Advance Notice By-law establishes a framework for the advance notice of nominations of directors by Shareholders of the Corporation. In general, the Advance Notice By-law:

- sets a deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders; and

- sets forth the information that Shareholders must include in such notice for the notice to be in proper written form.

The Advance Notice By-law does not interfere with the ability of Shareholders to requisition a meeting or to nominate directors by way of a shareholder proposal in accordance with the *Canada Business Corporations Act*.

To be timely, a Shareholder must give a valid notice to the Corporation:

- in the case of an annual meeting of Shareholders (including an annual and special meeting), not less than forty (40) days prior to the date of the meeting, provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the date ("**Notice Date**") on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time period for the giving of a notice as described above.

The Advance Notice By-law authorizes the Chair of the Shareholders' meeting to determine whether a nomination was made in accordance with the procedures set forth in the Advance Notice By-law and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination may be disregarded. The Board of Directors may, in its sole discretion, waive any requirement of the Advance Notice By-law.

The Corporation and the Board of Directors believe that the Advance Notice By-law sets out a clear and transparent process for all Shareholders who intend to nominate directors at a Shareholders' meeting, by providing a reasonable timeframe for Shareholders to notify the Corporation of their intention to nominate directors and by requiring Shareholders to provide the information required under applicable securities laws. The Board of Directors will be able to evaluate the proposed nominees' qualifications and suitability as directors and respond as appropriate in the best interests of the Corporation. The Advance Notice By-law is also intended to facilitate an orderly and efficient meeting process.

Shareholder Communications

The Board of Directors has had a formal disclosure policy in place since October 2004 which is reviewed regularly by the Board of Directors. The purpose of this policy is to ensure that the Corporation and all persons to whom the policy applies meet their obligations under the provisions of securities laws and stock exchange rules by establishing processes designed to ensure the timely disclosure of all material information, that all persons to whom the disclosure policy applies understand their obligations to preserve the confidentiality of undisclosed material information, and that all appropriate parties who have undisclosed material information are prohibited from insider trading and tipping under applicable laws, stock exchange rules and the disclosure policy. Shareholder communications are, in general, the responsibility of the Chief Executive Officer and the Chief Financial Officer of the Corporation.



DIRECTORS' AND OFFICERS' INSURANCE

The directors and officers of the Corporation are covered under a directors' and officers' insurance policy that provides an aggregate limit of liability applicable to the insured individuals of \$50,000,000, inclusive of the cost to defend claims.

The by-laws of the Corporation provide for the indemnification of the directors and officers of the Corporation from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties, subject to certain usual limitations.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or at any time during the year ended December 31, 2019 was, a director or executive officer of IBI Group or the Corporation or any associate of any such person, has at any time since January 1, 2019 been indebted to the Corporation or is now indebted to the Corporation or any of its subsidiaries or has indebtedness to another entity that is, or at any time since January 1, 2019 has been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors, no director or executive officer of the Corporation or director or executive officer of any affiliate of the Corporation, or any person who beneficially owns, directly or indirectly, voting securities of the Corporation, or who exercises control or direction over voting securities of the Corporation, or a combination of both, carrying more than 10% of all voting rights attached to all voting securities of the Corporation or proposed nominee for election as a director, or any associate or affiliate of any such person, had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2019 which has materially affected or would materially affect the Corporation or any of its subsidiaries, other than as disclosed in this Circular and except for the transactions described under the heading "Interests of Management and Others in Material Transactions" in the Corporation's Annual Information Form dated March 24, 2020 which disclosure is incorporated by reference herein.

ADDITIONAL INFORMATION

Copies of the Corporation's financial statements for the year ended December 31, 2019, together with the report of the auditors thereon, management's discussion and analysis, the interim financial statements of the Corporation for periods subsequent to the end of the Corporation's last fiscal year, the current annual information form (together with any document incorporated therein by reference) of the Corporation and this Circular are available upon written request from the Chief Financial Officer of IBI Group, 55 St. Clair Avenue West, 7th Floor, Toronto, Ontario, Canada M4V 2Y7. These documents and additional information concerning the Corporation are available on SEDAR at www.sedar.com.

The information required by Form 52-110F1 under National Instrument 52-110 – Audit Committees can be found under the heading "Directors and Executive Officers – Governance – Audit Committee" in the Corporation's Annual Information Form dated March 24, 2020.



APPROVAL OF DIRECTORS

The contents and the sending of this Circular to the Shareholders have been approved by the Board of Directors.

Date: April 15, 2020

By order of the Board of Directors,

(Signed) "*Dale Richmond*"

Chair of the Board of Directors

IBI GROUP INC.

SCHEDULE "A"

CHARTER OF THE BOARD OF DIRECTORS

I. PURPOSE

The Board of Directors (the "**Board**") of IBI Group Inc. (the "**Corporation**"), is responsible for the stewardship of the Corporation, the oversight and general supervision of the management of the business, and for acting in the best interests of the Corporation, its shareholders and its other stakeholders. The Corporation serves as a partner in the IBI Group ("**IBI Group**"), the operating entity carrying on the business of the Corporation.

The Board discharges its oversight responsibilities directly and through its committees, currently consisting of the Audit Committee, and the Governance and Compensation Committee. In addition, the Board may from time to time, appoint such additional committees as it deems necessary and appropriate in order to discharge its duties. The Board discharges its responsibility for overseeing the management of the business and affairs of the Corporation, IBI Group and their respective subsidiaries (collectively, the "**IBI Group Entities**"), by delegating responsibility for day-to-day management to senior officers of the IBI Group Entities.

The Board shall meet regularly, but not less than once each quarter. The Board will also hold regularly scheduled meetings of the independent members of the Board without management being present.

II. COMPOSITION

The Board shall be constituted at all times of a majority of "Independent Directors" (as defined under applicable legal requirements, and the rules of any stock exchange on which the Corporation's securities are listed for trading).

III. RESPONSIBILITIES

The Board's mandate is the stewardship of the Corporation and oversight of its management, and its responsibilities include, without limitation to its general mandate, the following specific responsibilities:

1. Overseeing the strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the business opportunities and business risks identified by the Board and/or the Audit Committee, and to monitor performance against the strategic plan.
2. Approving the annual budget, and business plan, of IBI Group.
3. Reviewing quarterly financial reporting provided by the management of IBI Group and monitoring the operations of IBI Group.
4. Satisfying itself as to the integrity of the Chief Executive Officer, the President, and the other senior officers, and that such officers create a culture of integrity throughout the organization.

5. Assigning to the various committees of the Directors general responsibility for overseeing the Corporation's approach to: (i) the nomination of Directors; (ii) corporate governance; (iii) compensation of officers and senior employees; and (iv) financial reporting and internal controls.
6. With the assistance of the Governance and Compensation Committee:
 - (a) Reviewing the size and composition of the Board, assessing director independence, and appointing the Chair of the Board and Committee Chairs and members.
 - (b) Assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board, and the contribution of individual Directors.
 - (c) Ensuring that an appropriate review and selection process for new nominees as Directors is in place.
 - (d) Overseeing orientation and education programs for new Directors and ongoing educational opportunities for continuing Directors.
 - (e) Reviewing and approving corporate objectives and goals applicable to the Corporation's senior management.
 - (f) Approving the compensation of members of senior management, including the portion of the Partners Compensation Amount (as defined in the IBI Group Partnership Agreement) to be allocated to such individuals.
 - (g) Approving the policies and practices for determining the Partners Compensation Amount, and approving the aggregate amount for each year.
 - (h) Succession planning including the selection, training, appointment, monitoring, evaluation and, if necessary, the replacement of senior management to ensure management succession after taking into consideration the views of the IBI Group Management Partnership.
 - (i) Professional Assistance – The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Corporation's expense including sole authority to retain and terminate any search firm to be used to identify director candidates and to approve any such firm's fees and other retention terms.
7. With the assistance of the Audit Committee:
 - (a) Ensuring the integrity of the Corporation's internal controls and management information systems.
 - (b) Ensuring the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Corporation's own governing documents.
 - (c) Identifying the principal risks of the business of the Corporation and IBI Group and ensuring that the appropriate systems are in place to monitor and manage these risks.

- (d) Reviewing and approving significant operational and financial matters, and providing direction to management on these matters.
 - (e) Reviewing and approving the annual financial statements, interim financial reports, and related management's discussion and analysis.
- 8. Enhancing congruence between shareholder expectations, strategic and business plans, and management performance.
- 9. Reviewing with management and approving as applicable, material transactions that affect the Corporation or its corporate structure including, but not limited to, those set out in the Authority Matrix.
- 10. Monitoring and reviewing feedback provided by the stakeholders of the Corporation and the IBI Group Entities.
- 11. Reviewing and revising from time to time as circumstances warrant, a corporate disclosure and communications policy to address communications with shareholders, employees, financial analysts, governments and regulatory authorities and the media.
- 12. Reviewing, assessing and updating this Charter at least annually, as conditions dictate.
- 13. Performing such other functions as prescribed by law or assigned to the Board in the by-laws of the Corporation or the IBI Group Partnership Agreement.

IBI GROUP INC.

SCHEDULE "B"

STOCK OPTION PLAN – MARCH 24, 2014

IBI GROUP INC.

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

- 1.1 The purpose of this Plan is to enhance shareholder value by: (i) providing a long-term incentive to the Corporation's key personnel; (ii) improving the ability of the Corporation to attract, retain and motivate its key personnel; (iii) reinforcing the importance of and rewarding participants in the Plan for superior sustained corporate performance; and (iv) encouraging participants in the Plan to maintain a significant level of investment in the Corporation, thereby closely aligning their personal interests with those of the Corporation's shareholders.

2. DEFINED TERMS

- 2.1 Where used herein, the following terms shall have the following meanings, respectively:

- (a) **"Affiliate"** means any partnership, company or other entity that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- (b) **"Associate"** has the meaning given to such term in the *Securities Act* (Ontario), as may be amended from time to time, for purposes of Part XX of such Act;
- (c) **"Blackout Period"** means the period during which Eligible Persons cannot trade securities of the Corporation pursuant to the Corporation's policy respecting restrictions on trading, as may be amended from time to time;
- (d) **"Blackout Period Expiry Date"** means the date on which a Blackout Period expires;
- (e) **"Board"** means the board of directors of the Corporation;
- (f) **"Change of Control"** means the occurrence of any one or more of the following events:
 - (i) any transaction or series of transactions with or into any other person or entity that effects any transfer, conveyance, sale, lease or exchange of all or substantially all of the assets of the Corporation, IBI Group LP or IBI Group (other than a person who is an Affiliate or Associate of the Corporation, IBI Group LP or IBI Group);
 - (ii) any acquisition or series of acquisitions by any means whatsoever by any person (other than the Corporation, IBI Group LP or IBI Group or any Affiliate or Associate thereof) or by a group of persons acting jointly or in concert (other than with the

Corporation, IBI Group LP or IBI Group or any Affiliate or Associate thereof) of that number of securities of the Corporation, IBI Group LP or IBI Group which have associated with them that number of votes which is equal to or greater than 50% of the votes associated with the then issued and outstanding voting securities of the Corporation, IBI Group LP or IBI Group, as the case may be; or

- (iii) any transaction or event in which the Corporation ceases to be a "**reporting issuer**" under the *Securities Act* (Ontario), as may be amended from time to time, or in which the Shares cease to be listed for trading on the Stock Exchange;
- (g) "**Corporation**" means IBI Group Inc., a corporation incorporated under the laws of Canada, and includes any successor corporation thereof;
- (h) "**Eligible Person**" means:
 - (i) any officer or other senior management employee of the Corporation or IBI Group or any Affiliate (including Directors and Associate Directors of IBI Group Management Partnership, who provide their professional services to IBI Group), or any other New Eligible Person (an "**Eligible Individual**"); or
 - (ii) a corporation controlled by an Eligible Individual, all of the issued and outstanding voting securities of which are, and will continue to be, beneficially controlled, directly or indirectly, by such Eligible Individual and/or the spouse of such Eligible Individual (an "**Employee Corporation**");
- (i) "**Grant Date**" means the date an Eligible Person is granted an Option, as evidenced by the Option Grant Letter;
- (j) "**Insider**" has the meaning given to such term in Part 1 of the TSX Company Manual, as may be amended from time to time, for the purposes of Section 613 thereof;
- (k) "**Market Price**" at any date in respect of the Shares means the volume weighted average trading price of the Shares on the Stock Exchange for the five (5) trading days immediately preceding such date; in the event that such Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion;
- (l) "**New Eligible Person**" means any newly hired or promoted officer or other senior management employee of the Corporation or IBI Group (including Directors and Associate Directors) or any Affiliate who is not an existing Optionee;
- (m) "**Option**" means a right to purchase Shares granted to an Eligible Person under the Plan;
- (n) "**Option Grant Letter**" means a written document by which the grant of an Option is evidenced, a form of which is attached hereto at Appendix "A";
- (o) "**Option Period**" means the period during which an Optionee may exercise an Option;

- (p) **"Option Price"** means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with the provisions hereof;
- (q) **"Optioned Shares"** means the Shares issuable pursuant to the exercise of an Option;
- (r) **"Optionee"** means an Eligible Person to whom an Option has been granted and who continues to hold such Option;
- (s) **"Plan"** means this IBI Group Inc. Stock Option Plan, as the same may be amended or varied from time to time;
- (t) **"Shares"** means the common shares of the Corporation or, in the event of an adjustment, reclassification, reorganization or change contemplated by Section 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;
- (u) **"Stock Exchange"** means the principal stock exchange upon which the Shares are listed or posted for trading; and
- (v) **"termination of services or position"** means the date upon which the Optionee ceases to perform active services for the Corporation or any Affiliate without regard to whether the Optionee continues thereafter to receive any notice of termination, payment in lieu thereof or severance.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board or the Nominating, Governance and Compensation Committee or other committee appointed by the Board. References herein to the **"Board"** are deemed to be references to the Board or such committee, as the case may be. The Board shall have the power, where consistent with the general purpose and intent of the Plan, and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (b) to interpret and construe the Plan and to determine all questions pertaining to the Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes; and
- (c) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options, including without limitation, an Option Grant Letter.

No member of the Board shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Board shall, in addition to their rights as directors of the Corporation, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made in good faith.

- 3.2 All costs incurred in connection with the Plan shall be for the account of the Corporation.
- 3.3 The Board may, in its discretion, require as conditions to the grant or exercise of any Option that the Optionee shall have:
- (a) agreed to restrictions on sale, transfer or disposition of Optioned Shares in form and substance satisfactory to the Corporation and to an endorsement on any Option Grant Letter or certificate representing the Shares making appropriate reference to such restrictions; and
 - (b) agreed to indemnify the Corporation in connection with the foregoing.

4. SHARES SUBJECT TO THE PLAN

- 4.1 Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares reserved for issuance upon the exercise of all Options granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Section 8 hereof, shall not exceed 2,555,268 Shares. Optioned Shares in respect of which Options are not exercised prior to the expiry or termination of such Options shall be available for subsequent Options. No fractional Shares may be purchased or issued under the Plan.
- 4.2 Notwithstanding Section 4.1, in no event shall the following limits be exceeded:
- (a) the aggregate number of Shares issued under the Plan and any of the Corporation's other security based compensation arrangements to Insiders, within any one year period, shall not exceed 10% of the Shares then issued and outstanding;
 - (b) the aggregate number of Shares issuable under the Plan and any of the Corporation's other security based compensation arrangements to Insiders, at any time, shall not exceed 10% of the Shares then issued and outstanding; and
 - (c) the aggregate number of Shares reserved for issuance pursuant to all Options granted to any one Optionee shall not exceed 2% of the Shares issued and outstanding.

5. ELIGIBILITY, GRANT, TERMS OF OPTIONS

- 5.1 The grant of Options to Eligible Persons shall be considered and determined by the Board in accordance with the provisions hereof. The Board shall determine which Eligible Persons are to be granted Options and the time or times when Options will be granted as it deems appropriate in its sole discretion.
- 5.2 Subject to the provisions of the Plan, the Board shall determine at the time of granting an Option: (i) the number of Shares subject to each Option; (ii) the Option Period; (iii) the vesting schedule providing for the maximum number of Shares in respect which the Option shall be exercisable at specified times or subject to other vesting conditions; (iv) any restrictions upon the sale, transfer or disposition of Optioned Shares; and (v) any other terms and conditions relating to each Option.
- 5.3 Unless otherwise determined by the Board, the Option Price shall be equal to the Market Price on the Grant Date. The Option Price shall be fixed for the term of an Option, regardless of

fluctuations in the Market Price of the Shares on the Stock Exchange over the term of the Option. Notwithstanding the foregoing, in no event shall the Option Price be less than the Market Price of the Shares on the Grant Date.

- 5.4 Unless otherwise determined by the Board, the Option Period shall be ten (10) years from the Grant Date. Notwithstanding the foregoing, if the Option Period should end within a Blackout Period or within nine Business Days after a Blackout Period Expiry Date, the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date.
- 5.5 An Option is personal to the Optionee and is non-assignable and non-transferrable, except as otherwise provided for herein.
- 5.6 Each Option granted under the Plan shall be evidenced by an Option Grant Letter which shall contain such provisions, representations, warranties and conditions as the Board in its discretion deems appropriate. By accepting an Option pursuant to the Plan, an Optionee thereby agrees that the Option shall be subject to all of the terms and conditions of the Plan and the applicable Option Grant Letter.
- 5.7 For greater certainty, no Optionee shall be entitled to receive any dividends or other distributions paid by the Corporation on the Shares on account of such Optionee's Option, nor will any other form of benefit be conferred upon, or in respect of, an Optionee for such a purpose.

6. EFFECT OF TERMINATION OF EMPLOYMENT

- 6.1 **Termination for Cause.** In the event of the termination of services or position of an Optionee for cause, as determined by Ontario courts from time to time, all outstanding Options granted to such Optionee shall terminate on the effective date of the termination as specified in the notice of termination.
- 6.2 **Death of Optionee.** In the event of the death of an Optionee, outstanding Options granted to such Optionee shall be exercisable by the executor or administrator of the estate of the Optionee, to the same extent that the Options would have otherwise been exercisable by the Optionee immediately prior the time of death (unless the Board determines otherwise), until the earlier of: (i) the expiration date of the Options, and (ii) the final day of the one (1) year period immediately following the Optionee's death. For greater certainty, the Options shall only be exercisable in respect of the Optioned Shares for which they were exercisable immediately prior to Optionee's death and shall not become exercisable in respect of any additional Optioned Shares during the period thereafter. After the period when the Options may be exercised, the Options and all rights of the Optionee thereunder shall immediately expire and terminate.
- 6.3 **Disability.** In the event of the termination of services or position of an Optionee by reason of injury or disability or upon an Optionee becoming eligible to receive long-term disability benefits, outstanding Options granted to such Optionee shall be exercisable by the Optionee or the Optionee's representative, as the rights to exercise accrue in accordance with the terms of the Options, until the earlier of: (i) the expiration date of the Options, and (ii) the final day of the one (1) year period immediately following the termination of services or position of the Optionee or the effective date on which the Optionee becomes eligible to receive long-term disability benefits (provided that such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits). After the period when the

Options may be exercised, the Options and all rights of the Optionee thereunder shall immediately expire and terminate.

- 6.4 **Retirement.** In the event of the termination of services or position of an Optionee by reason of the retirement of the Optionee on or after attaining the age of 65, or earlier with the Corporation's consent, outstanding Options granted to such Optionee shall be exercisable by the Optionee, as the rights to exercise accrue in accordance with the terms of the Options, until the earlier of: (i) the expiration date of the Options, and (ii) the final day of the one (1) year period immediately following the termination of services or position of the Optionee. After the period when the Options may be exercised, the Options and all rights of the Optionee thereunder shall immediately expire and terminate.

This Section 6.4 shall not apply to an Optionee in the event such Optionee, directly or indirectly, in any capacity whatsoever, alone, through or in connection with any person, carries on or becomes employed by, engaged in or otherwise commercially involved in, any activity or business in competition with the Corporation. In such event, Section 6.5 shall apply to such Optionee.

- 6.5 **Other Termination.** In the event of the termination of services or position of an Optionee other than for cause (as provided for in Section 6.1), death (as provided for in Section 6.2), injury or disability (as provided for in Section 6.3), or retirement (as provided for in Section 6.4), all outstanding Options granted to such Optionee shall be exercisable by the Optionee, to the same extent that the Options would have otherwise been exercisable by such Optionee immediately prior to the date of the termination of services or position (unless the Board determines otherwise), until the earlier of: (i) the expiration date of the Options, and (ii) the final day of the ninety (90) day period immediately following the termination of services or position of the Optionee. For greater certainty, the Option shall only be exercisable in respect of the Optioned Shares for which it was exercisable immediately prior to the date of the termination of services or position and shall not become exercisable in respect of any additional Optioned Shares during the period thereafter. After the period when the Options may be exercised, the Options and all rights of the Optionee thereunder shall immediately expire and terminate.

- 6.6 For the purposes of Sections 6.1, 6.2, 6.3, 6.4 and 6.5, if an Option is held by an Employee Corporation, the references to Optionee in those Sections shall mean the Eligible Individual controlling such Employee Corporation.

7. EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time during the Option Period by the delivery to the Corporation at its registered office of a written notice of exercise addressed to the Chief Financial Officer of the Corporation specifying the number of Shares with respect to which the Option is being exercised, the particulars of the brokerage account where such Shares are to be deposited/credited and accompanied by payment in full, by cash or cheque payable to the order of the Corporation, of the total Option Price for the Optioned Share then being purchased. The Shares shall be issued and deposited/credited in the brokerage account specified by the Optionee within a reasonable time following the receipt of such notice and payment.
- 7.2 If the Shares are listed and posted for trading on a stock exchange or market, the Optionee may use a broker to assist in its exercise of Options by selling on such exchange or market the necessary

number of Shares issuable upon the exercise of such Options to effect payment of the Option Price with the resulting proceeds.

- 7.3 With the consent of the Board, an Optionee may, rather than exercise an Option as provided above, elect to exercise such Option, in whole or in part, and in lieu of receiving the Shares to which the exercised Option relates, receive the number of Shares, disregarding fractions, determined in accordance with the following formula:

$$\text{Number of Shares} = \frac{\text{Number of Shares issuable upon exercise of the Option, or portion of the Option, being exercised}}{\text{Market Price}} \times \frac{(\text{Market Price} - \text{Option Price})}{\text{Market Price}}$$

For the purposes of this formula, "**Market Price**" means the Market Price of the Shares as at the last day immediately prior to the date of delivery of a notice of exercise by the Optionee to the Corporation.

- 7.4 If the Corporation determines, at its sole discretion, that it is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of the exercise of an Option (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction) and to remit such source deductions to the applicable governmental authority, the Corporation may, at its sole discretion, implement any procedures to ensure such deduction and remittance requirements are met. These procedures may include, without limitation:

- (a) requiring that the Optionee pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax deduction and remittance;
- (b) requiring that the Optionee authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon the exercise of the Options to realize cash proceeds to be remitted to the Corporation and to be used to satisfy the required tax remittance; or
- (c) increasing the amount of any other source deductions otherwise required in respect of payments to be made by the Corporation to the Optionee.

- 7.5 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of any Option shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Board shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on the Stock Exchange; and
- (c) the receipt from the Optionee of such representations, warranties, agreements and undertakings as the Board determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard the Corporation shall, to the extent necessary, take all commercially reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Stock Exchange.

8. CERTAIN ADJUSTMENTS

- 8.1 In the event of any subdivision or redivision of the Shares into a greater number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of his Option in accordance with the terms hereof, in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such subdivision or redivision if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he was theretofore entitled upon such exercise.
- 8.2 In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Corporation shall deliver to such Optionee at the time of any subsequent exercise of his Option in accordance with the terms hereof, in lieu of the number of Shares to which he was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares as such Optionee would have held as a result of such consolidation if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he was theretofore entitled upon such exercise.
- 8.3 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Sections 8.1 and 8.2 hereof or, subject to the provisions of Section 10 hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation or entity (the corporation or entity resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**"), the Optionee shall be entitled to receive upon the subsequent exercise of his Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other consideration from the Corporation or the Successor Corporation (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Section 10 hereof, as a result of such consolidation, merger, amalgamation, if on the record date of such reclassification, reorganization, other change, or the effective date of such consolidation, merger or amalgamation, as the case may be, he had been the registered holder of the number of Shares to which he was theretofore entitled upon such exercise.

9. AMENDMENT OR DISCONTINUANCE OF THE PLAN

- (a) Subject to any required approval of any regulatory authority or the Stock Exchange, the Board may at any time or from time to time suspend, terminate or discontinue the Plan provided that without the consent of the Optionees, such suspension, termination or discontinuance may not in any manner adversely affect the rights under any Options

granted under the Plan. Subject to any required approval of any regulatory authority or the Stock Exchange, the Board may at any time alter, amend or vary the Plan or any outstanding Option without the approval of the shareholders of the Corporation, including, without limitation, an alteration, amendment or variance that:

- (i) is of a housekeeping nature, including without limitation, for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
 - (ii) is necessary to comply with applicable law or the requirements of the Stock Exchange;
 - (iii) changes the vesting provisions of any Option; or
 - (iv) changes the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date.
- (b) The Plan may not be altered, amended or varied without the approval of the shareholders of the Corporation where the purpose of the alteration, amendment or variance is to:
- (i) increase the number of Shares issuable under the Plan;
 - (ii) reduce the Option Price of any outstanding Option;
 - (iii) extend the Option Period applicable to any Option issued to an Insider;
 - (iv) increase the limit on the number of Shares issued or issuable to Insiders; or
 - (v) amend the amendment provisions of the Plan.

10. CHANGE OF CONTROL

- 10.1 In the event of a Change of Control and the termination of services or position of an Optionee, other than for cause, in anticipation of or within 12 months of the Change of Control, all outstanding Options granted to such Optionee shall immediately become exercisable by the Optionee until the earlier of: (i) the expiration date of the Options; and (ii) the final day of the twenty (20) day period immediately following termination of services or position (notwithstanding the terms of such Options which specify when such Options would otherwise be exercisable). After the period when the Option may be exercised, the Option and all rights of the Optionee thereunder shall immediately expire and terminate.

11. MISCELLANEOUS PROVISIONS

- 11.1 No Optionee shall have any rights as a shareholder of the Corporation with respect to Shares subject to an Option until the date of issuance of such Shares upon the exercise of the Option, in full or in part, and then only with respect to the Shares so issued. Except as otherwise provided in Section 8, no adjustments shall be made for dividends, distributions or other rights (whether

ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such Shares are issued.

- 11.2 Nothing in the Plan or any Option shall confer upon a person any right to continue in the employ of the Corporation or IBI Group or any Affiliate, or affect in any way the right of the Corporation or IBI Group or any Affiliate to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or IBI Group or any Affiliate to extend the employment of any person beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or IBI Group or any Affiliate or any present or future retirement policy of the Corporation or IBI Group or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or IBI Group or any Affiliate.
- 11.3 Participation in the Plan shall be voluntary.
- 11.4 If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.
- 11.5 References herein to any gender include all genders.
- 11.6 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12. SHAREHOLDER AND REGULATORY APPROVAL

- 12.1 The Plan shall be subject to approval and ratification by the shareholders of the Corporation to be effected by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance by the Stock Exchange and any other relevant regulatory authority.
- 12.2 The obligation of the Corporation to issue and deliver any Shares in accordance with this Plan shall be subject to any necessary approval of the Stock Exchange and any other relevant regulatory authority. If any Shares cannot be issued to an Optionee upon the exercise of an Option for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any exercise price paid to the Corporation in respect of the exercise of such Option shall be returned to the Optionee.

Adopted: March 2014

Amended: May 08, 2020

APPENDIX "A"

[IBI GROUP INC. LETTERHEAD]

[Date]

[Name of Optionee]
[Address of Optionee]

Grant of Options to Purchase Shares

On behalf of IBI Group Inc. ("IBI") I am pleased to inform you that, conditional upon signing the acknowledgement at the bottom of this letter, you have been granted an option to purchase common shares of IBI ("**Shares**") as described below. The option is governed by the terms of the IBI Group Inc. Stock Option Plan (the "**Plan**"), as may be amended or replaced from time to time, a copy of which is attached. By accepting the option, you are acknowledging that the grant of the option is subject in all respects to the terms and conditions of the Plan, including the termination provisions that apply if you cease to be an officer or management employee of IBI or IBI Group or its Affiliates, all as more particularly set out in the Plan.

All capitalized terms used but not defined herein shall have the meanings attributed to such terms in the Plan.

Option Grant

Pursuant to the Plan, you have been granted the option to acquire [●] Shares of IBI effective the date hereof.

Exercise Price

The exercise price for the Shares under the option is Two Dollars and Thirty-Three Cents (\$2.33) per share, being the Market Price of the Shares on the date hereof, and this must be paid at the time you exercise the option.

Vesting Schedule

The option shall vest and become exercisable as to: (i) 33.3% of the Shares on the 1st anniversary of the grant, (ii) 33.3% of the Shares on 2nd anniversary of the grant, and (iii) 33.4% of the Shares on the 3rd anniversary of the grant.

Exercise Expiry Date

The expiry date for the exercise of the option is 5:00 p.m. (Toronto time) on 10th anniversary of the date hereof and, to be effective, the option must be exercised before that time. The steps to be taken to exercise the option are described in the Plan and you may exercise the option at any time before the expiry date and after the vesting dates with respect to the portion of the option that has vested as described above.

Further Assurances

You agree, from time to time, to execute and deliver or cause to be executed and delivered all such further documents and instruments, and to do or cause to be done all further acts and things as may, from time to time after the date hereof, reasonably be required or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this grant of option.

In order for the grant of the option to be completed, would you please sign the acknowledgement on the bottom of the second copy of this letter and return it to me as soon as possible.

We look forward to working together with you to grow and increase the value of IBI in the future.

Yours truly,

IBI GROUP INC.

By:

TO: IBI Group Inc.

The undersigned hereby acknowledges receipt of a copy of the Plan referred to above and agrees to be bound by the terms and conditions thereof with respect to the option granted to the undersigned hereunder. The undersigned further acknowledges that IBI has not provided any tax advice or related advice of any kind to the undersigned with respect to the Plan or the exercise of the Optioned Shares.

Witness

Signature

Date



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IBI Group is a global design and technology firm.