



MANAGEMENT INFORMATION CIRCULAR

Notice of Annual and Special Meeting of Shareholders to be held on June 26, 2020



**THE BRAND
BEHIND YOUR BRAND**



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
OF DATA COMMUNICATIONS MANAGEMENT CORP.**

TO BE HELD ON JUNE 26, 2020

and

MANAGEMENT INFORMATION CIRCULAR

May 19, 2020

This booklet contains important information and requires your immediate attention. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your professional advisor.



May 19, 2020

Dear Shareholder,

On behalf of the Board of Directors and management of DATA Communications Management Corp. (“**DCM**”), we are pleased to invite you to attend the annual and special meeting of the common shareholders. The meeting will be held at 10:00 a.m. (Toronto time) on Friday June 26, 2020 at DCM’s offices at 9195 Torbram Road, Brampton, Ontario.

The enclosed Management Information Circular contains important information about the business to be conducted at the meeting, voting instructions, the nominated directors recommended by the Board of Directors, DCM’s corporate governance practices and how DCM compensates its directors and officers.

At the meeting, management will discuss DCM’s financial performance and business accomplishments in 2019 and our plans for 2020 and beyond. A copy of management’s presentation will be available on our website in advance of the meeting.

Your participation in the affairs of DCM is important to us. Please take the time to review the information enclosed and exercise your vote. To mitigate risks associated with COVID-19, we encourage you to participate in the meeting by proxy. The meeting will also be accessible via webcast in a listen only mode. Questions following the formal meeting may be submitted via direct messaging.

“J.R. Kingsley Ward”

J.R. Kingsley Ward

Chair of the Board

“Gregory J. Cochrane”

Gregory J. Cochrane

Chief Executive Officer

DATA COMMUNICATIONS MANAGEMENT CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 26, 2020

Notice is hereby given that an annual and special meeting (the “**Meeting**”) of the common shareholders of DATA Communications Management Corp. (the “**Corporation**”) will be held at the offices of the Corporation at 9195 Torbram Road, Brampton, Ontario, at 10:00 a.m. (Toronto time) on June 26, 2020. At the Meeting, shareholders will be asked to:

- receive the consolidated financial statements for the year ended December 31, 2019, together with the report of the auditors thereon;
- appoint auditors and authorize the directors to fix the remuneration to be paid to the auditors;
- elect directors for the coming year;
- consider and, if thought advisable, pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix “A” to the accompanying management information circular (the “**Circular**”), to approve and re-confirm the amended and restated long-term incentive plan of the Corporation, as more particularly described in the Circular;
- consider and, if thought advisable, pass, with or without variation, an ordinary resolution, the full text of which is set forth in Appendix “B” to the Circular, to approve and re-confirm the amended and restated shareholder rights plan of the Corporation, as more particularly described in the Circular;
- consider and, if thought advisable, pass, with or without variation, a special resolution, the full text of which is set forth in Appendix “C” to the Circular, authorizing the filing of articles of amendment to create a new class of preferred shares to be designated as “Class A Preferred Shares”, as more particularly described in the Circular; and
- transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by the management information circular (the “**Circular**”) of the Corporation for the Meeting, a form of proxy, and a financial statement request form.

Only common shareholders of record at the close of business on May 15, 2020 will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Registered shareholders who are unable to attend the Meeting in person are encouraged to complete, date and sign the enclosed form of proxy and return it in the enclosed envelope. To be effective, proxies must be sent by mail, facsimile or personal delivery to the attention of DATA Communications Management Corp. c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by facsimile to 1-866-249-7775 or 416-263-9524, no later than 10:00 a.m. (Toronto time) on June 24, 2020 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before the time set for the adjourned Meeting. The deadline for the deposit of proxies may be waived or extended by the chair of the Meeting at the Chair’s sole discretion without notice. If you are a non-registered shareholder of the Corporation and received this Notice and accompanying materials through an intermediary, such as a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your

behalf, please read the instructions regarding how to vote at or attend the Meeting under “General Proxy Matters – Non-Registered (Beneficial) Shareholders” in the Circular.

DATED May 19, 2020.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "J.R. Kingsley Ward".

J.R. Kingsley Ward
Chair of the Board of Directors
DATA Communications Management Corp.

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GENERAL PROXY MATTERS

General

This management information circular, or Circular, of DATA Communications Management Corp. dated May 19, 2020 is furnished in connection with the solicitation of proxies by and on behalf of management of DATA Communications Management Corp. for use at the annual and special meeting of our common shareholders, or the Meeting, to be held on June 26, 2020 and any adjournment or postponement of the Meeting.

We have not authorized anyone to give any information or make any representation in connection with any matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

Unless otherwise indicated or the context otherwise requires, in this Circular the terms “**Corporation**”, “**we**”, “**us**” and “**our**” refer to DATA Communications Management Corp.; “**DCM**” refers to DATA Communications Management Corp. and its wholly-owned subsidiaries, DATA Communications Management (US) Corp. and Perennial Inc.; “**Common Shares**” refers to common shares of DATA Communications Management Corp.; “**shareholders**” refers to holders of Common Shares; and “**Board**” refers to our Board of Directors.

Information contained in this Circular is given as of May 19, 2020, unless otherwise specifically stated.

Notice and Access

We are using notice and access to deliver this Circular to both our registered and non-registered shareholders. This means that the Corporation will post the Circular online for our shareholders to access electronically. You will receive a package in the mail with a notice, or the Notice, outlining the matters to be addressed at the Meeting and explaining how to access and review the Circular electronically, and how to request a paper copy at no charge. You will also receive a form of proxy or a voting instruction form in the mail so you can vote your Common Shares. All applicable Meeting related materials will be indirectly forwarded to non-registered shareholders at the Corporation’s expense.

Both registered and non-registered shareholders can request a paper copy of the Circular for up to one year from the date it is filed on SEDAR (www.sedar.com). The Circular will be sent to you at no charge. If you would like to receive a paper copy of the Circular, please follow the instructions provided in the Notice. If you request a paper copy of the Circular, you will not receive a new form of proxy or voting instruction form, so you should keep the original form sent to you in order to vote.

Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by our regular employees without special compensation, or by our transfer agent, Computershare Investor Services Inc., at nominal cost. We will bear the cost of solicitation.

Appointment of Proxies

Enclosed with the Notice being sent to our shareholders is a form of proxy. The persons designated in the form of proxy are Gregory J. Cochrane, the Chief Executive Officer of the Corporation, and James E. Lorimer, the Chief Financial Officer of the Corporation. **Each shareholder has the right to appoint some other person or entity (who need not be a shareholder) to attend, vote and act on their behalf at the Meeting other than the persons named in the enclosed instrument of proxy. This right may be exercised by inserting the person’s name in the blank space provided in the form of proxy or by completing another proper instrument of proxy naming such other person as proxyholder. The instrument appointing a new proxyholder must be in writing and must be signed by the shareholder or his or her attorney therefor duly authorized in writing.**

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. You are a registered shareholder if you have a share certificate for Common Shares and they are registered in your name or if

you hold Common Shares through direct registration. Shareholders who hold their Common Shares through a bank, broker or other intermediary should read the instructions under the heading below, “Non-Registered Shareholders”.

In order to be valid, the completed and signed proxies must be delivered:

- by fax to Computershare Investor Services Inc., Attention: Proxy Department at 1-866-249-7775 or 416-263-9524 outside of Canada and the United States;
- by mail to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; or
- by personal delivery to Computershare Investor Services Inc. at the address set out above,

in each case so as to be deposited with the Corporation no later than 10:00 a.m. (Toronto time) on June 24, 2020 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before the time set for the adjourned Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.

Non-Registered (Beneficial) Shareholders

The information in this section is of significant importance to shareholders who do not hold their Common Shares in their own name. Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.

You are a non-registered shareholder if you hold Common Shares through an intermediary (such as banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans) that the non-registered holder deals with in respect of the Common Shares, or a clearing agency (such as the Canadian Depository for Securities Limited) of which the intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, we will have distributed copies of the Notice, a form of proxy and a financial statement request form to the clearing agencies and intermediaries for onward distribution to non-registered shareholders. Typically, intermediaries will use a service company to forward such materials to non-registered shareholders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Corporation in Canada and its counterpart in the United States, or Broadridge.

If you are a non-registered shareholder, you may vote in person, by proxy or by internet only by the following procedures outlined below. If you wish to vote by internet, please see the enclosed voting instruction form for details on protocol.

To Vote in Person

If you are able to attend the Meeting in person, and wish to vote your Common Shares in person you may do so by either (i) inserting your own name in the space provided on the voting instruction form or form of proxy accompanying the Notice; or (ii) submitting any other document in writing to your intermediary that requests that the non-registered shareholder or nominees thereof should be appointed as proxy. Then, follow the signing and return instructions provided by your intermediary. If you do not properly follow the return instructions provided by your intermediary, you may not be able to vote such Common Shares. Before the official start of the Meeting on June 26, 2020, please register with the representative(s) from Computershare Investor Services Inc., who will be scrutineering the meeting via telephone as a precautionary measure due to COVID-19. The representative(s) will be accessible via telephone located at a welcome table just outside the Meeting room. Once you are registered with Computershare Investor Services Inc., and, provided the instructions you provided to your intermediary have been forwarded by your intermediary to Computershare Investor Services Inc., your vote will be requested and counted at the Meeting.

To Vote by Proxy, Online or by Telephone

Intermediaries are required to forward the Notice and other Meeting materials to non-registered shareholders and often use service companies for this purpose. Generally, non-registered shareholders will either:

- be given a voting instruction form which is not signed by the intermediary and which, when properly completed and signed by the non-registered shareholder and returned to the intermediary or its service company, will constitute authority and instructions (often called a proxy authorization form) which the intermediary must follow (and which may, in some cases, permit the completion of the voting instruction form by telephone or internet); or
- less typically, be given a form of proxy which has already been signed by the intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the non-registered shareholder, but which is otherwise not completed. This form of proxy need not be signed by the non-registered shareholder. In this case, the non-registered shareholder who wishes to submit a proxy should properly complete the applicable form of proxy and submit it to DATA Communications Management Corp., c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, with respect to the Common Shares beneficially owned by such non-registered shareholder, in accordance with the instructions elsewhere in this Circular.

To vote online: visit www.investorvote.com and enter the control number listed on the voting instruction form.

Telephone voting may be completed at 1-866-732-8683 (North America).

In either case, the purpose of this procedure is to permit the non-registered shareholder to direct the voting of the Common Shares they beneficially own.

Additionally, there are two kinds of non-registered shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or “OBOs”; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or “NOBOs”. Additionally, the Corporation may use the Broadridge QuickVote™ service to assist Non-Registered Shareholders with voting their Common Shares.

Revocation of Proxies

A registered shareholder who has given a proxy may revoke the proxy:

- by completing and signing a proxy bearing a later date and depositing it as previously described;
- by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing (i) at our registered office at any time up to and including the second last business day (being a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario for the transaction of banking business) preceding the day of the Meeting or any adjournment thereof, or (ii) with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or
- in any other manner permitted by law.

A non-registered shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of proxy instruction form (voting instructions) or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

Voting of Proxies

On any ballot that may be called for, Common Shares represented by properly executed proxies in favour of the persons specified in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the specifications made therein. **If a specification is not made with respect to any matter to be voted on at the Meeting, Common Shares will be voted in FAVOUR of those matters set out in the form of proxy accompanying the Notice.** That form of proxy confers discretionary authority upon the persons specified therein with respect to amendments or variations to matters identified in the accompanying notice of Meeting, and with respect to other matters which may properly come before the Meeting. As of the date of this Circular, we are not aware of any such amendment, variation or other matter to come before the Meeting.

Record Date, Voting of Common Shares

As at May 19, 2020, we had 43,047,030 Common Shares issued and outstanding. Shareholders of record at the close of business on May 15, 2020 are entitled to receive notice of and to attend the Meeting in person or by proxy and are entitled to one vote per Common Share held on all matters to come before the Meeting.

Only those shareholders of record on the record date with the right to vote will be entitled to vote the Common Shares owned by the shareholder at the Meeting or any adjournment(s) or postponement thereof, in person or by proxy.

Two or more persons present in person either holding personally or representing as proxies in the aggregate at least 25% of the votes attached to all of our outstanding Common Shares will constitute a quorum for the transaction of business at the Meeting.

Under normal conditions, confidentiality of voting is maintained by virtue of the fact that proxies and votes are tabulated by our transfer agent. However, such confidentiality may be lost as to any proxy or ballot if a question arises as to its validity or revocation or any other like matter. Loss of confidentiality may also occur if our Board of Directors decides that disclosure is in the interest of the Corporation or its shareholders.

Principal Shareholders

To the knowledge of our Board of Directors and executive officers, as at May 19, 2020, the following persons beneficially own, or control or direct, directly or indirectly, voting securities carrying 10 per cent or more of the voting rights attached to any class of our voting securities:

Name	Number of Common Shares beneficially owned or over which control or direction is exercised	Percentage of Total Common Shares
KST Industries Inc. ("KST")	5,149,596 ⁽¹⁾	11.96%

Note: (1) This information is based upon public filings of KST.

FORWARD-LOOKING STATEMENTS

This Circular contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of DCM to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Circular. The principal factors, assumptions and risks that we made or took into account in the preparation of the forward-looking statements in this Circular

include, among other things, the factors described in this Circular or in our most recent annual information form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this Circular as intended, planned, anticipated, believed estimated or expected. You are cautioned not to place undue reliance on forward-looking information or statements.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of Financial Statements

Our audited consolidated financial statements for the fiscal year ended December 31, 2019 and the report of the auditors thereon will be presented at the Meeting.

Appointment of Auditors

At the Meeting, shareholders will be requested to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of shareholders or until their successors are appointed and to authorize the directors to fix the auditor's remuneration.

The Board of Directors unanimously recommends that shareholders vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation. In the absence of a contrary instruction, the individuals named as proxyholders in the enclosed proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are appointed and FOR the resolution authorizing the directors to fix their remuneration unless specifically instructed otherwise on the form of proxy.

Election of Directors

The seven nominees proposed for election as directors are listed below. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of shareholders. Each director elected at the Meeting will hold office until our next annual meeting or until his or her successor is elected or appointed.

The Board of Directors unanimously recommends that shareholders vote FOR the election as directors of DCM each of the persons whose names are set forth below. In the absence of a contrary instruction, the individuals named as proxyholders in the enclosed proxy intend to vote FOR the election as directors of the Corporation each of such nominees. If, for any reason, at the time of the Meeting any of the nominees is unable to serve, and unless otherwise specified, it is intended that the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares owned beneficially, or over which control or direction was exercised, by such person at the date of this Circular. The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised and the biographies of the proposed nominees for election as directors, not being within our knowledge, has been furnished by the respective nominees individually.

<u>Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Common Shares</u>
William M. Albino Ontario, Canada	Corporate director	2012 ⁽¹⁾ (2) (3)	90,300
James J. Murray, O.Ont., SIOR Ontario, Canada	Principal and Senior Vice President of Lennard Commercial Realty Limited	2016 ⁽²⁾	29,508

<u>Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Common Shares</u>
Michael G. Sifton Ontario, Canada	Corporate director	2015 ⁽¹⁾	4,195,989
J.R. Kingsley Ward Ontario, Canada	Managing Partner, VRG Capital Corp.	2014 ⁽³⁾	1,068,506
Derek J. Watchorn Ontario, Canada	Consultant	2016 ⁽¹⁾⁽²⁾	459,053
Gregory J. Cochrane Ontario, Canada	Chief Executive Officer of DATA Communications Management Corp.	2018	2,193,893
Merri L. Jones Ontario, Canada	Corporate director and advisor	2018 ⁽¹⁾⁽³⁾	40,000

Notes:

- (1) Member of the Audit Committee⁽⁴⁾.
- (2) Member of the Corporate Governance Committee⁽⁴⁾.
- (3) Member of the Human Resources and Compensation Committee⁽⁴⁾.
- (4) Board committees will be reconstituted after the Meeting.

The principal occupation of each person proposed to be nominated for election as a director for the past five years preceding the date hereof and additional biographical information is described below:

William M. Albino. Mr. Albino has been a director of the Corporation since August 8, 2012. He is currently a member of the Audit Committee, the Corporate Governance Committee and the Human Resources & Compensation Committee of our Board of Directors. Prior to his retirement in 2011, Mr. Albino was Chief Executive Officer of Smart Systems for Health, an agency of the Ontario Government charged with developing and implementing electronic health records for all Ontarians. Before that assignment, Mr. Albino was an Executive Vice President of EDS Canada, responsible, at various times, for EDS business in the Telecommunications, Government, and Manufacturing sectors. He spent two years as head of his own consulting company while acting as an independent investor in start-up technology companies. Mr. Albino's longest employment - 25 years - was with Xerox Corporation where he held numerous positions, in both Canada and the US, culminating in his assignment as Vice-President and General Manager of the company's largest division. Mr. Albino has a Bachelor of Arts degree from the University of Toronto and a Master of Business Administration from The Richard Ivey School of Business at Western University. He is presently a director of The Aurora Historical Society and the Big Brother and Sisters Council of Champions.

James J. Murray, O.Ont., SIOR. Mr. Murray joined the Corporation's Board in June 2016 and is currently a member of the Corporate Governance Committee. Mr. Murray's career spans 52 years in the commercial brokerage industry and he is currently a Principal and Senior Vice President of Lennard Commercial Realty Limited in its Mississauga office. Until early March 2018, Mr. Murray was the Senior Vice-President and Director of Business Development of Cushman & Wakefield Ltd. Brokerage, where he held the role of team leader on major assignments including the Mississauga & Oakville Campuses of Sheridan College, Movati Health Clubs, the TPCL Head Office in Calgary, Alberta, the sale of Imperial Oil tank farm in Mississauga, the Community Door in Mississauga and Brampton and the sale of Kingsway Financial's primary office building to the Region of Peel. Prior to joining Cushman & Wakefield, Mr. Murray was the Managing Director and Partner of J.J. Barnicke. Mr. Murray is a member of the Society of Industrial & Office Realtors and is President and Chair for the Hazel McCallion Foundation for Arts, Heritage and Culture. He has also served two six-year terms as a Board Member and Vice Chair of the Peel Regional Police Services Board, as well as serving a 12-year term on the Board of Governors of the Credit Valley Hospital. Mr. Murray was named "Business Person of the Year" by the Mississauga Board of Trade in 2009 and has also been awarded the Queen's Silver Jubilee medal and the Queen's Diamond Jubilee medal. In 2015, Mr. Murray was awarded the highly prestigious Order of Ontario.

Michael G. Sifton. Mr. Sifton has served as a director of DCM since April 2015, was President and CEO of the company from April 2015 until November 2016, and continued as CEO of the company until his retirement in June

2018. He currently chairs the Audit Committee of our Board. He is a past director of Yellow Pages Limited. Mr. Sifton was previously a Managing Director at Beringer Capital, a private equity firm based in Toronto. Mr. Sifton has had a long and successful career in the newspaper publishing business with extensive experience managing print operations. He was President and Chief Executive Officer of Sun Media, Canada's largest newspaper publisher by household penetration and reach. Prior to that, he led the formation and eventual public offering of Osprey Media Group guiding its acquisition by Sun in 2007. Mr. Sifton was President of Hollinger Canadian Newspapers G.P. and President and Chief Executive Officer of family-owned Armadale Communications. Mr. Sifton is a former Chairman of the Board of Governors of St. Andrew's College in Aurora, Ontario. Mr. Sifton holds a Bachelor of Commerce (Honours) from the Smith School of Business at Queen's University.

J.R. Kingsley Ward. Mr. Ward joined DCM's Board in 2014 and has served as Chairman of the Board since June 2016. He also serves as Chairman of the Human Resources and Compensation Committee of our Board. Mr. Ward has more than 30 years of experience initiating, structuring and monetizing private equity investments. Mr. Ward is Chairman of his family holding company, the Vimy Ridge Group and Managing Partner at VRG Capital, a private equity firm. He also serves as: Chairman of Clarus Securities, an institutional focused investment dealer and Chairman of Nucro Technics, a pharmaceutical contract support organization. He is also a Director of Globalive Technology Inc. (TSX-V: LIVE), an AI and blockchain technology company and Founders Advantage Capital Corp. (TSX-V: FCF), a public private equity firm and is or has been a director of numerous other public and private companies. Mr. Ward has been actively involved in multiple philanthropic activities and has been involved in YPO (Young Presidents' Organization) since 1999, holding a number of executive positions.

Derek J. Watchorn. Mr. Watchorn joined the DCM Board in June 2016 and presently serves as Chairman of the Corporate Governance Committee and is a member of the Audit Committee of our Board. For the past nine years, Mr. Watchorn has been acting as a consultant on several projects, most notably as a member of the management committee involved with the redevelopment of the Buttonville Airport land. Mr. Watchorn, a lawyer by trade, has extensive experience in the real estate industry through a variety of senior management and director positions he has held with both public and private organizations in Ontario and abroad. Mr. Watchorn is a director of Timbercreek Financial Corp. (TSX: TF), a member of its Audit Committee and Chairman of its Corporate Governance Committee. He is also a director of Southlake Regional Health Centre in Newmarket, Ontario and a director of the Royal Agricultural Winter Fair in Toronto, Ontario. Mr. Watchorn was the President and CEO of Revera Inc. (formerly Retirement Residences REIT) from October 2004 until June 2009. Prior to that, he served in London, England as Executive Vice President of Canary Wharf plc and as Executive Director of TrizecHahn plc. Mr. Watchorn was a senior partner of the law firm Davies Ward Phillips & Vineberg LLP, which he joined as a solicitor in 1968 and became partner of in 1970. During the period from 1987 to 2004 (excluding his tenure with TrizecHahn), Mr. Watchorn was a senior advisor to the Paul Reichmann family in Toronto and, in that capacity, during a three-year period from 1987 until 1990, served on a seconded basis as Executive Director of Olympia & York Canary Wharf plc. Mr. Watchorn was previously a director of Patheon Inc., a TSX-listed company.

Gregory J. Cochrane. Mr. Cochrane is currently Chief Executive Officer of the Corporation, having held that position since the retirement of Mike Sifton in June 2018. He held the position of President of the Corporation from November 2016 until April 2019 and has been a director of Corporation from June 2016 until his appointment as President in November 2016 and then since June 2018. As Chief Executive Officer, Mr. Cochrane has overall operating responsibility for DCM. He's had an extensive career in marketing services, communication and event management, as well as private equity investment. He began his marketing career in product management with General Electric, then worked with S.C. Johnson. In 1981 he bought into Mariposa Communications. By 1997, when the company was sold to Mosaic Group, a TSX-listed company, he and his partner had built the largest event company in Canada. In 2001 he became a lead investor in Pareto Corporation, a start-up marketing services business which became a publicly traded entity in 2004. He served as a director until 2010, when the company was sold to a private equity firm. In 2011 Mr. Cochrane joined VRG Capital, a private equity family office; there he served as lead investor and/or director in a number of public and private companies including Wheels Group, Jones Brown Insurance Brokerage, Founders Advantage Capital, and Globalive Technology. Mr. Cochrane currently serves on the advisory boards of Kensington Capital and the Smith School of Business at Queen's University. He is a founding donor of the Centre for Business Venturing at the Smith School of Business. He has served on boards for groups and associations including Junior Achievement, The Down Syndrome Association of Toronto, The Canadian Business Hall of Fame, and St. Joseph's Health Centre. In 1992, Mr. Cochrane received Canada's 125th Commemorative Anniversary medal for volunteerism.

in the community. Mr. Cochrane has an MBA from the Smith School of Business, and a BBA from Bishop's University in Lennoxville, Quebec.

Merri L. Jones, ICD.D. Ms. Jones joined the Corporation's board in June 2018 and previously was a member of the Corporation's Advisory Committee from January 2017. She currently serves on the Audit Committee and the Human Resources & Compensation Committee of the Board. Ms. Jones has over 40 years' experience within the financial services industry with expertise across sales and marketing, finance, strategy and human resources. She was the first female to lead a schedule II bank in Canada, having been President and Chief Executive Officer of First Interstate Bancorp from 1986 to 1990. Ms. Jones has been a member of the board of directors of Canaccord Genuity Group Inc. (TSX: CF) since August 2018 and is Chairman of Starlight Capital's Independent Review Committee. She previously held senior leadership roles including Executive Vice President, Private Wealth, at Fiera Capital from 2010 to 2015; President of GBC Asset Management in 2008 and 2009; President and Chief Executive Officer of AGF Private Wealth Management from 2003 to 2007; President, Chief Operating Officer and Director of TAL Private Management from 1996 to 2003; and as President and Chief Executive Officer of CIBC Trust in 1995 and 1996. She has served on a number of advisory boards and investment review committees.

Reconfirmation of the LTIP

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution, or the LTIP Resolution, approving and re-confirming the Corporation's amended and restated long-term incentive plan, or LTIP. The shareholders of the Corporation ratified and confirmed the LTIP at the annual and special meeting of shareholders of the Corporation held on June 28, 2017 and, pursuant to the policies of the Toronto Stock Exchange, or TSX, the LTIP must be approved and reconfirmed by shareholders every three years. The Board of Directors is not proposing to amend the terms of the LTIP from that which was approved in June 2017. The LTIP Resolution must be passed by greater than 50% of the votes cast by shareholders present in person or represented by proxy at the Meeting. A copy of the LTIP Resolution is attached as Appendix "A" to this Circular and the full text of the LTIP is set forth in Exhibit "A" to Appendix "A" to this Circular.

As the three-year term prescribed by the TSX will expire on June 28, 2020, a resolution will be placed before shareholders to approve the unallocated awards under the LTIP. This approval will be effective for three years from the date of the Meeting. If approval is not obtained at the Meeting, awards which have not been allocated as of June 28, 2020 and awards which are outstanding as of June 28, 2020 and are subsequently cancelled, terminated or exercised will not be available for a new grant of awards. Previously allocated awards will continue to be unaffected by the approval or disapproval of the resolution.

The following information is intended as a summary of the LTIP.

Purpose

The purpose of the LTIP is to provide eligible participants with compensation opportunities that will encourage ownership of Common Shares, enhance our ability to attract, retain and motivate key personnel, reward key senior management for strong financial performance and align executive officers' incentives with the interests of shareholders.

Eligibility

The composition of eligible participants in the LTIP from time to time is determined by the Human Resources and Compensation Committee, taking into account the recommendations of the CEO and is limited to directors, officers (including officers of our affiliates), employees (including employees of our affiliates), and consultants of our affiliates, as well as consultant companies providing management or administrative services to DCM and employees of such consultant companies.

Administration

The LTIP is administered by our Board of Directors or the Human Resources and Compensation Committee.

Awards

Awards granted under the LTIP may consist of stock options, stock appreciation rights (SARs), restricted Common Shares (Restricted Shares), restricted share units (RSUs), and deferred share units (DSUs). Each award will be subject to the terms and conditions set forth in the LTIP and to those other terms and conditions specified by the Human Resources and Compensation Committee. Previous awards will be taken into account when considering new awards.

Shares Subject to the LTIP

Subject to adjustment in certain circumstances as discussed below, the LTIP will authorize the issuance of up to 10% of the issued and outstanding Common Shares from time to time pursuant to the terms of the plan. The maximum number of Common Shares that: (i) are issuable to insiders; and (ii) may be issued to insiders within a one-year period pursuant to awards under the LTIP and any other share-based compensation arrangement we adopt is 10% of the Common Shares outstanding from time to time. For these purposes, the term “insider” has the same meaning as “reporting insider” in National Instrument 55-104 – Insider Reporting Requirements and Exemptions. The number of shares subject to each award, the exercise price, the expiry time, the extent to which such award is exercisable and other terms and conditions relating to such awards will be determined by the Board of Directors or the Human Resources and Compensation Committee. No participant will be granted awards in any single calendar year with respect to more than 5% of the issued and outstanding Common Shares. If, and to the extent, awards granted under the plan terminate, expire, cancel, or are forfeited without being exercised and/or delivered, Common Shares subject to such awards will again be available for grant under the LTIP. Additionally, to the extent any Common Shares subject to an award are tendered and/or withheld in settlement of any exercise price and/or any tax withholding obligation associated with that award, those Common Shares will again be available for grant under the LTIP.

In the event of any recapitalization, reorganization, amalgamation, stock split or combination, stock dividend or other similar event or transaction, substitutions or adjustments will be made by the Board of Directors or the Human Resources and Compensation Committee to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the LTIP; (ii) the number, class and/or issuer of securities subject to outstanding awards; and (iii) the exercise price of outstanding options or SARs, in each case in a manner that reflects equitably the effects of such event or transaction.

Awards under the LTIP will be non-assignable and non-transferable although they are assignable to and may be exercisable by a participant’s legal heirs or personal representatives in certain cases.

As of the date of this Circular, awards in the form of stock options to purchase up to 1,587,486 Common Shares were outstanding.

Amendments

Shareholder approval will be required for amendments to the LTIP to: (i) reduce the exercise price or purchase price of awards under the LTIP benefiting an insider of the Corporation; (ii) extend the term under an award benefiting an insider of the Corporation; (iii) remove or exceed the insider participation limit; (iv) increase the maximum number of securities issuable, either as a fixed number or a fixed percentage of our outstanding capital represented by such securities; and (v) amend an amending provision within the LTIP.

Our Board of Directors or the Human Resources and Compensation Committee may, without shareholder approval, amend the LTIP with respect to (i) amendments of a “housekeeping nature”; (ii) changes to the vesting provisions of the LTIP or any award; (iii) changes to the provisions of the LTIP relating to the expiration of awards prior to their respective expiration dates upon the occurrence of certain specified events; (iv) changes in the exercise price of an award granted to a participant who is not an insider; (v) the cancellation of an award; or (vi) any other amendment to the LTIP or an award which is approved by any applicable stock exchange on a basis which does not require shareholder approval to be obtained.

Termination of Service

Unless provided other wise in the award agreement, the right to exercise any option or SAR will terminate 90 days following termination of the participant's relationship with us or any of our affiliates, as applicable, for reasons other than death, disability or termination for cause (as defined in the LTIP). If the participant's service with us or any of our affiliates terminates due to death or disability, unless provided otherwise in the award agreement or individual employment agreement, the right to exercise an option or SAR will terminate on the earlier of one year following such termination and the award's original expiration date. If the participant's relationship with us is terminated for cause, any option or SAR not already exercised will be automatically forfeited as of the date of such termination and any unvested RSUs will immediately expire on the date of such termination.

Unless provided otherwise in the award agreement, if a participant's service with us or any of our affiliates terminates for any reason other than the death or disability of the participant during the period that restrictions on Restricted Shares granted to the participant remain unfulfilled or uncompleted, those Restricted Shares in respect of which restrictions remain uncompleted or unfulfilled will be forfeited to us. In the event of the death or disability of a participant, we will cause the trustee to distribute to the participant or their legal representative any Restricted Shares held by the participant subject to any restrictions specified by the Board of Directors or the Human Resources and Compensation Committee.

Change of Control

In the event of a change of control of the Corporation, the Board of Directors or the Human Resources and Compensation Committee will have discretion to, among other things, accelerate the vesting of outstanding awards, settle outstanding awards in cash or exchange outstanding awards for similar awards of a successor company. A change of control will be deemed to have taken place upon the occurrence of any of the following, in one transaction or a series of related transactions:

- the acquisition by any person or persons acting jointly or in concert, whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation;
- an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;
- the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates;
- the adoption of a resolution to wind-up, dissolve or liquidate the Corporation;
- as a result of, or in connection with, a contested election of directors of the Corporation, or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the board; or
- any other transaction that is deemed to be a "Change in Control" for the purposes of the LTIP by our Board of Directors in its sole and absolute discretion.

Stock Options

The exercise price of any stock option granted under the LTIP will be the market price of the Common Shares, being

the closing price of the Common Shares on the TSX on the date immediately before the date on which the option is granted or such other minimum price as is permitted by the TSX in accordance with its policies from time to time. Our Board of Directors or the Human Resources and Compensation Committee will be entitled to determine the option term for each option; provided, however, that the exercise period of any option may not exceed 10 years from the date of grant. It is currently anticipated that stock options granted under the LTIP will expire between five to seven years after the date of grant. Vesting for each option will also be determined by our Board of Directors or the Human Resources and Compensation Committee. In the event that the term of a stock option expires during a period, or a Blackout Period, when insiders of the Corporation are prohibited from trading in Common Shares under the terms of the Corporation's insider trading policy in effect from time to time or within 10 business days thereafter, the option will expire on the date that is 10 business days after the Blackout Period is lifted.

SARs

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to grant SARs pursuant to the terms of the LTIP. Upon exercise of a SAR, the participant will be entitled to receive an amount equal to the difference between the closing price of the Common Shares underlying the SAR on the TSX on the date immediately before the date of grant and the closing price of the Common Shares underlying the SAR on the TSX on the date immediately before the date of exercise. Such amount is payable in cash or Common Shares as determined by the Board of Directors or the Human Resources and Compensation Committee. The terms of the LTIP provide that, in the event that the term of a stock option expires during a period, or a Blackout Period, when insiders of the Corporation are prohibited from trading in Common Shares under the terms of the Corporation's insider trading policy in effect from time to time or within 10 business days thereafter, the option will expire on the date that is 10 business days following after the Blackout Period is lifted.

Restricted Shares

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to grant Restricted Shares pursuant to the terms of the LTIP. Restricted Shares may consist of either treasury Common Shares or outstanding Common Shares purchased for purposes of the LTIP. Restricted Shares will be granted subject to restrictions which will be determined by, and may be varied by, our Board of Directors or the Human Resources and Compensation Committee. Restricted Shares will generally vest over a five year period. All Restricted Shares will be held for the benefit of participants in the name of a trustee appointed for purposes of the LTIP or, in the case of non-treasury Restricted Shares, by a custodian with whom shares are deposited by the trustee. Participants will have no custody or control of the Restricted Shares granted to them while they are held by the trustee or the custodian. Restricted Shares will only be released to the participant after the shares become free of all restrictions.

RSUs

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to issue RSUs subject to such terms and conditions, not inconsistent with the terms of the LTIP, as our Board of Directors may impose in its sole and absolute discretion. An RSU is a contractual promise to issue shares and/or cash in an amount equal to the fair market value (determined at the time of distribution) of the Common Shares subject to the award, at a specified future date, subject to the fulfillment of vesting conditions specified by our Board of Directors or the Human Resources and Compensation Committee. Prior to settlement, an RSU will carry no voting or dividend rights or other rights associated with share ownership. An RSU award may be settled in Common Shares, cash or in any combination of both. However, a determination to settle an RSU in whole or in part in cash may be made by our Board of Directors or the Human Resources and Compensation Committee, in its sole discretion.

DSUs

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to issue DSUs, subject to such vesting and other terms and conditions, not inconsistent with the terms of the LTIP, as our Board of Directors may propose in its sole and absolute discretion. A DSU is a right to receive, on a deferred payment basis, a Common Share or the cash equivalent of a Common Share on the terms contained in the LTIP. The amount will not be paid out until such time as the recipient leaves us, thereby providing an ongoing equity stake throughout the recipient's period of service. A DSU award may be settled in Common Shares, cash, or in any combination of both.

However, a determination to settle a DSU in whole or in part in cash may be made by our Board of Directors or the Human Resources and Compensation Committee, in its sole discretion.

The Board of Directors unanimously recommends that shareholders vote FOR the LTIP Resolution. The individuals named as proxyholders in the enclosed form of proxy intend to vote FOR the LTIP Resolution unless specifically instructed otherwise on the proxy or voting instructions.

Reconfirmation of the Shareholder Rights Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution, or the Shareholder Rights Plan Resolution, approving and reconfirming the Corporation's amended and restated shareholder rights plan, or the Amended and Restated Shareholder Rights Plan, pursuant to the terms of a shareholder rights plan agreement between the Corporation and Computershare Investor Services Inc., as rights agent. The Shareholder Rights Plan Resolution must be passed by greater than 50% of the votes cast by shareholders present in person or represented by proxy at the Meeting. A copy of the Shareholder Rights Plan Resolution is attached as Appendix "B" to this Circular. If the Shareholder Rights Plan Resolution is not passed at the Meeting, the Corporation's existing shareholder rights plan will terminate effective at the termination of the Meeting, unless a "Flip-in Event" (as described below under " – Summary of the Principal Terms of the Amended and Restated Shareholder Rights Plan") has occurred.

The shareholders of the Corporation ratified and confirmed the Corporation's shareholder rights plan at the annual and special meeting of shareholders of the Corporation held on June 28, 2017 and, pursuant to the terms of the shareholder rights plan, the plan must be approved and reconfirmed by shareholders at every third annual meeting of the Corporation's shareholders.

Background

The Board of Directors believes that a shareholder rights plan continues to be necessary in order to protect the Corporation and its Shareholders from certain actions that could result in unequal treatment of Shareholders under Canadian securities laws, including the acquisition of effective control of the Corporation through the purchase of Common Shares under one or more private agreements at a premium to the market price, resulting in a change of control transaction without the payment of a premium to all Shareholders; the gradual accumulation of Common Shares through stock exchange acquisitions over time, resulting in the acquisition of effective control of the Corporation without payment of fair value for control; and arrangements between a person seeking to acquire control of the Corporation and Shareholders who, together with the acquiror, hold more than 20% of the outstanding Common Shares that irrevocably commit those Shareholders to tender their Common Shares to a take-over bid made by the acquiror, thereby enabling the acquiror to impede or block the Board's ability to run a value enhancing auction process.

The Amended and Restated Shareholder Rights Plan is described below.

Summary of the Principal Terms of the Amended and Restated Shareholder Rights Plan

The Amended and Restated Shareholder Rights Plan utilizes the mechanism of a Permitted Bid (as hereinafter described) to ensure that a person seeking control of the Corporation gives shareholders and our Board of Directors sufficient time to evaluate the bid and, if appropriate, negotiate with the initial bidder and encourage competing bids to emerge. The purpose of the Amended and Restated Shareholder Rights Plan is to protect shareholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or risk being subject to the dilutive features of the Amended and Restated Shareholder Rights Plan. Generally, to qualify as a Permitted Bid, a bid must be made to all shareholders and must be open for at least 105 days after the bid is made.

If more than 50 percent of the Common Shares held by Independent Shareholders (as defined below) are deposited or tendered to the bid and not withdrawn at the end of 105 days, the bidder may take up and pay for such Common Shares. The take-over bid must then be extended for a further period of ten days on the same terms to allow those shareholders who did not initially tender their Common Shares to tender to the take-over bid if they so choose. Thus, there is no coercion to tender during the initial 105-day period because the bid must be open for acceptance for at least

10 days after the expiry of the initial tender period. The Amended and Restated Shareholder Rights Plan is designed to make it impractical for any person to acquire more than 20 percent of the outstanding Common Shares without the approval of our Board of Directors except pursuant to the Permitted Bid procedures or pursuant to certain other exemptions outlined below. Our Board of Directors believes that the Amended and Restated Shareholder Rights Plan, taken as a whole, should not be an unreasonable obstacle to a serious bidder willing to make a bona fide and financially fair offer to all shareholders.

The following is a summary of the principal terms of the Amended and Restated Shareholder Rights Plan, which is qualified in its entirety by reference to the text of the Amended and Restated Shareholder Rights Plan. A copy of the Amended and Restated Shareholder Rights Plan is available on SEDAR at www.SEDAR.com.

Issue of Rights

On the effective date of the Amended and Restated Shareholder Rights Plan, one right (a Right), will be issued and attached to each outstanding Common Share. One Right will also be issued and attached to each Common Share (and any other securities in the capital of the Corporation entitled to vote generally in the election of directors of the Corporation) issued after that date, subject to the limitations set forth in the Shareholder Rights Plan. The initial exercise price of each Right is \$100 (the Exercise Price), subject to appropriate anti-dilution adjustments. Until a Right is exercised, the holder thereof, as such, will have no rights as a shareholder.

Rights Exercise Privilege

The Rights will separate from the Common Shares to which they are attached and will become exercisable as of the close of business on the tenth trading day after the earlier of (the Separation Time) (i) the first date of public announcement by the Corporation or an Acquiring Person (as defined below) of facts indicating that a person has become an Acquiring Person (the Common Share Acquisition Date); and (ii) the date of the commencement of, or first public announcement of the intent of any person (other than the Corporation or any subsidiary of the Corporation) to commence take-over bid (other than a Permitted Bid or Competing Permitted Bid (as defined below)); and (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such; or such later date as may be determined by the Board of Directors.

The acquisition by a person (an Acquiring Person), including persons acting jointly or in concert, of 20 percent or more of the Common Shares, other than by way of a Permitted Bid in certain circumstances, is referred to as a “Flip-in Event”. Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the Common Share Acquisition Date, will become void upon the occurrence of a Common Share Acquisition Date. Ten trading days after the occurrence of the Flip-in Event, the Rights (other than those held by the Acquiring Person) will permit the holders thereof to purchase, for example, Common Shares with a total market value of \$200, on payment of \$100 (i.e., at a 50 percent discount).

The issue of the Rights is not initially dilutive. Upon a Flip-in Event occurring and the Rights separating from the attached Common Shares, reported earnings per Common Share on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for Common Shares and will not be transferable separately from the attached Common Shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates, which will be transferable and traded separately from the Common Shares.

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

- the take-over bid must be made by way of a take-over bid circular;
- the take-over bid must be made to all holders of Common Shares, other than the bidder, for all Common Shares held by them;
- the take-over bid must not permit Common Shares tendered pursuant to the take-over bid to be taken up prior to the expiry of a period of not less than 105 days from the date of the bid and then only if at such time more than 50 percent of the Common Shares held by shareholders other than the bidder, its affiliates and persons acting jointly or in concert with the bidder (the Independent Shareholders), have been tendered pursuant to the take-over bid and not withdrawn; and
- if more than 50 percent of the Common Shares held by Independent Shareholders are tendered to the take-over bid within the 105-day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional 10 business days from the date of such public announcement.

The Amended and Restated Shareholder Rights Plan allows a competing Permitted Bid (a Competing Permitted Bid) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, provided it is outstanding for a minimum period of 35 days, it may expire on the same date as the Permitted Bid.

Waiver and Redemption

The Board of Directors may, prior to a Flip-in Event, without the approval of holders of Common Shares, waive the dilutive effects of the Amended and Restated Shareholder Rights Plan in respect of a particular Flip-in Event. At any time prior to the occurrence of a Flip-in Event, without the approval of Rights holders, the Board of Directors may redeem all, but not less than all, of the outstanding Rights at a price of \$0.00001 each.

Waiver of Inadvertent Flip-in Event

The Board of Directors may, prior to the close of business on the tenth day after a person has become an Acquiring Person, waive the application of the Amended and Restated Shareholder Rights Plan to an inadvertent Flip-in Event, on the condition that such person reduces its beneficial ownership of Common Shares such that it is not an Acquiring Person within 14 days of the determination of the Board of Directors.

Portfolio Managers

The provisions of the Amended and Restated Shareholder Rights Plan relating to portfolio managers are designed to prevent the occurrence of a Flip-in Event solely by virtue of the customary activities of such managers, including trust companies and other persons, where a portion of the ordinary business of such person is the management of funds for unaffiliated investors, so long as any such person does not propose to make a take-over bid either alone or jointly with others.

Supplement and Amendments

The Corporation may, without the approval of the holders of Common Shares or Rights, make amendments to the Shareholder Rights Plan to: (i) correct clerical or typographical errors; and (ii) maintain the validity and effectiveness of the Amended and Restated Shareholder Rights Plan as a result of any change in applicable law, rule or regulatory requirement. Any amendment referred to in item (ii) must, if made before the Separation Time, be submitted for approval to the holders of Common Shares at the next meeting of shareholders and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Time, the Corporation may with prior written consent of the Independent Shareholders received at the special meeting called and held for such purpose, amend, vary or rescind any of the provisions of the Amended and Restated Shareholder Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

Confirmation

The Amended and Restated Shareholder Rights Plan must be approved and reconfirmed by a resolution passed by a majority of the votes cast by all shareholders who vote in respect of such reconfirmation at every third annual meeting of the Corporation's shareholders following the Meeting.

The Board of Directors unanimously recommends that shareholders vote FOR the Shareholder Rights Plan Resolution. The individuals named as proxyholders in the enclosed proxy intend to vote FOR the Shareholder Rights Plan Resolution unless specifically instructed otherwise on the proxy or voting instructions.

Preferred Share Resolution

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass, with or without variation, a special resolution, or the Preferred Share Resolution, authorizing the filing of articles of amendment to create a new class of preferred shares to be designated as "Class A Preferred Shares", or the Preferred Shares. The Preferred Share Resolution must be passed by at least two-thirds of the votes cast by shareholders present in person or represented by proxy at the Meeting. A copy of the Preferred Share Resolution is attached as Appendix "C" to this Circular.

We wish to create the Preferred Shares in order to provide DCM with greater flexibility in its capital structure and in raising future capital.

The Preferred Shares will be issuable in one or more series. Our Board of Directors will be authorized to fix the number of shares of each series, subject to the limitation on the number of Preferred Shares to be issued as described below, and to determine for each series, subject to the terms and conditions set out in this Circular, the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, conversion rights and other matters. The restrictions with respect to the number of Preferred Shares that may be issued distinguish the Preferred Shares from a structure that is commonly referred to as "blank cheque" preferred shares.

The terms of the Preferred Shares are described below. The following is a summary only and reference should be made to the full text of the terms and conditions attaching to the Preferred Shares as set out in Appendix "C" to this Circular.

Ranking and Priority

Each series of Preferred Shares will be entitled to priority over the Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, and any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions of the Preferred Shares, over the Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares, as may be determined by our Board of Directors.

Parity Among Series

Each series of Preferred Shares will rank on a parity with every other series of Preferred Shares with respect to priority in the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, and any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Participation Upon Liquidation, Dissolution or Winding Up

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares will be entitled to receive from the assets of the Corporation any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on a return of capital which are not paid in full in respect of any Preferred Shares, before any amount is paid or any assets of the Corporation are distributed to the holders of any Common Shares or shares of any other class ranking junior to the Preferred Shares. After payment to the holders of the Preferred Shares of the amount so payable to them as above provided they will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Dividends

The holders of each series of Preferred Shares will be entitled to receive dividends (which may be cumulative or non-cumulative and variable or fixed) as and when declared by our Board of Directors.

Conversion

Each series of Preferred Shares may be convertible into another class of shares of the Corporation, including Common Shares and another series of Preferred Shares.

Redemption

Each series of Preferred Shares may be redeemable by the Corporation on such terms as may be determined by our Board of Directors.

Voting

Holders of any series of Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares or a series of Preferred Shares) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless our Board of Directors determines otherwise, in which case such voting rights as determined by our Board of Directors will be set out in the designations, rights, privileges, restrictions and conditions of such series of Preferred Shares.

Limitation on the Number of Preferred Shares Issuable

The proposed terms of the Preferred Shares provide that the number of Preferred Shares which may be issued and outstanding at any time will be limited to a number equal to not more than 100% of the number of issued and outstanding Common Shares at the time of issuance of any Preferred Shares.

Other Considerations

If Shareholders approve the Preferred Share Resolution to create the new Preferred Shares and the Corporation's articles are amended, no further shareholder approval will be required to issue Preferred Shares of any series if and when our Board of Directors decides to issue any Preferred Shares.

The Board of Directors believes that amending the Corporation's articles to authorize the issuance of the Preferred Shares will provide the Corporation with increased flexibility in its capital structure and in raising future capital. The creation of Preferred Shares would permit the Board of Directors to negotiate with potential investors regarding the rights and preferences of a series of Preferred Shares that may be issued to meet market conditions and financing opportunities as they arise, without the expense and delay associated with calling a shareholders' meeting to approve the specific terms of any series of Preferred Shares. The Preferred Shares may be used by the Corporation for any appropriate corporate purpose, including, without limitation, as a means of obtaining additional capital for use in the Corporation's business and operations or in connection with acquisitions.

Certain restrictions contained in the terms of the Preferred Shares render these shares not ideal for use as a take-over defence. Specifically, the fact that the Preferred Shares contain a limit on the maximum number of shares that can be issued make them unlike unconstrained blank cheque preferred shares available to other issuers. The Corporation does not intend to use the Preferred Shares as a defence against an unsolicited take-over bid for the voting securities of the Corporation.

Nevertheless, the availability of undesignated Preferred Shares may have certain negative effects on the rights of the holders of Common Shares. The actual effect of the issuance of any Preferred Shares upon the rights of holders of Common Shares cannot be fully stated until the Board of Directors determines all specific rights of the particular series of Preferred Shares. However, the summary of the terms and conditions of the Preferred Shares set out above provide the holders of Common Shares with an indication of the possible effects of an issuance of Preferred Shares, specifically with respect to dividends, liquidation, redemption, conversion, voting rights and limitations on issuances of Preferred Shares. Such effects may include, but are not limited to, dilution of voting rights attached to the Common Shares, holders of Common Shares receiving less in the event of liquidation, dissolution or other winding-up of the Corporation, or a reduction in the amount of funds, if any, available for dividends on Common Shares.

The text of the special resolution authorizing the amendment to the Corporation's articles as described above is attached to this Circular as Appendix "C". This proposed amendment to the articles will become effective upon the filing of Articles of Amendment reflecting the amendment pursuant to the *Business Corporations Act* (Ontario), or the OBCA.

The Board of Directors unanimously recommends that shareholders vote FOR the Preferred Share Resolution. In the absence of a contrary instruction, the individuals named as proxyholders in the enclosed proxy intend to vote FOR the Preferred Share Resolution.

The Board of Directors may revoke the Preferred Share Resolution before it is acted on, even if the Preferred Share Resolution is passed by shareholders, in its sole discretion and without further notice to or approval of shareholders.

Dissenting Shareholders' Rights

Pursuant to section 185(2) of the OBCA, a shareholder is entitled to dissent in respect of any Common Shares held by the shareholder and be paid the fair value of such shares if the shareholder, which we refer to in this Circular as a Dissenting Shareholder, objects to the Preferred Share Resolution and the Preferred Share Resolution is approved.

In order to dissent, a shareholder must (a) send to the registered office of the Corporation at 9195 Torbram Road, Brampton, Ontario, L6S 6H2 before the Meeting or deliver to the Corporation at the Meeting, a written objection, or a Dissent Notice, to the Preferred Share Resolution from which the shareholder dissents (a proxy to vote against such resolution does not constitute a written objection to the Preferred Share Resolution); (b) within 20 days after receipt from the Corporation of notice that the Preferred Share Resolution has been adopted or, if he, she or it does not receive such notice, within 20 days after he, she or it learns that the Preferred Share Resolution has been adopted, send to the Corporation a written notice containing: (i) his, her or its name and address, (ii) the number of shares in respect of which he, she or it dissents, (iii) a demand for payment of the fair value of such shares, or a Demand for Payment; and (c) within 30 days thereafter, send to the Corporation the certificates representing such shares. A Dissenting Shareholder, on sending the notice containing the Demand for Payment, ceases to have any rights as a holder of such shares, other than the right to be paid the fair value of the shares, except where the Dissenting Shareholder withdraws such notice before the Corporation makes an offer to pay for such shares, or the Corporation fails to make such an offer to pay for such shares and the Dissenting Shareholder withdraws his, her or its notice, or our Board of Directors revokes the Preferred Share Resolution from which such shareholder dissents, in any of such cases the Dissenting Shareholder's rights as a holder of such shares are reinstated as of the day on which he, she or it sent the notice containing the Demand for Payment. A Dissenting Shareholder who fails to forward his, her or its Dissent Notice, Demand for Payment or share certificates within the times required loses any right to make a claim for payment of the fair value of his, her or its shares.

The Corporation is required, within 10 days after the Preferred Share Resolution is adopted, to send to each holder of Common Shares who has filed a Dissent Notice, a notice that the Preferred Share Resolution has been adopted. The

Corporation is not required to send such notice to any holder of Common Shares who voted for the Preferred Share Resolution or who has withdrawn his, her or its objection. The Corporation is also required to send an offer to the Dissenting Shareholder to pay for his, her or its shares in an amount considered by our Board of Directors to be the fair market value of such shares, not more than seven days after the later of the date on which the action approved by the Preferred Share Resolution is effective, or the Dissent Effective Date, and the date of receipt by the Corporation of the Dissenting Shareholder's Demand for Payment. If such offer is accepted by the Dissenting Shareholder, payment is required to be made within 10 days of acceptance. Any such offer lapses if not accepted within 30 days after it is made. If the Corporation fails to make such an offer, or if the Dissenting Shareholder fails to accept the offer, the Corporation may, within 50 days after the Dissent Effective Date or such further period as a court may allow, apply to a court to fix a fair value for the shares of the Dissenting Shareholder. If the Corporation fails to make such application, the Dissenting Shareholder may make a similar application within a further period of 20 days or such further period as the court may allow.

A shareholder who complies with each of the steps required to dissent is entitled to be paid the fair value of the shares held by him in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the day before the Preferred Share Resolution is adopted.

Notwithstanding the foregoing, the Corporation is not permitted to make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that: (a) the Corporation is or would after the payment be unable to pay its liabilities as they become due; or (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities.

A shareholder may only exercise the right to dissent under section 185 of the OBCA in respect of Common Shares which are registered in that shareholder's name. Failure by a Dissenting Shareholder to adhere strictly to the requirements of section 185 of the OBCA may result in the loss of such Dissenting Shareholder's rights under that section. Beneficial shareholders (for example, those persons who hold their shares through a broker, custodian, nominee or other intermediary) who wish to exercise dissent rights should be aware that only Registered Shareholders are entitled to dissent. A Beneficial Shareholder should ensure that his, her or its shares are registered in his, her or its name prior to the Meeting in order for his, her or its dissent to be properly made. A Registered Shareholder, such as a broker, who holds Common Shares as nominee for several beneficial shareholders, some of whom wish to dissent, must ensure that such shares are validly registered in the names of such dissenting persons prior to the Meeting in order to ensure that dissent rights are not lost.

The foregoing is only a summary of section 185 of the OBCA, the full text of which is attached hereto as Annex I. Shareholders considering exercising such right of dissent should specifically refer to section 185 of the OBCA. As failure to comply strictly with the provisions of the statute may prejudice the shareholder's right of dissent, it is suggested that any shareholder seeking to exercise such right obtain their own legal advice as to the manner and the implications of exercising such right.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Overview

Our Board of Directors is committed to maintaining high standards of corporate governance and is committed to aligning, and to reviewing and updating, its corporate governance practices in light of changing practices, expectations and legal requirements.

Board of Directors

Board Mandate

Our Board of Directors assumes stewardship of, and recognizes that it is ultimately responsible for, ensuring that our affairs are managed properly to protect and enhance shareholder value. Among its duties and responsibilities, the Board of Directors:

- oversees the formulation of our long-term strategic, financial and organizational plans and monitors performance in accordance with those plans;
- assesses the principal risks of our businesses and ensures appropriate systems are in place to manage those risks;
- oversees succession planning, including appointing, training and monitoring senior management;
- oversees the integrity of internal controls and management information systems;
- approves dividends on the Common Shares; and
- oversees our communications policy and reviews and, where necessary, approves (directly or through one of the Board of Directors' committees) our material disclosure documents, such as annual and quarterly financial statements, management's discussion and analysis, management information circulars for annual shareholders meetings and annual information forms.

For the year ended December 31, 2019, our Board of Directors discharged its responsibilities directly and through the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. In 2019, the Board will discharge its responsibilities directly and through those committees.

Board of Directors Composition and Independence

During 2019, our Board of Directors was comprised of seven directors. Six (or approximately 85%) of those directors were considered independent under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, or NI 58-101, adopted by the Canadian Securities Administrators, namely William M. Albino, James J. Murray, Michael G. Sifton, J.R. Kingsley Ward, Derek J. Watchorn and Merri L. Jones.

Our Board of Directors has adopted a written Charter, a copy of which is available on our website at www.datacm.com/governance. A copy of our Board of Directors Charter is also attached as Appendix "D" to this Circular.

The remaining director, Mr. Cochrane, was not independent under NI 58-101 by virtue of his relationship with the Corporation as its Chief Executive Officer.

Our Board of Directors elects from its ranks a chairperson to preside at all meetings of the Board of Directors. Sessions of the committees of the Board are presided over by the independent chairs of the respective committees. Sessions of the Board of Directors have been presided over by J.R. Kingsley Ward, the Corporation's independent Board chair, since he assumed that role following the 2016 annual and special meeting of Shareholders.

Our Board of Directors has established procedures to enable it to facilitate open and candid discussion among the independent directors and is satisfied that it can exercise independent judgment in carrying out its responsibilities. These include:

- the Chair of our Board of Directors is an independent director and has, as a primary function, the facilitation of the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its Charter; and
- our Board of Directors meets on a regular basis with the Chief Executive Officer and without other management of the Corporation present, and it also meets from time to time without our Chief Executive Officer. At each meeting of the Board held in 2019, the independent members of the Board met without our management present.

Outside Directorships

We do not limit the number of public company boards on which a director of the Corporation may serve. However, none of our directors are considered to be “over-boarded” as currently defined by the guidelines established by either Institutional Shareholder Services, Inc. or Glass, Lewis & Co.

A board “interlock” occurs when two or more of our directors serve as directors of another public company. None of our directors currently have a board interlock. The following proposed nominees for election as directors of the Corporation also hold other reporting issuer trusteeships or directorships as set out below:

<u>Director</u>	<u>Reporting Issuer</u> ⁽¹⁾
Merri L. Jones	Canaccord Genuity Group Inc.
J. R. Kingsley Ward	Founders Advantage Capital Corp. Globalive Technology Inc.
Derek J. Watchorn	Timbercreek Financial Corp.

Note:

(1) The common shares of Canaccord Genuity Group Inc. are listed on the Toronto Stock Exchange or TSX. The common shares of Founders Advantage Capital Corp. and Globalive Technology Inc. are listed on the TSX Venture Exchange. The common shares of Timbercreek Financial Corp. are listed on the TSX.

Board Meeting Attendance

During 2019, our directors attended meetings of the Board of Directors and meetings of committees of the Board as set out below:

Director	Board Meetings Attended ⁽¹⁾	Meeting Attendance Percentage	Committee Meetings Attended	Eligible Committee Meeting Attendance Percentage
William Albino	18	90%	7	88%
James J. Murray	16	80%	4	100%
Michael G. Sifton	20	100%	2	100%
J.R. Kingsley Ward	20	100%	2	100%
Derek J. Watchorn	20	100%	6	100%
Gregory J. Cochrane ⁽²⁾	20	100%	N/A	N/A
Merri L. Jones	19	95%	3	100%

Notes:

- (1) In 2019, the Board of Directors held a total of 20 meetings.
- (2) Mr. Cochrane was an executive officer of the Corporation during 2019 and did not formally sit on our Board committees.

Committees of our Board of Directors

Our Board of Directors discharges its responsibilities directly, on the advice and recommendations of its committees. The Board has established three standing committees and delegates certain of its responsibilities to those committees. In each case, the committee is mandated to report to the Board of Directors and to carry out certain responsibilities.

However, all decisions, recommendations and proposals require full board acceptance. Our Board of Directors has approved charters that govern the respective committees of the Board.

The three standing committees of our Board of Directors are the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. A brief summary of each committee's mandate is set out below.

Audit Committee

The members of the Audit Committee are Michael G. Sifton (Chair), William M. Albino, Merri L. Jones and Derek J. Watchorn, each of whom is independent within the meaning of Multilateral Instrument 52-110 - *Audit Committees* adopted by the Canadian Securities Administrators. The Audit Committee is responsible for monitoring our financial reporting, accounting systems, internal controls and liaising with external auditors.

The Audit Committee's responsibilities include:

- reviewing and discussing with our management and our external auditors, where appropriate, the annual and interim financial statements and management's discussion and analysis and earnings press releases with respect to our annual and interim financial results;
- considering the scope and extent of the annual audit and evaluating the external auditors' performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board of Directors;
- reviewing the independence and performance of our external auditors and annually recommending to the Board of Directors the independent external auditors to be proposed for appointment at the next annual meeting of shareholders;
- examining the presentation and impact of significant risks and key management estimates and judgements which may have a material impact on our financial reporting; and
- examining the adequacy of internal accounting and control procedures and systems.

During 2019, the Audit Committee met four times.

For additional information concerning the Audit Committee, see the section entitled "Management of DCM-Committees of the Board of Directors of the DCM Audit Committee" contained in our most recent annual information form.

Corporate Governance Committee

The members of the Corporate Governance Committee are Derek J. Watchorn (Chair), William M. Albino and James J. Murray. All of the members of the Corporate Governance Committee are independent within the meaning of NI 58-101. The Corporate Governance Committee is responsible for, among other things:

- developing our approach to corporate governance issues and compliance with applicable laws, regulations, rules, policies and orders with respect to such issues;
- reviewing our annual report on corporate governance for inclusion in our public disclosure documents;
- advising the directors in filling vacancies on the Board of Directors;
- periodically reviewing the composition and effectiveness of the Board of Directors and committees of the Board of Directors and the contribution of individual directors; and

- reviewing director compensation and our directors' and officers' liability insurance and indemnification procedures.

The process the Corporate Governance Committee undergoes to fill any vacancies on the Board of Directors includes identifying new nominees who have expertise in an area of strategic importance to us, a willingness to serve on our Board of Directors and any of its committees, and the ability to devote sufficient time to Board of Directors service.

In determining director compensation, the Corporate Governance Committee takes into account directors' time commitment, director compensation offered by other corporations of similar size, operations and market capitalization, and the risks and responsibilities that the directors assume in fulfilling their duties on the Board of Directors and any committee of our Board of Directors.

The Corporate Governance Committee is also responsible for adopting and periodically reviewing and updating our written disclosure policy. This policy, among other things:

- articulates our legal obligations, and those of our directors, with respect to confidential corporate information;
- identifies spokespersons who are the only persons authorized to communicate on our behalf with third parties such as analysts, media and investors;
- provides guidelines regarding the disclosure of forward-looking information;
- requires advance review by the directors (or, where considered appropriate, the Audit Committee) of any disclosure of financial information, and ensures that selective disclosure of material information is not permitted and that, if it occurs, a news release is issued immediately; and
- establishes "black-out" periods, immediately prior to and following the disclosure of quarterly and annual financial results and immediately prior to the disclosure of certain material changes during which we, our affiliated entities and our respective directors, officers, employees and consultants may not purchase or sell Common Shares.

Each year, the Corporate Governance Committee recommends to our Board of Directors the compensation to be paid to the directors for the year. Our Board of Directors, based on this recommendation, then establishes the annual compensation for the directors. In making its recommendation, the Corporate Governance Committee reviews each element of director compensation, including the annual retainer, the committee chair retainer, meeting fees and equity awards, to determine whether the amounts are reasonable for the services provided by the directors.

During 2019, the Corporate Governance Committee met twice.

Human Resources and Compensation Committee

The members of the Human Resources and Compensation Committee are J.R. Kingsley Ward (Chair), William M. Albino and Merri L. Jones. All members of the Human Resources and Compensation Committee are independent within the meaning of NI 58-101.

The Human Resources and Compensation Committee establishes the compensation levels for our Chief Executive Officer, or CEO, our President and our Chief Financial Officer, or CFO. This includes setting, in consultation with the CEO, President and CFO on an annual basis, corporate goals and objectives relevant to the compensation of the CEO, President and CFO, and reviewing and assessing their performance against those goals and objectives. In addition, this Committee is responsible for administering our equity compensation plans.

The Human Resources and Compensation Committee's responsibilities also include:

- overseeing succession planning and making recommendations to the Board of Directors regarding the appointment of our officers and executive compensation;
- reviewing with the CEO our salary scales and general salary structure, overall compensation strategy, objectives and policies;
- reviewing and approving any compensation report required by applicable securities regulatory authorities for disclosure in annual proxy materials;
- reviewing a code of ethics for our directors, officers and employees and submitting the same to the Board of Directors for its consideration and approval; and
- assisting the Board of Directors in fulfilling its responsibilities relating to our retirement pension plans.

During 2019, the Human Resources and Compensation Committee met twice.

Position Descriptions

Our Board of Directors has developed written position descriptions for the Chair of the Board of Directors and for the Chair of each committee of the Board of Directors.

Chair of the Board of Directors

The Chair of our Board of Directors is responsible for the efficient organization and operation of the Board of Directors and its committees in order to facilitate the operations and deliberations of the Board of Directors and the satisfaction of the Board of Directors' responsibilities under its charter; ensuring the effective communication between the Board of Directors and management and that the Board of Directors effectively carries out its mandate; and reviewing the agenda for each meeting of the Board of Directors and for all meetings of the committees of the Board of Directors.

Chief Executive Officer

Our Board of Directors and our CEO have a written position description for the CEO. The objectives of the CEO include the general mandate to manage DCM and its businesses, including financial and human resources, and to maximize shareholder value. The CEO's objectives are discussed annually with the Human Resources and Compensation Committee.

Tenure Policies

Our Board's goal is to maintain a balanced board of directors comprised of members with diverse experience, characteristics and tenure. The Board has determined that it will not impose term limits on its members, as it believes that its regular Board evaluation process is an effective mechanism for achieving that goal and an appropriate level of renewal of the membership of the Board. A director of the Corporation is expected to submit their resignation to the Chair of the Board for consideration by the Board of Directors upon a recommendation of the Corporate Governance Committee in the following circumstances:

- the credentials underlying the director's appointment have changed;
- the director fails to receive a majority of votes for election at a shareholders meeting; or
- the director is no longer qualified under the OBCA, or applicable laws to serve as a director of the Corporation.

Board and Senior Management Diversity

Our Board of Directors recognizes the value of diversity at both the Board of Directors level and at an executive officer level. The Corporation is of the view that Board member and executive officer nominations should be based on merit and remains committed to selecting the best person to fulfill these roles. In addition, the Corporation recognizes that a diverse Board of Directors and executive management team will result in a diversity of perspectives, which it believes can enhance the Corporation's leadership, competitive edge and effectiveness. The Board of Directors also recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women, with appropriate and relevant skills and experience, can play in contributing to the diversity of perspectives on the Board of Directors and at the executive officer level. Diversity is an important factor considered by the Corporate Governance Committee in assessing candidates and nominees for the Board of Directors.

Our Board of Directors has adopted a diversity policy, or the Diversity Policy. In the Diversity Policy, the term "diversity" refers to all the criteria that make individuals different from one another. It includes, but is not limited to, criteria such as gender, geographical representation, education, background, regional and industry experience, ethnicity, age, disability and other distinctions. The term "executive officer" in the Diversity Policy has the meaning attributed to it in NI 58-101.

The Board of Directors remains committed to basing Board member and executive officer nominations and appointments on merit and selecting the best persons to fulfill these roles. Within this framework, to support the Corporation's director and executive officer diversity objectives, the Board of Directors, the Corporate Governance Committee, the Chair and the Chief Executive Officer will, as applicable, when identifying and considering the selection of candidates for director and senior leadership positions:

- consider the benefits of all aspects of diversity, including, but not limited to, those described above;
- consider the level of representation of women on the Board of Directors and in executive officer positions, respectively; and
- in addition to its own searches, if necessary, engage independent external advisors to conduct a search for candidates who meet the Board of Directors' and the Corporation's expertise, skills and diversity criteria to achieve the Corporation's diversity goals.

Our Board of Directors is committed to ensuring that gender diversity is actively pursued. We consider different aspects of diversity, including gender, when making executive officer appointments. The representation of women in those roles is an important element of our desire to build a diverse leadership team. However, the Board of Directors does not believe that quotas or measurable targets would necessarily result in the identification or selection of the best candidates. Accordingly, the Corporation has not established fixed targets regarding the representation of women on the Board of Directors or in executive officer positions. Assuming Merri L. Jones is re-elected to the Board of Directors at the Meeting, one of the members of our Board of Directors will be a woman. Currently, 12.5% (or one of eight) of our executive officers are women.

The Corporate Governance Committee reviews the Diversity Policy annually, which includes an assessment of the effectiveness of the Diversity Policy. The Corporate Governance Committee also discusses any revisions that may be required and recommends any such revisions to the Board of Directors for approval.

Board and Committee Assessments

The Chair of our Board of Directors is responsible for the effective operation of the Board of Directors and its committees. These duties include ensuring that issues regarding quality of information and the performance of our Board of Directors have been reviewed at meetings of the Board of Directors and that the Chair has made himself or herself available at all times for discussions with individual members of the Board of Directors regarding the Board of Directors' performance. In carrying out his or her responsibilities, the Chair also reviews the contributions of individual directors and considers whether the current composition of the Board of Directors promotes effectiveness and efficiency in its decision-making. The Audit Committee, Human Resources and Compensation Committee and

Corporate Governance Committee each regularly assesses its effectiveness by requesting and collecting information from respective members of each committee in connection with formal and informal assessments of the Board of Directors. As a result of this process, our Board of Directors believes that the Board of Directors and each of its committees are operating effectively, with highly capable, informed individuals carrying out their responsibilities in a professional manner. Our Board of Directors and the Audit Committee, Human Resources and Compensation Committee and Corporate Governance Committee typically each conduct self-assessments every two years. The Board of Directors last completed self-assessments in March 2018.

Orientation and Continuing Education

We provide new directors with access to our CEO and all other senior management to provide each director with an understanding of DCM. The Chair of our Board of Directors reviews with new directors the role of the Board of Directors, its committees and its directors and the expectations of each member, including the rules and regulations with regard to the trading of our securities. Updates on our businesses and activities are provided to directors on a regular basis to ensure that directors have the necessary knowledge concerning DCM to meet their obligations as directors. All directors are also encouraged to visit our facilities with a view to enabling them to better understand our businesses.

Ethical Business Conduct

As part of our commitment to effective corporate governance, all directors, officers and employees of DCM must act in accordance with our Business Conduct Guidelines, or the Guidelines. The Guidelines, which have been adopted by our Board of Directors, require every director, officer, and employee of DCM to observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Guidelines set forth policies and procedures which comprise the core principles applicable to all, and address ethical conduct, conflicts of interest and compliance with the law. The Guidelines are administered by the Human Resources and Compensation Committee. The Human Resources and Compensation Committee oversees and monitors the Guidelines and reports to our Board of Directors on the implementation and monitoring of the Guidelines and all matters that arise related to their provisions, including any departures or waivers that are granted. Any person may obtain a copy of the Guidelines by visiting www.datacm.com under Governance; by written request to the Secretary of the Corporation, 9195 Torbram Road, Brampton, Ontario, Canada, L6S 6H2, or by calling (905) 791-3151. Our Board of Directors also ensures that directors exercise independent judgment in consideration of transactions in respect of which a director or executive officer, as applicable, has a material interest by requiring all directors and executive officers to adhere to the declaration of conflict of interest requirements mandated by applicable law.

Majority Voting Policy

Our Board of Directors has adopted a majority voting policy in director elections that will apply at any meeting of our shareholders where an uncontested election of directors is held. For the purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for directors is equal to the number of directors to be elected. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such director, the director nominee must submit his or her resignation to the Board of Directors forthwith following the applicable shareholders’ meeting, effective on acceptance by the Board of Directors. Following receipt of the resignation, the Board of Directors will refer the resignation to the Corporate Governance Committee for consideration. The Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board of Directors as to whether to accept or reject the resignation. Except in special circumstances that would warrant the continued service of the applicable director on our Board of Directors, the Committee will be expected to accept, and recommend that the Board accept, the resignation. In considering whether or not to accept the resignation of that director, the Committee will consider all factors deemed relevant by members of the Committee, including the stated reasons why shareholders withheld votes from the election of that director, the composition of our Board of Directors, the length of service and the qualifications of that director, that director’s contributions to the Corporation and our governance guidelines.

Within 90 days following the applicable shareholders’ meeting, the Board of Directors will determine whether to accept or reject the director’s resignation offer that has been submitted, on the recommendation of the Committee. In considering the Committee’s recommendation, the Board will consider the factors considered by the Committee and

such additional information and factors as the Board considers to be relevant. Following the Board of Directors' decision on the resignation, the Board will publicly disclose its decision whether to accept the applicable director's resignation, and fully state the reasons for rejecting the resignation. If a resignation is accepted, the Board may, subject to any applicable corporate law restrictions, leave a vacancy on the Board unfilled until the next annual meeting of shareholders, fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to consider a new nominee to fill the vacant position.

A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board of Directors or of the Corporate Governance Committee at which the resignation is considered, subject to certain exceptions in the event of a lack of quorum. A copy of the majority voting policy may be found on our website at www.datacm.com.

Advance Notice By-Law

By-Law No. 2 of the Corporation is an advance notice by-law and applies to nominations of directors at the Meeting. Among other things, By-Law No. 2 fixes a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid. By-law No. 2 requires advance notice to the Corporation in circumstances where nominations of persons for election as a director of the Corporation are made by shareholders other than pursuant to (i) a requisition of a meeting of shareholders made pursuant to the provisions of the *Business Corporations Act* (Ontario), or the OBCA, or (ii) a shareholder proposal made in accordance with the provisions of the OBCA.

By-Law No. 2 enables the Corporation to receive adequate prior notice of director nominations as well as sufficient information on the nominees. Consequently, the Corporation will be able to evaluate the proposed nominees' qualifications to act as directors of the Corporation. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of By-Law No. 2. In the case of an annual meeting of shareholders, notice to the Secretary of the Corporation must be given not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be given not later than the close of business on the tenth day following the notice date. In the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), notice to the Secretary of the Corporation must be given not later than the close of business on the fifteenth day following the day on which the first public announcement of the date of the special meeting was made. In no event will any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a nominating shareholder's notice.

Our Board of Directors may, in its sole discretion, waive any requirement of By-Law No. 2. A copy of By-Law No. 2 may be found on our website at www.datacm.com.

COMPENSATION DISCUSSION AND ANALYSIS

The following section of this Circular and the section below entitled "Executive Compensation" discuss our executive compensation policies and practices, including information regarding all significant elements of compensation awarded to, earned by, paid to, or payable to each of our executive officers named in the Summary Compensation Table below (our CEO, Gregory J. Cochrane; our CFO, James E. Lorimer; and our three other most highly compensated executive officers in 2019). We refer to these individuals in this Circular as the Named Executive Officers.

Compensation Philosophy and Objectives

Our executive officer compensation program is designed to:

- provide motivation and incentives to our executives with a view to enhancing shareholder value and successfully implementing our business plans;
- attract and retain key employees;
- recognize the scope and level of responsibility of each position;
- provide a competitive level of total compensation to all of our executives; and
- reward superior performance and achievement.

We evaluate both performance and compensation to ensure that our compensation philosophy and objectives are met. We periodically review our executive officer compensation philosophy and program to ensure that they are consistent with our goal of attracting, retaining and motivating executive officers to enhance shareholder value. In 2019, those responsibilities were discharged by the Human Resources and Compensation Committee and the Board of Directors in the manner described above under the heading “Statement of Corporate Governance Practices – Committees of Our Board of Directors – Human Resources and Compensation Committee”.

Executive Compensation Process and Components

Process

In establishing the compensation of our CEO, President and CFO, the Human Resources and Compensation Committee takes the following approach:

- identify on a frequent basis the competitive market values of total compensation and the separate components of pay (including base salary, annual cash incentive awards and long-term compensation awards) for the CEO, President and CFO using benchmarking data;
- consider the strategic value of the role of the CEO, President and CFO to our company and retention risk to determine the target positioning of the respective roles of the CEO, President and CFO relative to competitive market value; and
- perform an evaluation of the performance of the CEO, President and CFO.

In evaluating the performance of the CEO, President and CFO, the Human Resources and Compensation Committee takes into account the following factors:

- performance relative to job responsibilities, which, in the case of the CEO, include contributions to strategic planning and execution, financial acumen in running the business, board relations, management development, and management of operations;
- key financial and non-financial achievements based on our annual financial results and the executive officer’s personal performance objectives; and
- self-evaluations of the performance of the CEO, President and CFO with respect to achieving non-financial objectives, contributions to the leadership team and overall leadership.

Decisions regarding the compensation of our other executive officers are made by the CEO and President, who annually review the performance of each member of our executive team during the year against our annual financial

results as well as achievements of personal performance objectives detailing accomplishments, areas of strength and areas of development. The CEO and President base their evaluations on their knowledge of each executive officer's individual performance and achievements relative to their job responsibilities. The weight ascribed to any one of the components of executive compensation varies from individual to individual. The CEO and President determine the total compensation for each of the executive officers and those decisions are then implemented. The Human Resources and Compensation Committee reviews and approves the CEO and President's determination as to the total compensation for each of the executive officers.

In 2018, Mr. Sifton served as our CEO and Mr. Cochrane served as our President until June 30, 2018. Following Mr. Sifton's retirement as an officer of the Corporation at that time, Mr. Cochrane served as our President and CEO for the balance of 2018. On April 8, 2019, Mr. Coté was appointed President, and Mr. Cochrane continued as our CEO.

In determining the compensation of the CEO, President and CFO, the Board of Directors may exercise its discretion to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout. The CEO and President may exercise similar discretion in determining the compensation of the other executive officers.

The Human Resources and Compensation Committee met in March 2020 to review DCM's preliminary financial results for 2019 and determine the basis on which to evaluate the performance in 2019 of the CEO, President and CFO.

Role of the Compensation Consultant

The Human Resources and Compensation Committee may engage compensation consultants or other advisors to provide information and advice to the Human Resources and Compensation Committee. We pay for the costs of those engagements.

Decisions made by the Human Resources and Compensation Committee are the responsibility of the Human Resources and Compensation Committee and may reflect factors and considerations other than the information and recommendations provided by third party, independent compensation consultants as required.

Neither the Human Resources and Compensation Committee nor our Board of Directors engaged an external compensation consultant or advisor in 2018 or 2019 to advise on executive compensation. However, the Corporate Governance Committee engaged an external compensation consultant in 2019 to advise it on director compensation. See "Director Compensation".

All Other Fees

We paid \$241,026 and \$370,056 to Mercer and its affiliates for consulting, actuarial, and defined benefit pension administration services in respect of our employee benefits plans in 2019 and 2018, respectively.

Components of Executive Compensation

During the year ended December 31, 2019, the components of compensation for our executive officers were:

- base salary;
- performance-based annual cash bonuses;
- performance-based grants under our long-term incentive plan in the form of restricted share units, or RSUs;
- non-performance-based RSUs granted under our long-term incentive plan;

- defined contribution pension plan;
- employee share ownership plan; and
- personal benefits and perquisites such as car allowances and healthcare insurance.

The mix of these components in any given year is primarily influenced by the individual performance of the executive officer, the financial performance of DCM and competitive market levels of compensation.

Base Salary

We provide our executive officers with base salary to compensate them for services rendered during the fiscal year and to aid in attracting and retaining quality employees. The base salary for each of our executive officers is reviewed annually or upon a promotion or other change in job responsibility, based on the individual's level of responsibility, the importance of the position to us and the individual's contribution to our performance.

Performance-Based Short-Term Incentive Compensation

The objective of including performance-based incentive compensation as part of the total compensation paid to our executive officers is to encourage and reward those individuals' contributions in producing strong financial and operational results and to focus our senior management to work as a team on our overall corporate results and strategic initiatives.

Our executive officers each have the opportunity to earn annual performance-based cash bonuses, which are awarded primarily on the basis of our consolidated financial objectives tied to target financial results of DCM for the relevant year. Those objectives are established by our Board of Directors, with the recommendation of the Human Resources and Compensation Committee. Executive officers are also awarded annual cash bonuses based on the executive's achievement of established personal performance objectives.

The weighting of financial objectives to personal objectives for each of the CEO, President and CFO in 2019 was 70% and 30%.

Under the terms of their employment agreements, in 2019 Mr. Cochrane and Mr. Coté were eligible to receive an annual performance bonus in an amount of up to 112.5% (with an annual bonus equal to 75% of annual base salary should the applicable performance metrics be achieved at target) and Mr. Lorimer was eligible to receive an annual performance bonus in an amount of up to 90% (with an annual bonus equal to 60% of annual base salary should the applicable performance metrics be achieved at target), respectively, of their base salary upon the achievement of performance metrics established by the Human Resources and Compensation Committee. In 2019, Alan Roberts and Christopher Lund were each eligible to receive an annual performance bonus in an amount of up to 90% (with an annual bonus equal to 60% of annual base salary should the applicable performance metrics be achieved at target) of their base salary upon the achievement of corporate and individual objectives established by the President. The weighting of financial objectives to personal objectives for each of Mr. Roberts and Mr. Lund was also 70% and 30%.

Performance-Based Financial Objectives

Payment of performance-based annual cash bonuses for the achievement of financial objectives for all of our executive officers is contingent upon the Corporation achieving a threshold amount of "Adjusted EBITDA" (being earnings before interest, taxes, depreciation and amortization, as adjusted for extraordinary or unusual items, including restructuring costs, goodwill impairment, one-time business reorganization and acquisition-related costs, and the incremental expected Adjusted EBITDA to be contributed by acquisitions completed during the fiscal year). Failure to achieve the target Adjusted EBITDA in the relevant year will result in a greater decline in the executive's cash bonus for that year, while exceeding the target will generate a greater increase in the amount of the bonus.

In 2019, 70% of the total potential annual performance bonus that each of our Named Executive Officers could earn was determined by the amount of "Adjusted EBITDA" generated by our company on a consolidated basis in 2019 in

relation to an incentive target Adjusted EBITDA threshold for each of the executive officers, with the amount of the bonus payable to the executive officer increasing or decreasing by a ratio based on the amount by which Adjusted EBITDA exceeded or fell short of those targets, with 100% of the target performance bonus paid at 100% achievement of the Adjusted EBITDA objective, up to the maximum amount payable to the applicable executive officer of up to 150% of target performance bonus payable at 110% or greater achievement of the Adjusted EBITDA objective, or 50% of the target performance bonus paid at 90% achievement of the Adjusted EBITDA objective, and 0% of target performance bonus payable at less than 90% of achievement of the Adjusted EBITDA objective.

In 2019, the Adjusted EBITDA threshold and related targets for the Named Executive Officers were established with consideration by the Human Resources and Compensation Committee, in each case at levels determined by reference to our confidential annual operating budget for 2019 approved by the Board of Directors in March 2019. The Adjusted EBITDA corporate financial objective for fiscal 2019 was \$27.3 million. We believe that the 2019 Adjusted EBITDA threshold and targets were a practical and realistic estimate of our financial performance for the fiscal 2019 year based upon the data, projections and analyses that we used to develop our annual operating budget, but that achievement of the targets was nevertheless difficult.

The Human Resources and Compensation Committee met in March 2020 to consider the Corporation's projected financial results in comparison to target financial results and discuss compensation for the Named Executive Officers and other participants in the Corporation's short-term incentive plan, or STIP. As at May 19, 2020, the 2019 financial statements of the Corporation have not been finalized and approved by the Board of Directors. Nonetheless, the Board of Directors believes that the Corporation did not achieve the minimum target threshold of Adjusted EBITDA, which would be payable at a minimum 90% threshold for STIP payments based on achievement of financial objectives (if that minimum threshold had been achieved, at which 50% of target performance bonus would be paid out to the Named Executive Officers and all other participants in the STIP, all of whom had the same corporate financial objective target). Accordingly, no payouts were made to the Named Executive Officers, nor to other employees eligible for compensation pursuant to the corporate financial objective for STIP.

For a discussion of our Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, refer to our most recent management's discussion and analysis, copies of which are available on SEDAR (www.sedar.com).

Performance-Based Personal Objectives

In 2019, the remaining 30% of the potential performance bonus awarded to each of our Named Executive Officers was based upon achievement of certain personal performance objectives which are determined on an annual basis by those individuals and the CEO or President, as the case may be, with consideration by the Human Resources and Compensation Committee in the case of the CEO, President and CFO.

In 2019, (i) Mr. Cochrane's personal performance objectives consisted of: exceed the Corporation's Adjusted EBITDA target for 2018; and complete a succession plan for his ultimate replacement and have in place his or her replacement; (ii) Mr. Coté's personal objectives consisted of: achievement by the Corporation on a consolidated basis of: (a) adjusted EBITDA of at least \$28.1 million; (b) total selling, general and administrative expenses as a percent of total revenues of 19% or less as; and gross margin as a percent of total revenues of at least 27%; (iii) Mr. Lorimer's personal performance objectives consisted of: lead capital markets initiatives, including capital raises to support strategic business initiatives; lead M&A activities including potential sales of non-core businesses; lead new strategic initiatives including evaluation of technologies and enhancements to DCM's core business; and develop and mentor the finance team and (iv) Mr. Lund's personal performance objectives consisted of: drive ideation process for 20+ new concept presentations to DCM's top 150 clients; develop and initiate Perennial-branded opportunities; develop and initiate digital product innovation team; and contribute to the overall strategy and evolution of DCM through active participation with investors, board members, clients and senior leadership.

Given the financial and operational challenges the Corporation experienced in 2019, Mr. Cochrane recommended to the Human Resources and Compensation Committee that no cash compensation be awarded to the senior leadership team nor to other employees eligible for personal performance-based objectives pursuant to STIP. The Committee subsequently made this recommendation to the Board, and it was accepted. Accordingly, none of Mr. Cochrane, Mr. Coté, Mr. Lorimer, or Mr. Lund earned any of the target bonus available to each of them under this portion of the bonus program in 2019 on the basis of the achievement of their personal performance targets. Mr. Roberts'

employment with the Corporation was terminated during the year and, as a result, he was not eligible for a performance-based bonus in 2019.

Long-Term Incentive Compensation

We maintain the LTIP for our directors, officers and other employees. See “Matters to be Acted Upon at the Meeting – Reconfirmation of the LTIP” for a summary of the terms of the LTIP.

RSUs Awarded Pursuant to Employment Agreements

Under the terms of their respective employment agreements, Mr. Cochrane and Mr. Coté are entitled to receive an annual non-performance-based grant of RSUs equal to 10% of their annual base salary at the time of the grant. In each case, those RSUs are granted under the LTIP. These RSUs are subject to cliff-vesting after three years, and, in the event that the executive is no longer a participant in the Corporation’s LTIP prior to vesting, would be forfeited.

2019 LTIP Awards of Performance Based and Non-Performance Based RSUs

In March 2019, the Human Resources and Compensation Committee recommended the award of certain performance and non-performance based RSUs, or the 2019 LTIP, to certain members of senior management of the Corporation. The 2019 LTIP was subsequently approved by our Board of Directors. Eligible participants in the 2019 LTIP received a number of RSUs, or the Awarded RSUs, based on a percentage of their base salaries, of which 75% were performance based and 25% were non-performance based. Each Awarded RSU represents the right to receive from the Corporation, as soon as reasonably practicable following the final vesting date, a distribution in an amount equal to the fair market value (on the final vesting date) of one Common Share, with vesting of Awarded RSUs as to one-third upon approval by the Board of Directors of the Corporation’s audited financial statements for fiscal 2019, one-third upon the Board’s approval of the Corporation’s audited financial statements for fiscal 2020 and one-third upon the Board’s approval of the Corporation’s audited financial statements for fiscal 2021, being the final vesting date.

2019 LTIP Performance-Based RSUs

The performance based RSUs for all participants were contingent upon the Corporation achieving a threshold amount of Adjusted EBITDA in fiscal 2019. Failure to achieve the target Adjusted EBITDA in the year would result in a greater decline in the number of performance-based RSUs for that year, while exceeding the target would generate a greater increase in the number of performance-based RSUs. The number of awarded performance based RSU’s is adjusted on the following basis: at less than 90% achievement of the Adjusted EBITDA objective, the performance-based RSUs are forfeited; at 90% achievement, the number of performance-based RSUs is adjusted down by 50%; if the Corporation achieves greater than 90% and up to 100% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 50% and 100%; if the Corporation achieves greater than 100% and up to 110% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 100% and 150%. The number of non-performance based RSUs is fixed.

Awarded RSUs under the 2019 LTIP are subject to forfeiture in accordance with the LTIP, and, in the case of performance-based awards, in the event that at least 90% of the target financial objective was not achieved during fiscal 2019.

Mr. Cochrane, Mr. Coté and Mr. Lorimer were each entitled under the terms of their employment agreements to receive a 2019 LTIP grant of RSUs equal to 40% of their respective annual base salaries. In 2019, Mr. Roberts and Mr. Lund were each granted RSUs equal to 25% of their respective annual base salaries. In 2019, the Adjusted EBITDA threshold for participants was established with consideration by the Human Resources and Compensation Committee, and was the same target Adjusted EBITDA threshold applicable to the performance-based financial objective applicable to short-term incentive compensation for the year.

As at May 19, 2020, the 2019 financial statements of the Corporation have not been finalized and approved by the Board of Directors. Nonetheless, the Board of Directors believes that the minimum Adjusted EBITDA performance metric threshold of 90% of target for fiscal 2019 will not be achieved by the Corporation, and accordingly the 2019

LTIP performance based awards for each of Mr. Cochrane, Mr. Coté, Mr. Lorimer, and Mr. Lund as well as for all other 2019 LTIP participants were forfeited.

2019 LTIP Non-Performance Based RSUs

The first one-third of the non-performance based RSUs for Mr. Cochrane, Mr. Coté, Mr. Lorimer and Mr. Lund, along with all other participants in the 2019 LTIP, will vest upon approval by the Board of Directors of the Corporation's fiscal 2019 financial results.

2018 LTIP Awards of Performance Based and Non-performance Based RSUs

In March 2018, the Human Resources and Compensation Committee recommended the award of certain performance and non-performance based RSUs, or the 2018 LTIP, to certain members of senior management of the Corporation. The 2018 LTIP was subsequently approved by our Board of Directors. Eligible participants in the 2018 LTIP received a number of RSUs, or the Awarded RSUs, based on a percentage of their base salaries, of which 75% were performance based and 25% were non-performance based. Each Awarded RSU represents the right to receive from the Corporation, as soon as reasonably practicable following the final vesting date, a distribution in an amount equal to the fair market value (on the final vesting date) of one Common Share, with vesting of Awarded RSUs as to one-third upon approval by the Board of Directors of the Corporation's audited financial statements for fiscal 2018, one-third upon the Board's approval of the Corporation's audited financial statements for fiscal 2019 and one-third upon the Board's approval of the Corporation's audited financial statements for fiscal 2020, being the final vesting date.

2018 LTIP Performance-Based RSUs

The performance based RSUs for all participants were contingent upon the Corporation achieving a threshold amount of Adjusted EBITDA in fiscal 2018. Failure to achieve the target Adjusted EBITDA in the year would result in a greater decline in the number of performance-based RSUs for that year, while exceeding the target would generate a greater increase in the number of performance-based RSUs. The number of awarded performance based RSU's is adjusted on the following basis: at less than 90% achievement of the Adjusted EBITDA objective, the performance-based RSUs are forfeited; at 90% achievement, the number of performance-based RSUs is adjusted down by 50%; if the Corporation achieves greater than 90% and up to 100% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 50% and 100%; if the Corporation achieves greater than 100% and up to 110% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 100% and 150%. The number of non-performance based RSUs is fixed.

Awarded RSUs under the 2018 LTIP are subject to forfeiture in accordance with the LTIP, and, in the case of performance-based awards, in the event that at least 90% of the target financial objective was not achieved during fiscal 2018.

Mr. Cochrane and Mr. Lorimer were each entitled under the terms of their employment agreements to receive a 2018 LTIP grant of RSUs equal to 40% of their respective annual base salaries. In 2018, Mr. Roberts and Mr. Coté were each granted RSUs equal to 25% of their respective annual base salaries. Mr. Lund was not a participant in the 2018 LTIP.

In 2018, the Adjusted EBITDA threshold for participants was established with consideration by the Human Resources and Compensation Committee, and was the same target Adjusted EBITDA threshold applicable to the performance-based financial objective applicable to short-term incentive compensation for the year.

As the minimum Adjusted EBITDA performance metric threshold of 90% of target for fiscal 2018 was not achieved by the Corporation, with the Corporation's actual financial results being 86% of target adjusted EBITDA financial threshold, the 2018 LTIP performance based awards for Mr. Cochrane, Mr. Coté, Mr. Lorimer, and Mr. Roberts as well as for all other 2018 LTIP participants would have been forfeited.

At the meeting of the Human Resources and Compensation Committee in March 2018, as more fully described under "*Components of Executive Compensation, Performance-Based Short-Term Incentive Compensation, Performance-*

Based Financial Objectives”, the Human Resources and Compensation Committee also considered the Corporation’s actual financial results in comparison to target financial results and compensation for the Named Executive Officers and other participants in the Corporation’s LTIP.

The Human Resources and Compensation Committee considered similar factors relating to the failure to meet the Adjusted EBITDA target as it had with regards to the STIP incentive compensation, together with other considerations with regards to performance and compensation of senior management, and determined to recommend to the Board of Directors that, due to exceptional circumstances, payouts for the performance based RSU awards for the Named Executive Officers and other 2018 LTIP participants be made at 25% of their target payout. The Board of Directors accepted this recommendation and approved the grant of 2018 LTIP performance-based awards at 25% of the target threshold for all 2018 LTIP participants.

Accordingly, the first one-third of the 2018 LTIP performance based RSUs at 25% of target award for Mr. Cochrane, Mr. Coté, Mr. Lorimer and Mr. Roberts vested on March 21, 2019, upon approval by the Board of Directors of the Corporation’s fiscal 2018 financial results. The second one-third of the 2018 LTIP performance based RSUs for Mr. Cochrane, Mr. Coté and Mr. Lorimer will vest upon approval by the Board of Directors of the Corporation’s fiscal 2019 financial results.

2018 LTIP Non-Performance Based RSUs

The second one-third of the non-performance based RSUs for Mr. Cochrane, Mr. Coté, Mr. Lorimer and Mr. Roberts, along with all other participants in the 2018 LTIP, will vest upon approval by the Board of Directors of the Corporation’s fiscal 2019 financial results.

DSUs

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to issue DSUs, subject to such vesting and other terms and conditions, not inconsistent with the terms of the LTIP, as our Board of Directors may propose in its sole and absolute discretion. A DSU is a right to receive, on a deferred payment basis, a Common Share or the cash equivalent of a Common Share on the terms contained in the LTIP. The amount will not be paid out until such time as the recipient leaves us, thereby providing an ongoing equity stake throughout the recipient’s period of service. A DSU award may be settled in Common Shares, cash, or in any combination of both. However, a determination to settle a DSU in whole or in part in cash may be made by our Board of Directors or the Human Resources and Compensation Committee, in its sole discretion.

On March 14, 2018, the Board of Directors authorized the introduction of a DSU plan for directors, whereby each director was given the option to elect to receive all or part of his or her compensation in DSUs, commencing effective April 1, 2018. Each DSU represents the right to receive a distribution from the Corporation in an amount equal to the fair value of one Common Share on the date of the termination of service of the respective director. The number of DSUs payable to each director is determined by multiplying the total director fees payable by the amount of compensation elected to be paid in DSUs and dividing the product by the fair value of one Common Share on the grant date. DSUs granted in 2018 and 2019 are intended to be cash settled. During 2019, 389,941 DSUs (2018, 86,924 DSUs) were granted to directors. Pursuant to the anti-dilution provisions of the LTIP, the number of DSUs granted in 2019 were subsequently adjusted to 425,036 (2018, 94,747).

Stock Options

In March 2018, our Board of Directors granted stock options to acquire up to 1,200,000 Common Shares to members of the Corporation’s executive management and the members of the Board of Directors, to recognize their contributions to the Corporation’s initiatives over the past year. Once vested, the stock options are exercisable for a period of seven years from the grant date at an exercise price of \$1.41 per share, representing the fair value of the Common Shares on the date of grant. Stock options to purchase up to a total of 1,040,000 Common Shares were awarded to the members of the Corporation’s executive management team and vest at a rate of 1/36th per month beginning on March 14, 2018. Of the stock options that were awarded to the members of the Corporation’s executive management team, stock options to purchase up to 200,000 Common Shares were awarded to each of Mr. Cochrane,

Mr. Coté, Mr. Lorimer, and Mr. Roberts, respectively, and stock options to purchase up to 40,000 Common Shares were awarded to Mr. Sifton. Of the stock options that were awarded to the members of the Corporation's Board of Directors, stock options to purchase up to 40,000 Common Shares were awarded to each of Mr. Ward, Mr. Albino, Mr. Murray and Mr. Watchorn.

In March 2019, our Board of Directors granted stock options to acquire up to 40,000 Common Shares to Ms. Jones, a director of the Corporation, to recognize her contributions to the Corporation's initiatives over the past year. Once vested, the stock options are exercisable for a period of seven years from the grant date at an exercise price of \$1.41 per share, representing the fair value of the Common Shares on the date of grant.

Pursuant to the anti-dilution adjustment provisions of the LTIP, the exercise price of stock options granted in 2018 and 2019 with an exercise price of \$1.41 per share were adjusted to an exercise price of \$1.29 per share, and stock options issued in 2016 with an exercise price of \$1.50 per share were subsequently adjusted to an exercise price of \$1.38 per share, in each case as a result of the rights offering completed by the Corporation in December 2019. In addition, these anti-dilution adjustments resulted in the number of options previously awarded to each individual being adjusted by a factor of 1:1.09, and accordingly the total number of options outstanding was adjusted from 1,456,409 to 1,587,486.

Pension Plans

Our executive officers participate in the same defined contribution pension plan as our other employees.

The objective of including pension plans as part of our executive compensation program is to provide retirement benefits and additional retirement income security for officers who remain with us for an extended period of time.

Personal Benefits and Perquisites

We provide our employees, including the Named Executive Officers, with other personal benefits and perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain quality employees for key positions. We periodically review the levels of other personal benefits and perquisites provided to the Named Executive Officers to ensure competitiveness and value to employees. The Named Executive Officers are given a car allowance and are entitled to reimbursement of a portion of certain business-related travel and entertainment expenses and participate in the pension plans described above.

Our executive officers participate in healthcare and other benefit programs on the same terms as our other employees.

Claw-Backs

We have not implemented any claw-back policy that would adjust or attempt to recover incentive compensation payable or paid to any executive officers if the performance objectives upon which the compensation was based were to be restated or otherwise adjusted in a manner that would have the effect of reducing the amount payable or paid.

Assessment of Risks Associated with Our Compensation Policies and Practices

We have assessed our compensation plans and programs for all our employees, including our executives, to ensure alignment of the various plans and programs with our business plan and to evaluate the potential risks associated with those plans and programs. We have concluded that, although we maintain performance-based incentive plans, our compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on us.

The Human Resources and Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing such plans and the elements described below with respect to such plans and programs have generally been implemented by or at the direction of the Human Resources and Compensation Committee.

In undertaking the assessment, the management team and the Human Resources and Compensation Committee considered the following features of our executive compensation plans and programs:

- a detailed planning process with executive or Human Resources and Compensation Committee oversight exists for all compensation programs;
- the proportion of an employee's performance-based pay increases as the responsibility and potential impact of the employee's position increases;
- all short-term incentive plans and commission plans are cash-based plans, which results in less total compensation being tied solely to the performance of the Common Shares;
- we set performance goals that we believe are reasonable in light of past performance and market conditions;
- for performance-based financial objective targets, we have used a consistent corporate performance metric for short-term cash compensation incentives, Adjusted EBITDA, from year to year, rather than changing the metric to take advantage of changing market conditions, and in 2017 we introduced Adjusted EBITDA as the corporate performance metric for our long-term incentives;
- we historically used time-based vesting after three years for our long-term equity awards and in 2017 we introduced graded vesting over three years for certain of our long-term incentive awards, with any payouts to be made after the end of the final year of vesting in order to ensure our employees' interests are aligned with those of our shareholders for our long-term performance;
- assuming achievement of at least a threshold level of performance, payouts under our performance-based plans result in some compensation at levels below full target achievement, rather than an "all-or-nothing" approach; and
- through their participation in the LTIP, all members of our senior management have a component of their leadership incentive plans tied to our overall performance to ensure cross-functional alignment with our business plan.

None of our executive officers or directors is permitted to purchase 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 our equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information concerning the compensation earned by the Named Executive Officers for the period from January 1, 2017 to December 31, 2019. Compensation is presented for the fiscal year ended December 31, 2019 to the extent that the Named Executive Officer was an employee during that period.

<u>Name and principal position</u>	<u>Year</u>	<u>Salary</u>	<u>Share-based awards⁽²⁾</u>	<u>Option-based awards</u>	<u>Non-equity incentive plan compensation</u>	<u>Pension value⁽³⁾</u>	<u>All other compensation</u>	<u>Total Compensation</u>
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
					Annual incentive plans ⁽¹⁾			
Gregory J. Cochrane, Chief Executive Officer ⁽⁴⁾	2019	430,769	99,999 ⁽⁸⁾	-	-	6,750	30,450	567,968
	2018	346,154	137,500 ⁽⁹⁾	136,000 ⁽⁷⁾	215,625	6,625	9,969	851,873
	2017	500,000	99,998 ⁽¹⁰⁾	-	168,750	577	14,400	783,725
Michael Coté, President ⁽⁵⁾	2019	375,385	80,172 ⁽¹¹⁾	-	-	6,854	29,712	492,123
	2018	318,846	31,718 ⁽¹²⁾	136,000 ⁽⁷⁾	132,000	1,292	12,000	631,856
	2017	81,423	-	-	50,000	-	3,369	134,792
James E. Lorimer, Chief Financial Officer	2019	350,000	34,999	-	-	6,808	18,044	409,851
	2018	350,000	61,249	136,000 ⁽⁷⁾	142,800	6,579	12,000	708,628
	2017	348,077	35,001	-	138,594	-	12,000	533,672
Alan Roberts, Senior Vice-President, Operations	2019	121,074	-	-	-	5,391	375,917 ⁽¹³⁾	502,382
	2018	260,100	28,448	136,000 ⁽⁷⁾	86,294	6,524	12,000	529,366
	2017	260,100	16,250	-	88,112	5,102	12,000	381,564
Christopher Lund, Chief Creative & Innovation Officer ⁽⁶⁾	2019	400,000	24,999	-	-	-	37,750	462,749
	2018	259,230	-	-	153,542	-	7,783	420,555
	2017	-	-	-	-	-	-	-

Notes:

- (1) Represents annual cash bonuses earned during the year. These amounts are paid in the subsequent year, except for a special bonus of \$50,000 which was awarded to Mr. Lorimer related to the refinancing of the Corporation's senior credit facilities in March 2016 and paid in 2017.
- (2) Represents the fair market value of RSU awards granted to the Named Executive Officers (NEO) determined using the market value of the Common Shares on the date of grant. RSU awards granted to the NEOs as a result of their employment agreements cliff vest over three years. RSU awards granted to the NEO under the Corporation's LTIP vest as follows: 1/3 after 12 months; 1/3 after 24 months; and 1/3 after 36 months.
- (3) Represents the sum of the compensatory amounts related to the Corporation's defined contribution pension plan.
- (4) Mr. Cochrane was first appointed an officer of the Corporation on November 26, 2017. He served as the President of the Corporation until June 30, 2018, at which point he was appointed President and Chief Executive Officer of the Corporation and served in that capacity for the remainder of 2018. On April 8, 2019, Mr. Cochrane continued to serve as Chief Executive of Corporation. During 2019, Mr. Cochrane elected to reduce his base salary from \$500,000 to \$400,000 per annum. Other elements of his incentive-based compensation, including awards under the STIP, LTIP, ESOP, pension and other benefits continue to be calculated based on an effective \$500,000 salary level, including termination and change of control provisions in his employment agreement.
- (5) In September 2017, Mr. Coté was appointed as the Corporation's Senior Vice President, Corporate Development and Strategy, in November 2017 he was appointed Senior Vice President, Chief Commercial Officer of the Corporation and on April 8, 2019 he was appointed as President of the Corporation. During 2019, Mr. Coté elected to reduce his base salary from \$500,000 to \$400,000 per annum. Other elements of his incentive-based compensation, including awards under the STIP, LTIP, ESOP, pension and other benefits continue to be calculated based on an effective \$500,000 salary level, including termination and change of control provisions in his employment agreement.
- (6) On May 8, 2018, Mr. Lund was appointed as Chief Creative & Innovation Officer of the Corporation.
- (7) Consists of options to acquire Common Shares at an exercise price of \$1.41 per share and vest at a rate of 1/36th per month, commencing on March 14, 2018. Pursuant to the anti-dilution provisions of the LTIP, the exercise price of these stock options granted in 2018 with

- an exercise price of \$1.41 per share were subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019.
- (8) 37,593 RSUs awarded under Mr. Cochrane's employment agreement and 35,461 RSUs awarded under LTIP had a value of approximately \$17,533 as of December 31, 2019.
 - (9) RSUs awarded to Mr. Cochrane had a value of approximately \$25,704 as of December 31, 2019.
 - (10) RSUs awarded to Mr. Cochrane had a value of approximately \$11,166 as of December 31, 2019.
 - (11) 28,681 RSUs awarded under Mr. Cote's employment agreement and 29,806 RSUs awarded under LTIP had a value of approximately \$14,037 as of December 31, 2019.
 - (12) RSUs awarded to Mr. Cote had a value of approximately \$5,399 as of December 31, 2019.
 - (13) Includes incremental payments, payables and benefits to Mr. Roberts as a result of the termination of his employment with the Corporation on June 3, 2019.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets forth information regarding option-based awards and share-based awards to Named Executive Officers that were outstanding at December 31, 2019. All values shown in the table are based upon the closing price of the Common Shares of \$0.24 per share on December 31, 2019 (the last trading day on the TSX in 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 (\$)	Number of shares or units of shares that have not been vested ⁽³⁾ (#)	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 (\$)
Gregory J. Cochrane	200,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	190,778	45,787	9,367
Michael Cote	200,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	73,484	17,636	1,800
James. E. Lorimer	117,032 ⁽¹⁾ 200,000 ⁽²⁾	1.50 ⁽¹⁾ 1.41 ⁽²⁾	June 23, 2023 March 14, 2025	- -	59,108	14,186	6,032
Christopher Lund	-	-	-	-	17,730	4,255	-
Alan Roberts	-	-	-	-	-	-	2,801

Notes:

- (1) The options held by the Named Executive Officers at December 31, 2019 vest over a two-year period from the date of grant at the rate of 1/24th per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2016 with an exercise price of \$1.50 per share was subsequently adjusted to an exercise price of \$1.38 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2019 was adjusted by a factor of 1:1.09.
- (2) The options held by the Named Executive Officers at December 31, 2019 vest over a three-year period from the date of grant at the rate of 1/36th per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2018 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2019 was adjusted by a factor of 1:1.09.
- (3) Pursuant to the anti-dilution terms of the LTIP, the number of RSUs outstanding at December 31, 2019 was adjusted by a factor of 1:1.09, in connection with the rights offering completed by the Corporation in December 2019.

Value Vested or Earned During the Year

The following table discloses the aggregate dollar value that would have been realized if the options granted to Named Executive Officers had been exercised on the applicable vesting date, the aggregate value realized upon vesting of

share-based awards and the value of non-equity incentive plan compensation earned, in each case during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gregory J. Cochrane	45,334	9,367	-
Michael Coté	45,334	1,800	-
James E. Lorimer	45,334	6,032	-
Alan Roberts	-	2,801	-
Christopher Lund	-	-	-

Pension Plans

We maintain a defined benefit and defined contribution pension plan or the DCM Plan, for certain of our employees. We also contribute to the Québec Graphics Communications Pension Plan for certain employees at our Drummondville plant in Québec. Prior to 2018, contributions were made to a similar plan, the Québec Graphics Communications Supplemental Retirement and Disability Fund. We also contribute to a number of multi-employer, defined benefit employee pension and non-pension benefit plans which are administered by Unifor Local 591G for our hourly employees at our Toronto, Ontario plant. Effective January 1, 2008, the DCM Plan was amended such that no further service credits will accrue under the defined benefit provision of the DCM Plan, after December 31, 2007, although pensionable earnings on and after January 1, 2008 will be factored into the determination of a participant's final average earnings. For more information regarding our pension plans, please refer to our most recent annual management's discussion and analysis filed on www.sedar.com.

Defined Contribution Plans

The following table sets forth information regarding the present value of accumulated benefits for each of the Named Executive Officers under the defined contribution provision of the DCM Plan as of December 31, 2019.⁽¹⁾

<u>Name</u>	<u>Accumulated value at start of year</u> (\$)	<u>Compensatory</u> (\$)	<u>Accumulated value at year end</u> (\$)
Gregory J. Cochrane	20,060	6,750	44,481
Michael Coté	3,243	6,854	26,352
James E. Lorimer	17,745	6,808	43,027
Alan Roberts	102,814	5,391	-
Christopher Lund	-	-	-

Notes:

(1) The table includes an additional matching contribution by the Corporation.

The Corporation allows all eligible employees, including the Named Executive Officers, to participate in the defined contribution provision of the DCM Plan after one year of service on an optional basis, and on a mandatory basis after three years of service. The defined contribution provision of the DCM Plan is based on a contribution by the employee of a percentage of his or her earnings, which is matched 50% by the Corporation. Earnings include base pay, commissions, bonuses and variable compensation. The contribution rate for the plan is based on the employee's years of service with the Corporation and its predecessors at the beginning of each fiscal year, as outlined below. Rate changes take effect as of January 1 of each year.

The following table sets forth information regarding the respective levels of contribution by the Corporation and its employees under the defined contribution provision of the DCM Plan, based upon the employee's years of service with the Corporation and its predecessors.

<u>Years of Service as at January 1</u>	<u>Contribution of Named Executive Officer</u>	<u>Contribution of the Corporation⁽¹⁾</u>	<u>Total Contribution</u>
Fewer than 5 years (with a minimum of 1 year)	1% - 3%	0.5% - 1.5%	1.5% - 4.5%
5 years or more, but fewer than 15 years	1% - 4%	0.5% - 2%	1.5% - 6%
15 years or more	1% - 5%	0.5% - 2.5%	1.5% - 7.5%

Note:

(1) Except for those persons who participate in the defined benefit provision of the DCM Plan, who receive an additional one percent.

Pursuant to the defined contribution provision of the DCM Plan, and subject to the exception noted in the above table, the Corporation makes annual contributions up to a maximum of 2.5% of the employee's earnings. Employees are permitted to make additional voluntary contributions to the plan, but the Corporation will not match those additional contributions. The total mandatory and voluntary employee contributions and the Corporation's matching contributions are subject to limits under the *Income Tax Act* (Canada). These limits are updated annually and, in 2019, the annual contribution limit was the lesser of 18% of the employee's earned income and \$27,230, rising to 27,830 in 2019. Funds are accumulated in the employee's account, following which the employee determines how the contributions will be invested by selecting from a group of funds available for the plan and administered by a Canadian financial services company as chosen by the Corporation. If the employee does not make an investment selection or makes an incomplete selection, the contributions will be invested in a default fund. Contributions on behalf of the Named Executive Officers are included in the "Non-Equity Incentive Plan Compensation – Long-term Incentive Plans" column in the Summary Compensation Table in this "Executive Compensation" section of this Circular. Upon retiring or leaving the Corporation, the Named Executive Officer will have choices in arranging for the transfer of his pension account pursuant to the defined contribution pension plan.

Termination and Change of Control Benefits

Termination of Employment of Named Executive Officers

Mr. Cochrane, Mr. Coté, Mr. Lorimer and Mr. Lund are each entitled to the provision of benefits upon (i) the involuntary termination of his employment without cause; and (ii) the voluntary termination of his employment within a period of three months (or, in the case of Mr. Lund, a period of six months) from the occurrence of a change of control. For purposes of Mr. Cochrane's, Mr. Lorimer's, Mr. Coté's and Mr. Lund's employment agreements with the Corporation, a "change of control" is defined as the occurrence of any of the following events: (i) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario), whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation; (ii) an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination; (iii) the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates; (iv) the adoption of a resolution to wind-up, dissolve or liquidate the Corporation; or (v) as a result of, or in connection with, a contested election of directors of the Corporation or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the Board. Mr. Roberts' employment with the Corporation was terminated in 2019.

Under the terms of their respective employment agreements, Mr. Cochrane, Mr. Lorimer and Mr. Coté (referred to below as the executive), are entitled to the following amounts in the event of the termination of their employment with the Corporation in the circumstances described below under the heading “Event”:

Event

Voluntary Termination following a Change of Control or Involuntary Termination without Cause

Payment

A lump sum payment equal to:

- The executive’s annual base salary, plus annual bonus (calculated based on the average annual bonus paid to the executive in the last two fiscal years ended immediately preceding the date of termination of his employment with the Corporation), plus any cash payments made in the applicable year to settle outstanding LTIP awards that are, by their terms, cash settled and that would otherwise have been paid to the executive had his employment with the Corporation continued for: (A) a period of twelve months following the date of termination if the date of termination occurs up to one year following the commencement of his employment with the Corporation; or (B) a period of twelve months following the date of termination plus an additional three months for each year of employment with the Corporation completed by the executive as of the date of termination, up to a maximum of 24 months, if the date of termination occurs more than one year following the commencement of his employment with the Corporation (we refer to the period in clause (A) or (B) above, as applicable, as the Severance Period); and
- accrued and unpaid annual base salary and vacation pay earned up to the date of termination; and
- continued participation for the Severance Period in those benefit plans generally available to the employees of the Corporation immediately prior to the termination of his employment. Those plans and programs currently consist of health care insurance and the Corporation’s defined contribution pension plan. If the terms and conditions of those benefits plans or the pension plan do not permit the continued participation of the executive or his dependents, as applicable, for any period between the date of termination and the expiry of the Severance Period, the Corporation will pay to the executive a lump sum payment equal to the premiums that the Corporation would have otherwise paid to maintain the participation of the executive or his dependents, as applicable, in such benefits plans or the pension plan during such period.

Under the terms of their respective employment agreements, Mr. Lund (referred to below as the executive), are entitled to the following amounts in the event of the termination of their employment with the Corporation in the circumstances described below under the heading “Event”:

Event

Payment

Voluntary Termination following a Change of Control

A lump sum payment equal to:

- The executive’s annual base salary, plus annual bonus (calculated based on the average annual bonus paid to the executive in the last two fiscal years ended immediately preceding the date of termination of his employment with the Corporation), plus any cash payments made in the applicable year to settle outstanding LTIP awards that are, by their terms, cash settled and that would otherwise have been paid to the executive had his employment with the Corporation continued for a period of twelve months following the date of termination; and
- accrued and unpaid annual base salary and vacation pay earned up to the date of termination; and
- continued participation for the Severance Period in those benefit plans generally available to the employees of the Corporation immediately prior to the termination of his employment. Those plans and programs currently consist of health care insurance and the Corporation’s defined contribution pension plan. If the terms and conditions of those benefits plans or the pension plan do not permit the continued participation of the executive or his dependents, as applicable, for any period between the date of termination and the expiry of the Severance Period, the Corporation will pay to the executive a lump sum payment equal to the premiums that the Corporation would have otherwise paid to maintain the participation of the executive or his dependents, as applicable, in such benefits plans or the pension plan during such period.

Involuntary Termination without Cause

A lump sum payment equal to:

- The executive’s annual base salary, plus annual bonus (calculated based on the average annual bonus paid to the executive in the last two fiscal years ended immediately preceding the date of termination of his employment with the Corporation), plus any cash payments made in the applicable year to settle outstanding LTIP awards that are, by their terms, cash settled and that would otherwise have been paid to the executive had his employment with the Corporation continued for: (A) a period of twelve months following the date of termination if the date of termination occurs up to one year following the commencement of his employment with the Corporation; or (B) a period of twelve months following the date of termination plus an additional one month for each year of employment with the Corporation completed by the executive as of the date of termination, up to a maximum of 24 months, if the

date of termination occurs more than one year following the commencement of his employment with the Corporation (we refer to the period in clause (A) or (B) above, as applicable, as the Severance Period); and

- accrued and unpaid annual base salary and vacation pay earned up to the date of termination; and
- continued participation for the Severance Period in those benefit plans generally available to the employees of the Corporation immediately prior to the termination of his employment. Those plans and programs currently consist of health care insurance and the Corporation's defined contribution pension plan. If the terms and conditions of those benefits plans or the pension plan do not permit the continued participation of the executive or his dependents, as applicable, for any period between the date of termination and the expiry of the Severance Period, the Corporation will pay to the executive a lump sum payment equal to the premiums that the Corporation would have otherwise paid to maintain the participation of the executive or his dependents, as applicable, in such benefits plans or the pension plan during such period.

Confidentiality, Non-competition and Non-solicitation Covenants

The respective employment agreements between the Corporation and Mr. Cochrane, Mr. Coté, Mr. Lorimer and Mr. Lund each provide for confidentiality, non-solicitation and non-competition covenants in favour of the Corporation. The non-solicitation and non-competition covenants in Mr. Cochrane's, Mr. Coté's Mr. Lorimer's and Mr. Lund's employment agreements apply during the term of their employment and, in the case of the non-competition and client non-solicitation covenants, for one year (or in the case of Mr. Lund, for two years) following their resignation or the termination of employment by the Corporation for any reason and, in the case of the employee and consultant non-solicitation covenant, for two years following either such event. In each case, those agreements also provide for a waiver by the executive of all defences related to the non-solicitation and non-competition covenants and entitle the Corporation to monetary damages that flow from breach of said covenants and injunctive relief in the event of such breach.

Other Executive Officers

We have generally provided separation benefits to executive officers who are asked to leave us for reasons other than cause. Those benefits are not contractual and are subject to approval by our Board of Directors. In determining the amount and extent of any separation benefits, we typically take into account factors such as length of service, individual accomplishments and performance, and the value of benefits forfeited through termination. Generally, separation benefits are not available for executive officers who voluntarily resign or retire. Our Board of Directors has not adopted any policy with respect to executive officer separation benefits, and there is no guarantee that any executive officer termination in the future will be handled in the same way as past terminations.

Certain of our other executive officers are, under the terms of their employment agreements, entitled to lump sum payments based on their annual compensation in the event of a voluntary termination of their employment with the Corporation following a change of control of the Corporation.

In the event of termination of employment, all of the Named Executive Officers are entitled to receive any benefits that they would otherwise be entitled to receive under any provision of our pension plan. Benefits under that plan are generally not affected by whether a participant's employment terminates with or without cause.

LTIP Payments Upon a Change of Control

Under the LTIP, in the event of a change of control of the Corporation, our Board of Directors or the Human Resources and Compensation Committee will have discretion to, among other things, accelerate the vesting of outstanding awards, settle outstanding awards in cash or exchange outstanding awards for similar awards of a successor company. A change of control will generally be deemed to have taken place for purposes of the LTIP upon the occurrence of any of the following, in one transaction or a series of related transactions:

- the acquisition by any person or persons acting jointly or in concert, whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation;
- an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;
- the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates;
- the adoption of a resolution to wind-up, dissolve or liquidate the Corporation;
- as a result of, or in connection with, a contested election of directors of the Corporation, or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the board; or
- any other transaction that is deemed to be a “Change in Control” for the purposes of the LTIP by our Board of Directors in its sole and absolute discretion.

Summary of Incremental Termination and Change of Control Payments

The following table describes the estimated incremental payments, payables and other benefits that would have been received by Mr. Cochrane, Mr. Lorimer, Mr. Coté, or Mr. Lund if there had been a change of control of the Corporation or Mr. Cochrane’s, Mr. Lorimer’s, Mr. Coté’s, or Mr. Lund’s employment with the Corporation had been involuntarily terminated as of December 31, 2019. Mr. Roberts’ employment with the Corporation was involuntarily terminated during 2019.

<u>Name</u>	<u>Voluntary Termination Following a Change of Control⁽¹⁾</u>	<u>Involuntary Termination of Employment⁽¹⁾</u>	<u>Voluntary Termination of Employment⁽¹⁾</u>
	(\$)	(\$)	(\$)
Gregory J. Cochrane	984,212	984,212	28,846
Michael Coté	787,582	787,582	28,846
James E. Lorimer	827,161	827,161	13,462
Christopher Lund	489,883	516,418	23,077

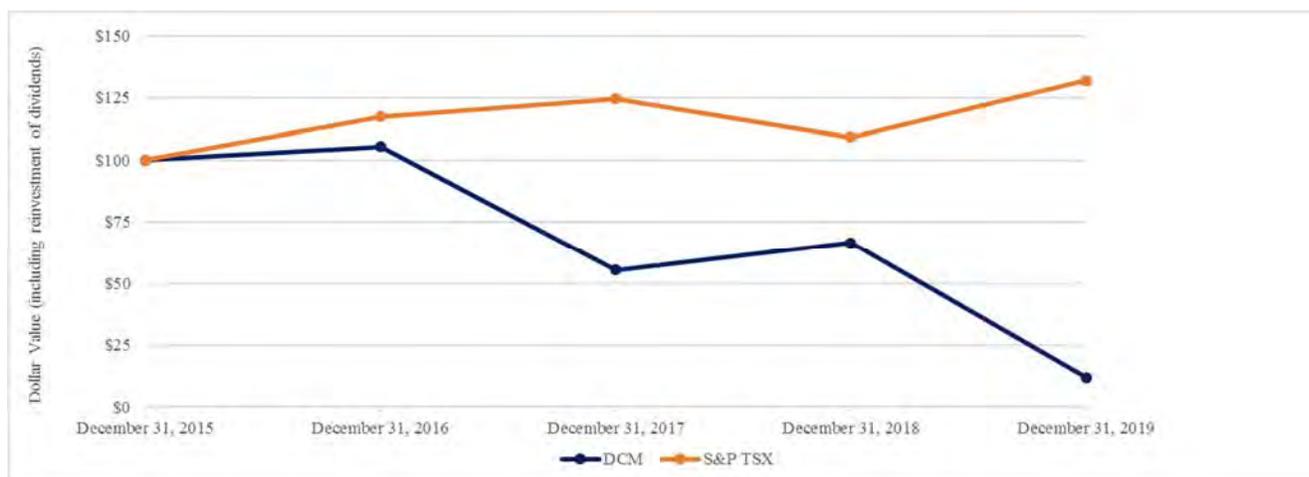
Note:

- (1) Includes lump sum payment or continuance of salary, performance bonus, LTIP payments, perquisites, and provision of benefits. Amounts calculated with respect to performance bonuses and LTIP payments include actual bonuses.

Performance Graph

The following graph compares the percentage change in the cumulative or shareholder return on the Common Shares compared to the cumulative total return of the S&P/TSX Composite Index for the period commencing December 31, 2015 to December 31, 2019 based on the price of the Common Shares, as applicable, assuming a \$100 investment on December 31, 2014 and reinvestment of distributions or dividends, as applicable.

During 2016, the price of the Common Shares performed positively following the 100 for 1 share consolidation completed by the Corporation in mid-2016, and then was negatively impacted by the financial results reported by the Corporation in the second half of 2016, ending the year at a level that was roughly comparable to the Common Share price at the beginning of the year, on a post-consolidation basis. As of December 31, 2016, base salary paid to our Named Executive Officers at that time increased on average by 8.1% to reflect the rate of inflation and maintain competitive salary levels, while total compensation (excluding severance and retirement related payments) paid to the top four Named Executive Officers at that time had increased by 16.3% since 2015. This increase primarily related to options to purchase Common Shares awarded to the Corporation's executive management team in recognition of their contributions over the prior year, which included the establishment of new senior credit facilities of the Corporation on March 10, 2016 and the completion of various restructuring and productivity improvement initiatives such as the closure of its large Edmonton, Alberta manufacturing facility during the fourth quarter of 2016. During 2017, the performance of the Common Shares declined relative to 2016, decreasing approximately 47% over that period. We believe that the depreciation in the value of the Common Shares was largely attributable to weaker financial results in the last two quarters of 2016, which continued with weaker financial results in the first quarter of 2017. In addition, the Corporation completed a rights offering at \$1.40 per Common Share, which contributed to a lower share price in mid 2017, which, together with the proceeds from additional debt and equity financings, enabled the Corporation to repay the remainder of its outstanding 6.00% convertible unsecured subordinated Debentures. As of December 29, 2017, base salary paid to our Named Executive Officers at that time increased on average by 7.3% to reflect the rate of inflation and maintain competitive salary levels. Total compensation (excluding severance related payments) paid to the Named Executive Officers at that time increased by 2.3% since 2016. The increase primarily related to incremental compensation associated with the separation of the CEO and President's responsibilities into two separate positions and certain changes in senior personnel included in the calculation. As of December 29, 2018, base salary paid to our Named Executive Officers at that time increased on average by 30.4% and total compensation paid to the Named Executive Officers at that time increased by 31.4% since 2017 to reflect the additional roles added to the executive management team and was partially offset by the consolidation of the CEO and President's responsibilities into one position in 2018. The increase in total compensation also included options to purchase Common Shares awarded to the Corporation's executive management team in recognition of their contributions over the prior year. As of December 31, 2019, base salary paid to our Named Executive Officers at that time decreased on average by 18.4% and total compensation paid to the Named Executive Officers at that time decreased by 32.1% since 2018, reflecting the elections by Messrs Cochrane and Coté to reduce each of their respective annual base salaries by \$100,000 per annum in 2019. In addition, no personal performance base bonus awards were paid in 2019 to the Named Executive Officers, which was partially offset by incremental payments to Mr. Roberts in connection with the termination of his employment with the Corporation during 2019.



Cumulative Value of \$100 Investment in the Common Shares⁽¹⁾ and the S&P/TSX Composite Index.

	<u>Dec. 31/2015</u>	<u>Dec. 31/2016</u>	<u>Dec. 31/2017</u>	<u>Dec. 31/2018</u>	<u>Dec. 31/2019</u>
Nominal Data:					
Common Shares	\$100	\$105.50	\$55.50	\$66.50	\$12.00
S&P/TSX Composite Index	\$100	\$117.51	\$124.59	\$109.32	\$131.96

DIRECTOR COMPENSATION

The Corporate Governance Committee, which consists solely of independent directors, has the primary responsibility for reviewing and considering any revisions to director compensation.

Effective April 1, 2019, compensation of directors consisted of the following elements:

- annual retainer of \$60,000 (previously, \$30,000) (other than the Chair of the Board of Directors), with half payable in cash and half payable in DSUs;
- annual retainer fee of \$90,000 (previously, \$65,000) for the Chair of the Board of Directors, with half payable in cash and half payable in DSUs;
- Audit Committee chair annual fee of \$15,000 (previously, \$10,000) and per member fees of \$5,000 (previously, \$500 per meeting);
- Corporate Governance Committee chair annual fee of \$7,000 (previously, \$3,000) and per member fees of \$3,000 (previously, \$500 per meeting);
- Human Resources and Compensation Committee chair annual fee of \$10,000 (previously, \$7,000) and per member fees of \$3,000 (previously, \$500 per meeting); and
- each independent director must achieve, within three years of his or her election to the Board, or, if currently serving as a director, within three years of March 21, 2019, holdings of Common Shares and/or DSUs equal in value to three times the total value of his or her annual retainer amounts received for Board and committee service.

In addition, effective April 1, 2018 and through March 31, 2019, each director had been given the option to elect to receive all or part of his or her compensation in DSUs; and effective April 1, 2019, (i) each director was required to receive at least half of his or her annual retainer in DSUs and had the option to elect to receive all or part of his or her other compensation in DSUs; and (ii) fees of \$1,500 per meeting attended and \$500 per individual committee meeting attended were eliminated.

The directors are entitled to receive reimbursement of reasonable out-of-pocket expenses incurred by them to attend Board of Directors meetings.

Directors continue to be offered the option to elect to receive all or part of their cash compensation in DSUs and any such DSUs will count towards achievement of their share ownership guidelines.

In December 2018, the Corporate Governance Committee engaged a consultant to review compensation for non-executive directors, which had not been reviewed in some time. Bay Street Human Resources, or the Consultant, was engaged in January 2019 to review the Corporation's compensation for non-executive directors and to make recommendations with respect to directors' compensation, which had not been reviewed for more than ten years. The Corporation paid the Consultant related fees of \$9,685 in 2019.

The Corporate Governance Committee met in March 2019 and considered the analysis and recommendations of the Consultant related to comparable tiers of director compensation for a representative peer group of public companies. It also reviewed trends in director compensation and reviewed and considered the benefits of flat fee retainer-based compensation compared to the historical practice of retainer plus per meeting compensation, various mixes and forms of cash and equity-like compensation, and the introduction of share ownership guidelines for directors. The Corporate Governance Committee provided an overview of its recommendations to the Board of Directors on March 21, 2019, and its recommendations were accepted and became effective April 1, 2019.

During the 2019 and 2018, a total of 389,941 DSUs and 86,924 DSUs, respectively, were issued to directors. The number of DSUs issued to directors in 2019 and 2018 were adjusted to 425,039 and 94,747, respectively, in each case as a result of the rights offering completed by the Corporation in December 2019.

Summary of Director Compensation

The following table below sets forth information concerning compensation paid to our directors in the fiscal year ended December 31, 2019, other than our Chief Executive Officer, Gregory Cochrane, who receives no compensation for his services as a director of the Corporation..

<u>Name</u>	<u>Fees earned</u>	<u>Share-based awards</u>	<u>Option-based awards</u>	<u>Non-equity incentive plan compensation</u>	<u>Pension value</u>	<u>All other compensation</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
William M. Albino	45,417	22,500	-	-	-	-	67,917
Merri L. Jones	37,167	22,500	22,800	-	-	-	82,467
James J. Murray	35,583	22,500	-	-	-	-	58,083
Michael G. Sifton	40,250	22,500	-	-	-	-	62,750
J.R. Kingsley Ward	-	95,000	-	-	-	-	95,000
Derek Watchorn	-	64,750	-	-	-	-	64,750

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets forth information regarding option-based awards and share-based awards to our directors that were outstanding at December 31, 2019, other than our Chief Executive Officer, Gregory Cochrane, who receives no compensation for his services as a director of the Corporation. All values shown in the table are based upon the closing price of the Common Shares of \$0.24 per share on December 31, 2019 (the last trading day on the TSX in 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 (\$)	Number of shares or units of shares that have not been vested ⁽⁴⁾ (#)	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 (\$)
William M. Albino	40,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	37,814	9,075	-
Merri L. Jones	40,000 ⁽³⁾	1.41 ⁽³⁾	March 28, 2026	-	37,814	9,075	-
James J. Murray	40,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	60,413	14,499	-
Michael G. Sifton	499,377 ⁽¹⁾ 40,000 ⁽²⁾	1.50 ⁽¹⁾ 1.41 ⁽²⁾	June 23, 2023 March 14, 2025	- -	127,232 ⁽⁵⁾	30,536	7,362
J.R. Kingsley Ward	40,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	180,976	43,434	-
Derek Watchorn	40,000 ⁽²⁾	1.41 ⁽²⁾	March 14, 2025	-	122,034	29,288	-

Notes:

- (1) The options held by Mr. Sifton at December 31, 2019 vested on the date of grant and were issued to Mr. Sifton when he served as the Chief Executive Officer of the Corporation. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2016 with an exercise price of \$1.50 per share was subsequently adjusted to an exercise price of \$1.38 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2019 was adjusted by a factor of 1:1.09.
- (2) The options held by the director at December 31, 2019 vest over a three-year period from the date of grant at the rate of 1/36th per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2018 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2019 was adjusted by a factor of 1:1.09.
- (3) The options held by the director at December 31, 2019 vest over a three-year period from the date of grant at the rate of 1/36th per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2019 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2019 was adjusted by a factor of 1:1.09.
- (4) Pursuant to the anti-dilution terms of the LTIP, the number of RSUs and DSUs outstanding at December 31, 2019 was adjusted by a factor of 1:1.09, in connection with the rights offering completed by the Corporation in December 2019.
- (5) At December 31, 2019, there were 37,814 DSUs and 89,418 RSUs issued and unvested to Mr. Sifton. The RSUs were issued to Mr. Sifton when he served as the Chief Executive Officer of the Corporation.

Value Vested or Earned During the Year

The following table discloses the aggregate dollar value that would have been realized if the options granted to our directors, other than our Chief Executive Officer, had been exercised on the applicable vesting date and the aggregate

value realized upon vesting of share-based awards, in each case during the year ended December 31, 2019. Our Chief Executive Officer, Gregory Cochrane, receives no compensation for his services as a director of the Corporation.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)
William M. Albino	9,066	-
Merri L. Jones	6,333	-
James J. Murray	9,066	-
Michael G. Sifton	9,066	7,362 ⁽¹⁾
J.R. Kingsley Ward	9,066	-
Derek Watchorn	9,066	-

Note:

(1) The value of RSUs vested during the year relate to awards granted to Mr. Sifton when he served as the Chief Executive Officer of the Corporation.

EMPLOYEE SHARE OWNERSHIP INCENTIVE PLAN

The Board of Directors and senior executives of the Corporation believe that share ownership is a fundamental element of aligning the interests of our senior executives and other employees with the interest of our shareholders as a whole. The Board of Directors approved an employee share ownership plan, or ESOP, on March 21, 2019 and the plan was launched to all employees across all business units of the Corporation in May 2019.

The ESOP is available to all full-time employees and has been designed to encourage all employees to become shareholders, providing them the opportunity to enhance their earnings potential and build long-term wealth. We believe our ESOP is an innovative form of long-term incentive compensation plan for our employees and that it represents a compelling means of also attracting, motivating and retaining talent. The same terms of participation are offered to all employees irrespective of their position.

Under the terms of the ESOP, upon the earlier of commencement of the plan, or upon joining the Corporation, all full-time employees may contribute up to a maximum of ten per cent, and a minimum of one per cent, of their base salary through regular payroll deductions to acquire Common Shares at the then-current market value. Employee contributions are matched by the Corporation with a 25% matching contribution, up to a maximum of a \$750 contribution by the Corporation per employee per year. The Corporation's matching contributions vest immediately, and Common Shares held in the ESOP are not subject to any contractual trading restrictions or other vesting requirements. Employees may contribute to any or all of an RRSP, TFSA or individual account, and may make changes in their contribution rates at any time. Employees may transfer, withdraw, or sell Common Shares at any time, subject to certain limitations applicable to designated insiders during trading blackouts under the Corporation's insider trading policy. Common Shares acquired by ESOP participants are held in trust accounts administered by our third party ESOP service provider until such time as an Employee wishes to transfer or sell his or her Common Shares.

Under the terms of the ESOP, Common Shares are acquired on behalf of employees through open market purchases as soon as reasonably practicable. Common Shares are not issued from treasury under the ESOP.

Upon ceasing employment for any reason, employees are entitled to sell or transfer all of their acquired Common Shares under the ESOP, but will cease to be eligible to continue their participation in the ESOP.

During 2019, a total of 585,631 Common Shares were purchased by employees pursuant to the ESOP and the Corporation, through its matching contributions, purchased a total of 71,746 Common Shares on behalf of its employees. In November 2019, management of the Corporation recommended to the Board of Directors an extraordinary, one-time special company contribution to the ESOP, in part to compensate employees for the difference between the weighted average purchase price of common shares under the ESOP contributed by each employee and

the closing price of the Corporation's share price at December 31, 2019, given the significant decline in the Corporation's share price since the ESOP was launched in May 2019. The Board of Directors approved this recommendation in January 2020 and the Corporation's special contribution for each eligible participant was made in three equal instalments within the first four months of 2020. As at May 13, 2020, a total of 2,543,653 Common Shares were held in the ESOP on behalf of employees, including the Named Executive Officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information⁽²⁾

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u> (a)	<u>Weighted-average exercise price of outstanding options, warrants and rights</u> (b)	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u> (c)
Equity compensation plans approved by securityholders ⁽¹⁾	1,587,486	1.33	2,717,217
Equity compensation plans not approved by securityholders	Nil	Nil	Nil

Notes:

- (1) Under the terms of the LTIP, the number of Common Shares available for issuance under the LTIP is equal to 10% of the Common Shares outstanding from time to time. See "Long-Term Incentive Compensation - LTIP".
- (2) The information in this table is given as at May 19, 2020.

Burn Rate and Alignment of our Executive Officers and Directors with Shareholders

Stock options and other forms of equity-based compensation are an integral component of DCM's LTIP and its executive compensation program, which enhances our ability to attract, retain and appropriately motivate the Company's key employees who drive long-term shareholder value creation. The Human Resources and Compensation Committee and the Board of Directors take into consideration the Corporation's effective management of share usage under the LTIP to avoid excessive shareholder dilution. In 2019, stock options to acquire up to 40,000 Common Shares were granted under the LTIP, which resulted in a burn rate of 0.2%. In 2018, stock options to acquire up to 1,200,000 Common Shares were granted under the LTIP, which resulted in a burn rate of 6%. No stock options were granted under the LTIP in 2017. These stock option grants represent an average burn rate for the three-year period from 2017 to 2019 of 2.0%. In addition, all RSUs granted under the LTIP during 2017, 2018 and 2019 are intended to be cash settled upon vesting and, as such, are non-dilutive to shareholders. In addition, all DSUs granted under the LTIP during 2019 are intended to be cash settled upon vesting and, as such, are non-dilutive to shareholders.

Based on our historically judicious use of available shares under the LTIP and the fact that continuing to offer equity-based awards is important to our ability to continue to attract, retain and motivate talented executive officers and employees, the Human Resources and Compensation Committee has determined that the number of stock options awarded under the LTIP is reasonable and appropriate.

The Human Resources and Compensation Committee and Board of Directors also believe that share ownership by directors and senior officers, as well as all employees, is a critical element to align the management and direction of DCM with shareholders' long-term objectives. As at May 19, 2019, our Named Executive Officers, including Mr. Cochrane, beneficially owned, or exercised control or direction over, directly or indirectly, a total of 6,983,424 Common Shares, representing 16.2% of our outstanding Common Shares, and members of our Board of Directors, other than Mr. Cochrane (whose shareholdings are referenced above as a Named Executive Officer), beneficially owned, or exercised control or direction over, directly or indirectly a total of 5,883,356 Common Shares, representing 13.7% of our outstanding Common Shares. The total number of Common Shares held by the Named Executive Officers and the directors of the Corporation was 12,866,780 as at May 19, 2020, representing 29.9% of our outstanding Common Shares before giving effect to the exercise of any options and warrants held by such individuals.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except as set out below, none of our directors, officers or employees, any proposed nominee for election as a director of the Corporation, nor any associate of any such person, is indebted to the Corporation or any of its subsidiaries.

AGGREGATE INDEBTEDNESS (\$)

<u>Purpose</u>	<u>To the Corporation or its subsidiaries</u>	<u>To another entity</u>
(a)	(b)	(c)
Share Purchases	108,896	-
Other	-	-

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No proposed director of the Corporation, or any associate or affiliate of any such person, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation (other than voting securities held by such person or company as underwriter in the course of a distribution). Nor does any associate or affiliate of any such person, have any material interest, direct or indirect, in any transaction since January 1, 2019 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We maintain a policy of insurance for our directors and officers. The aggregate limit of liability applicable to all insureds under the policy is \$25 million, inclusive of defence costs, with an additional \$5 million through an Excess Side A "Difference in Condition" coverage policy. The aggregate limit of liability insures the directors and officers, the Corporation and any subsidiaries. The policy also includes securities claims coverage for DCM, insuring against any legal obligation to pay on account of any securities claims brought against DCM. Coverage under the policy is subject to a deductible of \$100,000 for each loss where the Corporation provides indemnification.

ADDITIONAL INFORMATION

Copies of the following documents are available upon written request to the Secretary of the Corporation, 9195 Torbram Road, Brampton, Ontario, Canada L6S 6H2 or by calling 905-791-3151 or by emailing ir@datacm.com.

- (i) our most recent annual report to shareholders containing the audited consolidated financial statements together with the accompanying auditor's report;
- (ii) our most recent interim consolidated financial statements;
- (iii) our most recent annual management's discussion and analysis;
- (iv) this Circular; and
- (v) our annual information form.

Additional information relating to the Corporation can be found at www.sedar.com. Financial information of the Corporation is provided in our comparative financial statements and management's discussion and analysis of financial conditions and results of operations.

Our auditors are PricewaterhouseCoopers LLP. Our most recent annual consolidated financial statements have been filed under National Instrument 51-102 – *Continuous Disclosure Obligations* in reliance on the report of PricewaterhouseCoopers LLP, given on their authority as experts in auditing and accounting. PricewaterhouseCoopers LLP has confirmed to us that it is independent within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

DIRECTORS' APPROVAL

The contents and the sending of this management information circular dated May 19, 2020 have been approved by our board of directors.

Dated as of May 19, 2020.

A handwritten signature in black ink, appearing to read "J.R. Kingsley Ward".

J.R. Kingsley Ward
Chair of the Board of Directors
DATA Communications Management Corp.

APPENDIX “A”

LTIP RESOLUTION

Capitalized terms used, but not otherwise defined, herein have the meanings given to them in the management information circular of DATA Communications Management Corp. (the “**Corporation**”) dated May 19, 2020 (the “**Circular**”).

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The amended and restated long-term incentive plan of the Corporation (the “LTIP”), substantially as set forth in Exhibit “A” to Appendix “A” to the Circular, is hereby approved and reconfirmed.
2. The form of the LTIP may be amended in order to satisfy the requirements or requests of any regulatory authority, or as may be approved by the Toronto Stock Exchange, in each case without requiring further approval of the shareholders.
3. The Corporation has the ability to continue granting Awards under the LTIP until June 26, 2023, which is the date that is three years from the date of the meeting at which shareholder approval of the LTIP is sought.
4. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination.”

EXHIBIT “A” TO APPENDIX “A”

DATA COMMUNICATIONS MANAGEMENT CORP.

AMENDED AND RESTATED LONG-TERM INCENTIVE PLAN

1. Purpose; Interpretation.

(a) Purpose. The purposes of the DATA Communications Management Corp. Long-Term Incentive Plan are to enable DATA Communications Management Corp. (the “**Corporation**”) and its Affiliates to recruit and retain highly qualified directors, officers, employees and consultants; to provide those persons with an incentive for productivity and an opportunity to share in the growth and value of the Corporation; and align the interests of Participants with those of the shareholders of the Corporation.

(b) Definitions. In this Plan, unless something in the subject matter or context is inconsistent therewith:

“**Affiliate**” means any person that is a subsidiary of the Corporation, or directly or indirectly controls, or is controlled by, or is under common control with, the Corporation (or their successors).

“**associate**” has the meaning ascribed thereto in the Securities Act.

“**Award**” means a grant of Options, SARs, DSUs, Restricted Shares or RSUs pursuant to the provisions of this Plan.

“**Award Agreement**” means, with respect to any particular Award, the written document that sets forth the terms and conditions of that particular Award, including any Restrictions applicable to Restricted Shares, granted under this Plan.

“**Beneficial Ownership**” has the meaning ascribed to that term in Section 1.1(e) of the Shareholder Rights Plan Agreement dated as of January 1, 2012 between the Corporation and Computershare Investor Services Inc.

“**Blackout Period**” means any period during which the Corporation has prohibited Insiders of the Corporation from buying or selling securities of the Corporation pursuant to the Corporation’s insider trading policy in effect from time to time.

“**Board**” means the board of directors of the Corporation, as constituted from time to time; *provided, however,* that if the board of directors appoints a Committee to perform some or all of the Board’s administrative functions hereunder pursuant to Section 2, references in this Plan to the “Board” will be deemed to also refer to that Committee in connection with matters to be performed by that Committee.

“**Business Day**” means being a day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario.

“**Cause**” means (i) conviction of, or the entry of a plea of guilty or no contest to, any criminal or quasi-criminal offence that causes the Corporation or its Affiliates public disgrace or disrepute, or adversely affects the Corporation’s or any of its Affiliates’ operations or financial performance or the relationship the Corporation has with any of its Affiliates (for the purposes of this definition, a “quasi-criminal” offence means an intentional breach of a statutory provision, one of the potential consequences of which is imprisonment and a “criminal” offence means an offence requiring a *mens rea*); (ii) gross negligence or wilful misconduct with respect to the Corporation or any of its Affiliates, including fraud, embezzlement, theft or proven dishonesty in the course of his or her employment; (iii) refusal, failure or inability to perform any material obligation or fulfil any duty

(other than any duty or obligation of the type described in clause (v) below) to the Corporation or any of its Affiliates (other than due to disability), which failure, refusal or inability is not cured within 10 days after delivery of notice thereof; (iv) material breach of any agreement with or duty owed to the Corporation or any of its Affiliates; (v) any breach of any obligation or duty to the Corporation or any of its Affiliates (whether arising by statute, common law, contract or otherwise) relating to confidentiality, non-competition, non-solicitation or proprietary rights; or (vi) any other conduct that constitutes “cause” at common law. Notwithstanding the foregoing, if a Participant and the Corporation (or any of its Affiliates) have entered into an employment agreement, consulting agreement or other similar agreement that specifically defines “cause,” then, with respect to such Participant, “Cause” shall have the meaning defined in that employment agreement, consulting agreement or other agreement.

“**Change in Control**” means, at any time the occurrence of any of the following, in one transaction or a series of related transactions:

- (i) the acquisition by any person or persons acting jointly or in concert (as determined by the Securities Act), whether directly or indirectly, of Beneficial Ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation.
- (ii) an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;
- (iii) the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its Affiliates to another person, other than (A) in the ordinary course of business of the Corporation or of an Affiliate of the Corporation or (B) to the Corporation or any one or more of its Affiliates;
- (iv) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (v) as a result of, or in connection, with: (A) a contested election of directors of the Corporation, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another person, the nominees named in the most recent Management Information Circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) any other transaction that is deemed to be a “Change in Control” for the purposes of this Plan by the Board in its sole and absolute discretion.

Notwithstanding the foregoing, a transaction or a series of related transactions will not constitute a Change in Control if such transaction(s) result(s) in the Corporation, any successor to the Corporation, or any successor to the Corporation’s business, being controlled, directly or indirectly, by the same person or persons who controlled the Corporation, directly or indirectly, immediately before such transaction(s).

“**Committee**” means a committee appointed by the Board in accordance with Section 2.

“**Consultant**” means a person, other than a Director or an employee of the Corporation or of an Affiliate of the Corporation, that (i) is engaged to provide services to the Corporation or an Affiliate of the Corporation other than services provided in relation to a distribution of securities; (ii) provides services under a written contract with the Corporation or an Affiliate of the Corporation; and (iii)

spends or will spend a significant amount of time and attention to the affairs and business of the Corporation or an Affiliate of the Corporation.

“**Custodian**” means the custodian appointed by the Corporation under the Custodian Agreement.

“**Custodian Agreement**” means the custodian agreement between the Corporation and the Custodian under which the Custodian will hold Restricted Shares that are Non-treasury Shares as nominee for certain Participants and distribute Released Shares that are Non-treasury Shares as such Participants may request after the expiry of the Restrictions applicable to such shares.

“**Director**” means a member of the Board or of the board of directors of any Affiliates of the Corporation.

“**DSU**” means a deferred share unit granted under, and subject to restrictions imposed pursuant to, Section 8 hereof.

“**Fair Market Value**” means, as of any date: (i) if the Shares are not then publicly traded, the value of such Shares on that date, as determined by the Board in its sole and absolute discretion; or (ii) if the Shares are publicly traded, the closing price of the Shares on the trading day immediately preceding such date on the TSX or the principal securities exchange on which the majority of the trading in the Shares occurs or, if the Shares are not listed or admitted to trading on the TSX or any other securities exchange, but are traded in the over-the-counter market, the closing sale price of a Share on that date or, if no sale is publicly reported, the average of the closing bid and asked prices on that date, as furnished by two registered Canadian investment dealers.

“**Governmental Authorities**” means any domestic or foreign legislative, executive, judicial or administrative body or person having purporting to have jurisdiction in the relevant circumstances.

“**Insider**” means a “reporting insider” as that term is defined in National Instrument 55-104.

“**Non-Treasury Shares**” means previously issued Shares acquired by the Trustee under Trust B, using funds deposited with it by the Corporation.

“**Option**” means an option to purchase Shares granted under, and subject to restrictions imposed pursuant to, Section 5.

“**Participant**” means an employee, officer, Director or Consultant of the Corporation or of any of its Affiliates to whom an Award is granted.

“**Plan**” means this long-term incentive plan, as amended from time to time;

“**Released Restricted Shares**” means the unrestricted Shares distributed or delivered to or at the direction of Participants on request pursuant to a grant of Restricted Shares, following the expiry of any applicable Restrictions.

“**Restrictions**” means, in respect of any particular grant of Restricted Shares under this Plan, the vesting or other restrictions applicable to such Restricted Shares, as determined by the Board in its sole and absolute discretion, after taking into account any relief therefrom which the Board may provide in specific circumstances in its sole and absolute discretion.

“**Restricted Shares**” has the meaning set out in Section 10(a).

“**RSU**” means a restricted share unit granted under, and subject to restrictions imposed pursuant to, Section 9.

“**SAR**” means a stock appreciation right granted under, and subject to restrictions imposed pursuant to, Section 6.

“**Securities Act**” means the *Securities Act* (Ontario).

“**Shares**” mean the common shares of the Corporation.

“**subsidiary**” means with respect to any person, an entity which is controlled by such person; when used without reference to a particular person, “subsidiary” means a subsidiary of the Corporation.

“**Treasury Shares**” means Shares that are issued by the Corporation from treasury and held in Trust A.

“**Trust A**” means the trust established by the trust agreement between the Corporation and the Trustee which provides for the issue of Treasury Shares to the Trustee as Restricted Shares hereunder and from which the Trustee distributes Released Shares that are Treasury Shares to Participants on request after the expiry of the Restrictions applicable to such Treasury Shares.

“**Trust B**” means the trust established by the trust agreement between the Corporation and the Trustee which provides for the Corporation to fund the purchase Non-treasury Shares by the Trustee for use as Restricted Shares hereunder and for deposit under the Custodian Agreement on behalf of Participants.

“**Trustee**” means the trustee appointed by the Corporation under the Trust A and Trust B and includes any replacement trustee appointed under Trust A or Trust B, as applicable.

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

(c) Control.

(i) For the purposes of this Plan,

(A) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

(B) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interest, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity;

(C) the general partner of a limited partnership controls the limited partnership.

(ii) A person who controls an entity is deemed to control any entity that is controlled or deemed to be controlled, by the entity.

(iii) A person is deemed to control, within the meaning of Section 1(c)(i)(A) or 1(c)(i)(B), an entity if the aggregate of

(A) any securities of the entity that are beneficially owned by that person, and

(B) any securities of the entity that are beneficially owned by an entity controlled by that person

is such that, if that person and all of the entities referred to in Section 1(c)(iii)(B) that beneficially own securities of the entity were one person, that person would control the entity.

- (d) Headings. The discussion of this Plan into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan. Unless something in the subject matter or context is inconsistent therewith, references in this Plan to Sections are to Sections of this Plan.
- (e) Extended Meanings. In this Plan words importing the singular number only include the plural and vice versa; words importing any gender include all genders; and words importing persons include individuals, corporations, limited and unlimited liability corporations, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.
- (f) Statutory References. In this Plan, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

2. **Administration.**

- (a) Administration. This Plan will be administered by the Board; provided, however, that the Board may at any time appoint a Committee, including the Compensation Committee of the Board, to perform some or all of the Board’s administrative functions hereunder; and provided further, that the authority of any Committee appointed pursuant to this Section 2 will be subject to such terms and conditions as the Board may prescribe from time to time and will be coextensive with, and not in lieu of, the authority of the Board hereunder.
- (b) Directors Entitled to Vote. Directors who are eligible for Awards or have received Awards may vote on any matters affecting the administration of this Plan or the grant of Awards, except that no such member will act upon the grant of an Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board during which action is taken with respect to the grant of Awards to himself or herself.
- (c) Authority of the Board. The Board will have the authority to grant Awards under this Plan. In particular, subject to the terms of this Plan, the Board will have the authority to:
 - (i) select the persons to whom Awards may from time to time be granted hereunder (consistent with the eligibility conditions set forth in Section 4);
 - (ii) determine the type of Award to be granted to any person hereunder;
 - (iii) determine the number of Shares, if any, to be covered by each Award; and
 - (iv) establish the terms and conditions of each Award Agreement, including any Restrictions applicable to any Restricted Shares granted under this Plan.
- (d) Idem. The Board will have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing this Plan as it, from time to time, deems advisable; to interpret the terms and provisions of this Plan and any Award issued under this Plan, and any Award Agreement; and to otherwise supervise the administration of this Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in this Plan or in any Award or Award Agreement in the manner and to the extent it deems necessary to carry out the intent of this Plan.

- (e) Decisions of the Board Final. All decisions made by the Board pursuant to the provisions of this Plan will be final and binding on all persons, including the Corporation and Participants. No Director will be liable for any good faith determination, act or omission in connection with this Plan or any Award.

3. Shares Subject to the Plan.

- (a) Shares Subject to the Plan.
 - (i) The Shares to be subject to or related to Awards under this Plan will be authorized and unissued shares of the Corporation. The maximum number of Treasury Shares that may be subject to Options, SARs, DSUs, Restricted Shares or RSUs under this Plan is 10% of the issued Shares outstanding from time to time. The Corporation will reserve for the purposes of this Plan, out of its authorized and unissued Shares, such number of Shares. Notwithstanding the foregoing, no Participant may be granted, in any calendar year, Awards with respect to more than 5% of the issued and outstanding Shares.
 - (ii) In addition, (A) the maximum number of Shares that are issuable to Insiders pursuant to Awards under this Plan and any other share-based compensation arrangement adopted by the Corporation is 10% of the Shares outstanding from time to time; (B) the maximum number of Shares that may be issued to Insiders of the Corporation under this Plan and any other share-based compensation arrangement adopted by the Corporation within a one-year period is 10% of the Shares outstanding from time to time; and (C) the maximum number of Shares that may be issued to any one Insider of the Corporation (and such Insider's associates and Affiliates) under this Plan and any other share-based compensation arrangement adopted by the Corporation within a one-year period is 5% of the number of Shares outstanding. For purposes of clauses (A), (B) and (C) of this Section 3(a)(ii), any entitlement to acquire Shares granted pursuant to this Plan or any other share-based compensation arrangement adopted by the Corporation prior to the Participant becoming an Insider of the Corporation is to be excluded, and the number of Shares outstanding is to be determined at the time of the Award issuance in question.
- (b) Effect of the Expiration or Termination of Awards. If and to the extent that an Option or SAR expires, terminates or is cancelled or forfeited for any reason without having been exercised in full, the Shares associated with that Option or SAR will again become available for grant under this Plan. Similarly, if and to the extent an Award of DSUs or RSUs is cancelled or forfeited for any reason, the Shares subject to that Award will again become available for grant under this Plan. In addition, if and to the extent an Award is settled for cash, the Shares subject to that Award will again become available for grant under this Plan. Any Treasury Shares subject to a Restricted Share Award under this Plan which have been cancelled or forfeited in accordance with the terms of this Plan will again become available for grant under this Plan.
- (c) Other Adjustment. In the event of any recapitalization, reorganization, arrangement, amalgamation, subdivision or consolidation, stock dividend or other similar event or transaction, substitutions or adjustments will be made by the Board: (i) to the aggregate number, class and/or issuer of the securities reserved for issuance under this Plan; (ii) to the number, class and/or issuer of securities subject to outstanding Awards; and (iii) to the exercise price of outstanding Options or SARs, in each case in a manner that reflects equitably the effects of such event or transaction.
- (d) Change in Control. Notwithstanding anything to the contrary set forth in this Plan, upon or in anticipation of any Change in Control of the Corporation or any of its Affiliates, the Board may, in its sole and absolute discretion and without the need for the consent of any Participant, take one or more of the following actions contingent upon the occurrence of that Change in Control:
 - (i) cause any or all outstanding Options or SARs to become vested and immediately exercisable, in whole or in part;

- (ii) cause any or all outstanding DSUs or RSUs to become non-forfeitable, in whole or in part;
- (iii) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the Change in Control and, to the extent not exercised prior to that Change in Control, cancel that Option upon closing of the Change in Control;
- (iv) cancel any Option or SAR in exchange for a substitute award;
- (v) cancel any DSU or RSU in exchange for deferred share units or restricted share units with respect to the share capital of any successor person or its parent;
- (vi) redeem any DSU or RSU for cash and/or other substitute consideration with a value equal to the Fair Market Value of a Share on the date of the Change in Control;
- (vii) without limiting the generality of Section 3(d)(iv), cancel any SAR in exchange for cash and/or other substitute consideration with a value equal to: (A) the number of Shares subject to that SAR, multiplied by (B) the difference, if any, between the Fair Market Value per Share on the date of the Change in Control and the exercise price of that SAR; provided, that if the Fair Market Value per Share on the date of the Change in Control does not exceed the exercise price of any such SAR, the Board may cancel that SAR without any payment of consideration for such SAR; and /or
- (viii) determine that some or all of any remaining Restriction on any Restricted Shares will immediately expire, in which event the Corporation will instruct the Trustee or the Custodian, as applicable, to distribute all such Released Restricted Shares to the applicable Participants.

In the sole and absolute discretion of the Board, any cash or substitute consideration payable upon cancellation of an Award may be subjected to (i) vesting terms or other Restrictions substantially identical to those that applied to the cancelled Award immediately prior to the Change in Control; or (ii) earn-out, escrow, holdback or similar arrangements, to the extent such arrangements are applicable to any consideration paid to shareholders in connection with the Change in Control.

4. **Eligibility.** Employees of the Corporation or any of its Affiliates, officers of the Corporation or of any of its Affiliates, Directors and Consultants are eligible to be granted Awards under this Plan.

5. **Options.**

- (a) Any Option granted under this Plan will be in such form as the Board may at the time of such grant approve. The Award Agreement evidencing any Option will incorporate the following terms and conditions and will contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion:
 - (i) **Option Price.** The exercise price per Share purchasable under an Option will be determined by the Board and will not be less than 100% of the Fair Market Value of a Share on the date of the grant or such other minimum price as is permitted by the stock exchange or market on which the Shares are then listed or quoted;
 - (ii) **Option Term.** The term of each Option will be fixed by the Board; provided, however, that no Option will be exercisable more than 10 years after the date the Option is granted;
 - (iii) **Exercisability.** Options will vest and be exercisable at such time or times and subject to such terms and conditions as determined by the Board;

- (iv) Method of Exercise. Subject to the exercisability and termination provisions set forth in this Plan and in the applicable Award Agreement, Options may be exercised in whole or in part at any time and from time to time during the term of the Option, by the delivery of written notice of exercise by the Participant to the Corporation specifying the number of Shares to be purchased. Such notice will be accompanied by payment in full of the purchase price, either by (A) cash or certified cheque or bank draft, (B) unless otherwise determined by the Board, through means of a “net settlement,” whereby no exercise price will be due and where the number of Shares issued upon such exercise will be equal to: (I) the product of (1) the number of Shares as to which the Option is then being exercised, and (2) the difference between (x) the then current Fair Market Value per Share and (y) the exercise price per share, divided by (II) the then current Fair Market Value per Share. A number of Shares equal to the difference between the number of Shares as to which the Option is then being exercised and the number of Shares actually issued to the grantee upon such net settlement will be deemed to have been received by the Corporation in satisfaction of the exercise price, or (C) by such other method as the Board may approve or accept. No Shares will be issued upon exercise of an Option until full payment therefor has been made. A Participant will not have the right to distributions or dividends or any other rights of a shareholder with respect to Shares subject to the Option until the Participant has given written notice of exercise, has paid in full for such Shares, and fulfills such other conditions as may be set forth in the applicable Award Agreement;
- (v) Termination of Service. Unless otherwise specified in the Award Agreement, Options will be subject to the terms of Section 7 with respect to exercise upon or following termination of employment or other service with the Corporation or any of its Affiliates;
- (vi) Non-Transferability. Except as may otherwise be specifically determined by the Board with respect to a particular Option, (A) no Option may be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent and distribution, and (B) all Options will be exercisable only by the Participant or, in the event of his or her disability, by his or her personal representative; and
- (vii) Blackout Periods. Notwithstanding any other provision of this Plan or any Option granted under this Plan but subject to Section 3(d), in the event that the term of any Option expires during a Blackout Period or within 10 Business Days thereafter, such Option will expire on the date that is 10 Business Days after the last day of such Blackout Period.

6. **Stock Appreciation Rights.**

- (a) Nature of Award. Upon the exercise of a SAR, its holder will be entitled to receive an amount equal to the excess (if any) of: (i) the Fair Market Value of the Shares as to which the SAR is then being exercised, over (ii) the Fair Market Value of those Shares as of the date the SAR was granted (subject to adjustment in accordance with Section 3(c)). Such amount may be paid in either cash and/or Shares, as determined by the Board in its sole and absolute discretion.
- (b) Terms and Conditions. Any SAR granted under this Plan will be in such form as the Board may at the time of such grant approve. The Award Agreement evidencing any SAR will incorporate the following terms and conditions and will contain such additional terms and conditions, not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion:
 - (i) Term of SAR. Unless otherwise specified in the Award Agreement, the term of a SAR will be ten years;
 - (ii) Exercisability. SARs will vest and become exercisable at such time or times and subject to such terms and conditions as will be determined by the Board;

- (iii) Method of Exercise. Subject to the exercisability and termination provisions set forth herein and in the applicable Award Agreement, SARs may be exercised in whole or in part from time to time during their term by delivery of written notice to the Corporation specifying the portion of the SAR to be exercised;
- (iv) Termination of Service. Unless otherwise specified in the Award Agreement, SARs will be subject to the terms of Section 7 with respect to exercise upon termination of employment or other service, with the Corporation or any of its Affiliates; and
- (v) Non-Transferability. Except as may otherwise be specifically determined by the Board with respect to a particular SAR: (A) SARs may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent and distribution, and (B) during the Participant's lifetime, SARs will be exercisable only by the Participant or, in the event of the Participant's disability, by his or her personal representative.

7. Termination of Service (Options and SARs).

- (a) General. Unless otherwise specified by the Board with respect to a particular Option or SAR, (i) any portion of an Option or SAR that is not exercisable at the time termination of a Participant's service with the Corporation or any of its Affiliates will expire immediately and automatically upon such termination, and (ii) any portion of an Option or SAR that is exercisable at the time of such termination of service will expire on the date it ceases to be exercisable in accordance with this Section 7; provided that the provisions of this Section 7 will not apply in respect of such termination if such Participant will continue to serve the Corporation or one or more of its other Affiliates following such termination.
- (b) Termination by Reason of Death. If a Participant's service with the Corporation or any of its Affiliates terminates by reason of the death of the Participant, any Option or SAR held by such Participant may thereafter be exercised, to the extent it was exercisable at the time of his or her death, by the legal representative of the Participant under the will of the Participant, for a period ending 12 months following the earlier of (i) the date of such Participant's death, and (ii) on the last day of the stated term of such Option or SAR.
- (c) Cause. If a Participant's service with the Corporation or any of its Affiliates is terminated for Cause, (i) any Option or SAR held by the Participant will immediately and automatically expire as of the date of such termination, and (ii) any Shares for which the Corporation has not yet delivered share certificates or the Participant has not received a customary confirmation through the facilities of The Canadian Depository for Securities Limited (or its successor) in respect thereof, as applicable, will be immediately and automatically forfeited and the Corporation will, in the case of an Option, refund to the Participant the Option exercise price paid for such Shares, if any.
- (d) Other Termination. If a Participant's service with the Corporation or any of its Affiliates terminates for any reason other than death or Cause, any Option or SAR held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of such termination, for a period ending 90 days following the earlier of (i) the date of such termination, and (ii) the last day of the stated term of such Option or SAR; provided that the provisions of this Section 7(c) will not apply in respect of such termination if such Participant will continue to serve the Corporation or one or more of its other Affiliates following such termination.

8. **DSUs**. DSUs may, from time to time, be granted to Participants under this Plan, subject to such vesting and other terms and conditions, not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion. Each DSU will provide the right to receive, on a deferred payment basis, a Share or the cash equivalent of a Share in an amount equal to the Fair Market Value (at the applicable payment date). Such amount will not be paid out until such time as the Participant's service with the Corporation and each

of its Affiliates terminates. A DSU award may be settled in Shares, cash, or in any combination of Shares and cash. The determination to settle a DSU in whole or in part in cash may be made by the Board, in its sole and absolute discretion. Unless otherwise determined by the Board, DSUs may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent or distribution. All other terms governing DSUs will be set forth in the applicable Award Agreement.

9. **RSUs.** RSUs, from time to time, may be granted to Participants under this Plan, subject to such terms and conditions, not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion. Each RSU will represent the right to receive from the Corporation, after fulfillment of any applicable conditions, a distribution from the Corporation in an amount equal to the Fair Market Value (at the time of the distribution) of one Share. Distributions may be made in Shares, cash, or in any combination of Shares and cash. Unless otherwise determined by the Board, RSUs may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent or distribution. All other terms governing RSUs, will be set forth in the applicable Award Agreement.

10. **Restricted Shares**

- (a) Grant of Restricted Shares. The Board may, from time to time, grant to Participants under this Plan any number of Shares (“**Restricted Shares**”) as a discretionary payment in consideration of services provided to the Corporation, subject to such Restrictions and other terms and conditions not inconsistent with the terms of this Plan, as the Board may impose in its sole and absolute discretion. Restricted Shares granted under this Plan may be Treasury Shares, Non-Treasury Shares or any combination of Treasury Shares and Non-Treasury Shares. Prior to the grant of any Restricted Shares, the Corporation will have established Trust A or Trust B, as applicable, and, in the case of Non-Treasury Shares, entered into a Custodian Agreement.
- (b) Treasury Shares or Non-Treasury Shares. Upon each Award of Restricted Shares under this Plan, the Corporation will:
- (i) in the case of an Award of Treasury Shares, issue and deliver to the Trustee under Trust A the number of Treasury Shares equal in number to the Released Restricted Shares to be distributed upon the expiry of any Restrictions applicable to such Restricted Shares granted;
 - (ii) in the case of an Award of Non-Treasury Shares, provide to the Trustee under Trust B funds sufficient to purchase a number of Shares equal to the Released Restricted Shares to be distributed upon the expiry of any Restrictions applicable to the Restricted Shares and direct such Trustee to deposit the Restricted Shares with the Custodian as nominee for the Participant to whom such Restricted Shares were granted for holding on behalf of such Participant in accordance with the terms of the Custodian Agreement; or
 - (iii) a combination of clauses (i) and (ii) of this Section 10(b)
- (c) Distribution of Released Restricted Shares.
- (i) In the case of Treasury Shares, after fulfillment or completion of the Restrictions applicable to particular Restricted Shares and without the payment of additional consideration on the part of the Participant granted such Restricted Shares, the Corporation will instruct the Trustee to distribute to such Participant, following receipt of a written request from the Participant, one Share for each Restricted Share held by the Participant for which the Restrictions have been fulfilled or completed.

(ii) In the case of Non-Treasury Shares, after fulfillment or completion of the Restrictions applicable to particular Restricted Shares delivered to the Custodian on behalf of the Participant and without the payment of additional consideration on the part of the Participant granted such Restricted Shares, the Corporation will instruct the Custodian to transfer or dispose of such Shares as directed in writing by the Participant.

(d) Termination of Service (Other than by Reason of Death or Disability).

If a Participant's service with the Corporation or any of its Affiliates terminates for any reason other than the death or total disability of the Participant during the period that Restrictions on Restricted Shares granted to such Participant remain unfulfilled or uncompleted:

(i) if the Participant's Restricted Shares are Treasury Shares, those Restricted Shares in respect of which Restrictions remain unfulfilled or uncompleted will be forfeited to the Corporation and the Participant will have no rights whatsoever in respect of those Restricted shares, and the grant thereof will terminate and be of no further force or effect; and

(ii) if the Participant's Restricted Shares are Non-Treasury Shares held by the Custodian on behalf of the Participant, those Restricted Shares in respect of which Restrictions remain unfulfilled or uncompleted will be transferred by the Participant to or at the direction of the Corporation for no consideration and the Participant will execute and deliver all such instruments and documents as the Corporation may request to effect such transfer.

(e) Termination of Service by Reason of Death or Disability. In the event of the death or total disability of a Participant, the Corporation will deliver instructions to the Trustee or Custodian, as applicable, to immediately distribute any Restricted Shares held by the Participant in accordance with and subject to the Restrictions established at the time of grant or such reduced Restrictions, including the elimination of any such Restrictions in their entirety, as the Board may specify to apply in such circumstances.

(f) Forfeiture of Restricted Shares with Unfulfilled or Uncompleted Restrictions. In the event that the Restrictions on a Participant's Restricted Shares remain unfulfilled or uncompleted at the date designated in the applicable Award Agreement as the cut-off date by which such Restrictions must be fulfilled or completed:

(i) if the Participant's Restricted Shares are Treasury Shares, those Restricted Shares for which Restrictions remain unfulfilled or uncompleted will be forfeited to the Corporation and the Participant will have no rights whatsoever in respect of those Restricted Shares, and the grant thereof will terminate and be of no further force or effect; and

(ii) if the Participant's Restricted Shares are Non-Treasury Shares held by the Custodian on behalf of the Participant, those Restricted Shares for which Restrictions remain unfulfilled or uncompleted will be transferred by the Participant to or at the discretion of the Corporation for no consideration and the Participant will execute and deliver all such instruments and documents as the Corporation may request to effect such transfer.

(g) Corporation's Use of Forfeited or Transferred Restricted Shares. If Restricted Shares are forfeited or transferred to the Corporation under Section 10(d) or (f), the Restricted Shares will be deemed to have been donated to the Corporation and the Corporation may either:

(i) return such Restricted Shares to treasury for cancellation; or

(ii) deposit such Restricted Shares with the Trustee under Trust A for other Awards to be made under subsection 10(a).

- (h) Payment of Dividends. Unless otherwise determined by the Board, Participants will be entitled to receive dividends declared and paid on Restricted Shares in respect of which Restrictions remain unfulfilled or uncompleted; provided that, unless the Board otherwise determines, all dividends declared and paid in respect of Restricted Shares subject to such determination will be held by the Trustee, the Custodian or the Participant, as applicable, for the benefit of the Corporation.
- (i) Voting. Neither the Trustee, the Custodian nor any Participant will be entitled to exercise voting rights attached to any Restricted Shares during the period when Restrictions with respect to voting remain applicable to such Restricted Shares; provided that, the Board may determine that Participants are entitled to exercise voting rights attached to such Restricted Shares in respect of all or any matters or business arising at a particular meeting of shareholders.
- (j) Non-Transferability. Except as may otherwise be specifically determined by the Board with respect to particular Restricted Shares, no Restricted Share may be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent and distribution.

11. **Amendment and Termination.**

- (a) Amendments Requiring Shareholders Approval. The Board may amend, alter or discontinue this Plan or amend the terms of any Award or Award Agreement at any time, provided that shareholder approval will be required for amendments to: (i) reduce the exercise price or purchase price of any security based compensation arrangement under this Plan benefiting an Insider of the Corporation; (ii) extend the term, under a security based compensation arrangement benefiting an Insider of the Corporation; (iii) remove or exceed the limits in this Plan on participation by Insiders of the Corporation; (iv) increase the maximum number of securities issuable, either as a fixed number or a fixed percentage of the Corporation's outstanding capital represented by such securities; or (v) amend an amending provision within this Plan.
- (b) Amendments Not Requiring Shareholder Approval. Notwithstanding Section 10(a) but subject to the requirements of any stock exchange upon which the Shares are then listed and applicable law, no shareholder approval will be required for (i) amendments to this Plan of a "housekeeping nature"; (ii) changes to the vesting provisions or other Restrictions applicable to any Award, Award Agreement or this Plan; (iii) changes to the provisions of this Plan relating to the expiration of Awards prior to their respective expiration dates upon the occurrence of certain specified events determined by the Board; (iv) changes in the exercise price of an Option granted to a Participant who is not an Insider of the Corporation; (v) the cancellation of an Award; or (vi) any other amendment to an Award, Award Agreement or this Plan which is approved by any applicable stock exchange on a basis which does not require shareholder approval to be obtained.

12. **General Provisions.**

- (a) Compliance with Applicable Law. Shares will not be issued hereunder unless, in the judgment of counsel for the Corporation, the issuance complies with the requirements of any stock exchange or quotation system on which the Shares are then listed or quoted, the Securities Act and all other applicable laws.
- (b) Legends. All certificates for Shares or other securities delivered under this Plan will be subject to such share-transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the Shares are then listed, the Securities Act and any applicable laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (c) No Employment Rights or Representation or Warranty. Neither the adoption of this Plan nor the execution of any document in connection with this Plan will (i) confer upon any employee of the

Corporation or any of its Affiliates any right to continued employment or engagement with the Corporation or any such Affiliate, or (ii) interfere in any way with the right of the Corporation or any such Affiliate to terminate the employment of any of its employees at any time. The Corporation makes no representation or warranty as to the future market value of any Share distributed pursuant to this Plan.

- (d) **Taxes.** With respect to any Award, the Participant will pay to the Corporation, or make arrangements satisfactory to the Board regarding the payment of, taxes of any kind required by applicable law to be withheld with respect to any amount includible in the gross income of the Participant as required by applicable law. The obligations of the Corporation under this Plan will be conditioned on such payment or arrangements and the Corporation will have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. The Corporation may direct the Trustee or the Custodian without any further action by, consent from or notice to the Participant, to transfer Released Restricted Shares to the Corporation in such amount as may be required to satisfy any such withholding obligation, and the Corporation may sell such Shares in the open market and use the proceeds from such sale to satisfy such withholding obligation and any withholding obligation arising from such sale, with any surplus proceeds paid to the Participant.
 - (e) **Right of Set-off.** If a payment or release of Shares is to be made to a Participant on account of the Participant's Award, including any payment in respect of dividends declared and paid on the Shares, the Corporation may direct the Trustee or Custodian, without any further action by or consent from the Participant, to pay all or any portion of such payment to or at the direction of the Corporation in satisfaction of outstanding indebtedness owing by the Participant to the Corporation or indebtedness which the Corporation has guaranteed or indemnified on the Participant's behalf.
- 13. **Effective Date of Plan.** Subject to any required regulatory approval, this Plan will become effective on the effective date of the plan of arrangement contemplated by the management proxy circular of The Data Group Income Fund dated April 14, 2011.
 - 14. **Term of Plan.** This Plan will continue in effect until terminated in accordance with Section 11.
 - 15. **Invalid Provisions.** In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.
 - 16. **Governing Law.** This Plan and all Awards granted hereunder will be governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
 - 17. **Notices.** Any notice to be given to the Corporation pursuant to the provisions of this Plan must be given by registered mail, postage prepaid, and, addressed, if to the Corporation to its principal executive office to the attention of its Chief Financial Officer (or such other person as the Corporation may designate in writing from time to time), and, if to a Participant, to his or her address contained in the Corporation's personnel records, or at such other address as such Participant may from time to time designate in writing to the Corporation. Any such notice will be deemed given or delivered three Business Days after the date of mailing.

APPENDIX “B”

SHAREHOLDER RIGHTS PLAN RESOLUTION

Capitalized terms used, but not otherwise defined, herein have the meanings given to them in the management information circular of DATA Communications Management Corp. (the “**Corporation**”) dated May 19, 2020.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The Shareholder Rights Plan of the Corporation be reconfirmed, and the Amended and Restated Shareholder Rights Plan Agreement dated as of June 28, 2017 between the Corporation and Computershare Investor Services Inc., as rights agent, which agreement continues the rights issued thereunder, is hereby approved and confirmed.
2. The form of the Amended and Restated Shareholder Rights Plan may be amended in order to satisfy the requirements or requests of any regulatory authority without requiring further approval of the shareholders.
3. Any one director or officer of the Corporation is hereby authorized, for an on behalf of the Corporation, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination.”

APPENDIX “C”

PREFERRED SHARE RESOLUTION

Capitalized terms used, but not otherwise defined, herein have the meanings given to them in the management information circular of DATA Communications Management Corp. (the “**Corporation**”) dated May 19, 2020.

“BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS THAT:

1. The articles of DATA Communications Management Corp. (the “**Corporation**”) be amended to create a new class of preferred shares designated as “**Class A Preferred Shares**”, issuable in series, in a number which will be limited to a number equal to not more than 100% of the issued and outstanding common shares of the Corporation at the time of issuance of any such Preferred Shares, such Preferred Shares having attached thereto the following rights, privileges, restrictions and conditions:

Series: The Preferred Shares may at any time or from time to time be issued in one or more series. Subject to the provisions set out herein, the board of directors of the Corporation may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares.

Priority: The Preferred Shares are entitled to priority over the common shares and all other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Other Preferences: The Preferred Shares of any series may also be given such other preferences, not inconsistent with the provisions hereof, over the common shares of the Corporation and any other shares of the Corporation ranking junior to the Preferred Shares, as may be determined by the board of directors of the Corporation.

Ranking of Each Series: The Preferred Shares of each series will rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Participation Upon Liquidation, Dissolution or Winding Up: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares will be entitled to receive from the assets of the Corporation any cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on a return of capital which are not paid in full in respect of any Preferred Shares, before any amount is paid or any assets of the Corporation are distributed to the holders of any common shares of the Corporation or shares of the Corporation of any other class ranking junior to the Preferred Shares. After payment to the holders of the Preferred Shares of the amount so payable to them as above provided they will not be entitled to share in any further distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

Dividends: The holders of each series of Preferred Shares will be entitled to receive dividends as and when declared by the board of directors of the Corporation in respect of such series.

Conversion Rights: Each series of Preferred Shares may be convertible into any other class of shares of the Corporation.

Redemption: Each series of Preferred Shares may be redeemable by the Corporation on such terms as may be determined by the board of directors of the Corporation.

Voting: Holders of any series of Preferred Shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Preferred Shares or a series thereof) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation, unless the board of directors of the Corporation determines otherwise, in which case voting rights will be determined by the board of directors of the Corporation and set out in the designations, rights, privileges, restrictions and conditions of such series of Preferred Shares.

2. Any officer or director of the Corporation, acting alone, be, and is hereby authorized, for and on behalf of the Corporation, to execute (whether under the corporate seal of the Corporation or otherwise) and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby, including, without limitation, the execution and filing of articles of amendment under the *Business Corporations Act* (Ontario), such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions.”

APPENDIX “D”

DATA COMMUNICATIONS MANAGEMENT CORP.

BOARD OF DIRECTORS

CHARTER

WHEREAS the board of directors (the “**Board**”) of DATA Communications Management Corp. (the “**Corporation**”) has determined that it would be appropriate for the Board to adopt a written mandate in the form of a charter (“**Charter**”) describing its responsibilities and duties in relation to oversight of the business and affairs of the Corporation and committees of the Board;

AND WHEREAS the Board is appointed by and represents the shareholders of the Corporation and is obligated to act in the best interests of the Corporation;

PROCEDURAL MATTERS

Members of the Board will serve at the pleasure of the shareholders of the Corporation and the shareholders of the Corporation will elect the Board annually.

The Board may appoint such committees from time to time as it considers appropriate in compliance with applicable laws to act on behalf of the Board or make recommendations to the Board with respect to matters to be decided by the Board. If such committees are intended as permanent committees, they will have a charter that defines their responsibilities in relation to the Board and the extent of delegated powers to such committees. The functions of the Board, subject to applicable laws, may be delegated to its committees except where provided otherwise herein.

At least a majority in number of the directors will be independent. The Corporate Governance and Human Resources and Compensation Committees of the Board will make recommendations from time to time to the Board as to an appropriate determination of what constitutes an independent director and the Board will annually determine the independent status of each director.

The Board will choose a director annually to act as Chair of the Board (the “**Chair**”) who will qualify as an independent director. The Board will provide the Chair with a written mandate.

Members of the Board will be entitled to receive such remuneration for acting as members of the Board as may be determined from time to time by the Board on the recommendations of the Corporate Governance Committee of the Board.

The Board will, from time to time, evaluate its effectiveness and the effectiveness of its committees with respect to its (and their) contribution to the Corporation and the Board’s representation of the Corporation’s shareholders. The Board will meet *in camera* at each regularly scheduled meeting of the Board and at such other times as the Board may determine for such purpose and for such other purposes as the Board may determine.

The Board will consider from time to time its resources, including the adequacy of the information provided to it with respect to oversight of the management of the Corporation and will confer with management with respect to its findings.

The functions referred to in sections B1(a), (b), (d), (e), (g), (i), 2 and 3(a) and (b) below will not be delegated.

FUNCTIONS

General Responsibilities

The Board will exercise general stewardship responsibilities with respect to the Corporation. Without limitation, stewardship will include the specific responsibilities and duties outlined in this Charter.

The Board will oversee the management of the Corporation. In doing so, the Board will establish a productive working relationship with the Chief Executive Officer and other officers of the Corporation. On advice from the Corporate Governance Committee, the Board will approve appointment of any person who is to hold an officer position of the Corporation. The Board will receive regular reports from the Chief Executive Officer and Chief Financial Officer of the Corporation on the Corporation's financial performance.

The officers of the Corporation, headed by the Chief Executive Officer, will be responsible for general day to day management of the Corporation and for making recommendations to the Board with respect to long term strategic, financial, organizational and related objectives.

The roles and responsibilities of the Board are intended to primarily focus on the formulation of long term strategic, financial and organizational goals for the Corporation. Without limitation, the Board will (i) review and approve the Corporation's financial objectives, short and long-term investment plans for the Corporation and monitor performance in accordance with such plans, (ii) assess the principal risks of the Corporation's investments and ensure appropriate systems are in place to manage such risks, (iii) oversee the communications policies of the Corporation and (iv) monitor the effectiveness of the Corporation's internal control and management information systems to safeguard the Corporation's assets.

The Board will also approve:

- dividends for each dividend period in accordance with applicable laws;
- significant capital allocations and expenditures;
- review and approve all material transactions; and
- all matters that would reasonably be expected to have a material impact on shareholders, creditors or employees.

The Board will oversee ethical behaviour and compliance with laws and regulations (which includes overseeing the choice of critical accounting principles on recommendations from the Audit Committee of the Board).

With respect to significant risks and opportunities affecting the Corporation, the Board may impose such limits on the investment activity of the Corporation as may be in the interests of the Corporation and its shareholders.

The Board will annually consider what additional skills and competencies would be helpful to the Board. The identification of specific candidates for consideration will be the responsibility of the Corporate Governance Committee which will be guided by the findings of the Board in relation to competencies and skills. The Board will approve any proposed changes in compensation to be paid to members of the Board on the recommendation of the Corporate Governance Committee.

The Board will perform such other functions as are prescribed by law and as it may from time to time determine in accordance with the plenary powers of the Board.

Relationship with Committees

The Board will annually assess the charters of its committees.

The Board will annually appoint a member of each committee to act as Chair of the committee on the advice of the Chair and the Corporate Governance Committee.

The Board will receive periodic reports from its committees following committee meetings and, annually, a report from each committee as to the work undertaken by the committee and the committee's recommendations, if any, for change with respect to its responsibilities and effectiveness.

Financial Reporting and Significant Disclosure Documents

The Board will review on an ongoing basis the financial and underlying operational performance of the Corporation.

The Board will review and approve the Corporation's annual information form as well as its annual report and related financial statements and annual management discussion and analysis disclosure. In doing so, the Board will consider the quality and usefulness of the information from the perspective of its shareholders.

The Board has responsibility for reviewing and approving for release quarterly financial statements and related disclosure.

The Board will periodically review the means by which shareholders can communicate with the Corporation including the opportunity to do so at the annual and special meeting, communications interfaces through the Corporation's website and the adequacy of resources available within the Corporation to respond to shareholders.

RESOURCES, MEETINGS AND REPORTS

The Board will have adequate resources to discharge its responsibilities. The Chair will be empowered to engage advisers as may be appropriate from time to time to advise the Chair or the Board with respect to duties and responsibilities.

The Board will meet not less than four times per year.

The meetings of the Board will ordinarily include the Chief Executive Officer (if not a director) and the Secretary and will periodically include other senior officers as may be appropriate and as may be desirable to enable the Board to become familiar with the Corporation's management team.

The Secretary will keep minutes of its meetings in which will be recorded all actions taken by the Board. Such minutes will be made available to Board members at their request and all such minutes will be approved by the Board for entry in the records of the Corporation.

Members of the Board will have the right, for the purposes of discharging their respective powers and responsibilities, to inspect any relevant records of the Corporation and its subsidiaries.

Members of the Board, subject to approval of the chair of the Corporate Governance Committee, may retain separate counsel to deal with issues relating to their responsibilities as members of the Board.

ANNEX I

SECTION 185 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

185. (1) Rights of dissenting shareholders — Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181; or
- (e) sell, lease or exchange all or substantially all its property under subsection 184(3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

(2) **Idem** — If a corporation resolves to amend its articles in a manner referred to in subsection 170(1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170(1)(a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170(5) or (6).

(2.1) **One class of shares** — The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Exception** — A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
- (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

(4) **Shareholder's right to be paid fair value** — In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

(5) **No partial dissent** — A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) **Objection** — A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

(7) **Idem** — The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

(8) **Notice of adoption of resolution** — The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

(9) **Idem** — A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

(10) **Demand for payment of fair value** — A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(11) **Certificates to be sent in** — Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(12) **Idem** — A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

(13) **Endorsement on certificate** — A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

(14) **Rights of dissenting shareholder** — On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168(3), terminate an amalgamation agreement under subsection 176(5) or an application for continuance under subsection 181(5), or abandon a sale, lease or exchange under subsection 184(8),

in which case the dissenting shareholders rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee.

(15) **Offer to pay** — A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(16) **Idem** — Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

(17) **Idem** — Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(18) **Application to court to fix fair value** — Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(19) **Idem** — If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(20) **Idem** — A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

(21) **Costs** — If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

(22) **Notice to shareholders** — Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

(23) **Parties joined** — All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

(24) **Idem** — Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

- (25) **Appraisers** — The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.
- (26) **Final order** — The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22)(a) and (b).
- (27) **Interest** — The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.
- (28) **Where corporation unable to pay** — Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that is unable lawfully to pay dissenting shareholders for their shares.
- (29) **Idem** — Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,
- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
 - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (30) **Idem** — A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,
- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.
- (31) **Court order** — Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.
- (32) **Commission may appear** — The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

