



**Notice of Annual Meeting of Shareholders and
Management Information Circular**

**Annual Meeting of Shareholders
to be held on April 19, 2018**

March 9, 2018

These materials require your immediate attention. Should you not understand the contents of this document, please consult your professional advisors.

CHESSWOOD GROUP LIMITED

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting (the “**Meeting**”) of the shareholders of Chesswood Group Limited (the “**Corporation**”) will be held at the offices of McCarthy Tétrault LLP, TD Bank Tower, Toronto Dominion Centre, 53rd Floor, Toronto, Ontario on Thursday, April 19, 2018 at 3:00 p.m. (Toronto time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2017 together with the report of the auditors thereon;
2. to elect members of the board of directors of the Corporation;
3. to appoint auditors and authorize the board of directors of the Corporation to fix the remuneration of the auditors; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

A shareholder of the Corporation wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his or her duly executed form of proxy not later than 8:30 a.m. (Toronto time) on April 17, 2018 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned meeting, at the offices of TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1. A form of proxy solicited by management of the Corporation in respect of the Meeting is included in the Notice Package (as defined below). Shareholders of the Corporation who are unable to be present personally at the Meeting are requested to sign and return (in the envelope provided for that purpose) such form of proxy.

Only holders of common shares and special voting shares of the Corporation of record at the close of business on March 9, 2018 (the “**Record Date**”) will be entitled to vote at the Meeting, and, except as otherwise determined from time to time by directors of the Corporation, no shareholders becoming such after the Record Date will be entitled to receive notice of and vote at the Meeting or any adjournment thereof or to be treated as a shareholder of record for purposes of such other action.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Electronic copies of this notice, the management information circular and other Meeting materials may be found on the Corporation’s profile on SEDAR at www.sedar.com and on a host website at (<https://docs.tsxtrust.com/2005>).

Shareholders are reminded to review the management information circular before voting.

Shareholders will receive paper copies of a notice package (the “**Notice Package**”) containing a notice with information prescribed by NI 54-101 and a form of proxy (if a registered shareholder) or a voting instruction form (if a non-registered shareholder). The Corporation will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access. Stratification occurs when an issuer using Notice-and-Access sends a paper copy of the management information circular to some securityholders with a Notice Package.

Shareholders may obtain paper copies of the management information circular and the Meeting materials free of charge by calling 1-866-600-5869 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the Meeting materials should submit their request no later than 9:00 a.m. EST on April 10, 2018 in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Shareholders may also use the toll-free number noted above to obtain more information about the Notice-and-Access. Under the Notice-and-Access, Meeting materials will be available for viewing on the host website for one year from the date of posting.

DATED at Toronto, Ontario this 9th day of March, 2018.

**BY ORDER OF THE BOARD OF
DIRECTORS of Chesswood Group Limited**

(signed) "Lisa Stevenson"

Lisa Stevenson
Director of Finance and Secretary

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CHESSWOOD GROUP LIMITED
MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular is furnished in connection with the solicitation of proxies by or on behalf of the management and the board of directors (the “**Board**”) of Chesswood Group Limited (the “**Corporation**”) to be used at the annual meeting of shareholders (the “**Shareholders**”) of the Corporation (the “**Meeting**”) referred to in the accompanying Notice of Annual Meeting of Shareholders (the “**Notice of Meeting**”) to be held on Thursday, April 19, 2018, at the time and place and for the purposes set forth in the Notice of Meeting. The solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation at nominal cost. The cost of solicitation will be borne by the Corporation. The information contained herein is given as of March 9, 2018, unless indicated otherwise, and all dollar amounts used in this document are in Canadian dollars.

A copy of the 2017 Annual Report of the Corporation and the Corporation’s current annual information form is available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, that was established by the Canadian Securities Administrators) at www.sedar.com. In the alternative, copies will be provided upon request to the Corporation (to the Investor Relations Department at 156 Duncan Mill Road, Suite 15, Toronto, Ontario, M3B 3N2).

In addition to the technical description of the voting and proxy requirements and procedures described under the headings “Solicitation of Proxies” and “Voting Shares and Principal Holders Thereof”, various common questions, and answers to such questions, on proxy voting are set out below under the heading “Questions and Answers on Proxy Voting”.

Notice-and-Access

The Corporation has elected to use notice-and-access procedures (“**Notice-and-Access**”), as permitted under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) for the Meeting. Notice-and-Access is a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials on-line, via the SEDAR and one other website, rather than mailing paper copies of such materials to securityholders.

Electronic copies of the Notice of Meeting, this management information circular and other Meeting materials (including a copy of the 2017 Annual Report of the Corporation) may be found on the Corporation’s profile on SEDAR at www.sedar.com and on a host website at (<https://docs.tsxtrust.com/2005>).

Shareholders are reminded to review this management information circular before voting.

Shareholders will receive paper copies of a notice package (the “**Notice Package**”) containing a notice with information prescribed by NI 54-101 and a form of proxy (if a registered Shareholder) (the “**form of proxy**”) or a voting instruction form (if a non-registered Shareholder). The Corporation will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access. Stratification occurs when an issuer using Notice-and-Access sends a paper copy of this management information circular to some securityholders with a Notice Package.

Shareholders may obtain paper copies of this management information circular and the Meeting materials free of charge by calling 1-866-600-5869 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the Meeting materials should submit their request no later than 9:00 a.m. EST on April 10, 2018 in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Shareholders may also use the toll-free number noted above to obtain more information about the Notice-and-Access. Under the Notice-and-Access, Meeting materials will be available for viewing on the host website for one year from the date of posting.

Appointment and Revocation of Proxies

The persons named in the form of proxy are officers of the Corporation. **Each Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons named in the form of proxy, to represent such Shareholder at the Meeting or any adjournment thereof.** Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation or other entity, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited with TSX Trust Company ("**TSX Trust**"), 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, before 8:30 a.m. (Toronto time) on April 17, 2018.

A Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

- (a) by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid; or
- (b) by depositing an instrument in writing revoking the proxy executed by him or her:
 - (i) with TSX Trust at any time up to and including 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used;
 - (ii) with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof; or
 - (iii) in any other manner permitted by law.

Exercise of Discretion by Proxies

Common shares ("**Common Shares**") and special voting shares ("**Special Voting Shares**" and, together with the Common Shares, "**Voting Shares**") of the Corporation represented by properly executed proxies in favour of the persons named in the form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the Voting Shares will be voted or withheld from voting in accordance with the specifications so made. **Where a Shareholder has properly executed a proxy in favour of the persons named in the form of proxy and has not specified in the form of proxy the manner in which the named proxies are required to vote the Voting Shares represented thereby, such Voting Shares will be voted in favour of the passing of the matters set forth in the Notice of Meeting.** The form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. At the date hereof, the directors

and officers of the Corporation do not know of any such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

CORPORATE STRUCTURE

The Corporation is the successor to Chesswood Income Fund (the “**Fund**”) following the conversion (the “**Conversion**”) of the Fund from an income trust structure to a dividend-paying corporation by way of a court-approved plan of arrangement under the *Business Corporations Act* (Ontario) (the “**OBCA**”), which was effective as of January 1, 2011.

The Corporation was incorporated on March 19, 2010 under the OBCA and did not carry on any active business prior to the Conversion, other than executing the arrangement agreement pursuant to which the Conversion was implemented.

On May 13, 2010 the holders of units of the Fund approved the Conversion and on May 27, 2010, the Fund, the Corporation and Chesswood GP Limited, the administrator of the Fund (the “**Administrator**”), as applicants, obtained a final order from the Ontario Superior Court of Justice with respect to the Conversion. On January 1, 2011, Articles of Arrangement were obtained from the Ontario Ministry of Government Services, thereby completing the Conversion. In accordance with the Conversion, the Corporation acquired all of the units of the Fund, issuing one Common Share for each unit of the Fund it acquired and the Corporation also issued one Special Voting Share for each special voting unit of the Fund then outstanding. As a result of the Conversion, the Fund was wound-up effective January 1, 2011. Immediately after the completion of the Conversion, there were 9,397,546 Common Shares and 1,478,537 Special Voting Shares issued and outstanding.

The Common Shares commenced trading on the Toronto Stock Exchange (the “**TSX**”) on January 4, 2011 under the stock symbol “CHW”, at which time the units of the Fund were delisted from the TSX.

In connection with the acquisition of Pawnee Leasing Corporation (“**Pawnee**”) by Chesswood US Acquisitionco Ltd. (“**U.S. Acquisitionco**”), a subsidiary of the Fund (now a subsidiary of the Corporation), U.S. Acquisitionco issued to the vendors an aggregate of 1,274,601 Class B common shares and 203,936 Class C common shares of U.S. Acquisitionco. Each Class B common share and Class C common share is exchangeable (for no additional consideration) on a one-for-one basis for Common Shares (prior to the Conversion, each such share was exchangeable for one unit of the Fund). The Class B common shares and Class C common shares of U.S. Acquisitionco entitle the holders to per share dividends equal to the per share dividends paid on the Common Shares.

In order to provide voting equivalency to the holders thereof with the rights of the holders of Common Shares, the Class B and Class C common shares of U.S. Acquisitionco are non-voting, but one Special Voting Share was issued for (and effectively attached to) each Class B and Class C common share of U.S. Acquisitionco (prior to the Conversion, one special voting unit of the Fund was issued for each Class B and Class C common share of U.S. Acquisitionco). Each Special Voting Share entitles the holder thereof to a number of votes at any meeting of Shareholders equal to the number of Common Shares that may be obtained upon the exchange of the Class B common share or the Class C common share of U.S. Acquisitionco to which the Special Voting Share relates (currently, one vote per Special Voting Share).

Except for the right to be counted towards a quorum and to requisition, vote at, and receive materials for, meetings of Shareholders, the Special Voting Shares do not confer any other rights upon the holders.

Except where otherwise expressly indicated, references in this management information circular to “Shareholders” are intended to include the holders of Special Voting Shares.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Voting Shares of record at the close of business on March 9, 2018 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of the record date, the Corporation had 17,973,336 Voting Shares issued and outstanding. Each Voting Share carries the right to one vote. The outstanding Common Shares are listed on the TSX under the symbol “CHW”.

To the knowledge of the officers of the Corporation, the following table sets out the names of all persons who beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding Voting Shares:

Name	Total Number of Voting Shares	Percentage of Outstanding Voting Shares
Edward Sonshine, O. Ont., Q.C.	1,851,185 Common Shares	10.30%
Daniel Wittlin	1,859,584 Common Shares	10.35%

Notes:

- (1) As at the date hereof, the directors and executive officers of the Corporation, as a group, beneficially own, or control or direct, directly or indirectly, approximately 16.77% of the outstanding Voting Shares (of which approximately 5.5% of such Voting Shares are Special Voting Shares).

QUORUM FOR MEETING

At any meeting of the Shareholders, a quorum will be two persons present in person or by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the Meeting and each entitled to vote at the Meeting and holding or representing by proxy not less than 10% of the votes entitled to be cast at the Meeting.

NON-REGISTERED HOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Voting Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered in the name of a nominee such as an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Voting Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) or a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either be given a form of proxy or a request for voting instructions (often called a “**proxy authorization form**”). **In either case, Non-Registered Holders who wish their Voting Shares to be voted at the Meeting should carefully follow the instructions of their Intermediary or other nominee, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

The Notice Package is being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) giving effect to your proxy. Please return your proxy as specified herein.

Management of the Corporation does not intend to pay for Intermediaries to forward to Non-Registered Holders who are “objecting beneficial owners” under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s Intermediary assumes the cost of delivery.

QUESTIONS AND ANSWERS ON PROXY VOTING

Q. What am I voting on?

A. Shareholders are voting on the election of directors of the Corporation for the coming year and the appointment of auditors, all as further described below in this management information circular.

Q. Who is entitled to vote?

A. Shareholders as of the close of business on the record date (being March 9, 2018) are entitled to vote. Each Voting Share entitles the holder to one vote on those items of business identified in the Notice of Meeting.

Q. How do I vote?

A. If you are a registered Shareholder, (i) you may vote in person at the Meeting, (ii) you may sign and return the form of proxy appointing the named persons or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your Voting Shares at the Meeting, or (iii) you may vote by internet by accessing the website address specified in the internet voting option insert and follow the online voting instructions. If your Voting Shares are held in the name of a nominee, please refer to the answer to the question “If my Shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my Shares?” to determine how you may vote your Voting Shares.

Q. What if I plan to attend the Meeting and vote in person?

A. If you are a registered Shareholder and plan to attend the Meeting and wish to vote your Voting Shares in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, TSX Trust, upon arrival at the Meeting. If your Voting Shares are held in the name of a nominee and you wish to attend the Meeting, refer to the answer to the question below “If my Shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my Shares?”.

Q. Who is soliciting my proxy?

A. The form of proxy is being solicited by management and the Board of the Corporation and the associated costs will be borne by the Corporation. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by the officers and/or employees of the Corporation.

Q. What if I sign the form of proxy?

A. Signing the form of proxy gives authority to Barry Shafran, a director and the President and Chief Executive Officer of the Corporation, or Lisa Stevenson, Director of Finance and Secretary of the Corporation, or to another person you have appointed, to vote your Voting Shares at the Meeting.

Q. Can I appoint someone other than these representatives to vote my Shares?

A. Yes. Write the name of this person, who need not be a Shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that they have been appointed to vote your Voting Shares. Proxyholders should, upon arriving at the Meeting, present themselves to a representative of our transfer agent, TSX Trust.

Q. What do I do with my completed proxy?

A. Return it to our transfer agent, TSX Trust, in the envelope provided, or by fax to (416) 595-9593, so that it arrives no later than 8:30 a.m. (Toronto time) on April 17, 2018. This will ensure that your vote is recorded.

Q. If I change my mind, can I take back my proxy once I have given it?

A. Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if Voting Shares are held by a corporation, under the corporation's corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered either to our transfer agent as described above (please see "What do I do with my completed proxy?") or to the Chairman on the day of the Meeting or any adjournment of the Meeting, prior to the time of voting.

Q. How will my Shares be voted if I give my proxy?

A. The persons named on the form of proxy must vote for or against or withhold from voting your Voting Shares in accordance with your directions. In the absence of such directions, your Voting Shares will be voted in the discretion of the proxyholder. If the proxyholder is management's representative, your Voting Shares will be voted in favour of the election of directors of the Corporation and the appointment of auditors.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. As of the date of this management information circular, neither the management nor the directors of the Corporation know of any such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

Q. How many Shares are entitled to vote?

A. As of March 9, 2018 (the record date), there were 17,973,336 Voting Shares outstanding. Each Shareholder has one vote for each Voting Share held at the close of business on the record date.

Q. What if ownership of Shares has been transferred after the Record Date?

A. Only holders of Voting Shares of record at the close of business on the record date are entitled to vote at the Meeting, even though such Shareholder has since that date disposed of his or her Voting Shares, and, except as otherwise determined from time to time by the directors of the Corporation, no Shareholder becoming such after the record date will be entitled to receive notice of or vote at the Meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action.

Q. How will the votes be counted?

A. Each question brought before the Meeting is determined by a majority of votes cast on the question. In the case of equal votes, the Chairman of the Meeting is not entitled to a second or casting vote.

Q. If I need to contact the transfer agent, how do I reach it?

A. You can contact the transfer agent by mail at:

TSX Trust Company
100 Adelaide Street West, Suite 301,
Toronto, Ontario M5H 4H1

or by telephone: 416-361-0930 x205
or toll-free throughout North America:
1-866-600-5869

Q. If my Shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my Shares?

A. There are two ways you can vote your Voting Shares held by your nominee.

For your Voting Shares to be voted for you, please follow the instructions provided by your nominee on the voting instruction form. As an alternative to completing the voting instruction form provided by your nominee, you can enter your vote by telephone or internet in accordance with the instructions on the voting instruction form. If you are a non-registered Shareholder who has voted and want to change your mind and vote in person, contact your nominee to discuss whether this is possible and what procedure to follow.

Since we do not have access to the names of all of our non-registered Shareholders, if you attend the Meeting, we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you are a non-registered Shareholder and wish to vote in person at the Meeting, insert your own name in the space provided on the voting instruction form by following the signing and return instructions provided by your nominee. By doing so, you are instructing your nominee to appoint you as proxyholder. Do not otherwise complete the voting instruction form as your vote will be taken at the Meeting. If you wish to vote in person at the Meeting and have taken the steps required by your nominee to be able to do so, please register with our transfer agent, TSX Trust, upon arrival at the Meeting.

MATTERS REQUIRING SHAREHOLDER APPROVAL

1. Election of Directors

Directors of the Corporation

The number of directors to be elected at the Meeting is determined from time to time by resolution of the directors, such number being not more than twenty and not less than three.

A majority of the directors of the Corporation must be “independent” directors. The directors of the Corporation have resolved that there will be six directors. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the OBCA. On any ballot that may be called for in the election of directors, the persons named in the form of proxy intend to cast the votes to which the Voting Shares represented by such proxy are entitled for each of the proposed nominees whose names are set forth below, unless the Shareholder who has given such proxy has directed that the Voting Shares be otherwise voted or withheld from voting in respect of the election of one or more of such nominees. The directors and management of the Corporation do not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the form of proxy reserve the right to vote for other nominees at their discretion.

The Board 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. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the applicable Shareholders’ meeting. Following receipt of the resignation, the Audit and Governance Committee will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. Within 90 days following the applicable Shareholders’ meeting, the Board will publicly disclose its decision whether to accept the applicable director’s resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or of the Audit and Governance Committee at which the resignation is considered. A copy of the majority voting policy may be found on our website at www.chesswoodgroup.com.

The following table sets out the name of each of the persons proposed to be nominated for election as a director of the Corporation, the principal occupation or employment of each of them for the past five years, and the approximate number of Voting Shares that each has advised are beneficially owned or subject to his control or direction, directly or indirectly. Each of the persons below has been a director of the Corporation since December 24, 2010 (unless otherwise noted below) and has held the indicated positions with the Fund and/or the Administrator from May 2006 (unless otherwise noted below) to the effective date of the Conversion, being January 1, 2011. Other than as stated below, none of such proposed nominees has any other position, or any office, in the Corporation or any of its subsidiaries (or, prior to the Conversion, in the Fund or any of its subsidiaries).

Name, Residence, Office and Principal Occupation ⁽¹⁾	Voting Shares Beneficially Held or Over which Control is Exercised ⁽⁴⁾
FREDERICK W. STEINER Ontario, Canada Director and Chairman of the Corporation Principal Occupation: Chief Executive Officer, Imperial Coffee and Services Inc. (an office food and beverage distribution company)	1,158,856 Common Shares
CLARE R. COPELAND ⁽²⁾⁽³⁾ Ontario, Canada Director of the Corporation Principal Occupation: Vice-Chairman, Falls Management Company	38,085 Common Shares
DAVID OBRONT ⁽²⁾⁽³⁾ Ontario, Canada Director of the Corporation Principal Occupation: President of Carpool Two Ltd.	38,400 Common Shares
ROBERT DAY Nevada, USA Director of the Corporation Currently retired. Principal occupation prior to retirement: Chairman of Pawnee (an equipment leasing company that is a subsidiary of the Corporation)	135,612 Common Shares 689,590 Special Voting Shares
BARRY W. SHAFRAN Ontario, Canada Director of the Corporation Principal Occupation: President and Chief Executive Officer of the Corporation	149,750 Common Shares
SAM LEEPER ⁽²⁾⁽³⁾ Colorado, USA Director of the Corporation Currently retired. Principal occupation prior to retirement: Chief Executive Officer of Pawnee (an equipment leasing company that is a subsidiary of the Corporation)	145,243 Common Shares 295,707 Special Voting Shares

Notes:

- (1) During the past five years, each of the directors of the Corporation has been engaged in his current principal occupation as specified above. Each of the persons above who is a director has been a director since December 24, 2010 (other than Mr. Shafran, who has been a director since March 19, 2010). Prior to the Conversion, each of the persons above held equivalent positions with the Fund and Administrator from May 2006 (other than Mr. Steiner, who was appointed as a trustee of the Fund in July of 2006, but was a director of the Administrator since the commencement of operations of the Fund on April 19, 2006) until the effective date of the Conversion, being January 1, 2011.
- (2) Denotes member of the Audit and Governance Committee.
- (3) Denotes member of the Compensation Committee.
- (4) As of the record date (being March 9, 2018).

The management representatives named in the form of proxy intend to vote the Voting Shares represented by such proxy in favour of the election of each of the nominees listed in this management information circular unless a Shareholder specifies in the proxy that his or her Voting Shares are to be withheld from voting in respect of the indicated nominees.

2. **Appointment of Auditors**

The Corporation proposes to nominate BDO Canada LLP, the present auditors, as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders. BDO Canada LLP was first appointed as auditors of the Corporation on March 19, 2010 (and acted as the Fund's auditors from February 16, 2006).

The management representatives named in the form of proxy intend to vote the Voting Shares represented by such proxy in favour of the appointment of BDO Canada LLP as auditors of the Corporation and in favour of authorizing the directors of the Corporation to fix the remuneration of the auditors unless a Shareholder specifies in the proxy that his or her Voting Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

COMPENSATION DISCUSSION AND ANALYSIS

General

The approach to the Corporation's executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Corporation will maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Corporation.

The compensation arrangements for the Chief Executive Officer, in addition to salary, include a performance incentive plan based on meeting or surpassing corporate operating targets and compensation in the form of benefits arising from the grant of long term incentive plan awards, pursuant to the Incentive Plan (see "Incentive Plan Awards – Equity Incentive Plan" below). To date, compensation of the Named Executive Officers (as defined below) of the Corporation has been comprised of cash and incentive compensation.

Mr. Shafran's compensation as President and Chief Executive Officer of the Corporation is based on a review of both his performance and the overall performance of the Corporation by the Compensation Committee. The Compensation Committee has relied in the past solely on discussion to arrive at compensation for Mr. Shafran, in conjunction with research with respect to determining levels of compensation that are externally competitive. Beginning in 2011, a new, more quantitative, bonus plan was introduced.

The President and Chief Executive Officer and the Director of Finance of the Corporation entered into a new incentive program in 2011, in order to formalize their performance incentive compensation. Each such officer receives an annual bonus based on the achievement of budgeted EBTDA (earnings before taxes, depreciation and amortization and certain non-cash charges such as share-based compensation expense). The bonus for achieving budgeted EBTDA is 50% (for the President and Chief Executive Officer) and 15% (for the Director of Finance) of the subject officer's annual salary. Thereafter, bonus amounts increase as actual results exceed the budgeted EBTDA.

At this time, no significant changes to the Corporation's compensation policies are contemplated in the next financial year.

The Board and the Compensation Committee have not formally considered the implications of the risks associated with the Corporation's compensation policies and practices. However, the Corporation's compensation policies and practices encourage behaviours that align with the long-term interests of the

Corporation and its shareholders. While the Corporation's compensation program and practices are not structured to reward excessive risk taking, the Corporation recognizes that some level of risk taking is necessary to achieve outcomes that are in the shareholders' best interests.

The Corporation has certain strategies to limit risks, including: placing significant weighting on long-term incentives, thereby mitigating the risk of encouraging achievement of short-term goals at the expense of long-term sustainability and shareholder value; the nature of the primary financial measure used in the incentive program (achievement of budgeted EBTDA) ensures the Corporation will have the ability to pay bonuses required under the program; and the Board and the Compensation Committee can use discretion in assessing both individual Named Executive Officer and overall Corporation performance ensuring bonus payouts and compensation are not overly influenced by an unusual result in any one given area.

The nature and structure of the Corporation's operating entities are such that senior management of the Corporation has significant direct interaction with employees. As well, the goal of the Corporation's operating entities is focused on achieving attractive risk adjusted returns and, accordingly, considerable focus is placed on appropriate levels of risk.

Currently, the Corporation does not have a policy in place prohibiting Named Executive Officers and directors of the Corporation from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units or exchange funds that are designed to hedge or offset a decrease in market value of equity securities of the Corporation granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. To the Corporation's knowledge, no Named Executive Officer or director has ever purchased such financial instruments for such purpose.

Compensation Governance

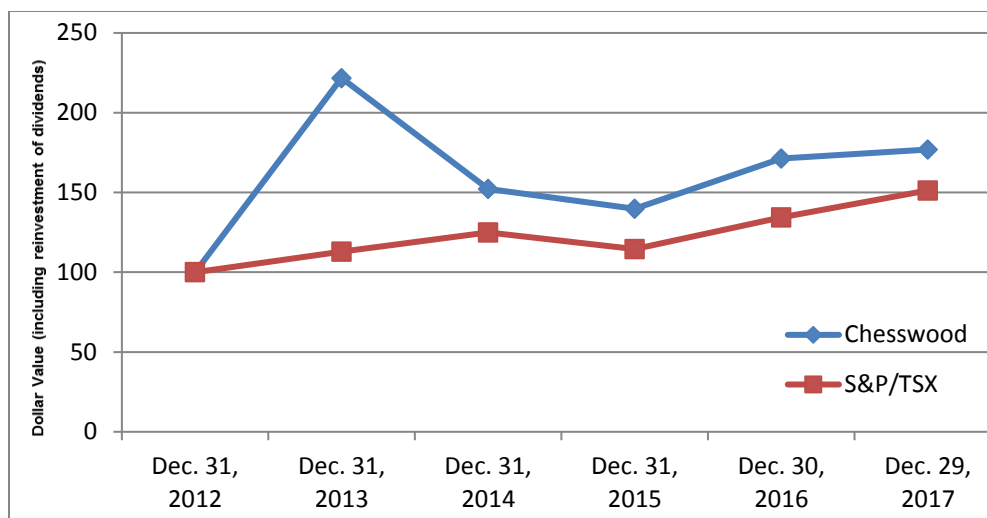
The Compensation Committee is responsible for overseeing compensation matters related to the Corporation. In particular, the Compensation Committee assists the Board in fulfilling its oversight responsibilities relating to (i) the compensation of the directors and senior management of the Corporation, (ii) the administration of the compensation plans for senior management of the Corporation and its subsidiaries, including stock option plans, long-term incentive plans and such other compensation plans as are adopted by the Corporation from time to time, and (iii) policies for management benefits and perquisites.

The members of the Compensation Committee are Clare Copeland, Sam Leeper and David Obront, each an independent director. Each committee member has skills and experience that are relevant to his responsibilities as a Compensation Committee member, gained by being a director, compensation committee member of another company, or a current or former senior officer with oversight of decision-making processes and by participating in related education programs.

The responsibilities, power and operation of the Compensation Committee are further described in the Charter of the Compensation Committee of the Corporation, which can be found on the Corporation's website at www.chesswoodgroup.com.

Performance Graph

The following graph compares the total cumulative return on \$100 invested on January 1, 2013 in Common Shares (during 2013 through 2017), with the total cumulative return on the S&P/TSX Composite Index, assuming reinvestment of all dividends and distributions, but excluding all brokerage fees and income taxes, for the period from January 1, 2013 through December 31, 2017. Note that the data points only record the value at December 31 of each year, such that fluctuations during the years are not shown.



While a portion of the compensation of the Corporation's Named Executive Officers is performance based, it is difficult to correlate compensation to the trends shown in the above performance graph. As described under "Compensation Discussion and Analysis - General" above, base salaries are not determined on benchmarks or a specific formula, but are set to be competitive with industry levels. Historically, bonuses were based on meeting or surpassing corporate operating targets and individual achievement, which are not necessarily reflected in the trading price of shares. Similarly, the incentive program that began in 2011 is based on the achievement of budgeted EBTDA, which also will not necessarily be reflected in the trading prices of shares.

SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned in respect of the last three financial years by the named executive officers, being the Chief Executive Officer and the Chief Financial Officer of the Corporation for each of such years and the Vice-President and Chief Operating Officer in respect of 2017 (the "Named Executive Officers") for services rendered in all capacities.

Name and Principal Position	Financial Year	Salary (\$)	Share-based awards (Restricted Share Units) (\$) ⁽³⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽¹⁾	Long-term incentive plans			
BARRY W. SHAFRAN PRESIDENT AND CHIEF EXECUTIVE OFFICER	2017	410,000	nil	191,378	399,811	nil	nil	27,988	1,029,177
	2016	375,000	nil	258,657	386,583	nil	nil	37,422	1,057,622
	2015	375,000	nil	346,838	257,143	nil	nil	25,762	1,004,743
	2014	345,000	nil	308,074	370,133	nil	nil	25,313	1,048,520
LISA STEVENSON DIRECTOR OF FINANCE, CHIEF FINANCIAL OFFICER AND SECRETARY	2017	225,000	nil	53,638	179,298	nil	nil	9,827	467,763
	2016	190,000	nil	65,282	100,000	nil	nil	9,817	365,099
	2015	190,000	nil	82,184	82,715	nil	nil	12,464	367,363
	2014	190,000	nil	58,45	131,147	nil	nil	12,030	391,632

⁽¹⁾These incentive payments are reported in the year in which they were earned, not in the year in which they were actually paid. They are paid in cash in the year following the year in which they are earned, once financial results for the prior year have been finalized.

⁽²⁾Amounts reflect the fair value of options recognized as compensation expense during the year by the Corporation for financial reporting purposes, as determined in accordance with IFRS 2 of the Canadian Institute of Chartered Accountants Handbook. The amounts represent non-cash compensation expense relating to options granted and not necessarily vested or exercised. These

amounts were not realized by the executives and may never be realized. The fair value of the award on the grant date was determined using the Black-Scholes option pricing model with the following assumptions: expected volatility, expected life of the options, expected dividend yield and risk-free interest rate.

(3) Amounts in this column reflect the fair value of Restricted Share Units granted that was recognized as compensation expense by the Corporation for financial reporting purposes, as determined in accordance with IFRS 2 of the Canadian Institute of Chartered Accountants Handbook.

Executive Share Ownership Guidelines

To align the interests of senior management with the interests of Shareholders, share ownership guidelines were introduced for senior management in November 2014. Under the guidelines, the indicated ownership level (defined in terms of a multiple of base salary) must be achieved within one year of becoming a designated executive officer. Corporation ownership includes Common Shares or share equivalents. Unexercised options (whether or not vested) do not qualify to meet ownership guidelines. The following table summarizes the ownership guidelines relative to current senior management of the Corporation:

Name	Ownership Expectation as a multiple of Base Salary	Ownership Expectation in Value (\$) ⁽¹⁾	Current Ownership Value (\$) ⁽²⁾
Barry Shafran	2 x base salary	\$820,000	\$1,704,155
Lisa Stevenson	2 x base salary	\$450,000	\$1,315,187

Notes:

- (1) Ownership expectation calculation is based upon base salaries as at December 31, 2017.
- (2) As at January 4, 2018, the date for determining compliance with share ownership guidelines, the ownership values noted above are based on a Common Share price of \$11.38.

INCENTIVE PLAN AWARDS

Outstanding Option-based Awards and Share-based Awards

The following table provides a summary of outstanding share-based awards and option-based awards earned during the period ended December 31, 2017 by the Named Executive Officers.

Name	Option-based Awards				Share-based Awards (Restricted Share Units)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of Restricted Share Units that have not vested (#)	Market or payout value of Restricted Share Units that have not vested (\$) ⁽¹⁾	Market or payout value of vested Restricted Share Units not paid out or distributed (\$)
BARRY W. SHAFRAN	55,000	7.79	April 24, 2021	202,950	n/a	n/a	n/a
PRESIDENT AND CHIEF EXECUTIVE OFFICER	180,000	6.14	Dec 6, 2021	961,200			
	125,000	8.86	Dec 6, 2022	327,500			
	125,000	14.12	April 29, 2024	n/a			
	150,000	12.24	April 29, 2025	n/a			
	100,000	10.17	August 15, 2026	131,000			
	90,000	12.15	June 19, 2027	n/a			

Name	Option-based Awards				Share-based Awards (Restricted Share Units)		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of Restricted Share Units that have not vested (#)	Market or payout value of Restricted Share Units that have not vested (\$) ⁽¹⁾	Market or payout value of vested Restricted Share Units not paid out or distributed (\$)
LISA STEVENSON	24,000	4.49	April 10, 2020	167,760	n/a	n/a	n/a
DIRECTOR OF FINANCE, CHIEF FINANCIAL OFFICER AND SECRETARY	35,000	7.79	April 24, 2021	129,150			
	35,000	7.45	June 24, 2022	141,050			
	30,000	14.12	April 29, 2024	n/a			
	40,000	12.53	April 16, 2025	n/a			
	30,000	10.17	August 15, 2026	39,300			
	30,000	12.15	June 19, 2027	n/a			

⁽¹⁾Based on market price of \$11.48 at December 31, 2017.

Incentive plan awards – value vested or earned during the year

The following table provides a summary of the incentive plan awards earned during the period ended December 31, 2017 by the Named Executive Officers.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
BARRY W. SHAFRAN PRESIDENT AND CHIEF EXECUTIVE OFFICER	150,600	n/a	n/a
LISA STEVENSON DIRECTOR OF FINANCE, CHIEF FINANCIAL OFFICER AND SECRETARY	39,580	n/a	n/a

⁽¹⁾Based on market price for all options that vested during the year, not necessarily exercised.

Equity Incentive Plan

General

As part of the Conversion effective January 1, 2011, the Corporation established the Incentive Plan, which is substantially the same as the equity incentive plan the Fund had prior to the Conversion. The only substantive differences between the incentive plan of the Fund and the Incentive Plan, is that an “Option” under the Incentive Plan is an option to purchase Common Shares (as opposed to units of the Fund) and “Restricted Share Units” are awards exercisable for Common Shares (as opposed to units of the Fund). In connection with the Conversion, options issued under the Fund’s incentive plan were exchanged for options of the Corporation, having the same exercise price, vesting and expiry date as the exchanged options granted by the Fund.

The Incentive Plan was approved by the unitholders of the Fund at the annual and special meeting of the Fund held on May 13, 2010. The Incentive Plan was further amended on December 6, 2011 by the Board to provide that (i) in the event of a proposed change in control of the Corporation, outstanding Options and Restricted Share Units (as defined below) shall become vested and exercisable solely for the conditional purpose of tendering such Options and Restricted Share Units to the change in control (previously, such conditional vesting was at the Board’s discretion); and (ii) in the event of termination without cause, any unvested Options and Restricted Share Units of the subject Participant (as defined below) will immediately vest and all Options and Restricted Share Units held by the Participant will be exercisable for six months. The Incentive Plan was further amended on April 29, 2014 to clarify that to the extent an Award (as defined below) is exercised, a number of shares equal to the number of shares associated with the exercised Award become available for future grants under the Incentive Plan. In accordance with TSX requirements, the unallocated Awards under the Incentive Plan were last approved and ratified by Shareholders at the annual and special meeting of the Corporation held on May 16, 2016 and the Corporation must again seek Shareholder ratification of the unallocated Awards on or before May 16, 2019.

The Incentive Plan is made available to (i) the directors of the Corporation, (ii) the officers and employees of the Corporation and its subsidiaries and (iii) designated service providers who spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary thereof (each, a “**Participant**”), all as selected by the directors of the Corporation or a committee appointed by the directors to administer the Incentive Plan (the “**Plan Administrators**”).

The objective of creating the Incentive Plan is to encourage increased long term equity participation in the Corporation by Participants. The Incentive Plan is intended to facilitate long term ownership of Common Shares by Participants and to provide Participants with additional incentives by increasing their interest, as owners, in the Corporation. As well, it is believed that the Incentive Plan will encourage Participants to remain with the Corporation, and will also attract new employees to the Corporation.

Awards

Awards granted under the Incentive Plan may consist of Common Share options (“**Options**”) and restricted share units (“**Restricted Share Units**”, and together with Options “**Awards**”). Each Award is subject to the terms and conditions set forth in the Incentive Plan and to those other terms and conditions specified by the Plan Administrators and memorialized in a written award agreement. Previous grants of Awards are taken into account as part of the process when considering new grants, as well as the performance of the Corporation and its subsidiaries and the individual performance of the Participant in question.

Shares Subject to the Incentive Plan

Subject to adjustment in certain circumstances as discussed below, the Incentive Plan authorizes the issuance of an aggregate number of Common Shares of up to 15% of the issued and outstanding Voting Shares from time to time.

No Participant will be granted Awards with respect to more than 7.5% of the Corporation's issued and outstanding Voting Shares. In accordance with the rules of the TSX, the Incentive Plan further provides that (i) the number of Common Shares issuable to Insiders (as defined below), at any time, pursuant to the Incentive Plan and any other security-based compensation arrangement adopted by the Corporation, cannot exceed 10% of the issued and outstanding Voting Shares, and (ii) the number of Common Shares issued to Insiders, within any one year period under the Incentive Plan and any other security-based compensation arrangement adopted by the Corporation cannot exceed 10% of the issued and outstanding Voting Shares. "Insider" means an insider as defined in the *Securities Act* (Ontario), other than a person who would be deemed an "insider" only by virtue of being a director or senior officer of a subsidiary of the Corporation. In addition, the number of Common Shares under Awards granted to directors of the Corporation is limited.

If, and to the extent, Awards granted under the Incentive Plan expire, terminate, are cancelled, or are forfeited for any reason without having been exercised in full, the Common Shares associated with those Awards will again become available for grant under the Incentive Plan. Additionally, if and to the extent an Award is settled for cash, the Common Shares subject thereto will again become available for grant under the Incentive Plan. As well, if, and to the extent, Awards granted under the Incentive Plan are exercised, a number of Common Shares equal to the number of Common Shares issued upon such exercise become available for grant under the Incentive Plan.

In the event of any recapitalization, reorganization, arrangement, amalgamation, split or combination, distribution or other similar event or transaction, substitutions or adjustments will be made by the Plan Administrators in their discretion to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the Incentive Plan; (ii) the number, class and/or issuer of securities subject to outstanding Awards; and (iii) the exercise price of outstanding Awards, in each case in a manner that reflects equitably the effects of such event or transaction. In addition, the appropriate adjustments in the number of Common Shares under an Award and the other terms and conditions thereunder, may be made by the Plan Administrators in their discretion to give effect to the adjustments in the number of Voting Shares resulting from the implementation and operation of any shareholder rights plan that may be established in the future.

The maximum number of Common Shares issuable under the Incentive Plan is currently fixed at 15% of the issued and outstanding Voting Shares at any given time. As of March 9, 2018, 17,973,336 Voting Shares were issued and outstanding and, as such, Awards for an aggregate of 2,696,000 Common Shares are available for grant pursuant to the Incentive Plan. As at March 9, 2018, Awards to acquire 2,206,439 Common Shares (12.28% of the number of outstanding Voting Shares) were outstanding.

Administration

The Incentive Plan is administered and interpreted by the Plan Administrators. The Plan Administrators have full authority to grant Awards under the Incentive Plan and determine the terms of such Awards, including the persons to whom Awards are to be granted, the type and number of Awards to be granted and the number of Common Shares to be covered by each Award. The Plan Administrators also have full authority to specify the time(s) at which Awards will be exercisable or settled.

Eligibility

Directors, officers and employees of the Corporation and its subsidiaries and designated service providers who spend a significant amount of time and attention on the affairs and business of the Corporation or a subsidiary thereof are eligible to participate in the Incentive Plan.

Options

The Incentive Plan provides that the Plan Administrators may grant Options. Any Options granted under the Incentive Plan will have a maximum term of ten years, and will be exercisable at a price not less than the “Fair Market Value” of a Common Share. “**Fair Market Value**” means, as of any date: (i) if the Common Shares are not then publicly traded, the fair market value of a Common Share on the day immediately preceding such date, as determined by the Plan Administrators in their sole and absolute discretion; or (ii) if the Common Shares are publicly traded, the volume weighted average trading price of the Common Shares for the ten trading days immediately preceding such date on the TSX or the principal securities exchange on which the majority of the trading in the Common Shares occurs or, if the Common Shares are not then listed and posted for trading on the TSX or any securities exchange, but are traded in the over-the-counter market, the volume weighted average trading price of the Common Shares for the ten trading days immediately preceding such date; provided that if there has not been at least five trading days in such period in which Common Shares have traded then for purposes of item (ii) the simple average of the mid points between the bid and ask prices for such ten trading days for trading days in which there have been no trades and the volume weighted average trading prices for trading days in which there have been trades are to be used.

Initially, Options will vest, subject to the right of the Plan Administrators to determine at the time of grant that a particular Option will be exercisable in whole or in part on a different date and to determine at any time after the time of grant that a particular Option will be exercisable in whole or in part on an earlier date for any reason: (i) on and after the first anniversary of the date of grant, as to 30% of such Options; (ii) on and after the second anniversary of the date of grant, as to a further 35% of such Options; and (iii) on and after the third anniversary of the date of grant, as to the remaining 35% of such Options. In addition, vesting of Options may be subject to performance tests at the discretion of the Plan Administrators.

Notwithstanding the foregoing, the Incentive Plan provides that in the event that the term of an Option expires during or within ten days after the last day of a “blackout period” (as such term is contemplated in the Corporation’s insider trading policy, as may be amended from time to time) imposed by the Corporation, the Option will expire on the date (the “**Blackout Expiration Date**”) that is ten business days following the end of the blackout period. The Blackout Expiration Date will not be subject to the discretion of the Plan Administrators.

Restricted Share Units

The Incentive Plan provides that the Plan Administrators may grant Awards of Restricted Share Units. A Restricted Share Unit is a contractual promise to issue Common Shares and/or cash in an amount equal to the Fair Market Value of the Common Shares subject to the Award, at a specified future date. Each Restricted Share Unit will initially have a value equal to the Fair Market Value of a Common Share when the subject Award is made. Each Restricted Share Unit will represent the right to receive from the Corporation, after fulfillment of any applicable conditions, a distribution from the Corporation of either (i) one Common Share, or (ii) an amount in cash equal to the Fair Market Value of one Common Share on the date of distribution. Any Restricted Share Units under the Incentive Plan will have a maximum term of ten years. Initially, Restricted Share Units will vest on and after the third anniversary of the date of grant, subject to the right of the Plan Administrators to determine at the time of grant that a particular Restricted

Share Unit will be exercisable in whole or in part on a different date and to determine at any time after the time of grant that a particular Restricted Share Unit will be exercisable in whole or in part on an earlier date for any reason. In addition, vesting of Restricted Share Units may be subject to performance tests at the discretion of the Plan Administrators.

An Award of Restricted Share Units may be settled in Common Shares, cash, or in any combination of Common Shares and cash, at the sole discretion of the Plan Administrators when the subject Award is made.

Effects of Termination of Service

Death – If a Participant’s service terminates by reason of death, any Option or Restricted Share Unit held by such Participant will be immediately fully vested and exercisable and will only be exercisable for a period ending on the earlier of the applicable expiry date and 12 months following the date of death.

Retirement – In the event of the retirement of a Participant from employment, any Option or Restricted Share Unit held by such Participant will thereafter continue to vest and become exercisable in accordance with its terms and will only be exercisable for a period ending on the earlier of the applicable expiry date and three years thereafter (or 30 days after the date such Participant ceases to be retired and is employed by a competitor of the Corporation).

Resignation/Natural Termination – In the event of the resignation of a Participant, or a Participant’s contract as a Service Provider (as defined in the Incentive Plan) terminates at its normal termination date, any unvested Option or Restricted Share Unit held by such Participant will expire and terminate on the date of resignation or the normal termination date in the case of a Service Provider, as applicable, and any vested Option or Restricted Share Unit will only remain exercisable for a period ending on the earlier of the applicable expiry date and 30 days following the date of resignation or the normal termination date, as applicable.

Disability – If a Participant’s service terminates by reason of Disability, any Option or Restricted Share Units held by such Participant may thereafter be exercised by the Participant to the extent it was exercisable at the time of termination, for a period ending on the earlier of the applicable expiry date and 12 months following the date of termination by reason of Disability.

Termination Without Cause – If a Participant’s service as an employee is terminated without cause (as defined in the Incentive Plan), or a Participant’s contract as a Service Provider is terminated before its normal termination date without cause, any Option or Restricted Share Unit held by such Participant will be immediately fully vested and exercisable and will only be exercisable by the Participant for a period ending on the earlier of the applicable expiry date and six months following the date of termination.

Termination With Cause – If a Participant’s service is terminated for cause, or a Participant’s contract as a Service Provider is terminated before its normal termination date for cause: (i) any Option or Restricted Share Unit held by the Participant, whether vested or unvested, 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 will be immediately and automatically forfeited and, in the case of Options, the Corporation will refund to the Participant the exercise price paid for such Shares, if any.

Ceasing to Hold Office – In the event that a Participant who is not an employee or Service Provider ceases to hold office as a director, any Option or Restricted Share Unit held by such Participant will immediately vest and be fully exercisable for a period ending on the earlier of the applicable expiry date and three years following the date of ceasing to hold office.

Assignability

Except as may otherwise be specifically determined by the Plan Administrators with respect to a particular Award, Awards may not be assigned or transferred by a Participant, other than by will or by the laws of descent or distribution.

Amendment and Termination of the Incentive Plan

The Plan Administrators may, in their sole discretion, amend, suspend or terminate the Incentive Plan; provided that no such amendment, suspension, or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or materially prejudice the rights of any holder under any Award.

The Plan Administrators may not, without approval of the Corporation's shareholders, make amendments to the Incentive Plan for any of the following purposes:

- to increase the maximum number of Common Shares that may be issued;
- to reduce the exercise price of Options to less than the Fair Market Value;
- to reduce the exercise price of Options for the benefit of an Insider;
- to extend the expiry date of Awards for the benefit of any Participant (including Insiders);
- to increase the maximum number of Common Shares issuable to Insiders; or
- to amend the amending provisions of the Incentive Plan.

The Plan Administrators may, in accordance with the Incentive Plan and subject to the receipt of any required regulatory approval, where required, in their sole discretion, make amendments to the Incentive Plan including, but not limited to:

- amendments of a technical, clerical, or "housekeeping" nature, or to clarify any provision of the Incentive Plan;
- termination of the Incentive Plan;
- amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements;
- amendments in respect of the vesting provisions of any Awards; and
- amendments to the termination provisions of Awards granted under the Incentive Plan that do not entail an extension beyond the original expiry date.

Change in Control

Upon or in anticipation of any change in control of the Corporation, the Plan Administrators may, in their sole and absolute discretion and without the need for the consent of any Participant, cancel any

Award in exchange for a substitute award of a successor entity. Substitute awards must have no less economic value, nor more stringent performance conditions, and similar vesting schedules as existing Awards. Notwithstanding the foregoing, any vested Options or Restricted Share Units will continue to be exercisable until the occurrence of the change in control. With respect to any change in control transaction, the Board shall cause all outstanding Options and Restricted Share Units to become vested and exercisable solely for the conditional purpose of tendering such Options (or the Common Shares issuable thereunder) or such Restricted Share Units to the change in control transaction.

A change in control for purposes of the Incentive Plan means the occurrence of any of the following, in one transaction or a series of related transactions:

- any person acquires beneficial ownership within the meaning of the *Securities Act* (Ontario), directly or indirectly, of securities of the Corporation representing more than 50% of the voting power of the Corporation's then outstanding Voting Shares for the election of directors of the Corporation;
- a consolidation, securities exchange, reorganization, arrangement or amalgamation of the Corporation resulting in its shareholders immediately prior to such event not owning at least a majority of the voting power of the resulting entity's securities outstanding immediately following such event;
- the sale or other disposition of all or substantially all the assets of the Corporation (other than a transfer of financial assets made in the ordinary course of business for the purpose of securitization or other ordinary course activities);
- a liquidation or dissolution of the Corporation; or
- any similar event deemed by the Plan Administrators to constitute a change in control for the purposes of the Incentive Plan.

Annual Burn Rate

The annual burn rates for the last three years (being the number of Common Shares issuable under Awards granted in the subject year as a percentage of the weighted average number of Voting Shares outstanding during the subject year) were 2.22% (2017), 2.45% (2016) and 3.97% (2015).

TERMINATION AND CHANGE OF CONTROL BENEFITS

Pursuant to Mr. Shafran's employment agreement, he is entitled to receive twice his annual salary and average bonus amount plus one year of benefits if terminated other than for just cause and he may elect to enact this provision within six months of a change in control of the Corporation.

Pursuant to an agreement entered into by Ms. Stevenson and the Corporation in 2016, she is entitled to receive 1.5 times the amount of her annual salary (based on her current salary) if terminated other than for just cause and she may elect to enact this provision within six months of a change in control of the Corporation.

COMPENSATION OF THE DIRECTORS

The following table provides a summary of the compensation earned by the directors of the Corporation (other than those who are also Named Executive Officers, where relevant disclosure has been

provided under the Summary Compensation Table) for services received in such capacity during the most recently completed financial year.

Name	Fees earned (\$) ⁽²⁾	Share-based awards (Restricted Share Units) (\$) ⁽¹⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
FREDERICK W. STEINER Director and Chairman	23,000	87,782	nil	nil	n/a	nil	110,782
CLARE R. COPELAND Director	28,500	65,837	nil	nil	n/a	nil	94,837
DAVID OBRONT Director	23,500	65,837	nil	nil	n/a	nil	89,337
ROB DAY Director	17,000	65,837	nil	nil	n/a	nil	82,837
SAM LEEPER Director	29,000	65,837	nil	nil	n/a	nil	94,837

⁽¹⁾ Amounts in this column reflect the fair value of Restricted Share Units granted that was recognized as compensation expense by the Corporation for financial reporting purposes, as determined in accordance with IFRS 2 of the Canadian Institute of Chartered Accountants Handbook.

⁽²⁾ All amounts in Canadian \$; U.S. amounts converted at an exchange rate of Cdn \$1.2986 per US1\$.

For the year ended December 31, 2017, each director of the Corporation received an annual retainer of \$12,500. An additional \$2,000 was paid to those directors who were members of a committee and an additional \$5,000 was paid to those directors who chaired a committee. No director compensation was paid to a director of the Corporation who was an officer or employee of the Corporation or any other subsidiary of the Corporation. The Chairman of the Board received additional compensation of \$5,000 per year. An additional \$1,000 was paid to those directors for each meeting of the Board or a committee attended in person and \$500 for each meeting attended by telephone. Directors of the Corporation were also reimbursed for out-of-pocket expenses for attending Board meetings.

Director Share Ownership Guidelines

On November 5, 2014, upon recommendation of the Compensation Committee, the Board of Directors adopted Director share ownership guidelines in order to better align directors' interests with Shareholders' interests. Under such guidelines, each non-employee director is required (i) within one year following his or her commencement date as a director to have Common Shares or share equivalents having an aggregate value at least equal to 1.5 times the amount of the annual Board retainer that the Company then provides to such director for regular service on the Board, including the value of any non-cash consideration (whether restricted or deferred Common Share units or otherwise), (the "**Annual Retainer Amount**"), and (ii) within two years following his or her commencement date as a director, to have Common Shares or share equivalents having an aggregate value at least equal to three times his or her Annual Retainer Amount. Non-employee directors are subject to such guidelines for as long as they continue to serve on the Board.

As at January 4, 2018, the date for determining compliance with share ownership guidelines, each non-employee director was in compliance with their share ownership requirement. The guideline states that if a non-employee director's share ownership falls below the minimum guidelines due to a decline in the share price, such director will have one year to restore compliance.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION ARRANGEMENTS

The following table sets forth certain details as at the end of the fiscal year ended December 31, 2017 with respect to compensation plans pursuant to which equity securities of the Corporation were authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders (the Incentive Plan)	2,225,989	\$10.28	482,097
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	2,225,989	\$10.28	482,097

CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practice* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on governance practices. The Corporation is also subject to Multilateral Instrument 52-110 *Audit Committees* (“**MI 52-110**”), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees. The required disclosure under NI 58-101 is attached as Schedule “A” to this management information circular. In addition, the disclosure required on the Audit Committee of the Corporation pursuant to MI 52-110 can be located in the Corporation’s Annual Information Form.

INSURANCE AND INDEMNIFICATION

Liability insurance is maintained for the directors of the Corporation. The current policy of insurance is in effect until May 16, 2018 and the premium of \$73,700 (covering the annual period from May 17, 2017 to May 16, 2018) has been paid by the Corporation. No portion of the premium was or is directly paid by any of the former trustees or directors, respectively. The aggregate insurance coverage obtained under the policy is limited to \$20,000,000. Under the policy, there is no deductible for individual directors. However, a deductible of \$100,000 for securities claims and \$25,000 for all other claims must be absorbed by the Corporation. No claims have been made or paid under such policy.

Upon completion of the Conversion, the Corporation entered into indemnity agreements with each of the directors of the Corporation, which provide for the indemnification of such individuals from and

against liability and costs in respect of any action or suit against them in connection with the execution of their duties as a director for the Corporation, subject to certain customary limits. As of the date of this management information circular, no claims for indemnification have been made.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no individual who is a director or senior officer or at any time during the most recently completed financial year was a director or senior officer, of the Corporation or any of its subsidiaries, no individual proposed as a nominee for election as a director of the Corporation and no associates or any such director, officer or proposed nominee, has been indebted to the Corporation or any of its subsidiaries nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year of the Corporation been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries in connection with the purchase of securities of the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter scheduled to be acted upon at the Meeting other than the election of directors of the Corporation and the ratification and approval of unallocated Awards under the Incentive Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management and the directors of the Corporation, except as described in the preceding paragraph, none of the principal Shareholders or the directors or officers of the Corporation, or any associate or affiliate of any of the foregoing persons, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Corporation's financial year ended December 31, 2017 or in any proposed transaction involving the Corporation that has materially affected or will materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and Management Discussion and Analysis for the year ended December 31, 2017. Copies of the Corporation's financial statements and Management Discussion and Analysis may be obtained on SEDAR at www.sedar.com or upon written request to the Investor Relations Department at 156 Duncan Mill Road, Suite 16, Toronto, Ontario, M3B 3N2.

APPROVAL

The contents and the sending of this information circular have been approved by the directors of the Corporation.

DATED: March 9, 2018.

(signed) "*Lisa Stevenson*"

Lisa Stevenson
Director of Finance and Secretary

SCHEDULE A Corporate Governance Practices

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on governance practices. The Corporation is also subject to Multilateral Instrument 52-110 *Audit Committees* (“**MI 52-110**”), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees. In addition to the disclosure provided below, the disclosure on the Audit Committee of the Corporation required by MI 52-110 is included in the Corporation’s Annual Information Form.

General

The Corporation is committed to sound and comprehensive corporate governance policies and practices and is of the view that its corporate governance policies and practices, outlined below, are comprehensive and consistent with NP 58-201 and MI 52-110.

Composition of the Board

The board of directors of the Corporation (the “**Board**”) is currently comprised of six directors, a majority of whom the Board has determined are “independent”. An “independent” board member, as further defined in MI 52-110, means that such member has no “material relationship” with the Corporation or any of its subsidiaries. A “material relationship” is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s judgment.

The basis for these determinations as to independence are that, since the beginning of the fiscal year ended December 31, 2017, none of the independent directors has worked for the Corporation or any of its subsidiaries, received remuneration from the Corporation or any of its subsidiaries or had material contracts with or material interests in the Corporation or any of its subsidiaries that could interfere with their ability to act with a view to the best interests of the Corporation. The independence of the Board facilitates the functioning of such board independently of management, promotes effective decision-making and provides an objective perspective to the management of the Corporation.

Further, the Chairman of the Board, Mr. Steiner, is an independent director.

Director	Independent
Mr. Steiner	yes
Mr. Shafran	no
Mr. Obront	yes
Mr. Copeland	yes
Mr. Leeper	yes
Mr. Day	yes

Mr. Shafran is not considered independent, as he is an officer of the Corporation.

Messrs. Steiner, Obront, Copeland, Leeper and Day are considered independent directors since they are all independent of management and free from any business or other relationship that could, or could be reasonably perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from holdings of shares of the Corporation.

The independent directors of the Corporation hold meetings as a matter of routine after each Board meeting, without the presence of non-independent directors and members of management.

The following table outlines other reporting issuers that Board members are directors or trustees of:

Board Member	Reporting Issuer
Mr. Copeland	RioCan Real Estate Investment Trust

The following table illustrates the attendance record of each director for all meetings of the Board (including full board meetings, Audit and Governance Committee meetings and Compensation Committee meetings) held for the fiscal year ended December 31, 2017.

Director	Meetings Attended:
Mr. Copeland	5 of 5 (Full) 4 of 4 (Audit) 1 of 1 (Compensation)
Mr. Day	5 of 5 (Full)
Mr. Leeper	5 of 5 (Full) 4 of 4 (Audit) 1 of 1 (Compensation)
Mr. Obront	5 of 5 (Full) 4 of 4 (Audit)
Mr. Shafran	5 of 5 (Full)
Mr. Steiner	5 of 5 (Full)

Board Mandate

The Board has a mandate to set the strategic direction of the Corporation and to oversee its implementation by management of the Corporation. To assist then in fulfilling this responsibility, the Board has specifically recognized their responsibility for several areas, including the following:

1. reviewing and approving the Corporation group's strategic and operating plans;
2. reviewing and approving material proposed expenditures;
3. reviewing and approving significant operational and financial matters and providing direction to management on these matters; and

4. reviewing and approving certain compensation, as well as corporate objectives and goals applicable to the senior management of the Corporation group.

Decisions regarding the ongoing day-to-day management are made by management of the Corporation. The frequency of the meetings of the Board, as well as the nature of agenda items, change depending upon the state of the Corporation's affairs and in light of opportunities that arise or risks that the Corporation faces. During the most recently completed fiscal year, the Board met seven times.

The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management of the Corporation. In order to ensure that the principal business risks borne by the Corporation are appropriate, the members of the Board receive and comment on periodic reports from management as to their assessment and management of such risks. The Board regularly monitors the financial performance of the Corporation, including receiving and reviewing detailed financial information contained in management reports. The Board directly and through its audit committee, assesses the integrity of the Corporation's internal control and management information systems.

The Board regularly receives updates regarding the Corporation's (and its subsidiaries') senior management. Input is received at the meetings of the Board regarding performance of senior management. The Board has specifically assumed the responsibility for reviewing the performance of senior management. The Board is also charged with addressing matters of succession planning.

A copy of the Board's Charter is attached hereto as Appendix A.

Position Descriptions

The Board has developed terms of reference for the non-executive chairman of the Board, and the chair of the Board's audit and governance committee and the compensation committee.

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new members of the Board, sufficient information is available and will be provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**") that applies to the employees, officers and directors of the Corporation and each of its subsidiaries. A copy of the Code may be obtained upon written request to the Investor Relations Department at 156 Duncan Mill Road, Suite 16, Toronto, Ontario, M3B 3N2.

The Audit and Governance Committee regularly monitors compliance with the Code and ensures that management of the Corporation encourages and promotes a culture of ethical business conduct. In particular, the Code addresses conflicts of interest and provides that, in addition to complying with applicable corporate laws and constating documents, directors of the Corporation must disclose in writing conflicts of interest to the Board, or request to have entered in the minutes of a meeting of the Board the nature and extent of such interest.

The Board has not granted any waiver of the Code in favour of a director or officer.

Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and a particular knowledge of the Corporation's industries or other industries that provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations would be expected to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Policies Regarding Diversity

Directors

The Corporation does not have term limits for its directors. While there is benefit to adding new perspectives to the Board from time to time, there are also benefits to be achieved through continuity and directors having in depth knowledge of each facet of the Corporation's business, which necessarily takes time to develop. Board renewal is one of many factors taken into consideration as part of the Board's annual assessment (discussed below). Pursuant to the *Business Corporations Act* (Ontario), directors of the Corporation are to be elected (including the re-election of incumbent directors) at each annual meeting of the Corporation, and in all cases the term of any director will expire at the close of the next annual meeting of shareholders following such director's appointment.

The Corporation does not have a formal policy regarding the representation of women on the Board. The Board is currently comprised of six men and no women, such that 0% of the Corporation's directors are women. While diversity is one issue of importance, the Board believes that the key to effective leadership is to choose directors that, having regard to a wide array of factors, possess the range of necessary independence, skills, experience, commitment and qualifications that are best suited to fostering effective leadership and decision making at the Corporation. As noted elsewhere in this management information circular, the Board reviews its size and composition from time to time to determine impact that the directors have on its effectiveness, and the Board and the Corporation's management use a rigorous identification and selection process for new directors, having regard to a variety of factors, and through these processes the Board believes that it is well-positioned to address any problems or deficiencies that may arise. Although the Corporation and the Board do not believe that quotas or strict policies necessarily result in the identification or selection of the best candidates, the Board is mindful of the benefit of gender diversity on the Board and the need to maximize effectiveness of the Board and its decision making abilities. Accordingly, although the Board believes that the current nominee directors comprise an appropriate mix of individuals with accounting, financial, legal, specific industry and general business experience that is appropriate for the Corporation's current size, as the Corporation's business grows, it plans to expand the size of its Board and in conducting searches for new directors, the Board intends to focus on increasing the level of female representation but does not have a representation target at this time.

Officers

The Corporation's executive team is comprised of one man and one woman, such that 50% of the Corporation's executive officers are women. Similar to the discussion above regarding the representation of women on the Board, the Board does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates, but that there are benefits of gender diversity. Accordingly, although there is no current intention to make changes or additions to the Corporation's executive team, the Board will be mindful of the benefit of gender diversity in any appointment of new executive officers. The

Board believes that the current executive management team comprises an appropriate number and mix of individuals with considerable experience in the financial services industry, which is appropriate for the Corporation's current size.

Compensation

The Compensation Committee of the Corporation is responsible for the oversight of compensation paid to the officers and directors of the Corporation. The Compensation Committee:

1. reviews annually the Chief Executive Officer's goals and objectives for the upcoming year and provides an appraisal of the Chief Executive Officer's performance and reviews his compensation;
2. makes recommendations concerning the remuneration of the officers and directors of the Corporation; and
3. administers and makes recommendations regarding the operation of any long-term incentive compensation arrangements.

The Compensation Committee is currently entirely composed of independent directors.

Other Board Committees

The Audit and Governance Committee is directly responsible for developing the Corporation's approach to governance issues and is responsible for adopting and periodically reviewing and updating the written disclosure policy of the Corporation. This policy, among other things:

1. articulates the legal obligations of the Corporation and its other entities and their respective directors, officers and employees with respect to confidential information;
2. identifies spokespersons of the Corporation who are the only persons authorized to communicate with third parties such as analysts, media and investors;
3. provides guidelines on the disclosure of forward looking information;
4. requires advance review by the directors of the Corporation of any disclosure of financial information to assess the materiality of the information to ensure that selective disclosure of material information is not permitted, and to ensure that news releases of material changes are issued immediately; and
5. 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 the Corporation entities and their respective directors, officers and employees may not purchase or sell shares of the Corporation.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole, any committees of the Board and each of the directors, in order to determine whether each is functioning effectively.

Appendix A



BOARD CHARTER

BOARD OF DIRECTORS OF CHESSWOOD GROUP LIMITED

1. **Date of Adoption**

This Board Charter (this “**Charter**”) has been adopted by the board of directors (the “**Board**”) of Chesswood Group Limited (the “**Corporation**”) as of March 24, 2017.

2. **Background**

The Corporation is a corporation incorporated under the laws of the Province of Ontario and has succeeded to the various ownership interests of Chesswood Income Fund as a result of the conversion of such fund into a corporate structure through a plan of arrangement.

The Corporation has ownership interests in various operating entities (the Corporation’s direct and indirect subsidiary entities referred to herein as the “**Corporation Entities**”).

3. **Purpose**

Generally

The directors of the Corporation (the “**Directors**”) are responsible for the general supervision of the activities and management of the affairs of the Corporation and for acting in the best interests of the Corporation. The Directors must discharge their responsibilities in respect of the Corporation directly and through their committees, currently consisting of an Audit and Governance Committee and a Compensation Committee.

Ultimately, the Board should appoint such committees from time to time as it considers appropriate. If such committees are intended as permanent committees, they should have a charter that defines their responsibilities in relation to the subject board and the extent of delegated powers to the committee.

The Directors will primarily fulfill their responsibilities by carrying out the activities enumerated in Part V of this Charter.

Legislation and Policies

The Corporation is a “reporting issuer” (or the equivalent) in each of the provinces and territories of Canada. The shares of the Corporation are listed for trading on the Toronto Stock Exchange (the “**TSX**”). Securities legislation and policies in Canada, and TSX policies, require that the affairs of the Corporation be conducted and overseen in a manner consistent with appropriate governance.

National Instrument 58-101 (titled “Disclosure of Corporate Governance Practices”) requires that the Corporation’s information circular sent to the shareholders of the Corporation (the “**Shareholders**”) in connection with meetings at which Directors are to be elected must include disclosure as to the corporate governance of the Corporation. Required disclosure items include board composition, board mandate, chair

and chief executive officer position descriptions, orientation and continuing education, new candidate identification process, compensation and assessment of board effectiveness.

National Policy 58-201 (titled “Corporate Governance Guidelines”) provides the following guidelines (they are guidelines, not requirements):

- the majority of the members of a board and the chair of the board, should be independent (the meaning of which is set out in National Instrument 58-101, and which is described in more detail in Part IV below),
- the independent board members should hold regularly scheduled meetings at which non-independent board members (and management) are not present,
- a written mandate should be adopted for the board,
- clear position descriptions should be developed for the chair of the board, each board committee and for the chief executive officer,
- all new board members should receive a comprehensive orientation and all board members should be provided with continuing education opportunities,
- the board should adopt and monitor compliance with a written code of business conduct and ethics,
- the board should appoint a nominating committee composed entirely of independent members, and establish a written charter for the committee,
- the board should appoint a compensation committee composed entirely of independent members, and establish a written charter for such committee, and
- the board, its committees and each individual member should regularly be assessed regarding his, her or its effectiveness and contribution.

National Instrument 52-110 (titled “Audit Committees”) requires that all TSX listed issuers have an audit committee composed of a minimum of three members, each of whom must be an independent member and is financially literate (meaning that he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable of the breadth and complexity of the issues that can reasonably be expected and be raised by the issuer’s financial statements). Such Instrument also requires that the audit committee have the authority to engage independent legal and other advisors, to set the compensation for such advisors and to communicate directly with the issuer’s internal and external auditors.

4. **Composition**

The Board will consist of eight Directors, or such other numbers as the Directors may determine from time to time as being appropriate, a majority of whom are to be Independent (as defined below) and at least 25% of whom must be residents of Canada (within the meaning of the *Business Corporations Act* (Ontario)). In accordance with National Instrument 58-101, a Director is considered “**Independent**” to the Corporation if he or she has no direct or indirect “material relationship” with any of the Corporation Entities that could, in the view of the Directors, reasonably interfere with the exercise of his or her independent judgment. Notwithstanding the foregoing, a Director will be deemed to have a “material relationship” with the Corporation (and therefore be considered as not “independent”) if he or she falls in one of the categories listed in Appendix “A” attached hereto.

The Directors are to meet as frequently as circumstances require, but at least quarterly. The Independent Directors should also hold regularly scheduled meetings at which the other Directors are not in attendance.

Reference should be made to the *Business Corporations Act* (Ontario) and the Corporation’s by-laws for details relating to the calling and notice of meetings, the place of meetings, meetings by telephone, the quorum for the transaction of business and the adjournment of meetings.

5. **Responsibilities and Duties**

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

- (a) Review, assess and update this Charter and the charters of each board committee at least annually, as conditions dictate.
- (b) Assign to the various committees of the Board the general responsibility for developing the approach to: (i) the nomination of the Directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the Directors and management of the Corporation; and (iv) matters relating to financial reporting and internal controls.
- (c) Receive periodic reports from board committees following committee meetings and, at least annually, a report from each committee as to its work and its recommendations, if any for change with respect of its composition or responsibilities.
- (d) Satisfy themselves, to the extent feasible:
 - (i) as to the integrity of the Chief Executive Officer and other members of the management of the Corporation; and
 - (ii) that the Chief Executive Officer and other members of the management of the Corporation create a culture of integrity throughout the Corporation Entities.
- (e) With the assistance of the Audit and Governance Committee and the Compensation Committee (as applicable):
 - (i) review the composition of the Board and ensure it respects the independence criteria;

- (ii) assess, at least annually, the effectiveness of the Board as a group, the respective committees of the Board and the contribution of individual Directors, including, consideration of the appropriate numbers of Directors;
 - (iii) consider their resources, including the adequacy of the information provided to them with respect to the oversight of management;
 - (iv) ensure that an appropriate review and selection process for new nominees as Directors is in place;
 - (v) ensure that an appropriate orientation and education program for new Directors is in place;
 - (vi) adopt disclosure and securities compliance policies, including, without limiting the foregoing, communications policies for the Corporation;
 - (vii) ensure the integrity of internal controls and management information systems;
 - (viii) ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles and the governing documents of the Corporation;
 - (ix) identify the principal risks of the Corporation's businesses and ensure that appropriate systems are in place to manage these risks; and
 - (x) review and approve significant operational and financial matters and provide direction to management on these matters.
- (f) Adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the business opportunities and business risks and monitor the performance of the Corporation Entities against the strategic plan.
 - (g) Review and approve the Corporation's annual information form, annual report (and related financial statements) and annual management discussion and analysis disclosure.
 - (h) Review and approve interim financial statements and related disclosure (unless delegated to the Audit and Governance Committee).
 - (i) Monitor and review feedback provided by the Corporation's various stakeholders and review the means by which Shareholders can communicate with the Corporation (including at annual meetings, communication interfaces through the Corporation's website) and the adequacy of resources available within the Corporation to respond to Shareholders.
 - (j) Establish dividend policies from time to time and declare dividends payable to the Shareholders on a monthly basis.
 - (k) Review major decisions which require the approval of the Directors and approve such decisions as they arise (including material transactions or agreements out of the ordinary course of business and any proposed fundamental changes in business).
 - (l) Assign to the Compensation Committee (a) the power and authority to approve the compensation policies determining the compensation (including long term income plan, options or other compensation awards) of the Directors and chief management of the Corporation and other

Corporation Entities; and (b) the power and authority to approve any changes from time to time to such compensation policies.

- (m) Approve the annual budget, including a business plan.
- (n) Identify the principal business risks of the Corporation Entities and seek implementation of appropriate systems to manage these risks.
- (o) Monitor the discharge by the management of its responsibilities.
- (p) Review the periodic financial reporting provided by management of the Corporation.
- (q) Remove and replace members of, and fill vacancies in, the management of the Corporation and add members to such management.
- (r) Develop, together with the Chief Executive Officer, a clear position description for the Chief Executive Officer.
- (s) Develop and approve the goals and objectives that the Chief Executive Officer is responsible for meeting.
- (t) Perform such other functions as prescribed by law or assigned to the Directors in the constating documents of the Corporation.
- (u) Develop and review goals for succession planning, including the appointment, training and monitoring of chief management.

6. **Resources and Reports**

The Board and its committees must have adequate resources to discharge their responsibilities. The Board or committee chair must also be empowered to engage advisers where appropriate (subject to the approval of the chair of the Audit Committee).

Board and committee members must have the right, for the purposes of discharging their powers and responsibilities, to inspect relevant records of the Corporation Entities.

7. **Expectations**

It is expected that Board and committee members will, wherever possible, attend (or participate through conferencing facilities) all meetings and will review in advance the materials provided for the meeting.

Appendix “A”

Meaning of “material relationship”

A “material relationship” is a relationship that could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. The following individuals are considered to have a material relationship with the issuer:

- A. an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- B. an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- C. an individual who: (i) is a partner of a firm that is the issuer’s internal or external auditor, (ii) is an employee of that firm, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- D. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual: (i) is a partner of a firm that is the issuer’s internal or external auditor; (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- E. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- F. an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.

An individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified above if that relationship ended before March 30, 2004; or (b) he or she had a relationship identified above by virtue of such relationship being with a subsidiary entity or a parent of that issuer, if that relationship ended before June 30, 2005.

An individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member (a) has previously acted as an interim chief executive officer of the issuer, or (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

For the purposes of “C” and “D” above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purposes of “F” above, direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and (b) the receipt of fixed

amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Despite any determination made whether an individual has a material relationship with an issuer, an individual who (a) accepts directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer. The indirect acceptance by an individual of any such consulting, advisory or other compensatory fee includes acceptance of a fee by (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

“company” - any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“control” - the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

“executive officer” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity;

“issuer” includes a subsidiary entity of the issuer and a parent of the issuer;

“person” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative; and

“subsidiary entity” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.