

TWC ENTERPRISES LIMITED

MANAGEMENT INFORMATION CIRCULAR

For the Annual Meeting of Shareholders
to be held at 11:00 a.m. on Wednesday, May 5, 2021

SOLICITATION

This Management Information Circular (“Circular”) is forwarded to holders of common shares (“Common Shares”) of TWC Enterprises Limited (hereinafter called “TWC” or the “Corporation”) in connection with the solicitation of proxies by the management of the Corporation from the holders of Common Shares (the “Shareholders”) for use at the annual meeting of Shareholders to be held on Wednesday, May 5, 2021, at the hour of 11:00 a.m. (Eastern Time), in a virtual-only format, which will be conducted via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1100> (Password: twc2021) (the “Meeting”) and at any adjournment thereof for the purposes set forth in the Notice of Meeting which accompanies this Circular. The solicitation of proxies by this Circular is being made by or on behalf of management of the Corporation and the total cost of solicitation will be borne by the Corporation. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation or by TWC’s proxy tabulator, TSX Trust Company at nominal cost. The Corporation will reimburse brokers, custodians, nominees and other fiduciaries for the reasonable charges and expenses incurred in the forwarding of this proxy material to beneficial owners of shares. Unless otherwise indicated, the information given herein is as at March 31, 2021. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

Copies of the Company’s 2020 Annual Report and current Annual Information Form are available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, as established by the Canadian Securities Administrators) at www.sedar.com and on the Company’s website at twcenterprises.ca. In the alternative, copies will be provided upon request to the Company (15675 Dufferin Street, King City, Ontario L7B 1K5, Attention, Secretary).

Virtual Only Meeting

This year, to proactively plan for the continuing public health impact and measures enacted related to the outbreak of the novel coronavirus (“COVID-19”), and to minimize the risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Company will hold the Meeting in a virtual only format, shareholders will not be able to attend in person. It is the Company’s intention to resume holding shareholder meetings in person under normal circumstances in future years, however, the Company has determined that holding this year’s Meeting in a virtual only format is a prudent step during the COVID-19 pandemic in light of restrictions on public gatherings and efforts to encourage social distancing by Canadian federal and provincial governments, as well as many municipalities. A summary of the information shareholders will need to attend the Meeting online is provided below under the heading “How do I Attend and Participate at the Meeting?”

How Will Shareholders Be Able to Participate at the Meeting?

Registered shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out below.

Non-registered shareholders (defined below) who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting.

Additional instructions are provided in the enclosed Virtual Meeting Guide if you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at tmxeinvestorservices@tmx.com.

APPOINTMENT OF PROXIES

The persons named in the accompanying form of proxy are representatives of management and are directors and/or officers of the Corporation ("**Management Nominees**"). **Each Shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a Shareholder of the Corporation, to represent the Shareholder at the Meeting or any adjournment thereof. This right may be exercised by inserting the name of such person in the blank space provided in the form of proxy.**

To be valid, this proxy must be signed and deposited with TSX Trust Company, by mail using the enclosed return postage prepaid envelope, or to TSX Trust Company, Attn: Proxy Department, 301-100 Adelaide Street W., Toronto, ON M5H 4H1 or by facsimile to 416-595-9593) or by email at tsxtrustproxyvoting@tmx.com not later than May 3, 2021 at 11:00 a.m. (Eastern Time).

ATTENDANCE AND VOTING

Only registered holders of Common Shares, or the persons appointed as proxy holder, are permitted to attend, speak at and vote on all matters that may properly come before the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, RDSPs, TFSAs and similar plans; or
- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the notice of meeting, Circular, the form of proxy and the Corporation's 2020 Annual Report (which includes management's discussion and analysis of financial condition and results of operations and audited consolidated financial statements for the fiscal year ended December 31, 2020) (collectively, the "**meeting materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

ATTENDANCE AND VOTING (cont'd)

Intermediaries are required to forward meeting materials to Non-Registered Holders who have not waived the right to receive them. Typically, Intermediaries will use a service company to forward meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- a) be given a proxy which has already been signed by the Intermediary (often by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. The Non-Registered Holder should complete the proxy by indicating how they wish to vote. Please note that the holder does not need to sign this form of proxy as it has already been signed by the intermediary. Upon completion of the form of proxy the holder must deposit it with TSX Trust Company, or
- b) more typically, be given a voting instruction form that must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting authorization form is to be delivered.

The meeting materials sent to non-objecting beneficial owners ("NOBOs") who have not waived the right to receive the meeting materials are accompanied by a voting instruction form. By returning the voting instruction form in accordance with the instructions noted thereon, a NOBO is able to instruct the voting of the Common Shares owned by it. Voting instruction forms, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted thereon. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own.

Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediary promptly if they need assistance.

REVOCATION

A registered Shareholder who has given a proxy may revoke the proxy by an instrument in writing, including another proxy bearing a later date, duly executed by the Shareholder or by his or her attorney authorized in writing, deposited with the Corporation as provided above. A Shareholder may also revoke a proxy in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form, or a waiver of the right to receive meeting materials and to vote, by contacting his or her Intermediary and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke if it receives insufficient notice of revocation. Non-Registered Holders should carefully follow the instructions of their Intermediaries.

VOTING OF SHARES REPRESENTED BY PROXY

Common Shares represented by proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, Common Shares represented by properly executed proxies will be voted accordingly.

In the absence of instructions with respect to a particular resolution, the Common Shares will be voted in favour of the resolution as indicated under the appropriate heading in this Circular.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the notice of meeting and other matters that may properly come before the Meeting or any adjournment thereof. Management is not aware of any such amendments, variations or other matters as of the date hereof.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of March 31, 2021, there were 24,612,461 Common Shares issued and outstanding, each entitles its Shareholder to one vote at the Meeting. The record date for determining shareholders who are entitled to vote their Common Shares at the Meeting is March 31, 2021.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all issued Common Shares, other than: Paros Enterprises Limited ("Paros") and S.N.A. Management Limited ("S.N.A."), these two corporations are controlled by Mr. K. Rai Sahi, a director, Chairman, President and Chief Executive Officer of the Corporation, who beneficially owns, or controls or directs, directly or indirectly, 19,400,511 Common Shares (owned by Paros, S.N.A. and Mr. Sahi personally) carrying approximately 79% of the votes attached to the total outstanding Common Shares.

BUSINESS OF THE MEETING

Audited Consolidated Financial Statements

The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020, together with the auditors' report thereon, are included in the Corporation's 2020 Annual Report, which has been mailed to Shareholders herewith and are available on our website at www.twcenterprises.ca and on SEDAR at www.sedar.com.

Election of Directors

The number of directors to be elected at the Meeting is eight (8). If a director nominee is unable to serve as a director for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee at their discretion.

The current process for the election of the Board of Directors of the Corporation is compliant with Canadian securities laws, including the requirements of the Toronto Stock Exchange ("TSX"). Under policies adopted by the Board, shareholders have the ability to vote for, or withhold from voting for, each individual director proposed for election to the Board of Directors of the Corporation.

The Board of Directors has adopted a policy that entitles each Shareholder to vote for each nominee on an individual basis.

The Corporation is exempt from the TSX majority voting policy by virtue of being majority controlled. The Board has nonetheless adopted a policy stipulating that if the votes in favour of the election of a nominee at a Shareholders' Meeting represent less than a majority of the Common Shares voted and withheld, the nominee will be expected to submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will then have 90 days to accept the resignation, during which time an alternate Board member may be appointed. The Board, however, may reject the resignation under extenuating circumstances.

Unless directed otherwise, the Management Nominees designated in the enclosed form of proxy intend to vote for the election of the proposed nominees whose names are set out under the heading "Nominees for Election to the Board of Directors".

BUSINESS OF THE MEETING (cont'd)

Nominees for Election to the Board of Directors

The articles of the Corporation provide that the Corporation shall have a minimum of three directors and a maximum of sixteen directors. The Board currently consists of eight (8) directors. In accordance with the provisions of the articles of the Corporation, the Board has resolved to fix the size of the Board at eight directors and accordingly, has nominated eight (8) persons for election as directors at the Meeting.

The term of office for each director is from the date of the Meeting at which he or she is elected, or the date of appointment, if applicable, until the close of the next Annual Meeting of Shareholders or until his or her successor is duly elected.

The following table sets forth information with respect to each person proposed to be nominated for election as a director (each, a **“Proposed Director”**), including the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or such person's associates or affiliates as at the date of this Circular. The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation has been furnished by the respective Proposed Director individually and included in the following table. The closing price of the Common Shares on the TSX on March 31, 2021 was \$21.27 which was the price used to calculate the value of the Common Shares held by the Proposed Directors.

The Proposed Directors are, in the opinion of the Board and management, well qualified to act as directors of the Corporation for the ensuing year and have confirmed their willingness to serve as directors. If a Proposed Director is unable to serve as a director for any reason prior to the Meeting, the Management Nominees reserve the right to vote for another nominee in their discretion, unless the Shareholder who has given such proxy or voting instruction form has directed that the Common Shares be withheld from voting on the election.

The following tables set out information as of March 31, 2021, unless otherwise indicated, regarding the Proposed Directors. All Proposed Directors are current directors of the Corporation.

During the past five years all directors have been employed in various capacities by the companies or firms indicated opposite their names unless otherwise noted.

BUSINESS OF THE MEETING (cont'd)

Nominees for Election to the Board of Directors (cont'd)

Fraser R. Berrill <i>Toronto, Ontario, Canada</i> Director since May 9, 2018 Independent			Mr. Berrill is the President of Fragin Holdings Limited, a private investment company, and former President, Chief Executive Officer and director of Renasant Financial Partners Ltd., a financial services and technology trading organization. He has served as a director of several public and private companies and is a former Board Chair of Vicwest Inc., formerly Vicwest Income Fund. Mr. Berrill is also a member of the Board of Governors of the University of Windsor. Mr. Berrill is a member of the Law Society of Upper Canada and holds a designation of Chartered Director from McMaster University.		
			Public company directorships in the past five years:		
			Morguard Real Estate Investment Trust (2011-2018) Pure Multi-Family REIT LP (2015 – 2019) Vicwest Inc. (2011 – 2017)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	4 of 4	100%	15,226	Nil	\$323,858
Environmental	2 of 2	100%			

Patrick S. Brigham <i>Toronto, Ontario, Canada</i> Director since June 30, 2009 Independent			Mr. Brigham, Honorary Consul to Finland, is the Chairman and Chief Executive Officer of Brigham Holdings Inc., a Toronto based investment company. Mr. Brigham founded Sunquest Vacations Ltd. in 1972 and was its Chief Executive Officer until its sale in 1995. Mr. Brigham is currently a director of a number of private companies and charitable organizations and is a former director of the Greater Toronto Airport Authority,		
			Other public company directorships during the past five years:		
			None		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	4 of 4	100%	304,059	Nil	\$6,467,335
Compensation	1 of 1	100%			
Environmental	2 of 2	100%			

BUSINESS OF THE MEETING (cont'd)

Nominees for Election to the Board of Directors (cont'd)

Paul D. Campbell <i>Toronto, Ontario, Canada</i> Director since May 20, 2010 Independent			Mr. Campbell is Chairman of CPX Transportation and Project Lead for KingSett Capital on the Royal York Hotel. Mr. Campbell currently serves on the MaRs Real Estate Committee and is a Trustee of Cominar REIT. Prior to October 1, 2010, Mr. Campbell served as President and Chief Executive Officer of SITQ Inc. since October 2001. SITQ Inc. was the office building, hotel and residential real estate investment, management and development arm of CDP Capital, the fund manager of Caisse de depot et placement du Quebec. Mr. Campbell holds the Chartered Director Designation from McMaster University.		
			Other public company directorships during the past five years:		
			Cominar REIT (2018 – present)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	2 of 4	50%	11,616	Nil	\$247,072
Compensation	1 of 1	100%			
Environmental	2 of 2	100%			

Samuel J. B. Pollock <i>Toronto, Ontario, Canada</i> Director since June 4, 2008 Independent			Mr. Pollock is Senior Managing Partner and Global-head of Infrastructure Operations of Brookfield Asset Management Inc. Mr. Pollock joined Brookfield's financial services operation in 1994 and has held various senior positions in the organization, including leadership of the company's financial advisory services and investment group. Mr. Pollock is a Chartered Professional Accountant and holds a business degree from Queen's University.		
			Other public company directorships during the past five years:		
			Acadian Timber Corporation (2007 – 2015) Fraser Papers Inc. (2004 – 2011)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	4 of 4	100%	Nil	Nil	Nil
Audit	4 of 4	100%			
Compensation	1 of 1	100%			

BUSINESS OF THE MEETING (cont'd)

Nominees for Election to the Board of Directors (cont'd)

Angela Sahi <i>Mississauga, Ontario, Canada</i> Director since May 9, 2018 Non-Independent			Ms. Sahi is Senior Vice President, Corporate Development for Morguard Corporation. Ms. Sahi joined Morguard in 2005 and is currently responsible for the Canadian multi-residential portfolio. Previously, she had responsibility for performing strategic evaluation of potential U.S. acquisitions and market analysis to identify performance characteristics and business opportunities. Previously, , Ms. Sahi was a Consultant with both Ernst & Young's Real Estate Advisory Group and Business Risk Services Group. She also worked in Ernst & Young's Audit and Tax groups. Ms. Sahi has a Bachelor of Arts (Honors) and Gold Medal from the University of Western Ontario and holds a Certified Public Accountant designation.		
			Public company directorships in the past five years:		
			Morguard Corporation (2017 – present)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	4 of 4	100%	Nil	Nil	Nil
Audit	4 of 4	100%			

K. Rai Sahi <i>Mississauga, Ontario, Canada</i> Director since October 23, 1997 <i>Non-independent due to ownership/control of approximately 79% of outstanding Common Shares and member of management. See "Voting Shares and Principal Holders Thereof" with respect to the entities controlled by Mr. Sahi which have ownership/control over the outstanding Common Shares.</i>			Mr. Sahi is Chairman, President and Chief Executive Officer of the Corporation. Mr. Sahi is Chairman and Chief Executive Officer of Morguard Corporation, a major Canadian public real estate and property management company. Mr. Sahi (FCPA, FCGA) has many years experience in public and private corporations including extensive experience dealing with financial reporting, standards, and policy.		
			Other public company directorships during the past five years:		
			Morguard Corporation (1990 – present) Morguard Real Estate Investment Trust (1998 – present) Morguard North American Residential Real Estate Investment Trust (2012 – present) Temple Hotels Inc. (2015 – 2020)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board	4 of 4	100%	19,400,511	Nil	\$412,648,869

BUSINESS OF THE MEETING (cont'd)

Nominees for Election to the Board of Directors (cont'd)

Donald W. Turple <i>Vancouver, British Columbia, Canada</i> Director since November 23, 1998 Independent			Mr. Turple is a real estate executive and consultant. He served as President of Aquilini Properties LP, a diversified real estate company based in Vancouver, British Columbia from 2008 to 2017. Prior to that time, Mr. Turple served as a consultant to Morguard Corporation holding a number of positions throughout his tenure including Vice President and Chief Financial Officer of TWC and Morguard . Mr. Turple is a Chartered Professional Accountant and has held senior operating and financial roles within public and private corporations.		
			Other public company directorships during the past five years:		
			Temple Hotels Inc. (2018 – 2020)		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board Audit	4 of 4 4 of 4	100% 100%	85,403	Nil	\$1,816,522

Jack D. Winberg <i>Willowdale, Ontario, Canada</i> Director since June 30, 2009 Independent			Mr. Winberg is President and Chief Executive Officer of the Rockport Group of Companies, a real estate investment company.		
			Other public company directorships during the past five years:		
			None		
Board/Committee membership	Overall attendance		Securities held		Total value of Common Shares held
			Common Shares	Options	
Board Compensation Environmental	4 of 4 1 of 1 2 of 2	100% 100% 100%	573,256 ⁽¹⁾	Nil	\$12,193,155

- (1) Common Shares are held by corporations controlled by Mr. Winberg, or in which Mr. Winberg has a beneficial interest; Common Shares are held by Mr. Winberg directly or through his Registered Retirement Savings Plan; and Common Shares are held by Mr. Winberg's spouse directly or through her Registered Retirement Savings Plan.

BUSINESS OF THE MEETING (cont'd)

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, to the best of the knowledge of management of TWC, no Proposed Director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including TWC) that,
 - (i) was subject to an order (as defined below) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the Proposed Director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including TWC) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Proposed Director.

For the purposes of (a) above, “**order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

BUSINESS OF THE MEETING (cont'd)

Appointment of Auditors

Deloitte LLP are currently the external auditors of the Corporation and have served in that capacity since 1997. From time to time, Deloitte LLP also provides consulting and non-audit services to the Corporation and its subsidiaries. It is the policy of the Audit Committee of the Corporation (the “**Audit Committee**”) to pre-approve audit and audit-related services as well as non-audit services. It is also the policy of the Audit Committee to consider whether the provision of services other than audit services is compatible with maintaining the auditor’s independence. Further information about the audit fees and fees for additional services can be found in the Corporation’s 2020 Annual Information Form. The board of directors of the Corporation (the “**Board**”) and the Audit Committee recommend that Deloitte LLP be appointed to serve as the Corporation’s auditors until the next Annual Meeting of Shareholders.

Unless directed otherwise, the Management Nominees designated in the enclosed form of proxy intend to vote in favour of (i) reappointing Deloitte LLP as auditor of the Corporation and to hold office until the next Annual Meeting of Shareholders, and (ii) authorizing the directors to approve and fix the remuneration to be paid to the auditors.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive compensation is the responsibility of the Board of Directors of the Corporation, supported by the Corporate Governance and Compensation Committee (“**Compensation Committee**”). The Corporation delivered strong results in 2020, demonstrating solid operational and financial performance surpassing its core financial and operating targets.

The Compensation Committee considered the financial performance of the Corporation in 2020, in addition to relevant criteria described in more detail below and believe that the executive compensation decisions reached are appropriate. The Chief Executive Officer, Chief Financial Officer and the other qualifying most highly compensated executive officers (as defined in the regulation under the Securities Act (Ontario) of the Corporation (the “**Named Executive Officers**” or “**NEO’s**”) did not have personal quantitative or qualitative goals set for 2020; however the Board had approved 2020 budget targets in line with the 2020 results for the Corporation which were met or exceeded on most measures. Further, there were a number of strategic objectives met during 2020.

As a policy, salaries and incentives are reviewed annually. Short term incentive targets remained at approximately their 2020 levels. No long term incentives were awarded.

During the most recently completed financial year, the NEO’s and Directors were not permitted to purchase financial instruments designed to hedge or offset a decrease in market value of the Common Shares, or securities convertible into Common Shares, granted as compensation or held, directly or indirectly, by the particular NEO or Director.

The Corporation does not have any specific plan to alter its executive compensation strategy at this time.

Certain executive officers of TWC are employed by Morguard Corporation or one of its subsidiaries (“Morguard”) and TWC does not directly or indirectly pay any compensation to them. Any variability in compensation paid by Morguard to the executive officers of TWC has no impact on TWC’s financial obligations. The total compensation received by the executive officers of TWC that are employed by Morguard is determined by Morguard in accordance with its executive compensation philosophy. For a detailed discussion of the objectives and elements of Morguard’s compensation program, see the most recent Management Information Circular of Morguard (the “Morguard Circular”), which may be accessed electronically under Morguard’s profile on SEDAR at www.sedar.com.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Compensation Discussion and Analysis (cont'd)

Executive Compensation Philosophy

TWC's executive compensation policy is intended to attract, motivate and retain highly qualified and motivated executives and the key talent necessary for the Corporation to be successful in the highly competitive environment in which it operates. The compensation policy is designed to reward the achievement of performance goals and align the interests of executives with the interests of the Corporation's Shareholders and support the attraction and retention of qualified and experienced executives.

The Board's philosophy is to competitively compensate executives for total performance and contribution under the guiding principle – "pay for performance". The incentives paid to executives are based on the achievement of individual as well as corporate objectives and performance. Executives are rewarded based on both financial targets and specific objectives. Consequently, there is emphasis on incentives in the form of short-term and long-term incentives, which reflect underlying corporate performance in the short and long term. In developing this philosophy, the Board considered the risks associated with these policies to ensure incentives to mitigate risks that may have a material adverse effect on the Corporation. No director or "NEO" is permitted to purchase financial instruments without Board approval.

TWC's incentive compensation plans are designed to reward executives based on the performance of one or more of the following: (1) the Corporation, (2) the executive's operating group, and (3) the executive's individual performance. In determining incentive awards, executive performance is evaluated against key financial, strategic and operational measures tied to TWC's short and long-term objectives. A portion of compensation in the form of long-term incentives ensures that executives are making prudent decisions to generate sustainable growth in shareholder value. Additionally, long-term incentives are used selectively by the Board and, to date, have only been paid on an intermittent basis. Short-term incentives are similarly based, linking individual performance with operating group and the overall performance of TWC, with a substantial portion of executive pay at risk when measured against financial results and operational objectives.

The Corporation has an integrated approach to talent management and succession planning. The Corporation places focus on identification, assessment and development of executives and high-potential talent to build leadership capability and strengthen overall succession, ensuring there are future leaders to drive both short and long-term performance. While the Corporation has not adopted a target regarding the representation of women in executive officer positions, the Corporation believes that diversity is embedded in our talent management practices and it is focused on the development and advancement of women and visible minorities and other aspects of diversity. In terms of gender diversity, currently zero of the executives of the Corporation and its subsidiaries are women (0%). 1 visible minority (20%), zero aboriginal peoples (0%) and zero persons with disabilities (0%), (2019 – no change)

Our philosophy of development and promotion from within strengthens our values and culture, aids in retention of talent and provides more options for succession. We complement this practice with selective external hiring to benefit from diverse experiences and fresh perspectives. The Corporation does not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for executive officers. However, the Corporation is mindful of the benefit of diversity in the workplace; accordingly, both the level of female representation and diversity are considered as essential considerations in the selection process for new executive officers, in addition to the expertise and experience required. Annually, the Board reviews and discusses executive succession.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Compensation Discussion and Analysis (cont'd)

Executive Compensation Philosophy (cont'd)

Compensation is competitively positioned to align with each executive's role and responsibilities and the relevant markets in which the Corporation competes for talent. For the majority of executives, compensation is benchmarked using independently prepared compensation surveys and publicly disclosed information for executives with similar responsibilities. To further encourage retention, grants of long-term incentives are forfeited should an executive leave the Corporation prior to vesting. The Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers whose total compensation was individually, at the end of the most recently completed financial year, more than \$150,000 (as determined in accordance with the regulations under the *Securities Act* (Ontario)) of the Corporation (the "**Named Executive Officers**" or "**NEOs**") are not entitled by any contract or arrangement to termination or change of control benefits, and except for certain NEOs who have certain rights under a management employee agreement as discussed below under "Termination and Change of Control Benefits".

Compensation Process

Annually, the Compensation, Governance and Nominating Committee (the "**Committee**") reviews and recommends to the Board the approval of compensation for the Chief Executive Officer. The Committee also reviews and approves the compensation of other senior executives, including the NEOs. The Chief Executive Officer reviews and recommends to the Committee the compensation of other senior executives.

The major elements of the executive compensation program are:

Compensation Element	Payment Method	Program Objectives
Annual base salary	Cash	Reward skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Annual variable short-term incentive	Cash	Reward results during the current fiscal year based on contribution to a particular operating segment and the Corporation's overall performance.
Long-term incentive	Share purchase loans	- Align with long-term performance and added incentive for enhancing shareholder value. - Encourage retention and reward contribution to the long-term performance of the Corporation and demonstrated potential for future contribution.
Other Elements of Compensation		
Benefits		Provide benefits that are comparable to peer companies.
Perquisites		Part of overall competitive executive compensation package.

The Corporation considers annual base salary and annual variable short-term incentives to be the most significant measure of overall compensation. The Corporation operates on the principle that base salaries should be competitive relative to the industry in order to attract the highest quality of management and that bonuses, if any, reflect individual performance in the context of the overall performance of the Corporation. The Corporation also provides long-term incentives on the principle that executive and employee compensation should be consistent with Shareholders' interests, so that management and Board incentives are aligned with owners' gains.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Compensation Discussion and Analysis (cont'd)

Base Salary

The base salary of executive officers is designed to be competitive and is determined by reference to individual performance, and the individual's relative worth and value to the organization. For external competitiveness, the market pricing of selected key or benchmark positions within a geographic area is used. Base salary is reviewed annually by the Committee as base salary adjustments are not automatic.

Mr. Sahi, the Chairman, President and Chief Executive Officer, received a base salary of \$284,000 in 2020 and is excluded from the Corporation's short-term incentive program.

Short-Term Incentive

Cash bonuses are awarded by the Corporation annually to certain individuals in an amount based on the achievements of the Corporation and the individual's performance objectives set at the beginning of each fiscal year. Deferral of bonuses is not an option.

The bonuses are paid in February in conjunction with the finalization of the year-end amounts.

The Committee continues to review the targets for each of the components of the compensation program on an annual basis prior to the commencement of each fiscal year, taking into account the Corporation's strategic plan and priorities and other economic factors that may influence the targets and the criteria.

The bonuses are reviewed and approved by the Committee.

A bonus may be adjusted to reflect the effect of extraordinary, unusual or non-recurring items or to reflect an adjustment related to the degree of difficulty of activities undertaken by an individual. Consideration is also given to corporate and financial objectives, including performance and budget targets as well as revenue growth and cost containment.

For 2020, the Committee determined that bonuses for each NEO would be awarded on a discretionary basis.

Long-Term Incentives

The Corporation does not award long-term incentives.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Compensation Discussion and Analysis (cont'd)

Stock Appreciation Rights

The Board of Directors of Morguard (the "Morguard Board") may from time to time grant stock appreciation rights ("SARs") under Morguard's stock appreciation rights plan (the "Stock Appreciation Rights Plan"). TWC is a related entity of Morguard and certain officers of TWC are permitted to participate in the Stock Appreciation Rights Plan.

Pursuant to Morguard's executive compensation plan, a stock appreciation right grants a participant the right to receive, from Morguard, a cash payment per right in the amount equal to the excess, if any, of: (i) the fair market value, as of the date redeemed, of the common shares of Morguard less (ii) the fair market value of common shares of Morguard underlying the rights on the date of the grant and any amount required to be withheld by applicable law. Fair market value is defined as the closing price of the common shares of Morguard on the TSX for the trading day immediately preceding the applicable date.

Morguard's Human Resources, Compensation and Pension Committee (the "Morguard HR Committee") may determine when any stock appreciation right will become vested. However, in the absence of any other determination, vesting occurs: (i) as to one-tenth, on the first anniversary of the date of grant; and (ii) as to an additional one-tenth, on each of the second through tenth anniversaries on the date of the grant. The Morguard HR Committee granted nil stock appreciation rights to Mr. Tamlin and Mr. Finlayson in 2020 in connection with their services. No other stock appreciation rights were granted in 2020 to TWC officers. Mr. Tamlin and Mr. Finlayson became employees of Morguard on July 1, 2018.

The costs of SARs awarded to employees of Morguard (and its wholly-owned subsidiaries) who also serve as NEOs of TWC will be borne by Morguard and the Board of Directors of TWC are not required to approve such awards.

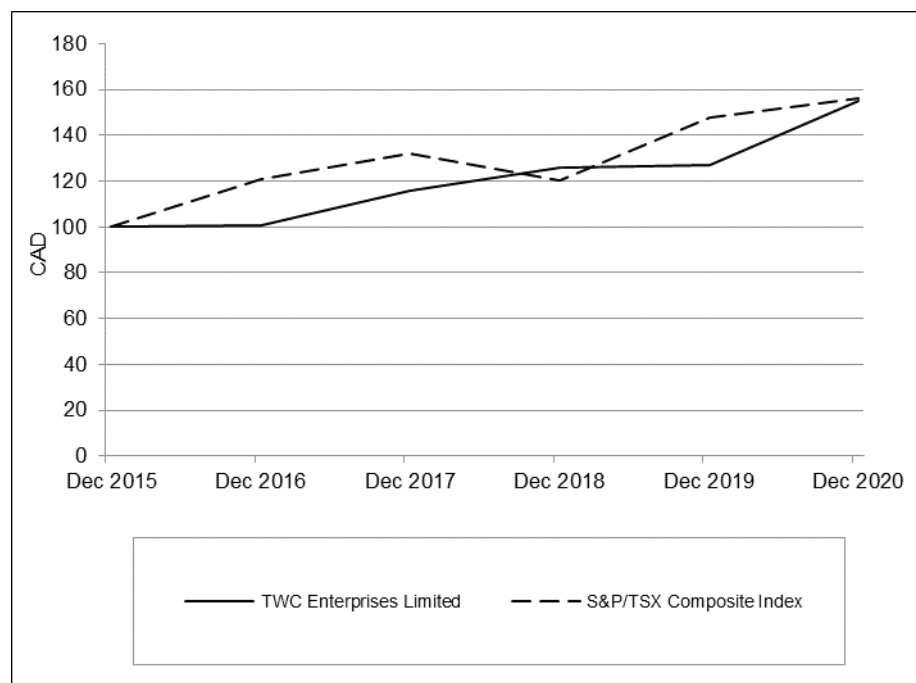
Details relating to Stock Appreciation Rights Plan are contained in the section below entitled "Incentive Plan Awards".

In 2018, there were 10,000 Stock Appreciation Rights issued to each of Mr. Tamlin and Mr. Finlayson.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Stock Performance Graph

The following performance graph and related table illustrate the cumulative total shareholder return on a \$100 investment in TWC's common shares compared with the return of the S&P/TSX Composite Index over the five most recently completed financial years ended December 31, 2020, assuming reinvestment of dividends. TWC Enterprises Limited is listed on the TSX under the symbol "TWC".



	<u>31-Dec-15</u>	<u>31-Dec-16</u>	<u>31-Dec-17</u>	<u>31-Dec-18</u>	<u>31-Dec-19</u>	<u>31-Dec-20</u>
TWC	\$100.00	\$100.60	\$115.65	\$126.01	\$126.93	\$155.15
S&P / TSX Composite	\$100.00	\$121.00	\$132.08	\$120.34	\$147.83	\$156.11

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Summary of Compensation of Named Executive Officers

The following table sets forth the annual total compensation for 2020, 2019 and 2018 paid, awarded or earned by each of the NEOs for services rendered to the Corporation.

During the most recently completed financial year, the NEO's and Directors were not permitted to purchase financial instruments designed to hedge or offset a decrease in market value of the Units, or securities convertible into Units, granted as compensation or held, directly or indirectly, by the particular NEO or Director.

Name and Principal Position	Year	SARs Granted (#)	Option Based Awards	Salary (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (1) (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-term Incentive (value of exercised options) (\$)			
K. Rai Sahi Chairman and Chief Executive Officer	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	284,000 280,000 276,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	84,000 84,000 84,000	368,000 364,000 360,000
Andrew Tamlin (3) Chief Financial Officer	2020 2019 2018	Nil Nil 10,000	Nil Nil Nil	69,299 63,949 166,061	34,000 26,180 171,136	Nil Nil Nil	Nil Nil Nil	4,000 4,307 13,114	107,299 99,436 337,197
John Finlayson (2)(3) Chief Operating Officer	2020 2019 2018	Nil Nil 10,000	Nil Nil Nil	203,820 198,850 191,600	100,000 100,000 200,000	Nil Nil Nil	Nil Nil Nil	Nil 813 11,222	303,820 299,663 402,822
Jamie King Vice President, Sales ClubLink Corporation ULC	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	131,300 129,400 127,400	42,000 42,000 42,000	Nil Nil Nil	Nil Nil Nil	68,763 51,694 58,562	242,063 223,094 227,962
Brent Miller Vice President, Marketing & Business Development ClubLink Corporation ULC	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	152,200 150,000 147,700	52,000 52,000 52,000	Nil Nil Nil	Nil Nil Nil	10,204 11,465 12,334	214,404 213,465 212,034
Robert Visentin SVP, Investments	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil 250,000 250,000	Nil 100,000 100,000	Nil Nil Nil	Nil Nil Nil	Nil 27,366 27,230	Nil 377,366 377,230

(1) All other compensation is described in the chart below.

(2) Mr. Finlayson holds the office of Vice President, ClubLink US LLC and Chief Operating Officer, ClubLink Corporation ULC.

(3) Andrew Tamlin and John Finlayson became employees of Morguard effective July 1, 2018. Their compensation earned post June 30, 2018 is being presented for information purposes only. The allocation of the total compensation disclosed in this table was determined by TWC solely for the purposes of this table, based on the time that was spent by Mr. Tamlin (100% from July 1, 2018 to November 18, 2018 and 34% from November 19, 2018 onwards) and Mr. Finlayson (100% for the entire time). The services of Mr. Tamlin and Mr. Finlayson are included in the management fee that TWC pays to Morguard.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Summary of Compensation of Named Executive Officers (cont'd)

All Other Compensation

The following table sets forth all other compensation for 2020, 2019 and 2018 paid, awarded or earned by each of the NEOs for services rendered to the Corporation. Unless described below, perquisites made available for each of the NEOs in the periods covered were in aggregate worth less than \$50,000 or 10% of the NEOs salary and bonus for the respective year.

		K. Rai Sahi	Andrew Tamlin	John Finlayson	Jamie King	Brent Miller	Robert Visentin
Director's Fees	2020	\$84,000	Nil	Nil	Nil	Nil	Nil
	2019	\$84,000	Nil	Nil	Nil	Nil	Nil
	2018	\$84,000	Nil	Nil	Nil	Nil	Nil
RRSP Contributions	2020	Nil	Nil	Nil	\$6,565	\$7,500	Nil
	2019	Nil	Nil	Nil	\$6,420	\$7,500	\$12,500
	2018	Nil	\$8,018	\$9,580	\$6,370	\$7,385	\$12,500
Commissions	2020	Nil	Nil	Nil	\$57,987	Nil	Nil
	2019	Nil	Nil	Nil	\$40,018	Nil	Nil
	2018	Nil	Nil	Nil	\$47,614	Nil	Nil
Perquisites	2020	Nil	\$4,000	Nil	\$4,211	\$2,704	Nil
	2019	Nil	\$4,307	\$813	\$5,256	\$3,965	\$14,866
	2018	Nil	\$5,096	\$1,648	\$4,578	\$4,949	\$14,730
TOTAL	2020	\$84,000	\$4,000	Nil	\$68,763	\$10,204	Nil
	2019	\$84,000	\$4,307	\$813	\$51,694	\$11,465	\$27,366
	2018	\$84,000	\$13,114	\$11,228	\$58,562	\$12,334	\$27,230

Perquisites include items such as auto allowances and benefits and health/disability insurance benefits.

Outstanding Option Based Awards

The following table sets forth all option-based awards outstanding for each Named Executive Officer as of December 31, 2020.

Name	Number of securities underlying unexercised options – (SARs) ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised options – SARs (\$)	Value vested During 2020 (\$)
K. Rai Sahi	-	-	-	-	-
Andrew Tamlin	-	-	-	-	-
John Finlayson	-	-	-	-	-

Notes:

- (1) SARs based on common shares of Morguard (TSX: MRC). SARs granted to Mr. Tamlin and Mr. Finlayson are compensation for Morguard -related services and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard and there is no reimbursement by TWC for such compensation.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Narrative Discussion

Stock Appreciation Rights

The Morguard Board approved the Stock Appreciation Rights Plan on March 20, 2008.

A stock appreciation right grants a participant the right to receive, from Morguard, a cash payment per right in an amount equal to the excess, if any, of: (i) the fair market value as of the date redeemed of Morguard's common shares (the "Common Shares") less (ii) the fair market value of the Common Shares underlying the rights on the date of the grant and any amount required to be withheld by applicable law. Fair market value is defined as the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") for the trading day immediately preceding the applicable date.

Under the Stock Appreciation Rights Plan, Morguard may grant SARs to an eligible person, defined as a director, officer, employee or consultant of Morguard, or an affiliate of Morguard Corporation.

Morguard Corporation's Human Resources, Compensation and Pension Committee (the "HR Committee") may determine when any SAR will become vested, however, in the absence of any other determination, vesting occurs: (i) as to one-tenth, on the first anniversary of the date of grant; and (ii) as to an additional one-tenth, on each of the second through tenth anniversaries of the date of grant.

Unvested SARs will be immediately terminated and be null and void if the participant's employment with the Trust is terminated for cause and the rights will be cancelled by Morguard. If the holder of SARs is terminated without cause, vested SARs will be paid in accordance with the Stock Appreciation Rights Plan and unvested SARs will vest as determined by the HR Committee. If the holder of SARs voluntarily resigns, all unvested rights will cease vesting and expire and terminate on the date of termination, while vested rights will be reduced by 50% and be paid according to the Stock Appreciation Rights Plan. If the holder's employment is terminated for any other reason (including death or disability) the holder's SARs that have not become vested as of the date of termination will accelerate and immediately vest on such date. The HR Committee shall have the authority to amend, suspend or terminate the Stock Appreciation Rights Plan or any SAR granted thereunder without obtaining the approval of Morguard's shareholders in order to: (i) amend any terms relating to the granting or exercise of SARs, including the terms relating to the eligibility for and limitations or condition on participation in the Stock Appreciation Rights Plan, the amount and payment of the exercise price (other than a reduction thereof) or the vesting, exercise, expiry (subject to certain exceptions) of the SARs; (ii) make changes that are necessary or desirable to comply with applicable laws, rules or regulations of any applicable governmental entity or stock exchange having jurisdiction; correct or rectify any ambiguity, defective provision, error or omission in the Stock Appreciation Rights Plan or in any SAR or make amendments of a "housekeeping" nature; (iii) amend any terms relating to the administration of the Stock Appreciation Rights Plan; and (iv) make any other amendment that does not require shareholder approval by virtue of the Stock Appreciation Rights Plan, applicable laws or applicable requirements of any stock exchange or governmental entity, provided such amendment, suspension or termination does not adversely alter or impair any previously granted SAR without such holder's consent, and is made in compliance with applicable laws, rules, regulations, by-laws and policies of, and receipt of any required approvals from, any applicable governmental entity or stock exchange having jurisdiction.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Morguard's assets to its shareholders, or any other change in the capital of Morguard affecting Common Shares, the HR Committee will make such proportionate adjustments, if any, as the HR Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the SARs), with respect to previously granted SARs.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Narrative Discussion (cont'd)

Stock Appreciation Rights (cont'd)

In the event of a merger, amalgamation, or other transaction pursuant to which the Common Shares are converted into other property, whether in the form of securities of another corporation, cash or otherwise, (each a "Substitution Event"), then any surviving or acquiring corporation or entity shall assume any SAR outstanding under the Stock Appreciation Rights Plan or shall substitute similar SARs (including an award to acquire the same consideration paid to the security holders in the transaction effecting the Substitution Event) for those SARs outstanding under the Stock Appreciation Rights Plan. In the event any surviving corporation or acquiring corporation or entity refuses to assume such SARs or to substitute similar stock or unit options for those SARs outstanding under the Stock Appreciation Rights Plan, then with respect to such SARs, the vesting of such SARs (and, if applicable, the time during which such SARs may be exercised) shall be accelerated in full, and the SARs shall terminate if not exercised (if applicable) at or prior to such event.

Notwithstanding any other provision of the Stock Appreciation Rights Plan, in the event of a potential Substitution Event, the Morguard Board shall have the power to make such changes to the terms of the SARs, as it considers fair and appropriate in the circumstances, including but not limited to: (i) accelerating the date on which SARs, become exercisable; (ii) otherwise modifying the terms of the SARs, to assist such holders in participating in any arrangement leading to a Substitution Event; and thereafter; (iii) terminating, conditionally or otherwise, the SARs, not exercised following successful completion of the Substitution Event. If the Substitution Event is not completed within the time specified (as the same may be extended), the accelerated SARs which vested will be reinstated as unvested SARs and if such SARs were exercised the amount paid by Morguard on exercise of the SARs will be reimbursed by the previous holder of the SARs, and the original terms applicable to such SARs will be reinstated.

Should there be a change of control of Morguard (excluding increased ownership by Paros Enterprises Limited, K. Rai Sahi or related parties) vesting of all outstanding SARs will accelerate in full. If the change of control or potential change of control is not completed within the time specified therein (as the same may be extended), the accelerated SARs which vested will be reinstated as unvested SARs and if any such SARs were exercised, the previous holder of such SARs shall reimburse any amount paid by Morguard on such exercise.

At this time, the HR Committee does not intend to grant SARs on an annual basis.

Pension Plan Benefits

The Corporation does not have any defined benefit pension or deferred compensation plans.

Termination and Change of Control Benefits

Management Employment Agreements

The Company does not have any management employment agreements.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Director Compensation

The Compensation, Governance and Nominating Committee reviews director compensation annually and make recommendations on the appropriate level of remuneration to the Board. In reviewing the directors' compensation, the Committee considers the responsibilities and time commitment of the directors and benchmarks compensation against comparable Canadian corporations.

During the year ended December 31, 2020, eligible members of the Board received compensation in accordance with the following remuneration schedule.

Annual retainers and meeting fees	Amount
Chair retainer	\$80,000
Board retainer	\$26,000
<i>Additional retainers:</i>	
Chair of the Audit Committee	\$6,500
Chairs of other Board committees	\$3,700
<i>Meeting fees:</i>	
Each Board/committee meeting attended	\$1,000
Each Board/committee phone meeting or meeting less than 15 minutes in duration attended	\$500

Where more than one meeting, such as a board of directors meeting and a committee meeting, is held on the same day, fees are paid *per diem*. The directors are additionally entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the Corporation.

The Corporation paid \$329,900 in 2020 (\$361,400 in 2019) in respect of recurring directors' fees including amounts paid to Mr. K. Rai Sahi as Chairman, which are noted as compensation in the table under the section entitled "Summary of Compensation of Named Executive Officers".

The following table shows the amounts earned by individual directors during the fiscal year ended December 31, 2020.

Name ⁽¹⁾	Board retainer (\$)	Committee Chair retainer (\$)	Board attendance fees (\$)	Committee attendance fees (\$)	Options (#)	Non-equity incentive (\$)	All other compensation (\$)	Total (\$)
Fraser R. Berrill	26,000	Nil	4,000	2,000	Nil	Nil	Nil	32,000
Patrick S. Brigham	26,000	Nil	4,000	3,000	Nil	Nil	Nil	33,000
Paul D. Campbell	26,000	Nil	2,000	3,000	Nil	Nil	Nil	31,000
Samuel J. B. Pollock	26,000	3,700	3,000	5,000	Nil	Nil	Nil	38,700
Angela Sahi	26,000	Nil	4,000	4,000	Nil	Nil	Nil	34,000
Donald W. Turple	26,000	6,500	4,000	4,000	Nil	Nil	Nil	40,500
Jack D. Winberg	26,000	3,700	4,000	3,000	Nil	Nil	Nil	36,700

(1) Mr. Sahi is the Chairman of the Board but is not listed in this table. His total compensation, including amounts earned as the Chairman and a director of the Board, is disclosed under the section entitled "Summary of Compensation of Named Executive Officers".

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

Director Compensation (cont'd)

Share ownership guideline

TWC does not have share ownership guidelines for directors at this time.

Directors' and Officers' Liability Insurance

The Corporation maintains directors' and officers' liability insurance for the benefit of its directors and officers against liabilities incurred by them in such capacities, excluding liabilities brought about or contributed to by fraud or dishonesty of the insured or based upon or attributable to any property or advantage gained by the insured and to which the insured was not legally entitled. The policy covers claims made against the insured (subject to the policy terms and conditions) during the policy period with a total aggregate limit of \$30 million during the policy year and a limit of \$30 million in respect of each loss or claim. The policy is subject to a \$100,000 self-insured retention for the corporate reimbursement section only. The premium payable by the Corporation for this coverage during the fiscal year ended December 31, 2020 was \$106,725 (2018 – \$109,335).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The stock option plan was cancelled effective November 20, 2014.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at April 1, 2021, the aggregate outstanding indebtedness owing to the Corporation or any of its subsidiaries in connection with all executive officers, directors, employees and former executive officers, directors and employees of the Corporation or its subsidiaries is set forth in the following table:

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Corporation or its Subsidiaries (\$)	To Another Entity (\$)
Share Purchase	Nil	Nil

The following executives are, or at any time since the beginning of 2020, indebted to the Corporation or any of its subsidiaries through the Corporation's Employee Share Purchase Loan Program:

Indebtedness of Directors and Executives Under Employee Share Purchase Loan Program ⁽¹⁾						
Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During 2020 (\$)	Amount Outstanding as at April 1, 2021 (\$)	Financially Assisted Securities Purchased During 2020 (#)	Security for Indebtedness as at April 1, 2021 (#) ⁽¹⁾	Amount Forgiven during 2020 (\$)
Robert Visentin Former SVP, Investments	A subsidiary of the Corporation was lender	1,257,568	Nil	Nil	Nil	Nil

⁽¹⁾ The amounts outstanding are repayable upon the sale of the Common Shares pledged as security for the indebtedness and within 30 days of termination of employment or otherwise in accordance with a severance agreement.

STATEMENT OF EXECUTIVE COMPENSATION (cont'd)

For indebtedness incurred under the Employee Share Purchase Loan Program, the applicable interest rate is fixed on January 1st each year and is equal to the prime rate posted by the Corporation's principal bank on the date of the Compensation, Governance and Nominating Committee's meeting. This is no longer applicable as there is no employee share purchase loans outstanding at the end of 2020.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, the Corporation is not aware of any material interest, direct or indirect, of any informed person, proposed director, or associate or affiliate of any informed person or proposed director of the Corporation, in any transaction since the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Corporation and certain of its subsidiaries are performed to a substantial degree by individuals other than by the directors or executive officers of the Corporation or its subsidiaries. These individuals are not employed by the Corporation but some of whom have been elected or appointed directors and senior officers of the Corporation.

Eugene Hretzay

Eugene Hretzay served as Vice President, General Counsel & Secretary of the Corporation until his retirement effective January 31, 2014. He continues to act as Secretary of the Corporation. Mr. Hretzay is not an employee of the Corporation and provides his services by way of monthly billing paid to Lexervice P.C., a professional law corporation owned by Mr. Hretzay, the registered office of which is located at 104 Ravine Edge Drive, Richmond Hill, Ontario L4E 4J6. Mr. Hretzay is a resident of Richmond Hill, Ontario. During the year ended December 31, 2018, the Corporation incurred fees paid or payable to Lexervice P.C. of \$36,000 (2019 - \$36,000).

Morguard Corporation

The Corporation has a management services contract (the "**Morguard Management Services Contract**") with Morguard Corporation and its affiliated corporations (together, the "**Morguard Group**"). Morguard Corporation's registered office is located at Suite 1000, 55 City Centre Drive, Mississauga, Ontario L5B 1M3. Pursuant to the Morguard Management Services Contract, the Morguard Group provides managerial and consultative services to assist the businesses of the Corporation and its subsidiaries through the services of certain of its senior officers and consultants (as listed below) on a non-exclusive basis. The amount paid or payable by the Corporation to Morguard Corporation during the year ended December 31, 2020 was \$695,000 (2019 - \$695,000). The individuals listed below are not separately compensated under the Morguard Management Services Contract for the services they provide to the Corporation.

MANAGEMENT CONTRACTS (cont'd)

Morguard Corporation (cont'd)

John Finlayson, Georgetown, Ontario	Mr. Finlayson serves as Chief Operating Officer of the Company.
Beverley G. Flynn, Toronto, Ontario	Ms. Flynn maintains the corporate filings and records of the Corporation and serves as a Director and Officer in various subsidiary entities.
Mark Bradley, Milton, Ontario	Mr. Bradley provides advice on development and planning matters.
Bonnie Long, Toronto, Ontario	Ms. Long provides advice on tax matters.
Robert McFarlane, Mississauga, Ontario	Mr. McFarlane provides internal audit services.
K. Rai Sahi, Mississauga, Ontario *	Mr. Sahi serves as Chairman, President, Chief Executive Officer of the Corporation and provides such duties and exercises such powers as are normally associated with such position. Mr. Sahi is separately compensated by the Corporation under his employment with the Corporation as disclosed under the heading "Statement of Executive Compensation".
Angela Sahi, Mississauga, Ontario	Ms. Sahi provides advice on strategic matters.
Andrew Tamlin, Newmarket, Ontario	Mr. Tamlin serves as Chief Financial Officer of the Company.

*Mr. Sahi is an informed person by virtue of being an executive officer and director of Morguard Corporation and being the beneficial holder of over 10% of the outstanding Common Shares of Morguard Corporation.

The officers and directors of Morguard Corporation and their municipalities of residence are listed below:

Directors

Bill Braithwaite, Toronto, Ontario
Chris J. Cahill, Paris, France
Graeme M. Eadie, Toronto, Ontario
David A. King, Victoria, British Columbia
Michael S. Robb, Newport Coast, California
Bruce K. Robertson, Toronto, Ontario
Angela Sahi, Mississauga, Ontario
K. Rai Sahi, Mississauga, Ontario
L. Peter Sharpe, Toronto, Ontario
Stephen Taylor, Oakville, Ontario

Officers

Beverley G. Flynn, Toronto, Ontario
Paul Miatello, Toronto, Ontario
K. Rai Sahi, Mississauga, Ontario
Robert McFarlane, Toronto, Ontario
Angela Sahi, Mississauga, Ontario
Brian Athey, Toronto, Ontario

The Company has provided an unsecured revolving demand credit facility to Morguard in the amount of \$50,000,000 with no fixed maturity date. This facility has been utilized for short-term borrowing needs from time to time in 2019 and 2020. The facility bears interest at TWC's short-term borrowing rate plus 10 basis points. Morguard has provided an unsecured revolving demand credit facility to TWC in the amount of \$50,000,000 with no fixed maturity date. This facility has been utilized for short-term borrowing needs from time to time in 2019 and 2020. This facility bears interest at Morguard's short-term borrowing rate plus 10 basis points. Net interest earned for the year ended December 31, 2020 on the above facilities amounted to \$452,000. There was \$1,489,000 net interest earned in 2019.

MANAGEMENT CONTRACTS (cont'd)

Paros Enterprises Limited

Paros Enterprises Limited ("**Paros**") is a privately owned company whose controlling shareholder is the Chairman, President and Chief Executive Officer of the Corporation and is also the controlling shareholder of the Corporation.

The Corporation has provided an unsecured revolving demand credit facility to Paros in the amount of \$5,000,000, with no fixed maturity date. This facility bears interest at prime plus 1% per annum. During the years ended December 31, 2020 and 2019, there was nothing outstanding under this facility.

Paros has provided an unsecured revolving demand credit facility to TWC in the amount of \$5,000,000, with no fixed maturity date. This facility bears interest at prime plus 1% per annum. During the years ended December 31, 2020 and 2019 there was nothing outstanding under this facility.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

TWC is committed to the highest standards of corporate governance. The Directors believe that sound corporate governance practices are essential to the well-being of the Corporation and its Shareholders. The Board and committees of the Corporation review and refine these practices regularly in light of Canadian regulatory initiatives.

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 requiring issuers to disclose corporate governance practices and providing guidance on such practices. Effective January 1, 2020, amendments to the *Canada Business Corporations Act* ("CBCA") came into effect requiring CBCA – incorporated issues to include prescribed diversity disclosure in their annual proxy circulars. In addition, TWC is subject to National Instrument 52-110 - *Audit Committees*.

TWC has adopted Codes of Conduct and Conflict of Interest Guidelines that govern the behaviour of its directors, officers and employees. The Corporate Governance and Compensation Committee is responsible for monitoring compliance with the standards and annually requires the guidelines be reviewed and signed by all directors and officers.

The corporate governance practices adopted by the Corporation are set out below.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

The primary responsibility of the Board is to foster the long-term success of the Corporation consistent with the Board's responsibility to the Shareholders of the Corporation to maximize shareholder value. The Board facilitates its exercise of independent supervision of the Corporation's management through frequent meetings, both with and without members of the Corporation's management (including members of management that are also directors) being in attendance. In fulfilling its mandate, the Board, among other things, has the following duties and objectives:

- assessing the effectiveness of the Board, Committees and Directors;
- succession planning for the Corporation including appointing and monitoring senior management;
- development and maintenance of written position descriptions for the Chief Executive Officer, the Lead Director and Committees of the Board;
- adoption of a strategic planning process for the Corporation;
- the integrity of the Corporation's internal control and management information systems;
- adoption of a communications policy for the Corporation;
- review of management authority and establishing limits based on the size and nature of proposed transactions; and
- identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks.

The Board of Directors has adopted the formal mandate set out in Schedule "A" to the Circular. See "Nominees for the Election to the Board of Directors" above with respect to directorships of other reporting issuers.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (cont'd)

BOARD OF DIRECTORS (cont'd)

During 2020, the Corporation's Board of Directors held five board meetings, four Audit Committee meetings, one Compensation, Governance & Nominating Committee meeting, and two Environmental, Health & Safety Committee meetings. The following is a record of the directors attendance at the following meetings.

Director	Board of Directors	Audit	Compensation, Governance & Nominating	Environmental, Health & Safety
Fraser S. Berrill	4 of 4	N/A	N/A	2 of 2
Patrick S. Brigham	4 of 4	N/A	1 of 1	2 of 2
Paul D. Campbell	2 of 4	N/A	1 of 1	2 of 2
Samuel J.B. Pollock	4 of 4	4 of 4	1 of 1	N/A
Angela Sahi	4 of 4	4 of 4	N/A	N/A
K. Rai Sahi (Chair)	4 of 4	N/A	N/A	N/A
Donald W. Turple	4 of 4	4 of 4	N/A	N/A
Jack D. Winberg	4 of 4	N/A	1 of 1	2 of 2

The Board consisted of eight independent directors (Messrs. Berrill, Brigham, Campbell, Pollock, Turple, and Winberg and Mmes Sahi), being a majority of the board of directors. Mr. Sahi is not independent as a result of his substantial ownership position in TWC as well as his management role. The independent directors meet as they deem necessary. In 2020, the independent directors met four times.

The Board has not developed a written position description for the Chief Executive Officer; however, it is the responsibility of the Chief Executive Officer to report to the Board and maintain open communication with board members. In fulfilling his mandate, the Chief Executive Officer has responsibilities including implementing board initiatives, developing a strategic plan for the Corporation and providing leadership in the operational management of the business.

New directors are provided with an orientation and education program that includes information regarding the duties and obligations of directors, the business and operations of the Corporation, documents from recent board meetings and opportunities for meetings and discussion with senior management of the Corporation and other directors. In addition to having extensive discussions with the Chairman of the Board, new directors receive a Director's Handbook including governance policies and mandates, historical public information and minutes of prior meetings of the Board and applicable committees. The orientation is further tailored to that director's individual needs and areas of interest.

In addition, TWC encourages its directors to take advantage of continuing education opportunities, provides information and updates to directors on relevant topics, asks management and, where advantageous, outside experts to give presentations to the Board and will, upon request, reimburse directors for continuing education programs attended.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (cont'd)

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS (cont'd)

The following are the number and proportion, expressed as a percentage, of members of the Corporation's board of directors and as executive officers, including all of the Corporation's major subsidiaries (as that term is defined in National Instrument 55-104 *Insider Reporting Requirements and Reports Exemptions* and the *Business Corporations Regulations 2001*) who have self-identified as being a woman, visible minority, person with a disability or an aboriginal person (collectively "**Designated Groups**"). There is currently one woman (13%), two visible minorities (22%), nil aboriginal peoples (0%) and nil persons with disabilities (0%) on the Board, and there is currently nil women (0%), one visible minority (20%), nil aboriginal peoples (0%) and nil persons with disabilities (0%) that are executive officers. The number and proportion of directors and members of senior management who have self-identified as being a member of a Designated Group have been furnished by the respective directors and members of senior management on a voluntary basis and such responses have not been independently verified by the Company.

In assessing candidates and selecting nominees for the Board and the appointment of executive officers, diversity, including representation by Designated Groups, is an important factor considered by the Board and the Compensation Governance and Nominating Committee. At this time, the Board has not adopted targets or written policies regarding Designated Groups on the Board or in executive officer positions, however a written policy relating to the identification and nomination of women trustees was adopted during 2017. At this time, the Board does not believe that quotas, strict rules and targets necessarily result in the identification or selection of the best candidates for directors or executive officers. However, having assessed the benefit of diversity in the composition of the Board of Directors, the Board considers and has directed the Compensation Governance and Nominating Committee to consider the level of representation of Designated Groups in executive officer positions and on the Board and view the level of Designated Group representation and diversity, including diversity in age, geography, background and ethnicity as essential considerations, in addition to required expertise and experience, in evaluating potential candidates for nomination to the Board or appointment to an executive officer position.

The Company has not adopted term limits for directors. At this time, the Company believes that term limits have the potential to cause the loss of key Board contributors with a proven track record who possess valuable institutional memory. Instead, the Company believes that less rigid mechanisms of Board renewal are more suitable. Further, Shareholders have the ability to evaluate and vote on all director nominees annually at the Meeting.

All governance policies are reviewed and assessed by the Board on an annual basis.

COMMITTEES

TWC has three committees: (i) Audit; (ii) Compensation, Governance and Nominating; and (iii) Environmental, Health and Safety. The directors may create additional committees as they determine necessary or desirable for the purposes of properly governing the affairs of the Corporation. The committee chairs do not have written position descriptions; however, the Board instructs each committee chair of their responsibilities in ensuring the committee mandate is implemented; responsible items are completed and reported to the Board regularly.

Committee members are appointed immediately following the Meeting. Outlined below is a description of the committees of the Board, their mandates and activities.

Each member of a committee serves at the pleasure of the Board until he or she resigns, is removed or ceases to be a Director of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (cont'd)

COMMITTEES (cont'd)

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its financial oversight responsibilities. The Audit Committee reviews the financial statements, the adequacy of the system of internal control, the financial reporting process and management of financial risks, the nature and scope of the audit process as proposed by the external and internal auditors and the Corporation's disclosure controls and procedures. The roles and responsibilities of the Audit Committee are specifically defined so as to provide appropriate guidance to committee members as to their duties. The Audit Committee provides and facilitates communication between TWC's internal and external auditors and the Board to discuss and review specific issues as appropriate.

The Audit Committee is composed entirely of financially literate, independent directors. The Audit Committee met 4 times during the year ended December 31, 2020. The members of the Audit Committee are Messrs. Pollock, Turple (chair) and Ms. Sahi.

For further information relating to the Audit Committee, please refer to the "Audit Committee Information" in the Corporation's Annual Information Form dated March 31, 2021, which has been filed with securities regulators and may be accessed at www.sedar.com and at www.twcenterprises.ca.

Compensation, Governance and Nominating Committee

The purpose of the Compensation, Governance and Nominating Committee is to provide a focus on governance that will enhance the Corporation's performance and to assist the board in fulfilling their obligations relating to human resources and compensation and to establish a plan of continuity and development for the Corporation.

The Committee has the responsibility to develop a long-term plan for board composition and propose nominees that take into consideration the current strengths, skills and experience on the board, retirement dates and the strategic direction of the Corporation; monitor and make recommendations regarding the orientation, education and ongoing development of directors; review the Corporation's structures and procedures to ensure the directors function independently of management; recommend any reports on corporate governance that may be required or considered advisable; and review and recommend responses to any Shareholder proposals.

The Committee uses annual board, committee and director assessments to determine what experience, if any, should be added to the Board and uses the network of personal contacts in the golf, tourism, railway and investment industries of the members of the Board for identifying potential new Board members. The Committee may also utilize the services of a professional search firm to assist in the identification of director candidates when necessary.

Additionally, the responsibilities, powers and operation of the Committee include establishing the Corporation's senior officer compensation policy and practices, reviewing and approving the corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other senior officers and evaluating their performance in light of these goals and objectives; overseeing the Corporation's incentive compensation plans and preparing an annual report on executive compensation to the Board. The Committee is also responsible for recommending to the Board any changes to director compensation.

The Compensation, Governance and Nominating Committee is composed entirely of independent directors. The Committee met once during 2020. The members of the Committee are Messrs. Bringham, Campbell, Pollock (chair), and Winberg.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (cont'd)

COMMITTEES (cont'd)

Compensation, Governance and Nominating Committee (cont'd)

The Board routinely conducts both formal and informal assessments of its committees, members and the Board as a whole. Overall corporate performance is measured by issues such as revenue, profitability, staff turnover, costs, administrative efficiency and other applicable initiatives being undertaken in the year, which should provide future Shareholder benefit. To the extent applicable, the Board seeks to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect individual performance in the context of the overall performance of the Corporation.

The process undertaken by the Board to identify potential candidates for nomination as directors will include assessing the skill sets required by the Board in general to enable it to function effectively and properly, evaluating the skills possessed by the then current directors and identifying gaps in the skills represented on the Board, seeking individuals who possess the skills required by the Board (either through referrals by colleagues or, if necessary, by using professional search firms), interviewing candidates who express an interest in joining the Board to determine whether the candidate would be a positive addition to the Board, and, upon determining acceptable candidates, recommending them for nomination to the Board.

Environmental, Health and Safety Committee

The Committee's mandate is to monitor the Corporation's environmental, health and safety practices and procedures through a continuing assessment of the Corporation's approach to environmental, health and safety and to make policy recommendations with respect thereto.

The Committee consists of not fewer than three independent directors and fulfills its mandate with the following duties:

- (i) monitor on a regular basis the existing health, safety and environmental practices and procedures of the Corporation for compliance with applicable legislation, conformity with industry standards and prevention or mitigation of losses;
- (ii) review and consider reports and recommendations to be issued by the Corporation or by an external party relating to health, safety or environmental issues, together with management's response thereto;
- (iii) advise and make recommendations to the Board of Directors as appropriate on matters relating to health, safety and the environment;
- (iv) meet separately as deemed necessary with the employees responsible for health, safety and environmental matters and report to the Board on such meetings;
- (v) review the findings of any significant examination by regulatory agencies or external environmental, health and safety auditors;
- (vi) obtain reports on a timely basis in respect of all notices, complaints, investigations, incidents and proceedings relating to the Corporation or its assets by governmental authorities or others and all judgments and orders in respect of such matters;
- (vii) oversee matters related to appropriate employee training standards;
- (viii) review environmental, health and safety audits and assessments of compliance and seek to ensure the Corporation is exercising due diligence;
- (ix) oversee matters related to compliance with applicable permits, laws and regulations; and
- (x) oversee matters related to the adequacy of insurance coverages and the exercise of appropriate diligence with respect to environmental, health and safety matters.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (cont'd)

COMMITTEES (cont'd)

Environmental, Health and Safety Committee (cont'd)

On at least an annual basis, the Committee reviews and assesses the adequacy of this mandate and recommends any proposed changes to the Board of Directors.

The members of the environmental, health and safety committee are Messrs. Berrill, Brigham, Campbell, and Winberg (Chair). The Committee met twice during the year ended December 31, 2020.

ADDITIONAL INFORMATION

This Circular, the 2020 Annual Report, other disclosure documents and additional information relating to the Corporation is available on SEDAR at www.sedar.com as well as on the Corporation's website at www.twcenterprises.ca. Financial information is provided in the comparative financial statements and the Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2020 as contained in the Corporation's 2020 Annual Report, which is available to security holders on request by contacting the Secretary of the Corporation at:

TWC Enterprises Limited
15675 Dufferin Street,
King City, Ontario L7B 1K5.
Phone: 905.841.3730
Fax: 905.841.1134

OTHER BUSINESS

The Corporation knows of no other business to come before the meeting other than the matters referred to in the accompanying Notice of Annual Meeting of Shareholders.

DIRECTORS' APPROVAL

The Board of Directors of the Corporation has approved the contents and the sending of this Circular.

DATED this 31st day of March, 2021.

TWC Enterprises Limited

Signed: "Andrew Tamlin"

Andrew Tamlin
Chief Financial Officer

SCHEDULE A

BOARD OF DIRECTORS MANDATE

I. INTRODUCTION

- A. The primary responsibility of the Board of Directors (the “**Board**”) of TWC Enterprises Limited (the “**Corporation**”) is to foster the long-term success of the Corporation consistent with the Board's responsibility to the shareholders of the Corporation to maximize shareholder value.
- B. The Board is statutorily responsible for managing or supervising the management of the business and affairs of the Corporation.
- C. These terms of reference are prepared to assist the Board and management of the Corporation in clarifying responsibilities and ensuring effective communication between the Board and management of the Corporation.

II. COMPOSITION AND BOARD ORGANIZATION

- A. Nominees for directors are initially considered and recommended to the Board by the Compensation, Governance and Nominating Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation. Directors may be appointed by the Board as permitted under the *Canada Business Corporations Act* (the “**CBCA**”) or the Corporation's Articles.
- B. A majority of directors comprising the Board will be unrelated directors. The Board defines an unrelated director pursuant to the TSX guidelines, as amended, specifically as a director who is independent of management and is free from any interest and any business or other relationship that could, or could reasonably be 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 shareholding.
- C. Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time by the Board.

III. DUTIES AND RESPONSIBILITIES

A. Managing the Affairs of the Board

The legal obligations of the Board are described in detail in Section IV. Subject to these legal obligations and to the Articles and By-Laws of the Corporation, the Board retains the responsibility for managing its own affairs, including

- i) planning its composition and size;
- ii) selecting its Chair;
- iii) nominating qualified candidates for election to the Board;
- iv) appointing committees and their members;
- v) determining director compensation; and
- vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

III. DUTIES AND RESPONSIBILITIES (cont'd)

B. Management and Human Resources

The Board has the responsibility for:

- i) the appointment and succession of the Chief Executive Officer of the Corporation (the “CEO”), monitoring and evaluating CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO’s duties and responsibilities;
- ii) approving terms of reference for the CEO;
- iii) reviewing CEO performance at least annually, against agreed upon written objectives;
- iv) approving decisions relating to senior management of the Corporation, including the:
 - a) appointment and discharge of officers;
 - b) compensation and benefits for executive officers;
 - c) acceptance of outside directorships on public companies by executive officers (other than not-for-profit organizations); and
 - d) employment contracts, termination and other special arrangements with executive officers, or other employee groups.
- v) ensuring succession planning programs are in place, including programs to train and develop management of the Corporation;
- vi) approving certain matters relating to all employees of the Corporation, including:
 - a) the annual salary policy/program for employees;
 - b) new benefit programs or material changes to existing programs;
- vii) material benefits granted to retiring employees outside of benefits received under approved pension and other benefit programs.
- viii) undertake a Board self-assessment annually and communicate the outcome to shareholders of the Corporation.

C. Strategy and Plans

The Board has the responsibility to:

- i) participate with management of the Corporation, in the development of, and ultimately approve, the Corporation’s strategic plan;
- ii) approve the annual business plans that enable the Corporation to realize its objectives;
- iii) approve annual capital and operating budgets which support the Corporation’s ability to meet its strategic objectives;
- iv) approve political donations policies and budgets;
- v) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- vi) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- vii) approve material divestitures and acquisitions;
- viii) approve major leases and capital expenditures; and
- ix) monitor the Corporation’s progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

III. DUTIES AND RESPONSIBILITIES (cont'd)

D. Financial and Corporate Issues

The Board has the responsibility to:

- i) take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- ii) monitor operational and financial results;
- iii) approve annual financial statements, review quarterly financial results and approve release thereof by management of the Corporation;
- iv) approve the management information circular and, to the extent applicable, the annual information form and documents incorporated by reference therein;
- v) declare dividends;
- vi) approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, the issue and distribution of prospectuses, offering or information memorandums and other similar disclosure documents and issue of indentures;
- vii) recommend appointment of external auditors of the Corporation and approve auditors' remuneration;
- viii) approve banking resolutions and significant changes in banking relationships;
- ix) approve appointments, or material changes in relationships with corporate trustees;
- x) review coverage, deductibles and key issues regarding corporate insurance policies, including key person insurance and directors' and officers liability and reimbursement insurance;
- xi) approve contracts, leases and other arrangements or commitments that may have a material impact on the Corporation; and
- xii) approve the commencement or settlement of litigation that may have a material impact on the Corporation.

E. Business and Risk Management

The Board has the responsibility to:

- i) ensure management identifies the principal risks of the Corporation's business and implements appropriate systems to manage these risks;
- ii) review operating and financial performance of the Corporation relative to its budgets or objectives;
- iii) receive, at least annually, reports from management of the Corporation on matters relating to, among others, ethical conduct, employee health and safety, human rights and related party transactions;
- iv) assess and monitor management control systems, including:
 - a) assessing information provided by management of the Corporation and others (e.g. internal and external auditors) about the effectiveness of management control systems; and
 - b) understanding the principal risks of the Corporation and review whether the Corporation achieves a proper balance between risk and returns, and that management of the Corporation ensures that systems are in place to address the risks identified.

III. DUTIES AND RESPONSIBILITIES (cont'd)

F. Policies and Procedures

The Board has the responsibility to:

- i) approve and monitor compliance with all significant policies and procedures by which the Corporation is operated;
- ii) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
- iii) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

G. Compliance Reporting and Corporate Communications

The Board has the responsibility to:

- i) ensure the Corporation has in place effective communication processes with shareholders and other stakeholders of the Corporation and financial, regulatory and other recipients;
- ii) approve interaction with shareholders of the Corporation on all items requiring shareholder response or approval;
- iii) ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and continuous basis;
- iv) ensure the financial results are reported fairly and in accordance with applicable generally accepted accounting principles;
- v) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
- vi) report annually to shareholders of the Corporation on the Board's stewardship for the preceding year (e.g. the Annual Report).

IV. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

A. The Board is responsible for:

- i) directing management of the Corporation to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
- ii) approving changes in the Articles and By-Laws of the Corporation, matters requiring shareholder approval, and notices and agendas for shareholder meetings; and
- iii) approving the Corporation's legal structure, name, logo and related intellectual property, mission statement and vision statement.

IV. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS (cont'd)

B. The CBCA identifies the following as legal requirements for the Board:

- i) to manage or supervise the management of the business and affairs of the Corporation (CBCA S. 102(1)), including the relationships among the Corporation, its affiliates, their shareholders, directors and officers;
- ii) in respect of each director, to act honestly and in good faith with a view to the best interests of the Corporation (CBCA S. 122(1)(a));
- iii) in respect of each director, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (CBCA S. 122(1)(b));
- iv) to act in accordance with its obligations contained in the CBCA, the *Securities Act* (Ontario) and similar securities legislation in each applicable province and territory of Canada, other relevant legislation, regulations, rules and policies and the Corporation's Articles and By-laws;
- v) in particular, it should be noted that the following matters must be considered by the Board as a whole (CBCA S. 115(3)):
 - a) submit to the shareholders any question or matter requiring the approval of the shareholders;
 - b) fill a vacancy among the directors or in the office of auditor or the appointment of additional directors;
 - c) issue securities or shares of a series except in the manner and on the terms authorized by the directors;
 - c.1) issue shares of a series under Section 27 except as authorized by the directors;
 - d) declare dividends;
 - e) purchase, redeem or otherwise acquire shares issued by the Corporation;
 - f) the payment of a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - g) approve a management information circular;
 - h) approve a take-over bid circular, issuer bid circular or directors' circular;
 - i) approve any financial statements of the Corporation; or
 - j) adopt, amend or repeal the By-laws of the Corporation.