

**CLAIRVEST GROUP INC.
MANAGEMENT INFORMATION CIRCULAR**

Solicitation of Proxies

This Management Information Circular is furnished in connection with the solicitation of proxies by Management of CLAIRVEST GROUP INC. (the “Corporation”) for use at the Annual Meeting (the “meeting”) of the shareholders of the Corporation to be held on Tuesday, August 11, 2020, at the hour of 10:30 a.m. (Toronto time) and at any adjournment or adjournments thereof for the purposes set out in the foregoing notice of meeting. Consistent with the latest directives and orders of public health and governmental authorities regarding COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, this year’s Meeting will be held in a virtual meeting format only via live audio webcast online at <https://web.lumiagm.com/158315436>, password: clairvest2020 (case sensitive). It is expected that the solicitation will primarily be by mail. Proxies also may be solicited personally or by telephone by Officers and Directors of the Corporation. The cost of solicitation will be borne by the Corporation. Except as otherwise indicated, the information contained herein is given as at June 30, 2020.

How to Vote

You have two ways to vote:

- By submitting your proxy or voting instruction form as indicated in the corresponding instructions on the form; or
- During the Meeting by online ballot through the live webcast platform

Shareholders and duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholder) that attend the Meeting online will be able to vote by completing a ballot online during the Meeting through the live webcast platform.

Guests (including Non-Registered Holders who have not duly appointed themselves as proxyholder) can log into the Meeting as set out below. Guests will be able to listen to the meeting and ask questions but will not be able to vote during the Meeting.

- Step 1: Log in online at <https://web.lumiagm.com/158315436>
- Step 2: Follow these instructions:

Registered Shareholders: Click “I have a control number” and then enter your control number and password “clairvest2020” (case sensitive). The control number located on the form of proxy or in the email notification you received from AST Trust Company (Canada) is your control number. If you use your control number to log in to the Meeting any vote you cast at the Meeting will revoke any proxy that you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the Meeting.

Duly appointed proxyholders: Click “I have a control number” and then enter your control number and password “clairvest2020” (case sensitive). Proxyholders who have been duly appointed and registered with AST Trust Company (Canada) after the proxy voting deadline has passed.

Guests: Click “Guest”: and then complete the online form.

It is your responsibility to ensure internet connectivity for the duration of the Meeting and you should allow ample time to log in to the Meeting before it begins.

Notice-and-Access

The Corporation is utilizing the “notice-and-access” process under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (“Notice-and-Access”) for distribution of the meeting materials to shareholders. Notice-and-Access is a set of rules that reduce the volume of materials that must be physically mailed to shareholders by allowing the Corporation to post the Management Information Circular and additional materials online. In accordance with Notice-and-Access, the Corporation has delivered a proxy form, or voting instruction form in the case of beneficial shareholders, and a Notice-and-Access notification to both registered and beneficial shareholders outlining relevant dates and matters to be discussed at the meeting. The Notice of Annual Meeting and Management Information Circular and Annual Financial Statements and MD&A have been made available to Shareholders at <http://www.clairvest.com/shareholders/annual-meeting>.

Non-Registered Beneficial Shareholders

Shares held by non-registered beneficial shareholders of the Corporation are held on their behalf, or for their account, by brokers, securities dealers, banks, trust companies and other similar entities (“Intermediaries”). Intermediaries are the legal entities entitled to vote shares held by non-registered beneficial shareholders. Non-registered beneficial shareholders must follow the instructions of their Intermediaries in order to vote their shares. Non-registered beneficial shareholders will not be able to attend the Meeting, however and will not be entitled to vote at the Meeting, unless they contact their Intermediary well in advance of the Meeting and follow its instructions and procedures.

Voting of Shares Represented by Management Proxies

The form of proxy forwarded to shareholders with the notice of meeting confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the notice of meeting or other matters which may properly come before the meeting.

The form of proxy affords the shareholder an opportunity to specify that the shares registered in the shareholder’s name shall be voted or withheld from voting in respect of the election of Directors, the appointment of auditors and the authorization of the Directors to fix the remuneration to be paid to the auditors.

The shares of the Corporation represented by the proxy will be voted or withheld from voting as appropriate on any ballot that may be called for in accordance with the shareholder’s instructions. **In respect of proxies in which shareholders have not specified a choice with respect to any matter to be acted upon, the shares represented by proxies in favour of Management nominees will be voted (i) for the election, as Directors, of all nominees listed in this Management Information Circular and (ii) for the appointment of Ernst & Young LLP as auditors of the**

Corporation and for the authorization of the Directors to fix the remuneration to be paid to the auditors.

Management knows of no matters to come before the meeting other than the matters referred to in the notice of meeting. However, if any other matters which are not now known to Management should properly come before the meeting, the shares represented by proxies in favour of Management nominees will be voted on such matters in accordance with the best judgement of the proxy nominee.

Revocation of Proxy

In accordance with subsection 110(4) of the *Business Corporations Act* (Ontario) a proxy given by a shareholder for use at the meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by an attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the meeting prior to the commencement of the meeting on the day of the meeting, or any adjournment thereof, and upon either of such deposits the proxy is revoked. The registered office of the Corporation is located at 22 St. Clair Avenue East, Suite 1700, Toronto, Ontario M4T 2S3.

A non-registered shareholder may revoke voting instructions to an intermediary by complying with the applicable requirements imposed by such intermediary.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of preference shares, issuable in series (the "Preference Shares"), of which (i) a first series of 10,000,000 non-voting shares and (ii) a second series of 1,000,000 non-voting shares have been authorized and an unlimited number of common shares (the "Common Shares"), of which no Preference Shares and [15,069,101] Common Shares are issued and outstanding as at June 26, 2020. Each Common Share carries one vote in respect of each matter to be voted upon at the meeting. Holders of outstanding shares of record at the close of business on June 26, 2020 are entitled to vote at the meeting on the matters described above except to the extent that a person has transferred any of his or her shares after that date and the transferee of such shares produces properly endorsed share certificates or otherwise establishes proper ownership and requests, not later than ten days before the meeting, that his or her name be included in the list of shareholders of the meeting, in which case the transferee is entitled to vote such shares at the meeting.

The following table sets forth the only persons who, to the knowledge of the Directors and Officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over securities of the Corporation carrying more than 10% of the voting rights attaching to all of the outstanding Common Shares, the approximate number of Common Shares owned, controlled or directed by each such person and the percentage of the Common Shares of the Corporation represented by the number of Common Shares so owned, controlled or directed.

Name	Number of Common Shares	Percentage of Class
Kenneth B. Rotman ⁽¹⁾ Toronto, Ontario	5,020,906	33.3
JLR Estate Voting Trust ⁽²⁾ Toronto, Ontario	2,631,700	17.5
Gerald R. Heffernan O.C. ⁽³⁾ Toronto, Ontario	1,929,780	12.7

Notes:

- (1) Kenneth B. Rotman, Chief Executive Officer, Managing Director and a Director of the Corporation, controls 1235825 Ontario Ltd., the registered holder of 5,000,000 common shares and Brice Holdings Inc., the registered holder of 20,960 common shares. In addition, Kenneth B. Rotman has the voting proxy with respect to 2,631,700 common shares registered in the name of Amaranth Resources Limited.
- (2) Under the estate arrangements of the late Joseph L. Rotman, control of Amaranth Resources Limited, which is the registered holder of 2,631,700 common shares, became vested in the JLR Estate Voting Trust. Members of the Rotman family are beneficiaries of such trust. Kenneth B. Rotman has the voting proxy with respect to the 2,631,700 common shares registered in the name of Amaranth Resources Limited.
- (3) Gerald R. Heffernan and members of his family beneficially own, directly or indirectly, all the issued and outstanding shares of G.R. Heffernan & Associates Ltd. which the registered holder of 1,867,430 Common Shares is, and Gerald R. Heffernan also owns 62,350 Common Shares personally.

NORMAL COURSE ISSUER BID

On March 1, 2020, the Corporation announced its intention to purchase, during the 12-month period commencing March 7, 2020, up to 759,984 of its common shares, representing approximately 5% of its then outstanding common shares on the Toronto Stock Exchange pursuant to a normal course issuer bid. The Corporation entered into an automatic securities purchase plan (“ASPP”) with its designated broker to allow for the purchase of its common shares under the bid, at times when the Corporation normally would not be active in the market due to applicable regulatory restrictions or internal trading black-out periods. Such purchases will be determined by the broker in its sole discretion based on parameters established by the Corporation prior to commencement of the applicable black-out period in accordance with the terms of the ASPP and applicable TSX rules. As at June 26, 2020, [24,100] shares have been purchased under this bid. Any shares purchased under the normal course issuer bid will be cancelled. Security holders may obtain at no cost a copy of the Corporation’s notice of intention to make a normal course issuer bid which was filed with the Toronto Stock Exchange by contacting Daniel Cheng, Chief Financial Officer at 416-925-9270.

MATTERS FOR CONSIDERATION OF SHAREHOLDERS

I. Election of Directors

The present term of office of each Director of the Corporation will expire immediately prior to the election of Directors at the meeting. The current Board of Directors of the Corporation (the “Board of Directors” or “Board”) is set at 11 members.

Each of the persons whose name appears hereunder is proposed as a nominee for election as a Director of the Corporation to serve until immediately prior to the election of Directors at the next annual meeting of shareholders or until his successor is otherwise elected or appointed. It is intended that on any ballot that may be called for relating to the election of Directors, the Common Shares represented by proxies in favour of the Management proxy nominees will be voted in favour of the election of the following nominees as Directors of the Corporation unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the election of Directors. In the event that prior to the meeting any vacancies occur in the slate of nominees listed below, it is intended that discretionary authority shall be exercised to vote the shares represented by such proxies for the election of such other person or persons nominated as Directors in accordance with the best judgement of the Management proxy nominees.

Each person listed below is currently a member of the Board of Directors and, each Director was duly elected by a vote of the shareholders of the Corporation at the prior annual meeting of shareholders, notice of which was accompanied by an information circular. The following table also discloses the Common Shares beneficially owned directly or indirectly, or over which control or direction is exercised, by each of the persons named below.

Name and Municipality of Residence	Present Principal Occupation and Position with the Corporation	Period of Service as a Director	Securities
John Barnett ⁽¹⁾⁽²⁾ North Palm Beach, Florida	Director	Since Aug. 13, 2009	Common Shares: 228,000 DSUs: 20,712 Appreciation DSUs: 15,000
Michael Bregman ⁽¹⁾ Toronto, Ontario	CEO, Tailwind Capital Inc. (investment management company); Director	Since Feb. 25, 1991	Common Shares: ⁽³⁾ 560,600 DSUs: 45,607 Appreciation DSUs: 15,000
Joseph E. Fluet, III Woodbridge, Virginia	Chairman and CEO of MAG Aerospace; Director	Since Aug. 12, 2018	Common Shares: 0 DSUs: 1,156 Appreciation DSUs: 15,000
Joseph J. Heffernan Toronto, Ontario	Chairman of the Corporation	Since Nov. 9, 1992	Common Shares: 200,000 DSUs: 779,818 Appreciation DSUs: 15,000 Options (Non-Voting Option Plan): 29,563
G. John Krediet ⁽²⁾ Delfstrahuizen, Netherlands	Chairman, CF Capital Management LLC (investment management firm); Director	Since Sept. 20, 2004	Common Shares: 537,200 DSUs: 7,893
B. Jeffrey Parr Toronto, Ontario	Vice-Chairman and Managing Director of the Corporation; Director	Since June 28, 2000	Common Shares: 761,200
Kenneth B. Rotman Toronto, Ontario	Chief Executive Officer and Managing Director of the Corporation; Director	Since June 28, 2000	Common Shares: 5,020,960
Lionel H. Schipper, C.M., Q.C. ⁽¹⁾ Toronto, Ontario	President, Hawk Hill Investments Limited (private investment company); Director	Since Feb. 17, 1987	Common Shares: 36,319 DSUs: 36,340 Appreciation DSUs: 15,000
Isadore Sharp, O.C. ⁽²⁾ Toronto, Ontario	Chairman, Four Seasons Hotels Inc. (global hotel management company); Director	Since Aug. 13, 1987	Common Shares: 209,170 DSUs: 28,566 Appreciation DSUs: 15,000
Michael Wagman Toronto, Ontario	President and Managing Director of the Corporation; Director	Since January 1, 2018	Common Shares: 573,972

Rick Watkin Toronto, Ontario	President and CEO, KUBRA Data Transfer Ltd; Director	Since August 12, 2015	Common Shares: 59,000 DSUs: 4,765 Appreciation DSUs: 15,000
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Notes:

- (1) Member of Audit Committee.
- (2) Member of Compensation and Human Resources Committee.
- (3) Tailwind Capital Limited Partnership owns 560,600 common shares. Tailwind Capital Inc. is the general partner of Tailwind Capital Limited Partnership. Michael Bregman owns and is the sole director of Tailwind Capital Inc.

Cease Trade Orders or Bankruptcies

Mr. Kenneth B. Rotman served as director of Landauer Metropolitan Inc. ("Landauer") until March 24, 2014. On August 16, 2013, Landauer commenced proceedings for reorganization under Chapter 11 of the United States Bankruptcy Code. On February 28, 2014, the debtors of Landauer filed a joint liquidation plan. The plan was approved on April 18, 2014 and the U.S. Bankruptcy Court for the District of Delaware ("Bankruptcy Court") entered an order confirming the plan effective May 1, 2014. Pursuant to the plan, the right to object to claims or to bring certain actions was reserved and vested in the General Unsecured Creditors Trust ("GUC Trust"). On August 14, 2015, a complaint was filed with the Bankruptcy Court by the GUC Trust against various parties, including Mr. Rotman and other former directors of Landauer. The complaint contains a variety of claims, all of which are being vigorously defended, which relate to the demise of Landauer and failed efforts to sell Landauer.

Mr. Kenneth B. Rotman served as a director of Light Tower Rentals, Inc. ("LTR") until October 7, 2016. On September 13, 2016, LTR commenced proceedings for reorganization under Chapter 11 of the United States Bankruptcy Code. The plan was approved on September 30, 2016 and the U.S. Bankruptcy Court for the Southern District of Texas Houston Division entered an order confirming the plan effective October 7, 2016.

Mr. G. John Krediet and Mr. Kenneth B. Rotman served as directors of Discovery Air Inc. ("Discovery Air"). On March 21, 2018, Discovery Air applied for creditor protection under the CCAA and on September 4, 2018, Discovery Air commenced bankruptcy proceedings under the Bankruptcy and Insolvency Act.

II. Appointment and Remuneration of Auditors

Management proposes to nominate Ernst & Young LLP, Chartered Accountants, of Toronto, Ontario as the auditors of the Corporation to hold office until the close of the next annual meeting of shareholders. For the year ended March 31, 2020, the Directors negotiated with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. Such fees were based on the complexity of the matters in question and the time incurred by the auditors. Management believes that such fees were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services. It is intended that on any ballot that may be called for relating to the appointment of auditors or the authorization of the Directors to fix the remuneration of the auditors, the Common

Shares represented by proxies in favour of Management nominees will be voted for the appointment of Ernst & Young LLP as auditors of the Corporation and in favour of authorizing the Directors to fix the remuneration of the auditors, unless a shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the appointment of auditors and the authorization of the Directors to fix the remuneration of the auditors.

CORPORATE GOVERNANCE PRACTICES

The board of directors and management of the Corporation believe that maintaining best practices in corporate governance is important for the effective management of the Corporation and value creation for its shareholders. A description of the Corporation's corporate governance practices follows.

Composition of the Board

The board of directors proposed for election is comprised of eleven members, eight of whom are independent within the meaning of the Canadian Securities Administrators' guidelines and National Instrument 52-110 – Audit Committees and National Instrument 58-101 – Disclosure of Corporate Governance Practices (the "Guidelines"). The non-independent directors are Mr. Kenneth B. Rotman, Chief Executive Officer of the Corporation, Mr. B. Jeffrey Parr, Vice-Chairman of the Corporation and Mr. Michael Wagman, President of the Corporation. Mr. Joseph Heffernan, the Chairman of the Board, is an independent director within the meaning of the Guidelines.

Certain of the directors are directors of other reporting issuers. These are as follows:

Director	Reporting Issuer
John Barnett	Alcanna Inc.
Michael Bregman	The Second Cup Ltd.
Kenneth B. Rotman	Accel Entertainment, Inc.

Independence of the Board of Directors

Joseph J. Heffernan, the Chairman of the Board, is not part of management and all permanent committees are comprised only of non-management directors. Since April 1, 2019, 5 board meetings have been held at which there were in-camera sessions at which management was not present.

Attendance Record of the Board of Directors

There were nine Board meetings during the year ended March 31, 2020.
Attendance of the Board meetings are as follows:

O = Attended X = Absent	John Barnett	Michael Bregman	Joseph E. Fluet III	Gerald R. Heffernan	Joseph J. Heffernan	G. John Krediet	B. Jeffrey Parr	Kenneth B. Rotman	Lionel H. Schipper	Isadore Sharp	Michael Wagman	Rick Watkin
May 28, 2019	O	O	O	O	O	O	O	O	X	X	O	O
June 26, 2019	O	O	O	O	O	X	O	O	O	O	O	O
August 12, 2019	O	O	O	O	O	O	O	O	O	X	O	O
September 26, 2019	X	O	O	N/A	O	O	O	X	O	O	O	O
November 12, 2019	O	O	X	N/A	O	O	O	O	O	O	O	O
December 13, 2019	O	O	O	N/A	O	O	O	O	O	X	O	O
February 11, 2020	O	O	O	N/A	O	X	O	O	O	X	O	O
February 19, 2020	X	O	X	N/A	O	X	O	O	O	X	O	O
March 26, 2020	O	O	O	N/A	O	O	O	O	O	O	O	O

Board Mandate

The mandate of the Board of Directors which is reviewed annually by the Board is as follows:

MANDATE OF THE BOARD OF DIRECTORS OF CLAIRVEST GROUP INC. (the "Corporation")

Responsibilities of the Board of Directors

The board of directors shall be responsible for the stewardship of the Corporation and in that regard shall be specifically responsible for:

- (i) the approval of a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business;
- (ii) the identification of the principal risks for the Corporation and the implementation of appropriate risk management systems;
- (iii) ensuring that the Corporation has in place a communications policy which enables the Corporation to communicate effectively and interact with all of its stakeholders, including analysts and the public, contains measures for the Corporation to avoid selective disclosure and is reviewed annually;
- (iv) the integrity of the Corporation's internal control and management information systems;
- (v) reporting on corporate governance as required by public disclosure requirements;
- (vi) the implementation of structures and procedures which ensure that the board can function independently of management, including the regular use of in-camera sessions at board meetings at which management is not present;
- (vii) determining, in light of the opportunities and risks facing the Corporation, what competencies, skills and personal qualities it should seek in new board members in order to add value to the corporation;
- (viii) satisfying itself as to the integrity of the Chief Executive Officer and other senior officers and that they foster a culture of integrity within the Corporation;
- (ix) reviewing succession planning and the appointment, training and monitoring of senior executives of the Corporation;
- (x) reviewing and reassessing the adequacy of the Audit Committee and Compensation and Human Resources Committee terms of reference on an annual basis, appointing members of these Committees and designating a Chair of these Committees;
- (xi) developing and monitoring the Corporation's approach to corporate governance issues;

- (xii) assessing the effectiveness of the board as a whole, the Committees of the board and the contribution of individual directors;
- (xiii) nominating qualified individuals to serve as independent members of the board of directors;
- (xiv) reviewing corporate policies on a periodic basis including the Disclosure Policy and Code of Business Conduct.

Corporate Governance

While there is no permanent committee of the Board of Directors responsible for corporate governance, corporate governance matters including the following shall be the responsibility of the independent (i.e. non-management) members of the Board of Directors which shall consider these matters during in-camera sessions at Board of Directors meetings.

- (i) Monitor the quality of the relationship between management and the Board of Directors and recommend improvements;
- (ii) Ensure an orientation and educational program for new recruits to the Board of Directors is in order to familiarize new directors with the Corporation and its business and to ensure that new board members understand the commitment that is expected from them;
- (iii) Review from time to time the remuneration to be paid by the Corporation to its directors.

Responsibilities of Chief Executive Officer

The Chief Executive Officer will be responsible for making day to day general operating decisions and will continue to lead policy development and strategic planning at the Corporation as part of his duties and responsibilities as Chief Executive Officer.

Responsibilities of Chairman

- (i) The Chair shall be expected to attend and chair meetings of the Board of Directors of Clairvest Group Inc.
- (ii) The Chair shall perform the functions of the office on a part-time basis and shall not be an executive officer of the Corporation.
- (iii) The Chair shall not be expected to and shall not perform policy making functions other than in his or her capacity as a director of the Corporation. The Chair shall not have the right or entitlement to bind the Corporation in his or her capacity as Chair.
- (iv) The Chair shall review and approve board meeting agendas prepared by the Chief Executive Officer.
- (v) The Chair shall ensure that the Board understands the boundaries between board and management responsibilities.

- (vi) The Chair shall ensure that the Board of Directors carries out its responsibilities effectively, which will involve the Board meeting in in-camera sessions without management present and may involve assigning responsibility for administering the Board's relationship to management to a committee of the Board.

The Chair shall assess the effectiveness of the Board of Directors and its committees and the contribution of each of the Corporation's directors.

Position Descriptions

The Board of Directors has developed position descriptions for the Chief Executive Officer, the Chairman of the Board and the Chair of each of the Audit and Compensation and Human Resources Committees.

Orientation and Continuing Education

New directors are provided with comprehensive information about the Corporation and its affiliates. All Board members are provided with a copy of the written mandate and charters for the Board and each of its committees and all of the policies and plans of the Corporation. Directors are consulted regularly by management and have the opportunity to meet with members of management of Clairvest and its affiliates.

Directors of the Corporation have extensive business experience and directorships on boards of other public and private institutions. Management informs the board of developments in the areas of accounting principles, regulatory and governance matters. There is no formal continuing education program for directors.

Code of Business Conduct and Ethics

The Board has adopted and reviews annually a written Code of Business Conduct and Ethics (the "Code") for the directors, officers and employees of Clairvest and its wholly-owned subsidiaries. A copy of the Code is available on the Corporation's website at www.clairvest.com and on SEDAR at www.sedar.com. The Board is ultimately responsible for monitoring compliance with the Code. Officers and employees of the Corporation and of its wholly-owned subsidiaries made a written declaration annually that they have read and understood the Code and that they are aware that failure to comply with the Code may be cause for immediate dismissal.

To ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest, the Code requires the director or officer to inform the CEO of any actual or potential conflict of interest.

Nomination of Directors

The Board has no formal nominating committee. When considering new members for addition to the Board, the Board would use in-camera sessions at board meetings at which management is not present.

Clairvest has adopted a form of proxy which gives shareholders the ability to vote for or withhold from voting for each individual director proposed for election. The Board has not adopted a

“Majority Voting Policy” (as defined by the Toronto Stock Exchange) for the election of directors. The Board believes that the adoption of a Majority Voting Policy at this time is inappropriate and does not serve a useful purpose for Clairvest and its shareholders because Clairvest has a controlling shareholder who will necessarily cast a majority of the votes to be cast in an election of its directors. The Board notes that the Toronto Stock Exchange announced on February 13, 2014 amendments to its Company Manual mandating majority voting for certain issuers with fiscal years ending on or after June 30, 2013 and that issuers that are majority controlled are exempt from these requirements.

Term Limits

Clairvest does not impose term limits on members of the Board, nor are there any other mechanisms in place that operate to compel Board turnover. While term limits can help ensure the Board gains fresh perspective, term limits also serve as an arbitrary mechanism for removing Board members which can result in valuable, experienced members being forced to leave the Board solely because of length in service. Clairvest believes that members of the Board should be assessed based on their ability to continue to make a meaningful contribution to the Board.

Diversity

Clairvest does not currently have any female executive officers or directors and does not have a written policy on the identification and nomination of female executive officers or directors, or a target for the number of women in these roles. Clairvest does not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for directors or executive officers.

Compensation

The Compensation and Human Resources Committee (the “Compensation Committee”) is comprised of three members, all of whom are independent directors. This committee establishes and administers the compensation policies and remuneration levels for the officers of Clairvest and its wholly-owned subsidiaries (hereafter, the “Corporation”) and reviews and recommends to the Board incentive compensation plans and equity and book value based plans of the Corporation. The Committee also will make recommendations to the Board with respect to the remuneration of directors. The Committee reviews and approves the Corporation’s disclosure with respect to executive and director compensation. For additional disclosure on the Compensation Committee see the section in this circular entitled “Compensation Discussion and Analysis”.

In 2019, the Compensation Committee did not formally consider risk taking with the Corporation’s compensation policies and practices. The Corporation periodically reviews its compensation practices to ensure they do not promote excessive risk taking that are likely to have a material adverse effect on the Corporation. There is currently no prohibition on an executive officer or director of the Corporation from purchasing financial instruments to offset a decrease in market value of equity securities of the Corporation held directly or indirectly by that executive officer or director.

Other Board Committees

The Board does not currently have any standing committees other than the Audit and Compensation and Human Resources Committees.

Assessments

The Board reviews, on a continuing basis, the effectiveness of the Board as a whole, its two standing committees and its individual directors. On an annual basis the Chairman of the Board meets individually with directors to discuss board and committee effectiveness. In addition, the Board has an annual in camera session during which it formally assesses the effectiveness of the Board as a whole, its two standing committees and individual directors. The Board recognizes that each director will contribute differently to the Board and that the Board benefits from a balance of skills, competencies and experience brought to it by individual board members.

AUDIT COMMITTEE

The Audit Committee of the Board is composed solely of unrelated and independent directors. The mandate of the Audit Committee is set out in its terms of reference which is reviewed by the Audit Committee and approved by the Board annually. Among other things, the Audit Committee is responsible for monitoring the Corporation's systems and procedures for internal controls, monitoring the performance of the Corporation's auditors and reviewing the assignment of any non-audit work performed by the Corporation's auditors.

In accordance with Multilateral Instrument 52-110-Audit Committees, the text of the Audit Committee Charter, the relevant education and experience of each member of the Audit Committee and the other information required in that Instrument are disclosed in the Corporation's Annual Information Form ("AIF"). The Corporation's AIF is available on the Corporation's website at www.clairvest.com and on SEDAR at www.sedar.com.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation and Human Resources Committee (the “Committee”) operates under a mandate given to the Committee annually by the Board of Directors of the Corporation. The Compensation and Human Resources Committee is currently comprised of the following three directors: John Barnett, G. John Krediet and Isadore Sharp, none of whom are officers, employees or former employees of the Corporation or any of its subsidiaries or has any relationship with the Corporation, interlocking or otherwise, that requires disclosure by the Corporation.

John Barnett:

- CPA, CA
- Former President of Rothmans Benson & Hedges Inc.
- Former Chairman of the Board of Directors of Special Olympics Canada
- Former President of Molson Breweries

G. John Krediet

- Chairman of CF Capital Corporation
- Former Chairman and CEO of Sparkling Spring Water Holdings Ltd.

Isadore Sharp

- Chairman of Four Seasons Inc.
- Former Director of Bank of Nova Scotia

The Committee's role in relation to compensation is to review and determine the compensation policies and levels for senior employees of the Corporation and senior employees of Clairvest GP Manageco Inc., its wholly-owned subsidiary. The recommendations of the Committee with respect to compensation levels for these employees are communicated to the Board of Directors for approval. Mr. Kenneth B. Rotman, Mr. B. Jeffrey Parr and Mr. Michael Wagman do not participate in any board deliberations concerning their compensation.

General

Levels of compensation and each of its components are based on the ability of employees to advance the goal of creating value for all of the Corporation's shareholders and limited partners of funds it manages. Individual performance and the Corporation's performance are the key variables in determining compensation levels.

The Corporation's employee compensation program is comprised of four components: base salary, cash and incentive bonuses, share purchase loans and long-term compensation through non-voting stock options, book value appreciation rights and deferred share units.

There are four limited partnerships in which certain employees of the Corporation invest and have investment rights. Investments in these partnerships are not compensatory in nature but provide for direct participation in the appreciation in value of certain of the Corporation's investments. These partnerships are described below.

Base Salaries

Base salaries of senior employees which include the Chief Executive Officer (“CEO”), Vice-Chairman and President reflect their individual contribution, and are reviewed annually based on individual performance, responsibility and experience. To ensure that Clairvest will continue to attract and retain qualified and experienced employees, base salaries are also reviewed in light of compensation practices of comparable businesses.

Cash and Incentive Bonuses

Cash bonuses for employees including the CEO, Vice-Chairman and President reflect both their individual performance and the Corporation’s success. Annual discretionary cash bonus levels are up to 100% of the Vice-Chairman and 175% of the CEO and President’s annual salary based on individual performance. The actual percentage is based on that individual’s performance during the year. There is also an annual objective cash bonus which is based on Clairvest’s Incentive Bonus Program, where 10% of after tax net income, calculated in accordance with the program, is allocated to a pool which is shared amongst certain members of the management team. The Clairvest Incentive Bonus Program does not apply to the income generated from the investments made by CEP III Co-Investment Limited Partnership (“CEP III Co-Invest”), CEP IV Co-Investment Limited Partnership (“CEP IV Co-Invest”), CEP V Co-Investment Limited Partnership (“CEP V Co-Invest”) and CEP VI Co-Investment Limited Partnership (“CEP VI Co-Invest”). Refer to the section titled “Interest of Informed Persons in Material Transactions” for more information on management’s investment participation through limited partnerships in CEP III Co-Invest, CEP IV Co-Invest, CEP V Co-Invest, and CEP VI Co-Invest. The Incentive Bonus Program is intended to reward the CEO, Vice-Chairman and President and certain other employees by allowing these individuals to participate in the growth in shareholder value in the medium term. An individual’s level of participation is determined by his or her position in the company and his or her accomplishments in that position. The CEO recommends to the Committee the discretionary annual cash bonus amounts in respect of each employee’s individual performance and that individual’s level of participation in the Incentive Bonus Program. The Committee determines cash bonus amounts for the CEO, Vice-Chairman and President by assessing their performance against specific targets which are agreed to in the prior year. For the financial year ending March 31, 2020 (“fiscal 2020”), to determine the CEO, Vice-Chairman and President’s cash bonus amount the Committee considered a variety of factors including the following: the degree to which book value per share over a one year time frame, a 10 year time frame and a 24 year time frame had grown, the degree to which Clairvest’s share price had grown over the past year, the implementation of key elements of an approved strategic plan, the completion of acquisitions and dispositions, the development of Clairvest’s management, the achievement of certain objectives related to each of the corporate investments, the development of new investor relationships and the management of treasury funds. The range of an individual’s possible level of participation in the Incentive Bonus Program has been established based on position.

Share Purchase Loans

The Corporation offers to certain of its employees and employees of its wholly-owned subsidiaries loans to purchase shares of the Corporation. Each qualifying employee may borrow up to two times his or her base salary to purchase shares of the Corporation in the market on a revolving basis. The compensation committee may approve loans in excess to the limit aforementioned to certain employees of Clairvest and its wholly-owned subsidiaries for the purpose of purchasing shares of the Corporation. These loans bear interest at a rate of prime less 1% on the date of drawdown, are collateralized by the common shares of the Corporation purchased under these loans and are repayable on employee departure subject to certain repayment acceleration provisions. The Share Purchase Loan Program is designed to align interests of employees with those of the Corporation's shareholders. This gives the participating employee some downside as well as upside exposure.

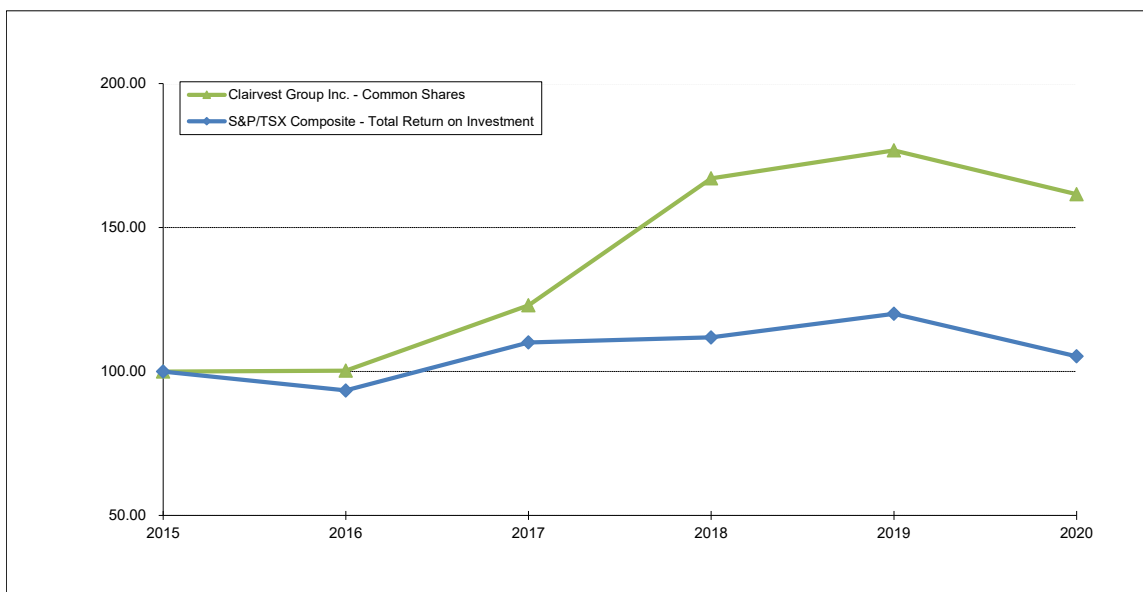
Stock Options, Book Value Units and DSUs

The long-term compensation component is based on (i) the Non-Voting Share Option Plan (the "Non-Voting Option Plan"), (ii) the Book Value Appreciation Rights Plan (the "BVAR Plan") and (iii) the Employee DSU Plan. The Corporation also has a stock option plan for common shares (the "Legacy Option Plan") but there are no options outstanding under the Legacy Option Plan and there are no current intentions to make future grants under such plan. Stock Options under the Non-Voting Option Plan are awarded to certain employees with an option exercise price at no less than the market price of the common shares at the time of the grant. Book Value Units are awarded to certain employees and the redemption value of these units is based on the increase in book value of Clairvest's shares at the time of redemption. Deferred Share Units are awarded to certain employees at a price which tracks the price of a common share of the Corporation. As described below, certain eligible employees have the option to receive all or a portion of their annual discretionary cash bonus in the form of Deferred Share Units. The objectives of these long-term programs are to attract and retain high quality employees and to motivate their performance by tying this component of compensation to improvement in the Corporation's long-term financial position.

Performance Graph

The following graph compares the total cumulative shareholder return (assuming a \$100 initial investment and reinvestment of dividends) in the Corporation's common shares.

There is no direct relationship between the compensation paid to executive officers and the cumulative total shareholder return during this period. To the extent that an officer has been granted options which have vested, DSUs under the Employee DSU Plan or is a shareholder of the Corporation his or her compensation will be affected by increases or decreases in shareholder returns. As approximately 63% of the Corporation's outstanding shares are owned or controlled by employees of the Corporation or employees of a wholly-owned subsidiary of the Corporation, the interests of employees are aligned with those of its shareholders.



Compensation of Named Executive Officers

The following table sets forth a summary of compensation earned by Named Executive Officers for the financial year ended March 31, 2020.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans ⁽³⁾ (\$)		
Kenneth B. Rotman Chief Executive Officer and Managing Director	2020	330,000	–	–	577,500	2,817,562	–	3,725,062
	2019	326,880	–	–	577,500	2,338,957	400,000	3,643,337
	2018	326,880	–	–	572,040	1,614,311	–	2,513,231
Daniel Cheng Chief Financial Officer	2020	237,875	72,000	61,317	48,000	394,985	–	814,177
	2019	226,625	69,450	14,005	46,300	621,272	–	977,652
	2018	217,500	67,500	25,568	45,000	379,410	–	734,978
Michael Wagman President and Managing Director	2020	330,000	288,750	157,131	288,750	1,225,122	250,000	2,828,503
	2019	310,460	301,573	126,495	275,927	2,320,375	–	3,334,830
	2018	302,614	266,551	141,150	267,076	1,726,672	–	2,704,063
B. Jeffrey Parr Vice Chairman and Managing Director	2020	250,000	125,000	–	125,000	1,182,453	–	1,682,453
	2019	200,000	–	–	250,000	1,888,166	–	2,338,166
	2018	295,160	–	280,663	386,020	1,003,819	–	1,965,662

Notes:

- (1) Mr. Wagman elected to receive \$288,750 of his 2020 annual discretionary cash bonus, \$301,573 of his 2019 annual discretionary cash bonus and \$266,551 of his 2018 annual discretionary cash bonus in the form of DSUs under the Employee DSU Plan. Mr. Cheng elected to receive \$72,000 of his 2020 annual discretionary bonus, \$69,450 of his 2019 annual discretionary cash bonus and, \$67,500 of his 2018 annual discretionary cash bonus in the form of DSUs under the Employee DSU Plan. Mr. Parr as elected to receive \$125,000 of his 2020 annual discretionary cash bonus in the form of DSUs under the Employee DSU Plan.
- (2) In 2020, Mr. Wagman was issued 15,560 options and Mr. Cheng was issued 6,072 options under the Non-Voting Option Plan. In 2019, Mr. Wagman was issued 11,290 options and Mr. Cheng was issued 1,250 options under the

- Non-Voting Option Plan. In 2018, Mr. Wagman was issued 25,345 options, Mr. Parr was issued 50,396 options and Mr. Cheng was issued 4,591 options under the Non-Voting Option Plan
- (3) These payouts include amounts paid under Clairvest's Incentive Bonus Program (see "Cash and Incentive Bonuses") and Book Value Units calculated based on the increase in redemption value of vested Book Value Units.
 - (4) Mr. Wagman elected to forgo \$250,000 of his 2020 long-term incentive compensation payment and have the Company donate that payment to a charity of his choice. Mr. Rotman elected to forgo \$400,000 of his 2019 long-term incentive compensation payment and have the Company donate that payment to a charity of his choice. Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary of any of the Named Executive Officers.

Legacy Option Plan

The Corporation maintains a Legacy Option Plan which is administered by the board of directors on the recommendation of the Compensation and Human Resources Committee. As mentioned above, there are no options outstanding under the Legacy Option Plan and there are no current intentions to make future grants under such plan. Currently, no options are outstanding under the plan and 558,856 are available for future grants.

The Legacy Option Plan was adopted on July 3, 1997. The purpose of the plan is to encourage certain directors, senior officers and employees of the Corporation and its affiliates to acquire an increased proprietary interest in the Corporation. At the time of its initial adoption the plan provided that the number of options that could be granted under the plan was 1,804,150. The plan was amended on June 26, 2002 to provide that the number of stock options that could be granted under the plan was 2,148,854. The plan was further amended on September 16, 2005 to replenish 520,646 stock options available for grant so that a total of 2,669,500 options have been available for granting over the life of the plan. Consistent with the amendment provisions in the Legacy Option Plan, the Legacy Option Plan was amended by the board of directors on June 22, 2007 to allow for adjustments to be made by the board of directors to options granted, common shares optioned and option prices to give effect to the payment of stock or special dividends. Prior to June 22, 2007 the Legacy Option Plan only provided for dividend-based adjustments on the payment of stock dividends. The Legacy Option Plan was amended on August 10, 2010 to increase the number of options available for granting over the life of the plan to 3,182,856. The Legacy Option Plan was further amended by the board of directors on June 24, 2011 to provide a mechanism for the Corporation to satisfy any tax withholding requirements on the exercise of options.

The number of options exercised for common shares under the Legacy Option Plan since its inception is 986,600. In addition, 1,637,400 stock options have been exercised using the cashless exercise feature (see below for a description of the cashless exercise feature).

The Legacy Option Plan provides that the number of Common Shares that may be reserved for the issuance to any one optionee cannot exceed 5% of the number of outstanding Common Shares; the number of Common Shares reserved for issuance to insiders under the plan and all other security based compensation arrangements (as such term is understood for purposes of the TSX Company Manual) shall not exceed 10% of the number of Common Shares of the Corporation; and the number of Common Shares issued to insiders, within any one year period, under the plan and all other security based compensation arrangements cannot exceed 10% of the number of Common Shares.

The Legacy Option Plan requires all options to have an exercise price that is not less than the closing price on the TSX on the last trading day prior to grant. Options cannot have a term greater than ten years. The vesting terms of options are determined by the Board of Directors upon the grant. The Corporation does not provide financial assistance to optionees in connection with their participation in the Legacy Option Plan. Generally, options vest in equal parts over five years. If an optionee ceases to be a director, senior officer or full-time employee of the Corporation or one of its affiliates, unvested options immediately terminate and vested but unexercised options terminate immediately if the optionee is terminated for cause, after one year if the optionee resigns at normal retirement age, dies or becomes disabled, or after 30 days for any other reasons including early retirement or voluntary resignation. Each option is non-transferable, but on grant may be taken in the name of the optionee's personal holding company or registered retirement savings plan.

On August 10, 2006, the Corporation's shareholders approved amendments to the Legacy Option Plan to specify those amendments to the plan that can be made by the Board of Directors without the approval of the Corporation's shareholders. The amendments that can be made without shareholder approval are set out in Section 10 of the Legacy Option Plan and include but are not limited to:

- (i) amendments of a "housekeeping" nature;
- (ii) a change to the vesting provisions of any option;
- (iii) a change to the termination provisions of any option that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of section 4.7 of the Legacy Option Plan);
- (iv) the introduction of a cashless exercise feature payable in securities, whether or not such feature provides for a full deduction of the number of underlying securities from the Legacy Option Plan reserve;
- (v) the addition of a form of financial assistance and any amendment to a financial assistance provision which is adopted;
- (vi) a change to the eligible participants of the Legacy Option Plan; and
- (vii) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the issuer.

On August 10, 2006, the shareholders of the Corporation also approved an amendment to the Legacy Option Plan to provide that should an option expiration date fall during a black out period or immediately following a black out period (a period during which directors and certain employees are precluded from trading in the Corporation's securities) the expiration date of the option can be extended for up to ten business days following the end of the blackout period.

Compensation expense has been recognized in the Corporation's financial statements for all stock options vested.

The Legacy Option Plan currently may be amended or discontinued by the Board of Directors subject to any applicable shareholder and regulatory approval. No amendment shall adversely alter or impair any previously granted option other than in accordance with a customary adjustment provision.

The Legacy Option Plan contains a cashless exercise feature pursuant to which an option holder can elect to receive for each option exercised a cash payment equal to the difference between the closing price of the Common Shares on the Toronto Stock Exchange on the last trading date preceding the date of delivery of notice of exercise, and the exercise price of that option. Payment is to be made within five business days of the exercise and any options exercised in this fashion are deducted from the options available for issuance under the plan as if they were exercised for Common Shares.

The table below provides additional information on the Legacy Option Plan for the past three fiscal years:

Description	As at March 31		
	2020	2019	2018
Burn rate: The total number of Options granted in a fiscal year divided by the weighted average number of Shares outstanding for the fiscal year	–	–	–

Non-Voting Option Plan

The following is a summary of the terms and conditions of the Non-Voting Option Plan. This summary is qualified in its entirety by, and is subject to, the full text of the Non-Voting Option Plan, a copy of which is filed on SEDAR.

On May 26, 2016, the Corporation adopted the Non-Voting Option Plan. The options granted under the Non-Voting Option Plan (the “Options”) will be exercisable for Non-Voting Series 2 Shares (“Non-Voting Shares”). The Non-Voting Option Plan was amended on May 28, 2019. The Non-Voting Shares were authorized by a resolution of the Board and are reflected in Articles of Amendment that were filed on June 22, 2016.

The following table provides a summary of the rights, privileges, restrictions and conditions attached to the Non-Voting Shares:

<i>Voting</i>	The holders of the Non-Voting Shares are not entitled to vote at any meeting of the shareholders.
<i>Dividends</i>	The holders of the Non-Voting Shares are entitled to receive dividends at the same time as holders of Common Shares provided that holders of the Non-Voting Shares shall be entitled to receive for each Non-Voting Share an amount equal to two times the dividend paid on the Common Shares. No dividend shall be paid on the Non-Voting Shares unless a dividend on the Common Shares is paid at the same time.
<i>Rights on Dissolution</i>	In the event of dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders, the holders of Non-Voting Shares are entitled to receive, before any amount is paid to the holders of Common Shares or any other shares ranking junior to

	the Non-Voting Shares, an amount equal to the amount that would have been distributed in respect of two Common Shares if each Non-Voting Share were instead two Common Shares.
<i>Conversion Rights</i>	The Non-Voting Shares are not convertible into Common Shares.
<i>Redemption Rights</i>	The Corporation may, at any time after the second anniversary of the issuance of a Non-Voting Share, redeem the whole or any part of the Non-Voting Shares at a price equal to the fair market value of a Non-Voting Share, as reasonably determined by the Board.
<i>Rights on Change in Control</i>	The Non-Voting Shares contain no “coat-tail” protections in the event of a change of control transaction involving the purchase of the Common Shares.

Prior to obtaining Board approval, the Non-Voting Option Plan and the terms of the Non-Voting Shares were reviewed and approved by the Compensation Committee. The purpose of the Non-Voting Option Plan is to assist the Corporation in attracting, retaining and motivating “participants” (as such term is defined in the Non-Voting Option Plan) to serve as officers and employees of the Corporation or a related entity and to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of shareholders.

The Non-Voting Option Plan is administered by the Board or a designated committee of the Board. In administering the Non-Voting Option Plan, the Board or any designated committee may select participants to whom Options are granted, determine the terms relating to the Options, including the exercise price, the expiration date of each Option and any vesting period prior to which time such Option may not be exercised.

The following table provides a summary of the Non-Voting Option Plan:

<i>Eligibility</i>	Any current full-time or part-time officer or employee of the Corporation or related entity
<i>Expiration</i>	Subject to any accelerated termination and unless otherwise specified by the Board or a designated committee of the Board, each Option shall expire on the fifth anniversary of the date of grant, subject to extension relating to blackout periods. The Non-Voting Option Plan was amended on May 28, 2019 to provide that the expiry date can be extended by the Corporation by one year for a maximum of five one-year extensions. This amendment also applies to certain Options previously granted under the Non-Voting Option Plan.
<i>Exercise Price</i>	The exercise price of an Option will be fixed when such

	<p>Option is granted provided that such exercise price shall be no less than two (2) times the volume-weighted average closing price of the Common Shares on the TSX for the five (5) trading days in which Common Shares have actually traded immediately prior to such date (the "NVS Fair Market Value"). In the event that the Common Shares are not listed and posted for trading on any stock exchange, the NVS Fair Market Value will be determined by the Board in its sole discretion.</p>
<i>Termination Provisions</i>	<p>The following rules apply if a participant's employment is terminated before expiry:</p>
<i>Death</i>	<ul style="list-style-type: none"> All unvested Options granted to such participant are immediately deemed to be vested and the participant's legal representatives will have the right to exercise all or part of the participant's vested Options at any time up to and including the earlier of the date that is one (1) year following the date of death of such participant; or the date on which the exercise period of the particular Option expires.
<i>Incapacity or Retirement</i>	<ul style="list-style-type: none"> All unvested Options granted to such participant are immediately deemed to be vested and the participant will have the right to exercise all or part of the participant's vested Options at any time up to and including the earlier of the date that is six (6) months following the date of incapacity or retirement (as applicable) or the date on which the exercise period of the particular Option expires.
<i>Termination without Cause</i>	<ul style="list-style-type: none"> All outstanding and unvested Options granted to such participant shall immediately and automatically terminate unless otherwise determined by the Board or designated committee of the Board. The participant will have the right to exercise all or part of the participant's vested Options at any time up to and including the earlier of the date that is thirty (30) days following the cessation of office or employment; or the date on which the exercise period of the particular Option expires.
<i>Termination for Cause</i>	<ul style="list-style-type: none"> All Options held by such participant, whether or not vested, immediately expire and are cancelled on such date as determined by the Board or designated committee of the Board.
<i>Cash Election</i>	<p>At the election of the participant, in lieu of exercising an Option, a participant may choose to surrender such Option in exchange for cash instead of Non-Voting Shares. The exercise price for Non-Voting Shares to be purchased upon each exercise of any Option shall be paid in full at the time</p>

	of the exercise. The cash payment will equal the difference between the Fair Market Value on the exercise date and the exercise price of the option. An option holder who surrenders his or her Option for cash payment will receive an effective capital gains treatment on the cash payment received. Any Options so surrendered shall be added back to the total number of Non-Voting Shares reserved for issuance pursuant to the Non-Voting Option Plan.
<i>Change of Control</i>	In the event of a change of control, all outstanding Options shall be replaced with similar options of the entity resulting from the transaction on substantially the same terms and conditions as provided in the Non-Voting Option Plan. If such replacement is not practical or advisable, the Board or designated committee of the Board may, in its sole discretion, accelerate the vesting of any or all outstanding Options.
<i>Assignment of Options</i>	Options are not assignable or transferable in whole or in part except through devolution by death.

Number of Non-Voting Shares

The maximum number of Non-Voting Shares reserved for issuance any time under the Non-Voting Option Plan for the exercise of Options is 1,000,000 Non-Voting Shares (based on each Non-Voting Share being effectively other than for voting purposes the equivalent of two Common Shares representing 13.3% of the outstanding number of Common Shares). No Options may be granted if such grant would have the effect of causing the total number of Non-Voting Shares issuable upon the exercise of Options to exceed the above-noted total number of Non-Voting Shares reserved for issuance. As at the most recently completed fiscal year, the Corporation has outstanding Options entitling holders to purchase 518,758 Non-Voting Shares (representing approximately 51.9% of the maximum number of shares issuable under the Non-Voting Option Plan and based on each Non-Voting Share being effectively other than for voting purposes the equivalent of two Common Shares and approximately 6.9% of the outstanding number of Common Shares).

The Non-Voting Option Plan limits insider participation such that the aggregate number of Non-Voting Shares: (i) issuable to insiders at any time under the Non-Voting Option Plan together with the number of securities issuable to insiders under any other compensation arrangement, at any time, may not exceed 10% of the Corporation's issued and outstanding Common Shares; and (ii) issued to insiders within a one-year period under the Non-Voting Option Plan together with the number of securities issued to insiders under any other compensation arrangement, shall not exceed 10% of the Corporation's issued and outstanding Common Shares.

Amendments and Termination

The Non-Voting Option Plan permits the Board to make, at any time and without shareholder approval, any amendments to the Non-Voting Option Plan. The Board may also terminate the Non-Voting Option Plan at any time without shareholder

approval. The termination of the Non-Voting Option Plan will have no effect on outstanding Options which shall continue in effect in accordance with their terms and conditions.

The table below provides additional information on the Non-Voting Option Plan for the past three fiscal years:

Description	As at March 31		
	2020	2019	2018
Burn rate: The total number of Options granted in a fiscal year divided by the weighted average number of Shares outstanding for the fiscal year	1.4%	0.6%	2.6%

Employee DSU Plan

The following is a summary of the terms and conditions of the Employee DSU Plan.

The Corporation adopted the Employee DSU Plan on May 26, 2016 and such plan was approved by the shareholders on August 10, 2016. The purpose of the Employee DSU Plan is to give the Corporation a mechanism to attract, retain and motivate talented “participants” (as such term is defined in the Employee DSU Plan) to serve as officers and employees of the Corporation or a related entity and to promote a greater alignment of interests between those persons and shareholders. The Employee DSU Plan is administered by the Board or a designated committee of the Board.

The following table provides a summary of the Employee DSU Plan:

<i>Eligibility</i>	Any current full-time or part-time officer or employee of the Corporation or related entity. The Board will determine participants among such eligible individuals.
<i>Term</i>	The Employee DSU Plan will remain in effect until it is terminated by the Board. The Board may terminate the Employee DSU Plan at any time provided that such termination will not affect any rights of a participant to redeem any DSUs already credited to his or her account.
<i>Award</i>	The Employee DSU Plan provides that participants may elect to receive all or a portion of their bonus amount that would otherwise be payable in cash in the form of DSUs. Such DSUs are granted the date that participant would otherwise have received its bonus. The number of DSUs credited to the participant is the result obtained when the product of the bonus amount is multiplied by the elected proportion of the bonus amount, divided by the volume-weighted average closing price of the Common Shares on the TSX for the five (5) trading days in which Common Shares have actually traded immediately prior to such date. In addition, the DSUs can be granted in such amount, if any, and subject to such vesting conditions, if any, as is determined by the Board or designated committee in its discretion at the date of grant.

<i>Election to Receive DSUs</i>	Each participant that elects to receive DSUs in respect of their bonus amount is required to file a notice of election with the Chief Financial Officer of the Corporation by the end of the fiscal year for which such election is to apply. Such election notice will apply only once and will not apply or be deemed to apply for any subsequent fiscal year.
<i>Termination Provisions</i>	Where a participant in the Employee DSU Plan is terminated for any reason including retirement, disability or death any DSUs can be redeemed (for DSUs subject to vesting conditions, provided those conditions have been satisfied).
<i>Redemption and Cash Election</i>	<p>Participants can redeem all or part of their vested DSUs by giving written notice of redemption to the Corporation. Upon the redemption of DSUs, the Corporation will issue a whole number of Common Share equal to the whole number of DSUs redeemed.</p> <p>At the participant's election, the Corporation will instead pay to the participant a lump sum cash payment equal to the number of DSUs multiplied by the volume-weighted average closing price of the Common Shares on the TSX for the five (5) trading days in which Common Shares have actually traded immediately prior to such date (the "Market Price"). In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Market Price will be determined by the Board in its sole discretion.</p> <p>A participant may send a maximum of two notices of redemption and a maximum of one notice of redemption in any calendar year.</p>
<i>Assignment of DSUs</i>	DSUs are not assignable or transferable.

Number of DSUs

The maximum number of Common Shares reserved for issuance under the Employee DSU Plan is 200,000 (1.3% of the outstanding number of Common Shares). As at the most recently completed fiscal year, there are 106,790 DSUs outstanding under the Employee DSU Plan (representing approximately 53.4% of the maximum number of DSUs issuable under the Employee DSU Plan.).

Subject to applicable law or the requirements of the TSX, the Board may, in its discretion, amend the Employee DSU Plan to increase such limit without notice to participants, subject to shareholder approval. If, in respect of any fiscal year, the number of DSUs that would be issued when added to all DSUs previously granted including DSUs granted in connection with the payment of dividends on the Common Shares would, upon redemption, exceed the above-noted total number of Common Shares reserved for issuance, the number of DSUs shall be reduced *pro rata* (or in another

manner as the Board determines), so that the number of DSUs issued and issuable will not result in the number of Common Shares issuable upon redemption to exceed 200,000.

The Employee DSU Plan states that the maximum aggregate number of DSUs that may be subject to grants of DSUs under the Employee DSU Plan to any one participant during any 12-month period will be no greater than 5% of the issued and outstanding Common Shares. The Employee DSU Plan also limits insider participation such that the aggregate number of DSUs: (i) issuable to insiders at any time under the Employee DSU Plan together with the number of securities issuable to insiders under any other compensation arrangement may not exceed 10% of the Corporation's issued and outstanding Common Shares on a non-diluted basis; and (ii) issued to insiders within a one-year period under the Employee DSU Plan together with the number of securities issued to insiders under any other compensation arrangement, shall not exceed 10% of the Corporation's issued and outstanding Common Shares on a non-diluted basis.

Amendments

The Employee DSU Plan provided that the plan may be amended at any time with the approval of the Board, provided however, that the following amendments can only be made with the approval of a majority of shareholders entitled to vote at a meeting of shareholders:

- (i) amendment to remove or exceed the insider participation limits;
- (ii) amendment to increase the maximum number of Common Shares which may be issued under the Employee DSU Plan; or
- (iii) amendment to grant additional powers to the Board to amend the Employee DSU Plan.

Without limiting the general amendment powers described above and for greater certainty, shareholder approval is not required for amendments to the Employee DSU Plan to do the following:

- (i) to make formal, minor or technical modifications to any of the provisions of the plan, including amendments of a "house-keeping nature";
- (ii) to correct any ambiguities, defective provisions, errors or omissions in the provisions of plan; or
- (iii) to make any other amendment, that does not require shareholder approval under applicable laws or the applicable rules of the TSX.

The table below provides additional information on the Employee DSU Plan for the past three fiscal years:

Description	As at March 31		
	2020	2019	2018
Burn rate: The total number of DSUs granted in a fiscal year divided by the weighted average number of Shares outstanding for the fiscal year	0.2%	0.2%	0.2%

Equity Compensation Plan Information

The following table sets forth information with respect to equity compensation plans as at March 31, 2020:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
Non-Voting Option Plan	518,758 non-voting shares	\$71.99 /non-voting share	481,242 non-voting shares
Employees DSU Plan	106,790 common shares	N/A	93,210 common shares
Legacy Option Plan	–	–	558,856 common shares

The Corporation has no equity-based compensation plans that have not been approved by Shareholders.

Incentive Plan Awards

The following tables set forth information with respect to outstanding option-based awards and share-based awards to Named Executive Officers outstanding as at March 31, 2020:

Option-based Awards⁽¹⁾				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
(a)	(b)	(c)	(d)	(e)
Kenneth B. Rotman Chief Executive Officer and Managing Director	–	–	–	–
Michael Wagman President and Managing Director	33,480 25,345 11,290 15,560	\$54.97 \$70.39 \$92.51 \$95.87	June 30, 2021 June 30, 2022 June 30, 2023 May 28, 2024	\$969,069 \$434,860 – –
B. Jeffrey Parr Vice-Chairman and Managing Director	24,102 50,396	\$54.97 \$70.39	June 30, 2021 June 30, 2022	\$697,626 \$864,676
Daniel Cheng Chief Financial Officer	2,973 4,591 1,250 6,072	\$54.97 \$70.39 \$92.51 \$95.87	June 30, 2021 June 30, 2022 June 30, 2023 May 28, 2024	\$86,052 \$78,771 – –

Share-based Awards ⁽²⁾			
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
	(f)	(g)	(h)
Kenneth B. Rotman Chief Executive Officer and Managing Director	–	–	–
Michael Wagman President and Managing Director	–	–	\$1,203,966
B. Jeffrey Parr Vice-Chairman and Managing Director	–	–	–
Daniel Cheng Chief Financial Officer	–	–	\$246,449

Notes:

⁽¹⁾ Described awards under the Corporation's Non-Voting Option Plan. Since the Non-Voting Shares have a two (2) times preference over the Common Shares, per such plan, the exercise price of Non-Voting Options is two (2) times the volume-weighted average closing price of the Common Shares on the TSX for the five (5) trading days in which Common Shares have actually traded immediately prior to grant date. The number of Non-Voting Options granted to participants have been adjusted so that the economic value of the options awarded is the same as if exercise price and fair market value were not doubled.

⁽²⁾ Described awards under the Employee DSU Plan.

Incentive Plan Awards – Value Vested or Earned During the Financial Year

The following table provides information with regard to the awards vested or earned during the year ended March 31, 2020. Presented amounts show the incremental dollar value that was vested or earned during the financial year:

Name	Option-based awards – Value vested or earned during the year⁽¹⁾ (\$)	Share-based awards – Value vested or earned during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
(a)	(b)	(c)	(d)
Kenneth B. Rotman Chief Executive Officer and Managing Director	–	–	\$3,395,062
Michael Wagman President and Managing Director	–	\$134,787	\$1,513,873
B. Jeffrey Parr Vice-Chairman and Managing Director	–	–	\$1,307,453
Daniel Cheng Chief Financial Officer	–	\$34,790	\$442,985

Notes:

⁽¹⁾ The fair value of options is calculated using the Black-Scholes option pricing model as described in *note 12* to the consolidated financial statements which includes vested and unvested options.

BVAR Plan

The Corporation adopted a BVAR Plan on June 30, 2001. This Plan is administered by the Committee which can grant book value appreciation rights units (“BVARs”) to employees. Upon the redemption of BVARs, the Corporation pays to the grantee a lump sum cash payment equal to the number of BVARs to be redeemed multiplied by the increase in book value per Clairvest share between the grant date and

the redemption date. The BVARs vest over a five-year period and the grantee may only redeem his or her BVARs at the earlier of (i) five years from the date of grant; or (ii) the cessation of employment with the Corporation and must be exercised within 30 days of the fifth anniversary from the date of grant. The BVAR Plan was amended on May 28, 2019 to provide that the five-year mandatory exercise date can be extended by the Corporation by one year for a maximum of five one-year extensions. This amendment also applies to certain BVARs previously granted under the BVAR Plan.

Going forward, it is the current intention of the Corporation to issue eligible employees (other than Mr. Rotman) options under the Non-Voting Option Plan rather than BVARs under the BVAR Plan. For tax reasons, it is the Corporation's current intention that Mr. Rotman continue to participate in the BVAR Plan.

Termination and Change of Control Benefits

Messrs. Parr, Rotman and Wagman (collectively, the "Executive Officers") have entered into agreements with the Corporation that provide for termination entitlements. The Corporation may terminate the Executive Officers' employment for cause without notice or pay. If the Corporation terminates the employment of Messrs. Parr, Rotman or Wagman without cause, they are entitled to 52 weeks' notice. The Corporation can elect to terminate any of the Executive Officer's employment with no notice and pay such Executive Officer's base salary over a period of 52 weeks.

Mr. Cheng has entered into agreement with the Corporation that provides for termination entitlements. The Corporation may terminate Mr. Cheng's employment for cause without notice or pay. If the Corporation terminates Mr. Cheng's employment without cause, he is entitled to 4 weeks notice per service year in his capacity as the CFO and 2 weeks per service year otherwise, up to a maximum of 52 weeks. The Corporation can elect to terminate his employment with no notice and pay Mr. Cheng periodic payments equal to his base salary for the duration of the notice period.

Indebtedness of Directors, Executive Officers and Senior Officers of the Corporation or its Subsidiaries under Securities Purchase Program

As at June 30, 2020, the aggregate indebtedness to the Corporation of all directors and employees and persons who were at any time during the period ended June 30, 2020 officers, directors and employees of the Corporation or its subsidiaries, with respect to securities purchase programs, is \$2,542,913. The following table sets forth information with respect to any loans to individuals who at the time of the most recently completed financial year were, a director or senior officer of the Corporation or a subsidiary of the Corporation, each proposed nominee for election as a director of the Corporation and each associate of any such director, executive officer or proposed nominee directors and executive and senior officers of the Corporation or any subsidiary of the Corporation:

Name and Principal Position	Corporation or Subsidiary	Largest Amount Outstanding during the year ended March 31, 2020	Amount Outstanding as at June 30, 2020
Daniel Cheng Markham, Canada Chief Financial Officer Clairvest Group Inc.	Corporation and Subsidiary	\$323,864	–
Michael Castellarin Toronto, Canada Managing Director Clairvest GP Manageco Inc.	Subsidiary	\$465,086	–
Robbie Isenberg Toronto, Canada Managing Director Clairvest GP Manageco Inc.	Subsidiary	\$253,744	–
Sebastien Dhonte Toronto, Canada Managing Director Clairvest GP Manageco Inc.	Subsidiary	\$512,747	\$505,262
James H. Miller Toronto, Canada General Counsel and Corporate Secretary Clairvest Group Inc.	Corporation and Subsidiary	\$283,673	\$279,759
Total			\$785,021

No financially assisted securities were purchased during the year ended March 31, 2020 by any director or executive officer of the Corporation or any other subsidiary of the corporation other than those provided in the table above.

All loans of executive officers and senior officers of the Corporation or of a subsidiary of the Corporation with respect to securities purchase programs are secured by the Common Shares purchased by them. Officers and employees are personally liable for the loans. These loans bear interest at prime less 1% on the date of drawdown and are repayable if the officer's employment is terminated. Interest is payable annually. In any year in which the bonus paid to an employee plus income distributions received from investments in the limited partnerships discussed below exceeds that employee's salary, 25% of the excess above one times salary will be used to reduce the outstanding loan amount. Interest on these loans has been paid up to June 30, 2020. The Corporation has never realized a loss on a loan granted under the Securities Purchase Program.

Indebtedness of Directors and Executive Officers – Aggregate Indebtedness as at June 30, 2020

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	\$–	–
Other	–	–

Compensation of Directors

Directors of the Corporation who are not officers of the Corporation (the “outside directors”), with the exception of the Chairman of the Corporation, are entitled to receive an annual retainer of \$30,000 and an attendance fee of \$1,500 in respect of each meeting of the board of directors which they attend in person or \$500 if attending by telephone. Outside directors who are chairpersons of the Audit Committee and Compensation and Human Resources Committee, receive an annual retainer of \$10,000 and \$3,000, respectively. Outside directors who are members of board committees receive an attendance fee of \$1,500 for each committee meeting attended in person or \$500 if attending by telephone.

Directors may elect to receive all or a portion of their retainer and meeting fees in deferred share units. The Corporation adopted a deferred share unit plan (the “DSU Plan”) effective April 1, 2002 which is intended to permit non-employee directors to receive DSU’s in lieu of cash compensation. Each participating director may elect to receive 0%, 50% or 100% of his or her fees in the form of deferred share units (“Units”) instead of being paid such fees in cash. On the date fees are payable, the number of Units to be credited to a participant is determined by dividing the amount of the fees to be deferred into Units by the market value of a common share on the Toronto Stock Exchange. A participant may redeem his or her Units only following termination of board service. Upon redemption of Units, the Corporation pays to the participant a lump sum cash payment equal to the number of Units to be redeemed multiplied by a calculation of the market value of a common share on the Toronto Stock Exchange on the redemption date, net of applicable withholdings.

The DSU Plan was amended on June 22, 2007 to provide for an additional type of deferred share unit being an Appreciation DSU. These may be granted to non-employee directors by the Committee from time to time and are intended to be granted to replace expiring options of non-employee directors. A participant may redeem his or her Appreciation DSUs only following termination of board service. Upon redemption of Appreciation DSUs, the Corporation pays to the participant a lump sum cash payment equal to the number of Appreciation DSUs to be redeemed multiplied by the amount by which the market value of a common share on the redemption date exceeds the market value of a common share on the date of granting of the Appreciation DSU.

At the discretion of the Board, outside directors may also from time to time be granted options to acquire common shares of the Corporation. No options were granted to outside directors during the year.

The following is a summary of compensation received by outside directors for the financial year ended March 31, 2020:

Name ⁽¹⁾	Fees paid in Cash (\$)	Fees paid in DSUs ⁽²⁾ (\$)	Total Fees Received during Fiscal 2020 (\$)	Total Value of DSUs and Appreciation DSUs at March 31, 2020 ⁽³⁾ (\$)
John Barnett	–	\$47,500	\$47,500	\$1,418,722
Michael Bregman	–	\$58,000	\$58,000	\$2,534,501
Joseph E. Fluet III	–	\$35,000	\$35,000	\$51,945
Joseph J. Heffernan	–	\$125,000	\$125,000	\$4,094,216
G. John Krediet	–	\$44,500	\$44,500	\$351,859
Lionel H. Schipper	–	\$45,500	\$45,500	\$2,120,734
Isadore Sharp	–	\$33,000	\$33,000	\$1,763,770
Rick Watkin	–	\$38,500	\$38,500	\$423,920

Notes:

- (1) The compensation information for directors B. Jeffrey Parr, Kenneth B. Rotman and Michael Wagman can be found under the section titles “Compensation of Named Executive Officers – Summary Compensation Table” of this circular.
- (2) All outside directors elected to receive DSUs instead of cash compensation for fees earned. This column includes the granted value of the DSUs earned during the financial year ended March 31, 2020.
- (3) This column shows the aggregate lump sum payment that would be payable to the director on redemption of all DSUs and Appreciation DSUs that had been granted to such director if he retired from the Board on March 31, 2020.

Outside directors may earn fees in respect of the Boards of investee companies of Clairvest on which they sit. In fiscal 2020, no outside directors earned such fees.

Directors are also entitled to the reimbursement of their expenses.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

General Partner Priority Distributions and Management Fees

The Corporation derives revenue from its investment management services from the private equity funds it manages (the “CEP Funds”) in the form of general partner priority distributions or management fees. The priority distributions and management fees are charged as a percentage of committed capital on the most recent CEP Fund and of invested capital less write-downs on the other CEP Funds. The priority distributions and management fees received by the Corporation are reduced proportionately by fees earned by the Corporation from corporate investments of the CEP Funds and other amounts as provided in the respective Limited Partnership Agreements.

During fiscal 2020, the Corporation completed the fundraising of Clairvest Equity Partners VI, a new private equity investment pool which comprised a US\$230.0 million co-investment commitment from the Corporation through CEP VI Co-Investment Limited Partnership, and US\$620.0 million of commitments from third-party investors through Clairvest Equity Partners VI Limited Partnership, Clairvest Equity Partners VI-A Limited

Partnership and Clairvest Equity Partners VI-B Limited Partnership (“CEP VI”), is the successor fund to Clairvest Equity Partners V. Also during fiscal 2020, the General Partner of CEP V delivered a notice to CEP V pursuant to its Limited Partnership Agreement which terminated the commitment period of CEP V effective February 28, 2020. Accordingly, general partner priority distributions and management fees on Clairvest Equity Partners VI commenced March 1, 2020.

Carried Interest and Management Participation

As governed by the respective CEP Fund Limited Partnership Agreements, certain consolidated subsidiaries and acquisition entities of the Corporation are entitled to participate in distributions equal to 20% of all net gains (“carried interest”), which is subject to the respective investors of each CEP Fund achieving a minimum net return on their investment. On Clairvest Equity Partners VI, the carried interest increases from 20% to 25% once their investors achieve a net return of two times their aggregate capital contributions.

The Corporation is entitled to 50% of the carried interest realized in each CEP Fund and management of the Corporation is entitled to the other 50% of the carried interest through their limited partnership interests in the various management incentive (“MIP”) partnerships. Clairvest management is also entitled to an 8.25% carried interest from the various co-investment limited partnerships (CEP III Co-Investment Limited Partnership, CEP IV Co-Investment Limited Partnership, CEP V Co-Investment Limited Partnership and CEP VI Co-Investment Limited Partnership) as governed by their respective Limited Partnership Agreements. Management is required to purchase limited partnership units of the various MIP partnerships at fair market value.

DIRECTORS’ AND OFFICERS’ INSURANCE

During the fiscal year ended March 31, 2020, the Corporation purchased insurance for the benefit of the Directors and officers of the Corporation and its subsidiaries to protect such Directors and officers against liability incurred by them in their capacity as Directors and officers, subject to certain limitations contained in the *Business Corporations Act* (Ontario). The premium for this insurance was \$159,574. The aggregate insurance coverage under the policy is limited to \$20,000,000 in the policy year and provides for a retention factor of \$100,000 in the aggregate for corporate reimbursement for each loss. No deductible is payable by any Director or officer making a claim under the policy. The by-laws of the Corporation provide for the indemnification of each Director and officer against all costs, charges and expenses reasonably incurred by him in respect of any civil, criminal or administrative proceeding against him in the execution of his office, subject to the limitations contained in the *Business Corporations Act* (Ontario).

ADDITIONAL INFORMATION

Financial information is provided in the Corporation’s consolidated financial statements of the Corporation for 2020 and the management discussion and analysis of the Corporation for 2020. Copies of the Corporation’s latest annual

information form (together with the documents incorporated therein by reference), the consolidated financial statements of the Corporation for 2020 together with the report of the auditors thereon, the management's discussion and analysis of the Corporation's financial condition and results of operations for 2020, the interim financial statements of the Corporation for periods subsequent to the end of the Corporation's last fiscal year and this circular are available upon request from the Corporate Secretary of the Corporation. Such documents are also available through the internet on SEDAR which can be accessed at www.sedar.com.

CERTIFICATE

The contents and the sending of this Management Information Circular to the shareholders, to each Director and to the auditors of the Corporation and to the appropriate governmental agencies have been approved by the Board of Directors of the Corporation.

DATED the 30th day of June, 2020.

“James H. Miller”

James H. Miller

General Counsel and Corporate Secretary