Notice of Meeting and Management Information Circular

For the Annual General Meeting of Shareholders
to be held May 8, 2025

April 11, 2025

AIRBOSS OF AMERICA CORP.
16441 YONGE STREET
NEWMARKET, ONTARIO
L3X 2G8

NOTICE OF 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of shareholders of AirBoss of America Corp. (the "Company") will be held at the Delta Hotel at 110 Erb St. W in Waterloo, Ontario on Thursday, May 8, 2025, at 9:00 am (Toronto time) for the following purposes:

(a) to receive the Company's 2024 Annual Report containing the financial statements for the year ended December 31, 2024, together with the report of the auditors thereon;

(b) to elect the directors of the Company for the ensuing year;

(c) to appoint the auditors for the ensuing year and authorize the directors of the Company to fix their remuneration; and

(d) to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The accompanying Management Information Circular provides additional information relating to matters to be dealt with at the Meeting and forms part of this Notice.

The Meeting will also be accessible via live webcast at the link provided below or by dialing in to the number provided below. This approach will allow a larger number of shareholders to watch or listen into the meeting.

Webcast Access:

Go online at https://airboss.com/AnnualGeneralMeeting2025

If you watch the meeting online, it is important that you are connected to the internet at all times during the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting.

The live webcast will include a facility for shareholders to submit questions for management consideration.

Telephone Access:

Dial-in number: 1-833-821-0163

Callers should dial-in 5 to 10 minutes before the Meeting starts and ask to join the AirBoss call.

The 2024 Annual Report, which includes the Management's Discussion and Analysis of financial condition and results of operations, the consolidated financial statements of the Company and the auditors' report to the shareholders of the Company for the financial year ended December 31, 2024, when requested, accompanies this notice and is posted on the Company's website at www.airboss.com and on SEDAR+ at www.sedarplus.ca.

The Board of Directors of the Company has fixed the close of business on March 17, 2025 as the record date for the determination of the shareholders entitled to receive notice of and to vote at the Meeting. A registered shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must (i) deposit his or her duly executed form of proxy with the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by no later than 9:00 am (Toronto time) on Tuesday, May 6, 2025 or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturday, Sunday and holidays) before the time of the Meeting, or (ii) deposit the form of proxy with the Chairman at the Meeting prior to the commencement of the Meeting or any adjournments or postponements thereof at which the proxy is to be used.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign, and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

DATED at Newmarket, Ontario this 11th day of April, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Chris Figel
Executive Vice-President & General
Counsel, and Secretary

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AIRBOSS OF AMERICA CORP.
16441 YONGE STREET
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L3X 2G8

MANAGEMENT INFORMATION CIRCULAR

PART I – VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation by the management of AirBoss of America Corp. (the "Company") of proxies to be used at the Annual General Meeting of shareholders of the Company (the "Meeting") referred to in the accompanying Notice of 2025 Annual General Meeting of Shareholders (the "Notice of Meeting") to be held at the Delta Hotel at 110 Erb St. W in Waterloo, Ontario on Thursday, May 8, 2025 at 9:00 am (Toronto time) and at any adjournments or postponements thereof for the purposes set forth in the Notice of Meeting. Proxies will be solicited primarily by mail, but may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of such solicitation will be borne by the Company. The information contained herein is given as of March 15, 2025, unless indicated otherwise.

The Company intends to pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this management information circular ("Circular"), the Notice of Meeting and form of proxy (collectively, the "Meeting Materials") to the beneficial owners of such shares. The Company is not sending the Meeting Materials to registered or beneficial owners of the Company's securities using the notice-and-access provisions set out in National Instrument 54-101 of the Canadian Securities Administrators titled "NI 54-101". The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose. The Company's Annual Report and the Meeting Materials are available on SEDAR+ at www.sedarplus.ca and the Company's website at www.airboss.com.

NON-REGISTERED SHAREHOLDERS

Only registered holders of Class A shares of the Company designated as common shares ("Common Shares") or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "Non-Registered Holder") are registered either: (i) in the name of an intermediary (an "Intermediary") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) 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 NI 54-101 copies of the Meeting Materials are being distributed to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries in Canada are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in the Meeting Materials, a request for voting instructions (the "voting instructions form") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form 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 so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT SOME OTHER PERSON OR COMPANY, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING AND MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON OR COMPANY IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY**. A registered shareholder wishing to be represented by proxy at the Meeting or any adjournments or postponements thereof must, in all cases, (i) deposit the completed proxy with the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or online at www.investorvote.com (together with the control number which is found on the form of proxy), by no later than 9:00 am (Toronto time) on Tuesday, May 6, 2025, or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sunday and holidays) before the time of the Meeting or (ii) deposit the form of proxy with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournments or postponements thereof at which the proxy is to be used. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Company's registrar and transfer agent at the address set out above, at any time up to and including 5:00 p.m. on the last business day preceding the day of the Meeting, or if adjourned or postponed, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned or postponed, any reconvening thereof or in any other manner provided by law. Only a registered shareholder of the Company has the right to revoke a proxy. A

Non-Registered Holder who wishes to change his, her or its vote must arrange for the Intermediary to revoke the proxy on his, her or its behalf in accordance with the instructions of such Intermediary set out in the voting instructions form. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

A registered shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters he or she votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by properly executed proxies in favour of management nominees in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF THE SEVEN NOMINEES AS DIRECTORS, AND FOR THE RE-APPOINTMENT OF KPMG LLP AS THE AUDITORS OF THE COMPANY AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS OR HER JUDGMENT MAY DETERMINE.** At the time of printing this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at March 15, 2025, the Company had 27,130,556 Common Shares issued and outstanding, each of which carries one vote in respect of each matter to be voted upon at the Meeting. To the knowledge of the directors and executive officers of the Company, the following table sets out the name of the only persons who beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Common Shares:

Name of Beneficial Owner	Number of Common Shares Held	Percentage of Total Outstanding Common Shares
P. Grenville Schoch Chairman and Co-CEO	4,958,077[1)]	18.0%
James Gordon Flatt[(2)]	3,939,100[(2)]	14.5%

(1) 60,000 of these Common Shares are held by a company controlled by Mr. Schoch.

(2) Information taken from reports filed on SEDI by Mr. Flatt on November 17, 2021. According to these filings, 3,514,100 Common Shares are held through Skky Capital Corporation Limited and 425,000 are held through Strategem Capital Corporation.

Each holder of Common Shares registered on the books of the Company at the close of business on March 17, 2025 (the "**record date**") will be entitled to vote at the Meeting or at any adjournments or postponements thereof, either in person or by proxy.

PART II – BUSINESS OF THE MEETING

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Company's 2024 Annual Report, including the consolidated financial statements for the fiscal years ended December 31, 2024 and 2023 and the report of the auditors thereon, will be submitted to shareholders at the Meeting. Receipt at such meeting of the auditors' report and the Company's financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

ELECTION OF DIRECTORS

The Board of Directors of the Company (the "Board") is comprised of a minimum of three and a maximum of ten members. The Board currently has seven directors and the Board has determined that the number of directors to be elected at the Meeting is seven. The Board is currently constituted, and as proposed to be elected will be constituted, with a majority of individuals who qualify as independent directors in accordance with applicable Canadian securities laws, as determined by the Board.

Majority Voting Policy

The Company has adopted a majority voting policy pursuant to which any nominee proposed for election as a director in an uncontested election who receives, from the Common Shares voted at the meeting in person or by proxy, a greater number of Common Shares withheld than Common Shares voted in favour of their election, must promptly tender his or her resignation to the Chairman of the Board, to take effect on acceptance by the Board. The Nominating and Corporate Governance Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board on whether to accept it. The Board will have 90 days to make a final decision and announce it by way of press release. The relevant director will not participate in any deliberations of the Nominating and Corporate Governance Committee or the Board on the resignation offer.

Nominees

The present term of office for each director of the Company will expire immediately prior to the election of directors at the Meeting. It is proposed to nominate for election each of the seven persons whose names are set out below as a director of the Company to serve until the next annual general meeting of shareholders, or until their successors are duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. The following tables set out the names of each of the persons proposed to be nominated by management for election as a director, all positions and offices with the Company now held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the number of securities of the Company that each has advised are beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of March 15, 2025. A description of the terms of DSUs can be found under "Statement of Executive Compensation – Compensation of Directors".

Directors' Minimum Shareholding Requirement

To align Directors' interests with those of shareholders of the Company, the Board has adopted a minimum shareholding requirement for Directors. Each Director is required to hold Common Shares and/or DSUs valued, at the time(s) of purchase or issuance, as applicable, at three times the annual base cash retainer entitlement. Directors have a period of five years from the date of their election to the Board to achieve this minimum shareholding requirement. As of March 15, 2025, all Directors have met this minimum shareholding requirement or are still within the time periods permitted to satisfy such requirement.

P. Grenville Schoch, Chairman and Co-CEO

Non-independent – Director since October 13, 1989

Mr. Gren Schoch is a professional engineer and ran an engineering and geological services company, MPH Consulting, between 1976 and 1995. In 1982, he also founded and chaired Petromet Resources, a junior oil and gas exploration company that was sold to Talisman Energy for more than $900 million in 2001. Mr. Schoch was also a director of Aurora Oil and Gas from 2005 to 2014. Since 1989, Mr. Schoch has been the Chairman and a substantial shareholder of AirBoss.

Board and Committee Members in 2024	**Attendance in 2024**	
Board of Directors	7 of 7	100%

Other Public Company Boards

None

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	4,958,077	738,926	0
2024	4,893,077	696,347	0

2024 AGM Voting Results **Votes for: 99.32%**

Anita Antenucci, Director

Independent – Director since August 13, 2019

Ms. Antenucci is the Founder and Managing Partner of 3Wire Partners, an organization which partners with business owners and investors in the aerospace, defense, government, and related industries. In addition, Ms. Antenucci is on the board of directors of the Center for Strategic and Budgetary Assessment and an Emeritus Director of the Space Foundation. Over her career, Ms. Antenucci has worked with a wide range of groups, from entrepreneurs and small cap companies to Fortune 500 constituents and large internationals, including completing assignments for several leading aerospace/defense contractors. Most recently, she was a Senior Managing Director and Board member of Houlihan Lokey Inc., a leading global investment bank, where she led the aerospace, defense, and government practice.

Board and Committee Members in 2024	**Attendance in 2024**	
Board of Directors	7 of 7	100%

Other Public Company Boards

None

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	40,000	0	46,741
2024	40,000	0	31,929

2024 AGM Voting Results **Votes for: 99.33%**

David Camilleri, Director

Independent – Director since December 9, 2019

Mr. Camilleri is a senior business executive with more than 25 years of experience in the anti-vibration, automotive and aerospace/defense industries. He was most recently the CEO and President Noranco, Vice President Canada/Mexico Aerostructures at Precision Castparts Corp. ("PCC"), a Berkshire Hathaway company. Before joining Noranco David held progressively senior positions with Cooper Standard Automotive, including Director of Operations for both the Noise & Vibration and North American Compounding Divisions. Since 2017, he has been an operating advisor to Onex Partners, the private equity platform for Onex Corporation, and is currently an Operating Partner at ATL Partners, a private equity firm with focus on the global Aerospace, Transportation and Logistics sectors. David is also the Chairman of Valence Surface Technologies, and a director of a local Kitchener-Waterloo charity.

Board and Committee Members in 2024	Attendance in 2024	
Board of Directors	7 of 7	100%
Audit Committee	4 of 4	100%

Other Public Company Boards

None

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	7,260	0	44,946
2024	7,260	0	29,466

2024 AGM Voting Results **Votes for: 99.34%**

Jo-Anne O'Connor, Director

Independent – Director since September 19, 2024

Ms. O'Connor is the President and Chief Executive Officer of Strategem Capital, a publicly-listed company with an objective for continued growth through investments in resource exploration and development, mining, energy production and agricultural protein products. She has over 35 years of experience in financial capital markets and corporate sectors, having started her career at one of Canada's largest banks. During her time there, Ms. O'Connor traded large-cap energy, natural resources and mining stocks for the bank's portfolio. More recently, she has provided investment and strategic advice to family offices. She is also a former director at Canaccord Genuity Group and a member of the Prospectors and Developers Association and the Institute of Corporate Directors.

Board and Committee Members in 2024	Attendance in 2024	
Board of Directors	4 of 4	100%
Audit Committee	1 of 1	100%

Other Public Company Boards

None

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	0	0	2,770
2024	0	0	0

2024 AGM Voting Results **Votes for: N/A**

Robert McLeish, Director

Independent – Director since February 1, 1999

Mr. Robert McLeish joined AirBoss of America Corp.'s Board of Directors in 1999, holds a Bachelor of Commerce from the University of Toronto and is a CFA. Mr. McLeish spent 35 years in the investment business with Merrill Lynch Canada and retired in 1998 as a Vice Chairman and Director. Mr. McLeish was also the Chairman of Dundee Wealth Management and was on the Boards of Dundee Corp., Welton Energy, Allied Oil and Gas and NCE Energy Trust. He also is a past director of Juvenile Diabetes Research Foundation.

Board and Committee Members in 2024	Attendance in 2024	
Board of Directors	7 of 7	100%
Audit Committee	4 of 4	100%
Compensation Committee (Chair)	1 of 1	100%
Nominating and Corporate Governance Committee	1 of	100%

Other Public Company Boards

None

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	243,053	0	43,277
2024	243,053	0	35,123

2024 AGM Voting Results **Votes for: 99.21%**

Alan J. Watson, Director

Independent – Director since September 10, 2007

Mr. Watson is currently based in Sydney, Australia. He is a Director and the Chairman of Pinnacle Investment Management Group Limited, a publicly-listed Australian investment management company, and has had a 30-year investment banking career, during which he has been Managing Director of several American and U.K. based investment banks. Mr. Watson has worked in the U.K., Australia, Canada, China, and Japan.

Board and Committee Members in 2024	Attendance in 2024	
Board of Directors	7 of 7	100%
Audit Committee	4 of 4	100%
Compensation Committee	1 of 1	100%
Nominating and Corporate Governance Committee	1 of 1	100%

Other Public Company Boards

Chairman, Pinnacle Investment Management Group Limited

Director, Australis Gas Limited

Securities held as of March 15, 2025, and March 11, 2024

Year	Shares	Options	DSUs
2025	155,000	0	33,601
2024	155,000	0	26,072

2024 AGM Voting Results **Votes for: 99.22%**

Stephen M. Ryan, Lead Director

Independent – Director since November 12, 2020

Mr. Stephen Ryan, a highly regarded attorney in Washington D.C., joined AirBoss of America Corp.'s Board of Directors in November 2020. A lawyer with 45 years of experience, from 2007 through his retirement in December 2020, Mr. Ryan led the Government Strategies practice group at a Washington, DC-based global law firm, assisting private sector companies in highly regulated industries navigate government contracts and government ethics. Mr. Ryan is currently an adjunct professor at American University's Law School and is the co-author of books on government procurement ethics. Previously, he served as general counsel to the U.S. Senate Committee on Homeland and Governmental Affairs (GAC), deputy counsel of the President's Commission on Organized Crime; and Assistant U.S. Attorney.

Board and Committee Members in 2024	**Attendance in 2024**	
Board of Directors	7 of 7	100%
Compensation Committee	1 of 1	100%

Other Public Company Boards
None

Securities held as of March 15, 2025, and March 11, 2024			
Year	Shares	Options	DSUs
2025	0	0	51,093
2024	0	0	30,360

2024 AGM Voting Results	**Votes for: 99.34%**

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ONE OR MORE OF THE ABOVE-NAMED NOMINEES. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR, BUT IF THAT SHOULD OCCUR FOR ANY REASON PRIOR TO THE MEETING, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY RESERVE THE RIGHT TO VOTE FOR THE REMAINING NOMINEES AND MAY VOTE FOR SUBSTITUTE NOMINEES AT THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

APPOINTMENT AND REMUNERATION OF AUDITORS

Management proposes to re-appoint KPMG LLP, Chartered Professional Accountants as the auditors of the Company to hold office until the close of the next annual meeting of shareholders and proposes that the shareholders authorize the directors to fix the remuneration of the auditors. KPMG LLP have been the auditors of the Company since April 3, 2001.

Auditors' Fees

The following table summarizes the fees billed to the Company for services provided by its external auditors, KPMG LLP, during the 2024 and 2022 fiscal years:

Description	**2024**	2023
Audit fees	**764,666**	597,611
Audit-related fees	**Nil**	Nil
Tax fees	**Nil**	Nil
All other fees	**163,710**	Nil
Total	**928,376**	597,611

The Audit Committee has determined that KPMG LLP's provision of non-audit services is compatible with maintaining KPMG LLP's independence. The Audit Committee has adopted a policy whereby it must pre-approve all services performed by the Company's external auditors over $10,000.

See page 27 of the Company's Annual Information Form for the year ended December 31, 2024 for additional information regarding the Audit Committee and the auditors.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE RE-APPOINTMENT OF KPMG LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

PART III – STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objectives

The objectives of the Company's policies and practices for executive compensation are linked to strategic business objectives. Our compensation objectives include attracting and retaining key employees of the Company by remaining competitive with peers, as well as motivating such individuals to enhance shareholder value and promote the long-term financial growth of the Company.

Our compensation programs are designed to meet pay for performance and competitiveness objectives, and seek to reward the achievement of measurable results and improvements to operations year-over-year. Objective and subjective measures are established each year and generally include: achieving profitability targets; providing a fair return on capital employed and invested capital; and meeting individual objectives. We believe these objective and subjective measures result in compensation programs which are aligned with shareholder interests.

Compensation Process

The Board has established a Compensation Committee composed of independent directors (details regarding the Compensation Committee can be found below under "Disclosure of Corporate Governance Practices – Compensation"). The responsibilities of the Compensation Committee include reviewing, and recommending for Board approval, the compensation of executive officers of the Company on an annual basis. Each year, the Compensation Committee meets to assess the performance of the Co-Chief Executive Officers ("**Co-CEOs**") and to recommend to the Board the Co-CEOs' total compensation. At the same time, the Compensation Committee receives the Co-CEOs' evaluation of performance and compensation recommendations for the Chief Financial Officer ("**CFO**"), and other senior executives (including each of the other Named Executive Officers ("**NEOs**") identified in this Circular, and subsequently recommends the compensation of such individuals for Board approval. For 2024, the Company's NEOs were: P. G Schoch (Chairman and Co-CEO), Chris Bitsakakis (President and Co-CEO), Frank Ientile (CFO), Chris Figel (EVP & General Counsel) and Ed Kiell (Corporate VP Supply Chain).

The Compensation Committee may, from time to time, engage independent compensation consultants, to assess the adequacy and fairness of executive compensation; however, no executive compensation consultant was engaged in 2024. In addition, the members of the Compensation Committee may receive compensation data on an informal basis related to his or her involvement with other companies as directors or otherwise, to assess the adequacy and fairness of executive compensation. No formal benchmarking was undertaken in 2024 to assess the adequacy of executive compensation.

The Compensation Committee examines and approves the compensation policies and practices taking into account the risks associated with such policies and practices, including the risks associated with any different compensation structures at the Company's business units and any differences in compensation practices among executive officers. The Compensation Committee did not determine that any risk associated with the Company's compensation policies and practices were reasonably likely to have a material adverse effect on the Company.

Compensation Elements and their Weighting

Our executive compensation program includes a balance of the following fixed and variable components: (a) base salary; (b) short-term incentives; (c) long-term incentives; and (d) and other personal benefits and perquisites.

For all executives, the total compensation package is reviewed annually and modified to reflect changes in responsibilities specific to the executive, the competitive market and other economic conditions. Our compensation policies and practices are based on the philosophy that a significant portion of each executive's total compensation should be variable or "at risk". This variable portion includes short-term and long-term incentive awards. Generally speaking, the amount of variable compensation for an executive should increase with seniority and for the most senior executives, variable compensation should comprise the substantial majority of total compensation.

Base Salary

Base salaries provide fixed compensation to our executives. The Company pays base salaries that the Compensation Committee believes are competitive with those provided for similar positions and are based on the executive's level of responsibility and ability to influence the performance of the Company. Following a review of executive base salaries in March of 2025, the following increases for NEOs were approved: the Chairman and Co-CEO, Gren Schoch (from C$835,536 to C$868,957), the President and Co-CEO, Chris Bitsakakis (from C$835,536 to C$868,957), the CFO, Frank Ientile (from C$452,625 to C$497,888) and the EVP & General Counsel, Chris Figel (from C$370,330 to C$385,143).

Short-Term Incentives

The Company has an annual short-term incentive program as a variable component of executive compensation, which is designed to compensate the NEOs for the achievement of annual performance objectives. Typically awards under the short-term incentive program are paid as a cash bonus, but they can also be paid in equity of the Company under the equity-based compensation plans discussed below.

The annual performance objectives are a combination of personal objectives and corporate performance objectives, and are established each year for executive officers by the Compensation Committee, upon recommendation by the Co-CEOs (except in the case of the Co-CEOs, whose objectives are approved by the Board). For 2024, the weighting between performance objectives for all NEOs was a mix of corporate and personal performance objectives. The corporate performance objectives consisted of financial performance targets for measures such as EBIT[1] and return on invested capital targets. The corporate performance objectives related entirely to the consolidated financial results of the Company. In addition, the Compensation Committee and Board retain the discretion to award short-term incentives in an amount greater than, less than, or on different terms than the amount that would otherwise be payable based on the achievement of set objectives under the annual short-term incentive program. Such discretion is in keeping with its philosophy of ultimate control over executive compensation and the need, from time to time, to deal with exceptional circumstances.

The maximum amount payable to an executive as part of the annual short-term incentive program is expressed as a percentage of their base salary. For 2024, the maximum percentages for NEOs were as follows: Chairman and Co-CEO, and President and Co-CEO – 100%; CFO – 60%, EVP & General Counsel – 50%, VP, Corporate Supply Chain – 50%. The amounts of short-term incentives awarded to NEOs in

[1] EBIT, a non-IFRS financial measure, is defined by the Company as earnings before interest income, interest expense and income taxes.

respect of 2024 reflected the fact that corporate performance objectives were not achieved in 2024. The table below sets out the details regarding 2024 short term incentive awards to NEOs.

NEO	Value of Award	Value of Award as a % of Base Salary	Form of Award
Mr. Schoch	-	0%	N/A
Mr. Bitsakakis	-	0%	N/A
Mr. Ientile	-	0%	N/A
Mr. Figel	-	0%	N/A
Mr. Kiell	-	0%	N/A

Long-Term Incentives

Long-term incentives at AirBoss are designed to: (a) attract, retain and reward those individuals who are expected to contribute significantly to the success of the Company; (b) incentivize such individuals to perform at the highest level; and (c) strengthen the mutuality of interests between such individuals and our shareholders. Overall, long-term incentives are intended to optimize the profitability and growth of the Company in a manner consistent with the Company's strategic objectives and also allow recipients to share in the success of the Company. Long-term incentives are provided in the form of equity-based awards that are settled in either Common Shares or cash or a combination of Common Shares and cash, depending on the award.

On May 14, 2015, shareholders approved the 2015 Omnibus Incentive Plan (the "**Omnibus Plan**"), pursuant to which the Company will issue all future long-term incentives to executives until it is amended or replaced. The Omnibus Plan was most recently reapproved by shareholders on May 9, 2024.

The Board has previously made periodic grants of long-term incentives to senior executives, including the NEOs, in the form of stock options and performance share units ("**PSUs**") to sustain a commitment to long-term profitability, maximize shareholder value, attract and retain valuable employees and to reward exceptional contributions. The details regarding any relevant grants are set out in the tables below in the section entitled "Executive Compensation Summary".

In addition to having the flexibility to grant long-term incentives on a discretionary basis (for example to recognize exceptional circumstances or to provide an incentive to attract high calibre candidates to the Company), the Board recognizes that long-term incentives should be considered as a regular part of annual variable compensation for senior executives and that it is desirable to maintain consistency in the awarding of such incentives unless circumstances warrant otherwise. As a result, the Board, on the recommendation of the Compensation Committee, has established guidelines for an annual long-term incentive program under which executives will be eligible to receive annual grants of long-term incentive awards as part of their total compensation package. The amount of awards granted under this annual program are based on ensuring the appropriate mix of fixed and variable compensation, as a proportion of total compensation, is achieved and maintained. The calculation of the value of annual awards is, in a similar fashion as with our short-term incentive program, tied to the financial performance of the Company, is approved each year by the Compensation Committee upon recommendation from the Co-CEOs, and does not take into account the amounts or value of previous grants. Senior executives became eligible to receive awards under the annual long-term incentive plan beginning in 2016. The annual long-term incentive plan awards issued to NEOs in 2024 under the Omnibus Plan, in respect of the 2023 fiscal year, consisted of 58,505 PSUs and 146,543 stock options. The details regarding these grants, and the terms of the PSUs are set out in the tables below in the section entitled "Executive Compensation Summary".

Other Benefits and Perquisites

The Company maintains a competitive group benefit plan for executives, including all NEOs, that includes the provision of life insurance, accidental death and dismemberment insurance, short and long-term disability income and health and dental insurance. In addition, the Company makes matching contributions to Registered Retirement Savings plans for Canadian employees, including Canadian NEOs, 401(k) contributions on behalf of US employees, including US NEOs, and provides certain executives (including all NEOs) with a car allowance and annual medicals. The Compensation Committee reviews each element of these other benefits and perquisites to ensure the package as a whole is fair and competitive to attract, retain and motivate officers and key employees to achieve the strategic objectives whilst demonstrating long-term responsibility to shareholders.

Description of Equity Incentive Plan

The Company's equity-based compensation plan is described below.

Omnibus Plan

Types of Awards

The Omnibus Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units, deferred stock, performance awards, other stock-based awards and cash-based awards (each an "**Award**" and collectively, the "**Awards**").

Plan administration

The Omnibus Plan is administered by the Compensation Committee. Subject to the terms of the Omnibus Plan and applicable law, and the rules of the TSX, the Compensation Committee (or its delegate) has the power and authority to, among other things, designate participants and determine the types of Awards to be granted, number of shares to be covered and the terms and conditions of those Awards. It also has the authority to interpret and administer the Omnibus Plan and any instrument or agreement relating to the Omnibus Plan and to make any other determination and take any other action that the Compensation Committee deems necessary or desirable for the administration of the Omnibus Plan.

The following individual participant limitations are applicable under the Omnibus Plan:

(i) the maximum number of Common Shares subject to any performance Award which may be granted under the Omnibus Plan to any participant in any fiscal year is 2,000,000 shares;

(ii) the maximum value of a cash payment made under a performance Award which may be granted to any participant in any fiscal year is $10,000,000; and

(iii) the maximum number of Awards that may be granted under the Omnibus Plan to a non-employee director in any fiscal year shall not exceed $150,000, of which no more than $100,000 may be issued in the form of stock options.

Insider Limits

The Omnibus Plan limits insider participation such that the number of Common Shares issuable to insiders, at any time, under all security based compensation arrangements of the Company, may not exceed 10% of the Company's issued and outstanding Common Shares; and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Company, may not exceed 10% of the Company's issued and outstanding Common Shares.

Eligible participants

Any director, employee or consultant of the Company, its subsidiaries or any of its affiliates is eligible to participate in the Omnibus Plan. However, only eligible employees of the Company and its subsidiaries are eligible to be granted incentive stock options under the Omnibus Plan. Eligibility for the grant of Awards and actual participation in the Omnibus Plan is determined by the Compensation Committee in its sole discretion.

Description of Awards

Options. Subject to the provisions of the Omnibus Plan, the Compensation Committee is permitted to grant stock options under the Omnibus Plan. The exercise price per share and terms of each option is determined by the Compensation Committee; provided, however, that the exercise price may not be less than the fair market value of a Common Share on the date that the option is granted. Under the Omnibus Plan, the fair market value of a Common Share is equal to the weighted volume average price of a Common Share reported on the TSX on the five trading days immediately prior to the grant date. In the event that the Compensation Committee determines that stock options will be granted at a future date following the expiration of a blackout period, such options will be granted on the seventh day following the expiration of the blackout period and the fair market value of a Common Share will be the weighted volume average price on the five trading days immediately preceding the grant date. An option will be exercisable only in accordance with the terms and conditions established by the Compensation Committee in the corresponding Award Agreement. The Compensation Committee fixes the vesting terms it deems appropriate when granting options. In addition, the Compensation Committee may, in its discretion, provide that an option may become vested and exercisable in whole or in part, in instalments, cumulative or otherwise, for any period of time specified by the Compensation Committee and reflected in an Award Agreement. The Compensation Committee will fix the term of each option, not to exceed ten years. If the term of an option would otherwise expire during, or within ten business days of the expiration of a blackout period, the term of the option will be extended to the close of business of the tenth business day following the expiration of the blackout period.

Stock appreciation rights. Subject to the provisions of the Omnibus Plan, the Compensation Committee is permitted to grant stock appreciation rights (or "**SARs**") under the Omnibus Plan. SARs may be granted to participants either alone ("freestanding") or in addition to other Awards granted under the Omnibus Plan ("tandem"). Except under certain circumstances described in the Omnibus Plan, a freestanding SAR will not have a term of greater than ten years. In the case of any tandem SAR related to an option, the SAR will not be exercisable until the related option is exercisable and will terminate, and no longer be exercisable, upon the termination or exercise of the related option. A freestanding SAR will not have a grant price less than the fair market value of a Common Share on the date of grant.

Restricted stock and restricted stock units. Subject to the provisions of the Omnibus Plan, the Compensation Committee is permitted to grant awards of restricted stock and restricted stock units (or "**RSUs**") under the Omnibus Plan. Shares of restricted stock and restricted stock units shall have a minimum vesting period of three months and are subject to any restrictions that the Compensation Committee may impose, including

any limitation on the right to receive any dividend or dividend equivalent (with entitlements on such dividend equivalents becoming available after the vesting of the RSUs). If deemed necessary, the Compensation Committee may require that, as a condition of any grant of restricted stock, the participant will deliver a signed stock power or other instruments of assignment, which would permit transfer to the Company of all or a portion of the shares subject to the award of restricted stock or restricted stock units in the event that the Award is forfeited.

Deferred stock. Under the Omnibus Plan, the Compensation Committee is permitted to grant deferred stock and deferred stock units (or "**DSUs**") to participants, subject to the conditions that deferred stock will be settled upon expiration of the deferral period specified for an award by the Compensation Committee. In addition, deferred stock units are subject to a minimum vesting period of three months and to any restrictions on transferability, risk of forfeiture and other restrictions that the Compensation Committee may impose and, the Compensation Committee, in its discretion, may award dividend equivalents with respect to awards of deferred stock (with entitlements on such dividend equivalents becoming available after the vesting of the DSUs).

Performance awards. The Compensation Committee may grant a performance award, including a performance share unit (or "**PSU**") to a participant payable upon the attainment of specific performance goals. The Compensation Committee may grant performance awards that are intended to qualify as "performance-based compensation" under Section 162(m), as well as performance awards that are not intended to qualify. If the performance award is payable in shares of restricted stock, then the shares will be transferable to the participant only upon attainment of the relevant performance goal.

Other stock-based and cash-based Awards. Subject to obtaining TSX and any requirement shareholder approval, the Compensation Committee is authorized to grant to participants other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares or factors that may influence the value of shares. The Compensation Committee will determine the terms and conditions of such stock-based awards. The Compensation Committee is also permitted to grant cash-based awards to participants. In its discretion, the Compensation Committee will determine the number of cash-based awards to grant to a participant, the duration of the period during which, and any conditions under which, the cash incentive awards will be eligible to vest or will be forfeited, and any other terms and conditions applicable.

Effect of Termination of Service on Awards

The Compensation Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a Participant ceases to provide service to the Company or any Affiliate prior to the end of a performance period or exercise or settlement of such Award.

Change in control

Unless otherwise provided in an Award Agreement, in the event of a change in control (as defined in the Omnibus Plan) a participant's unvested Awards will be treated in accordance with one of the following methods as determined by the Compensation Committee:

(a) Awards, whether or not vested, will be continued, assumed or have new rights substituted as determined by the Compensation Committee;

(b) the Compensation Committee, in its sole discretion, may provide for the purchase of any Awards by the Company or an affiliate for an amount of cash equal to the excess of the change in control price of the shares covered by such Awards, over the aggregate exercise price of such Awards; or

(c) if and to the extent that the approach chosen by the Compensation Committee results in an acceleration or potential acceleration of the exercise, vesting or settlement of an Award, the Compensation Committee may impose such conditions upon the exercise, vesting or settlement of such Award as it determines.

Term of the Omnibus Plan

No Award will be granted under the Omnibus Plan after ten years from the original effective date for the Omnibus Plan. However, unless otherwise expressly provided in the Omnibus Plan or in an Award Agreement, any Award granted may extend beyond such date, and the authority of the Compensation Committee to amend, alter, adjust, suspend, discontinue, or terminate the Award, or to waive any conditions or rights under the Award, and the authority of the Board to amend the Omnibus Plan, will extend beyond such date.

Assignability

Awards granted under the Omnibus Plan may not be sold, pledged or otherwise transferred, other than following the death of a participant by will or the laws of descent. A participant's beneficiary or estate may exercise vested Options during the applicable exercise period following the death of the participant, subject to the same conditions that would have applied to exercise by the participant.

Administration

Subject to the terms of the Omnibus Plan and applicable law and the rules of the TSX, the Compensation Committee (or its delegate) has the power and authority to: (i) designate Participants; (ii) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under the Omnibus Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; (iv) determine the terms and conditions, not inconsistent with the terms of the Omnibus Plan, of any Award granted thereunder (including, but not limited to, the exercise or purchase price (if any), any restriction or limitation, any vesting schedule or acceleration thereof, or any forfeiture restrictions or waiver thereof, regarding any Award and the Shares relating thereto, based on such factors, if any, as the Committee determines, in its sole discretion); (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, or other Awards, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended; (vi) determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Omnibus Plan shall be deferred either automatically or at the election of the holder thereof or of the Compensation Committee, taking into consideration the requirements of Section 409A of the Code; (vii) determine whether to require a Participant, as a condition of the granting of any Award, to not sell or otherwise dispose of shares acquired pursuant to the exercise of an Award for a period of time as determined by the Compensation Committee, in its sole discretion, following the date of the acquisition of such Award; (viii) determine whether an Option is an Incentive Stock Option or Non-Qualified Option; (ix) modify, extend or renew an Award, provided, however, that such action does not subject the Award to Section 409A of the Code without the consent of the Participant and provided that such extension of the Award does not benefit an insider; (x) interpret and administer the Omnibus Plan and any instrument or agreement relating to, or Award made under, the Plan; (xi) establish, amend, suspend or waive such rules and regulations and appoint such agents

as it shall deem appropriate for the proper administration of the Plan; (xii) solely to the extent permitted by applicable law and the rules of the TSX, determine whether, to what extent and under what circumstances to provide loans (which may be on a recourse basis and shall bear interest at the rate the Committee shall provide) to Participants in order to exercise Options or acquire Shares under the Omnibus Plan; (xiii) permit accelerated vesting or lapse of restrictions of any Award at any time; and (xiv) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Omnibus Plan.

Amendment

The Board may amend, suspend or terminate the Omnibus Plan and any outstanding Awards granted under the Omnibus Plan, in whole or in part, at any time, provided that all material amendments to the Omnibus Plan require the prior approval of the shareholders and must comply with the rules of the TSX. Examples of the types of amendments that the Board is entitled to make without shareholder approval include, without limitation, the following: (i) ensuring continuing compliance with applicable law, the rules of the TSX or other applicable stock exchange rules and regulations or accounting or tax rules and regulations; (ii) minor changes of a "housekeeping" nature; (iii) changing the vesting provisions of any Award, subject to certain limitations; (iv) waiving any conditions or rights under any Award, subject to certain limitations, (v) changing the termination provisions of any Award that does not entail an extension beyond the original expiration date thereof; (vi) adding a cashless exercise feature, payable in securities, where such feature provides for a full deduction of the number of underlying shares from the Plan reserve, and any amendment to a cashless exercise provision; (vii) adding a form of financial assistance and any amendment to a financial assistance provision which is adopted; (viii) changing the process by which a participant who wishes to exercise his or her Award can do so; and (ix) delegating any and all of the powers of the Compensation Committee to administer the Omnibus Plan to officers of the Company.

No amendment to the Omnibus Plan requiring the approval of the shareholders of the Company under any applicable securities laws or requirements will become effective until such approval is obtained. In addition, the approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of shareholders shall be required for, among other things, an increase in the maximum number of Common Shares that may be made the subject of Awards under the Omnibus Plan, any adjustment (other than in connection with a stock dividend, recapitalization or other transaction where an adjustment is permitted or required under the Omnibus Plan), an amendment that reduces or would have the effect of reducing the exercise price of an option or SAR previously granted under the Omnibus Plan or an extension to the term or an outstanding option or SAR beyond the expiry date thereof. Furthermore, except as otherwise permitted under the Omnibus Plan, no change to an outstanding Award that will adversely impair the rights of a participant may be made without the consent of the participant except to the extent that such change is required to comply with applicable law, stock exchange rules and regulations or accounting or tax rules and regulations.

Shares available for awards

The number of Common Shares available for issuance under the Omnibus Plan is a rolling maximum number equal to 10% of the issued and outstanding Common Shares from time to time, which as of December 31, 2024 was 2,713,056 Common Shares. The Omnibus Plan is considered to be an “evergreen” plan as Common Shares covered by Awards which have been exercised or settled, as applicable, will be available for subsequent grant under the Omnibus Plan and the number of Awards that may be granted under the Omnibus Plan increases if the total number of issued and outstanding Common Shares increases. As of December 31, 2024, after deducting the 2,111,424 options issued under the Omnibus Plan (7.8% of issued and outstanding Common Shares), and the 217,993 DSUs (0.8% of issued and outstanding Common Shares) issued to Directors under the Omnibus Plan, there were 383,639 shares available for issuance under

the Omnibus Plan, representing approximately 1.41% of the Company's issued and outstanding Common Shares.

The following individual participant limitations are applicable under the Omnibus Plan:

- The maximum number of Common Shares subject to any performance Award which may be granted under the Omnibus Plan to any participant in any fiscal year is 2,000,000 shares;

- The maximum value of a cash payment made under a performance Award which may be granted to any participant in any fiscal year is C$10,000,000; and

- The maximum number of Common Shares that may be granted under the Omnibus Plan to a non-employee director in any fiscal year cannot exceed 1,000,000 Common Shares.

The Omnibus Plan limits insider participation such that the number of Common Shares issuable to insiders, at any time, under all security based compensation arrangements of the Company, may not exceed 10% of the Company's issued and outstanding Common Shares; and the number of Common Shares issued to insiders within any one-year period, under all security based compensation arrangements of the Company, may not exceed 10% of the Company's issued and outstanding Common Shares.

Burn Rate

The following table discloses the annual burn rate for awards under the Omnibus Plan and the Prior Option Plan, as applicable, for each of the three most recently completed fiscal years as a percentage of weighted average of the number of Common Shares that were outstanding as at the year of grant.

Year	Options	DSUs	PSUs(1)
2024	1.19%	0.24%	-
2023	1.47%	0.21%	-
2022	0.79%	0.08%	-

Notes:

(1) PSUs settle exclusively in cash.

Clawback Policy

On March 25, 2021, the Board proceeded with the adoption of a clawback policy (the "Clawback") which provides that any previously paid performance-based compensation shall be reviewed by a committee consisting of non-management members of the Board (the "Independent Director Committee") in the event of a restatement of the Corporation's financial results (other than a restatement caused by a change in applicable accounting rules or interpretations). Specifically, should the Independent Director Committee determine that i) the amount of any such performance-based compensation actually paid or awarded to an executive officer (the "Awarded Compensation") would have been a lower amount had it been calculated based on such restated financial statements (the "Actual Compensation"), and ii) such executive officer engaged in fraud or intentional illegal conduct which materially contributed to the need for such restatement, then the Independent Director Committee will, except as provided below, seek to recover for the benefit of the Corporation the after-tax portion of the difference between the Awarded Compensation and the Actual Compensation (such difference, the "Excess Compensation").

Notwithstanding the preceding however, the Independent Director Committee will not be obligated to seek recovery if it determines (i) that to do so would be unreasonable or (ii) that it would be in the best interest of the Corporation not to do so. In making such determination, the Independent Director Committee will take into account any considerations it deems appropriate, including the likelihood of success under governing law versus the cost and effort involved, whether the assertion of a claim may prejudice the interests of the Corporation, the passage of time since the occurrence of the act in respect of the applicable fraud or intentional illegal conduct, or any pending legal proceeding relating to the applicable fraud or intentional illegal conduct.

Hedging Transactions

As set out in our Insider Trading Policy, no director or NEO is permitted to engage in the short selling of, or trading in call options or put options in respect of, the securities of the Company nor otherwise enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company.

PERFORMANCE GRAPH

The Common Shares are listed and posted for trading on the TSX under the symbol "BOS". The following performance graph and table compare the total cumulative shareholder return for the five-year period commencing on December 31, 2019 and ending December 31, 2024 on Common Shares with the cumulative return of the S&P/TSX Composite Index, assuming C$100 was invested on the first day of the period and assuming reinvestment of all dividends.

	Dec. 31, 2019	Dec. 31, 2020	Dec.31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec 31, 2024
BOS	$100.00	$194.59	$541.52	$90.19	$63.41	$51.16
S&P/TSX	$100.00	$104.73	$130.12	$121.59	$134.76	$162.69

Correlation of Compensation to Performance

Over the five-year period, compensation of NEOs decreased by 24.2%, compared to a total shareholder return on Common Shares of (48.8)%.

EXECUTIVE COMPENSATION SUMMARY

Summary compensation table

The table below sets forth information for the 2024, 2023 and 2022 fiscal years concerning the compensation of the Company's Co-CEOs and CFO and the two most highly compensated executive officers of the Company (other than the Co-CEOs and CFO) who were executive officers during fiscal 2024 and whose total compensation was in excess of $150,000, being the EVP and General Counsel, and the Corporate VP Supply Chain (such individuals are hereafter referred to as the "**Named Executive Officers**" or "**NEOs**"). All amounts in the table below and all other tables that follow in this "Executive Compensation Summary" section are reported in US dollars unless otherwise stated. Salary and other cash compensation for each of the NEOs were paid in Canadian dollars. Unless otherwise stated, the exchange rate used to determine the US dollar equivalent for amounts actually paid in Canadian dollars in 2024 in this section was US$1 = C$1.3698, being the average of the monthly average exchange rates posted by the Bank of Canada for 2024.

Name and Principal Position	Fiscal Year	Salary (US$)	Share-based awards (US$)[1]	Option-based awards (US$)[2]	Non-Equity incentive plan compensation – Annual incentive plans[3] (US$)	Pension Value (US$)	All Other Compensation[4] (US$)	Total Compensation (US$)
P. Grenville Schoch *Chairman & Co-CEO*	**2024**	**609,067**	–	–	–	–	–	**609,067**
	2023	595,243	74,405	74,405	–	–	–	744,054
	2022	593,637	148,409	148,409	296,819	–	–	1,187,274
Chris Bitsakakis *President and Co-CEO*	**2024**	**609,067**	–	–	–	–	–	**609,067**
	2023	570,488	74,405	74,405	–	–	–	719,299
	2022	550,104	137,526	137,526	275,052	–	–	1,100,208
Frank Ientile *CFO*	**2024**	**329,655**	–	–	–	–	–	**329,655**
	2023	314,885	38,731	38,731	77,462	–	–	469,808
	2022	292,861	58,575	58,575	117,151	–	–	527,162
Ed Kiell[5] *Corporate VP Supply Chain*	**2024**	**259,200**	–	–	–	–	–	**259,200**
	2023	249,600	42,120	42,120	84,240	–	–	418,080
	2022	240,000	33,894	33,894	65,342	—	—	373,130
Chris Figel *EVP and General Counsel*	**2024**	**269,718**	–	–	–	–	–	**269,718**
	2023	257,634	26,407	26,407	52,815	–	–	363,263
	2022	253,285	42,216	42,216	84,432	–	–	422,150

Notes:

(1) As of March 15, 2025, the date as of which information contained herein is given, the Company had not issued PSUs in respect of the 2024 fiscal year. PSUs granted to the NEOs under the Company's annual long-term incentive program settle in cash, with each PSU representing the right to receive on vesting a cash payment equal to the product of (a) the fair market value of a Common Share as of the vesting date and (b) a performance factor between 0.75 and 1.5, based on the level of achievement of predetermined performance objectives over the vesting period generally. For PSUs to be issued in respect of the 2024 fiscal year and previously issued in respect of the 2023 and 2022 fiscal years, the applicable performance objective is average year-over-year Adjusted EBIT growth of 15% over the performance period. The amounts in the share-based award column relating to PSUs issued in other years represent the Company's estimate of the fair value of such PSUs on the grant date, which is equal to the number of PSUs multiplied by the 5-day volume-weighted average price of a Common Share on the TSX prior to the grant date.

(2) As of March 15, 2025, the date as of which information contained herein is given, the Company has not issued options in respect of the 2024 fiscal year. The amounts in the option-based column include the Black-Scholes value of the stock options granted in the applicable year, as a measure of their fair value. See Note 14 to the Company's annual audited financial statements for the year ended December 31, 2024 for a description of the Black-Scholes assumptions used to determine option values.

(3) Non-equity incentive plan compensation disclosed for the NEOs in 2024 consists of the awards for the 2024 annual short-term incentive program, as recommended by the Compensation Committee and approved by the Board.

(4) All other compensation includes car allowances, taxable life insurance premiums, employer match of employee RRSP or 401(k) contributions (as applicable) and the cost of annual medicals. Such perquisites have not been disclosed as the prescribed aggregate threshold for such items of C$50,000 or 10% of total salary for the year was not met.

(5) Ceased acting as Corporate VP, Supply Chain on March 7, 2025.

Outstanding share-based and option-based awards

The following tables list all option-based and share-based awards outstanding as at December 31, 2024 for all NEOs. The exchange rate used to determine the US dollar equivalent for the value of unexercised in-the-money options and value of unvested share awards in the tables below is US$1 = C$1.36980, being the average of the monthly average exchange rates posted by the Bank of Canada for 2024.

Name	Option-based awards			
	Number of securities underlying unexercised options	Option exercise price (C$)	Option expiration date	Value of unexercised in-the-money options (US$)
P. Grenville Schoch	538,707	5.14	March 23, 2025	-
	33,347	36.01	March 23, 2026	-
	47,814	32.45	March 17, 2027	-
	76,479	7.65	March 22, 2028	-
	42,579	5.91	May 21, 2029	-
Chris Bitsakakis	418,469	5.14	March 23, 2025	-
	24,207	36.01	March 23, 2026	-
	44,308	32.45	March 17, 2027	-
	70,871	7.65	March 22, 2028	-
	42,579	5.91	May 21, 2029	-
Frank Ientile	25,000	16.30	June 2, 2025	-
	5,187	36.01	March 23, 2026	-
	14,153	32.45	March 17, 2027	-
	30,185	7.65	March 22, 2028	-
	22,164	5.91	May 21, 2029	-
Chris Figel	46,396	5.14	March 23, 2025	-
	6,916	36.01	March 23, 2026	-
	10,200	32.45	March 17, 2027	-
	21,755	7.65	March 22, 2028	-
	15,112	5.91	May 21, 2029	-
Ed Kiell	23,726	5.14	March 23, 2025	-
	3,147	36.01	March 23, 2026	-
	7,338	32.45	March 17, 2027	-
	17,466	7.65	March 22, 2028	-
	24,109	5.91	May 21, 2029	-

Name	Share-based awards		
	Number of shares or units of shares that have not vested[1]	Market or payout value of share-based awards that have not vested (US$)	Market or payout value of vested share-based awards not paid out or distributed (US$)
P. Grenville Schoch	59,576	212,400	-
Chris Bitsakakis	56,454	202,026	-
Frank Ientile	23,943	89,190	-
Chris Figel	16,912	62,845	-
Ed Kiell	18,050	69,758	-

Notes:

(1) Represent PSUs granted to the NEOs under the Omnibus Plan. Each PSU represents the right to receive on vesting a cash payment equal to the product of (a) the fair market value of a Common Share as of the vesting date and (b) a performance factor between 0.75 and 1.5, based on the level of achievement of pre-determined performance objectives over the vesting period generally. For all PSUs, the applicable performance objective was average year-over-year Adjusted EBIT growth of 15% over the performance period. The PSUs vest three years following their grant dates. The payout value amounts for PSUs in the table represent the number of PSUs multiplied by the closing price of a Common Share on the TSX on December 31, 2024 (applying performances factors between 0.75 and 1.50).

Incentive plan awards– value vested or earned during the year

The following table sets forth: (a) the dollar value that would have been realized if "in-the-money" options that vested in 2024 had been exercised by NEOs; (b) the dollar value of share-based awards that vested in 2024; and (c) the cash incentive compensation earned during 2024. Vesting of options is not dependent on performance goals.

Name	Options – Value vested during the year (US$)	Share-based awards – Value vested during the year (US$)	Non-equity incentive compensation earned during the year[1] (US$)
P. Grenville Schoch	88,487	45,656	-
Chris Bitsakakis	68,737	33,140	-
Frank Ientile	-	7,102	-
Chris Figel	15,242	9,469	-
Ed Kiell	7,795	4,309	-

Notes:

(1) Non-equity incentive plan compensation consists of awards for the 2024 annual short-term incentive program, as recommended by the Compensation Committee and approved by the Board.

Securities authorized for issuance under equity compensation plans

The following table provides information concerning the Company's equity compensation plans as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options and DSUs	Weighted average exercise price of outstanding options and DSUs (C$)	Number of securities available for future issuance under equity compensation plans (excluding options and DSUs issued and outstanding)
Equity compensation plans approved by security holders	2,111,424 options 217,993 DSUs	9.45 (options) N/A (DSUs)	383,639

Defined Benefit Pension Plan

The Company does not maintain a supplemental retirement pension plan for the benefit of any NEO.

Other Retirement Plans

Each of the NEOs participates in a registered retirement savings plan which requires the Company to match employee contributions to the plan up to a maximum annual amount of 4% of their base salary.

Termination and Change of Control Benefits

Change of Control Benefits

On any "change of control" of the Company as such term is defined in the Omnibus Plan, awards held by NEOs shall be continued, assumed or have new rights substituted therefor in accordance with the Omnibus Plan. In addition, the Compensation Committee has the discretion to, but not the obligation, to, provide for the purchase of such awards for an amount of cash equal to the excess in value over the aggregate exercise price of such awards, provided that if and to the extent that the approach chosen by the Committee results in an acceleration or potential acceleration of the exercisability, vesting or settlement of any award, the Committee may impose such conditions upon the exercise, vesting and/or settlement of the award as it shall determine.

In the case of options, if the Compensation Committee exercises its discretion to provide for the purchase of awards held by NEOS, these values are derived by multiplying: (a) the difference between C$4.89 (the closing price of Common Shares on the TSX on December 31, 2024, the last trading day of the year) and the applicable option exercise price; and (b) the number of options vested as a result of the change of control.

In the case of PSUs, if the Compensation Committee exercises its discretion to provide for the purchase of awards held by NEOS, these values are derived by multiplying: (a) the closing price of Common Shares on the TSX on December 31, 2024, the last trading day of the year; (b) the number of PSUs that would vest or be purchased for cancellation as a result of the change of control, assuming a performance payout factor of "1".

The exchange rate used to determine the US dollar equivalent for amounts in Canadian dollars in this section was US$1 = C$1.4389, being the December 31, 2024 year-end closing rate posted by the Bank of Canada.

Name	Options Amount (US$)	PSU Amount (US$)
P. Grenville Schoch	0	157,749
Chris Bitsakakis	0	149,482
Frank Ientile	0	63,398
Chris Figel	0	44,781
Ed Kiell	0	47,794

Termination Benefits

The Company does not have any written agreements with NEOs that provide benefits on termination of their employment in addition to that payable under statutory or common law, except as set out in this paragraph. Under an employment agreement with Mr. Schoch, if he is terminated without cause he is entitled to notice of termination equal to twelve months or compensation in lieu thereof. If Mr. Schoch had been terminated on December 31, 2024, he would have been entitled to receive twelve months of notice or compensation of approximately C$835,536 in lieu thereof. Under an employment agreement with Mr. Bitsakakis, if he is terminated without cause he is entitled to notice of termination equal to the greater of (a) twelve months or (b) one month per completed year of service, or compensation in lieu thereof, to a maximum of 24 months. If Mr. Bitsakakis had been terminated on December 31, 2024, he would have been entitled to receive twelve months of notice or compensation of approximately C$835,536 in lieu thereof. Under an employment agreement with Mr. Ientile, if he is terminated without cause he is entitled to notice of termination equal to 12 months or compensation in lieu thereof. If Mr. Ientile had been terminated on December 31, 2024, he would have been entitled to receive twelve months of notice or compensation of approximately C$452,625 in lieu thereof. Under an employment agreement with Mr. Figel, if he is terminated without cause he is entitled to notice of termination equal to the greater of (a) three months or (b) one month per completed year of service, or compensation in lieu thereof, to a maximum of 12 months. If Mr. Figel had been terminated on December 31, 2024, he would have been entitled to receive five months of notice or compensation of approximately C$185,165 in lieu thereof. Under an employment agreement with Mr. Kiell, if he is terminated without cause he is entitled to notice of termination equal to 12 weeks of severance. If Mr. Kiell had been terminated on December 31, 2024, he would have been entitled to receive twelve weeks of notice or compensation of approximately US$57,600 in lieu thereof.

Directors' and Officers' Liability Insurance

In 2024 the Company maintained directors' and officers' liability insurance coverage against liability incurred by the directors or officers in their capacity as directors or officers of the Company or any subsidiary. The total amount of insurance coverage is C$30 million and, subject to the deductible portions referred to below, up to the full-face amount of the policies is payable, regardless of the number of directors and officers involved. The annual premium paid by the Company for the policy year to December 31, 2024 was C$416,150. The policies provide a coverage limit of C$30 million per occurrence and in the aggregate.

Our directors and officers are covered to the extent of the face amount of the policies. However, in no event will the policies pay out, in the aggregate, more than C$30 million during their annual term. The policies provide for deductibles as follows: (i) with respect to our directors and officers, there is no deductible applicable; and (ii) with respect to reimbursement of the Company, there is a deductible of C$250,000 per occurrence.

COMPENSATION OF DIRECTORS

During the 2024 fiscal year, each independent director received a quarterly cash retainer of C$10,000 and a quarterly grant of deferred stock units ("**DSUs**") under the Omnibus Plan having a fair market value of C$6,250 (the DSUs represent participation by non-executive directors in the Company's equity plan). In addition, annual cash retainer fees were paid to the Lead Director (C$30,000), Audit Committee Chair (C$10,000) and the chair of each other committee of the Board (C$5,000). Directors also receive C$1,500 per Board or Committee meeting they attend, provided that where more than one meeting is attended on the same day, such C$1,500 fee is applied for the full day of meetings. Directors have the ability to elect to receive some or all of their cash retainers and meeting fees in additional DSUs having a fair market value equal to the amount of the fees that would otherwise have been paid in cash.

All DSUs vest three months following the relevant grant date. Each vested DSU represents the right to receive on one of the following on redemption, at the sole discretion of the Company: (a) one Common Share; (b) a cash payment equal to the fair market value of one Common Share as of the redemption date; or (c) a combination of both cash and a portion of Common Share having an aggregate fair market value equal to one Common Share on the redemption date (provided that no fractional Common Shares will be issued). The redemption of a DSU occurs only following the termination of a holder's service as Director and will occur on either: (a) a date selected by the Director following the termination of their services as a director (which can be no earlier than 10 days, and no later than one year, after the service termination date); or (b) a date selected by the Company following the death of the recipient while still serving as director (which can be no later than 90 days following the death of the recipient).

For the purposes of DSU awards, the "fair market value" of a DSU on its grant date or of a Common Share on the redemption date, as applicable, is equal to the volume-weighted average trading price of a Common Share on the TSX for the 5 trading days preceding the relevant grant date or redemption date.

Director compensation table

The table below summarizes the compensation paid to the directors of the Board relating to the 2023 fiscal year, other than the CEO, Mr. Schoch. Mr. Schoch receives no additional consideration in connection with his role as a director, and his compensation in his capacity as CEO is described under "Executive Compensation Summary" above.

Director	Fees earned[1] (US$)	Share-based awards (US$)[2]	Option-based awards (US$)	All other compensation (US$)	Total (US$)
Mary Matthews[3]	34,494	13,688	-	-	48,182
Robert L. McLeish	29,201	30,661	-	-	59,863
Alan J. Watson	28,106	28,106	-	-	56,213
Anita Antenucci	-	55,118	-	-	55,118
David Camilleri	-	56,943	-	-	56,943
Stephen Ryan	-	77,019	-	-	77,019
Jo-Anne O'Connor[4]	8,122	8,122	-	-	16,243

Notes:

(1) All amounts received by directors as fees were paid out in Canadian dollars. Amounts in the table have been converted using the same exchange rate as in the Executive Summary Compensation table above.

(2) Amounts under share-based awards represent the sum of the products of (a) each DSU awarded to the relevant Director in 2024 and (b) the volume average weighted price of a Common Share on the TSX for the 5 days preceding the grant date of such DSU. This amount is then converted using the same exchange rate as in the Summary Compensation tables above.

(3) Ms. Matthews retired from the Board on September 13, 2024.

(4) Ms. O'Connor joined the Board on September 13, 2024.

Outstanding share-based and options-based awards

The following tables document all share-based outstanding as at December 31, 2024 for all directors other than Mr. Schoch (no directors other than Mr. Schoch currently hold any options). All share-based awards in the tables below consist of DSUs granted to Directors in the manner described above, and the dollar values set out below represent the number of relevant DSUs multiplied by the closing price of the Common Shares on December 31, 2024 converted at a rate of US$1 = C$1.3698, being the average of the monthly average exchange rates posted by the Bank of Canada for 2024.

Name	Share-based awards		
	Number of shares or units of shares that have not vested	**Market or payout value of share-based awards that have not vested (US$)**	**Market or payout value of vested share-based awards not paid out or distributed (US$)**
Mary Matthews[1]	-	-	**65,641.70**
Robert L. McLeish	-	-	**111,460.16**
Alan J. Watson	-	-	**85,754.20**
Anita Antenucci	-	-	**114,597.61**
David Camilleri	-	-	**107,746.96**
Stephen Ryan	-	-	**121,131.19**
Jo-Anne O'Connor[2]	-	-	**-**

Notes:

(1) Ms. Matthews retired from the Board on September 13, 2024.
(2) Ms. O'Connor joined the Board on September 13, 2024.

Incentive plan awards – value vested during the year

The following tables set forth: (a) the dollar value that would have been realized if "in-the-money" options that vested in the year had been exercised by directors; and (b) the dollar value of DSUs granted to directors that vested in 2024. Vesting of options is not dependent on performance goals.

Name	Options – Value vested during the year (US$)	DSUs – Value vested during the year[1] (US$)
Mary Matthews[2]	-	18,251
Robert L. McLeish	-	29,566
Alan J. Watson	-	27,559
Anita Antenucci	-	54,022
David Camilleri	-	54,022
Stephen Ryan	-	75,923
Jo-Anne O'Connor[3]	-	-

Notes:

(1) These amounts represent the sum of the products of (a) each DSUs vested in 2024 for the relevant Director and (b) the closing price of a Common Share on the TSX on the vesting date of such DSU, converted at the rate of US$1 = C$1.3698.
(2) Ms. Matthews retired from the Board on September 13, 2024.
(3) Ms. O'Connor joined the Board on September 13, 2024.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, except as disclosed below, there was no amount of indebtedness outstanding to the Company or any of its subsidiaries in respect of all executive officers, directors and employees of the Company and any of its subsidiaries, and their respective associates, and by former executive officers, directors and employees of the Company.

In July 2023, the Company agreed to forgive CAD $591,00 of loans due from the President & Co-Chief Executive Officer by 12.5% annually. The loans bear interest at 2% and 51,178 shares of the Company having a fair value of $165,000 were pledged as collateral on these loans. At December 31, 2024, CAD $443,000 remains outstanding under the loans. All loans are due upon the earlier of the disposition date of all or proportionate to any part of the pledged securities, termination of employment, and maturity. All share purchase loans are full recourse and interest is due and payable semi-annually.

PART IV – CORPORATE GOVERNANCE

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

The Company, its Board and its management are committed to the highest standards of corporate governance, transparency and integrity. Effective corporate governance is a priority for the Board and is essential to the proper conduct of the affairs of the Company. The Nominating and Corporate Governance Committee of the Board continually monitors regulatory developments affecting corporate governance and the transparency of a public company.

The Board believes that the Company's governance system is effective, and that there are in place appropriate structures and procedures to ensure the Board's independence from management and to ensure that actual or potential conflicts of interest between the Company and members of the Board are dealt with appropriately.

Set out below is a description of the Company's approach to corporate governance, in compliance with the requirements prescribed by *National Instrument 58-101 – Disclosure of Corporate Governance Practices*.

Board of Directors

Leadership and Independence

The Board maintains the exercise of independent supervision over management by ensuring that a majority of its directors are independent. Under *National Instrument 52-110 – Audit Committees* ("**NI 52-110**") a director is independent if he or she does not have a direct or indirect relationship with the Company, which could, in the view of the Board, be reasonably expected to interfere with the exercise of his or her independent judgment. In determining whether a director is independent the Board also considers whether the director has a relationship, which could, or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Board currently consists of seven individuals, of which six (being Messrs. McLeish, Watson, Camilleri and Ryan and Ms. Antenucci and Ms. O'Connor) are considered independent within the meaning of NI 52-110 and have no other relationships that could reasonably interfere with the exercise of their independent judgment in discharging their duties. Independent directors of the Company do not receive remuneration from the Company other than directors' retainers and fees, which can be received in a combination of cash and DSUs as set out under "Compensation of Directors" above. Mr. Schoch is not an independent director as he is part of the management of the Company in his position as Chairman and Co-CEO.

As our current Chairman performs executive functions for the Company, as its Co-CEO, he is therefore not independent under the meaning of NI 52-110. The Board has implemented structures and procedures to provide assurance that the Board can act independently of management, including the establishment of the Lead Director role (described below) and ensuring the standing Audit, Nominating and Corporate Governance and Compensation Committees of the Board are composed entirely of independent directors.

The directors believe that the Board, as presently constituted, facilitates effective decision-making and functions independently of management. The election of directors at the Meeting, as proposed, will result in a Board that remains composed of a majority of independent directors. In addition, the Board appointed Mr. McLeish as Lead Director effective March 15, 2016 and subsequently appointed Mr. Ryan as Lead Director effective May 11, 2022. The role of the Lead Director is to facilitate the functioning of the Board independently of management to ensure that independent directors have an independent contact on matters of concern to them and to ensure that the Board's agenda will enable it to successfully carry out its duties. In particular, the Lead Director will provide leadership to the Board if circumstances arise in which the Chairman may be, or may be perceived to be, in conflict and chairs those Board sessions that are attended only by independent directors.

The independent directors meet separately from the non-independent directors as they deem appropriate, and met separately from the non-independent directors on five occasions in 2024. In addition, the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee are composed entirely of these independent directors, and such committees meet without members of management four times per year, in the case of the Audit Committee, and as often as required in the case of the other Committees.

Individual directors may, in appropriate circumstances, engage an outside advisor at the expense of the Company, subject to the approval of the Board.

Director Affiliations and Attendance

Additional information relating to our directors, including a list of public companies for which they serve as Board members, as well as their attendance records for all Board and Committee meetings for the year ended December 31, 2024, can be found above under "Election of Directors".

Board Mandate and Committees

The mandate of the Board is to supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company and its shareholders. In March of 2017, the Board adopted a revised written mandate setting out their oversight responsibilities, a copy of which is attached to this circular as Appendix "A". The mandate includes responsibility for approving strategic goals and objectives, review of operations, disclosure and communications policies, oversight of financial reporting and other internal controls, corporate governance, director orientation and education, senior management compensation and oversight, and director nomination, compensation and assessment.

The Board's mandate is fulfilled directly as a whole and through the following standing committees of the Board: the Audit Committee, the Nominating and Corporate Governance Committee and the Compensation Committee. The Board may also from time to time appoint ad-hoc committees to report to the Board on specific matters as they arise.

Generally, the Board meets a minimum of five times each year. In addition, the Board meets at other times when matters requiring its approval are raised and the timing is such that it is not prudent or possible to wait for a regularly scheduled quarterly meeting.

Succession Planning

The Board is responsible for overseeing the succession planning processes of the Company with respect to senior management positions. The Company's succession planning process would include the identification and consideration of suitable short and long-term candidates to hold the applicable roles, on both an interim and permanent basis. Candidates would be considered based on various factors, including (where relevant) executive experience, market and industry expertise, geographic location, diversity (including gender), familiarity with the Company and its subsidiaries' businesses, past performance with the Company, as well as past successes in achieving particular corporate goals.

Risk Oversight

The Board has overall responsibility for monitoring risk management and does so primarily through its three standing Committees noted above.

The Board reviews and discusses reports prepared by management on the overall financial position of the Company, on each of its business segments, on its business plans, on strategic business issues and on operating risks. The Board, through the Audit Committee, reviews internal controls and management information systems issues. The Board responds to and, if it considers appropriate, approves, with such revisions as it may require, corporate objectives and recommended courses of action, which have been brought forward by the CEO and management. In addition to those matters which must be approved by the Board by law, significant business activities, actions and communications proposed to be taken or submitted by the Company are subject to Board approval.

Annual capital and operating budgets and significant changes thereto, long range plans, the annual information circular, major changes in the organizational structure of the Company, annual financial statements, major acquisition and disposition transactions, major financing and banking transactions, long term contracts with significant cumulative financial commitments, appointment of officers, benefit plans, stock options plans, issuance of equity-based compensation to senior executives (including stock options and stock appreciation rights, restricted stock units, performance stock units and other forms of awards) and succession plans are all subject to Board approval.

The Board has initiated processes to ensure that it is informed of material business issues and risks and to ensure that appropriate safeguards are maintained. Proper practices are in place to manage the risk of operating in foreign jurisdictions.

Position Descriptions

The Board has adopted written position descriptions for the Chairman of the Board, the Chair of each Board Committee, the Lead Director and the CEO. The Board is of the view that the respective corporate governance roles of the Board and of management, as represented by these positions, and their respective responsibilities and limits of authority are clear and well understood.

In addition, as part of its involvement in strategic planning and performance assessment, the Board meets to review and discuss strategic and business plans through which the objectives of senior management are established. The objectives and responsibilities of the CEO are established by the Board during the planning process and informally during regular Board meetings.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") which provides a framework for directors, officers and employees to maintain the highest standards of ethical conduct in corporate affairs. This Code was updated in 2023 and distributed across the organization. Specifically, the purpose of the Code is to encourage among the Company's representatives a culture of honesty, accountability and fair business practice. Employees of the Company participated in an online learning module in respect of the Code in 2024.

The Board oversees compliance of the Code and has designated the Company's general counsel and Secretary as the Compliance Officer for the day-to-day implementation and administration and monitoring of the Code. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers will only be granted by the Board or a Board Committee. The Code is available on SEDAR+ at www.sedarplus.com and the Company's website at www.airboss.com. Building on the basic pillars of the Code, the Company adopted in 2016 an Anti-Corruption Policy to assist the Company in complying with anti-corruption and anti-bribery laws applicable to its operations around the world, a Human Rights Policy in 2023 to assist the Company in operating with respect to human rights across the value chain, and a modern slavery policy in 2024 with respect to the Company's commitment to support efforts to combat modern slavery and child labour within our business operations in a manner which complies with applicable laws and regulations.

The Board has also adopted a Whistleblower Policy which requires prompt reporting by employees or officers of any violation of the Code or any other complaints including violations regarding corporate reporting and disclosure, accounting and auditing control and procedures, securities laws or other matters pertaining to fraud, on a confidential and anonymous basis. The Whistleblower Policy was updated in 2023. Complaints with respect to compliance matters can be made internally to supervisors or to investigating officers appointed under the Whistleblower Policy (including the Compliance Officer under the Code) or can be made through a secure reporting process to the individual designated by the Audit Committee as the Responsible Officer for the Whistleblower Policy (currently the Chair of the Audit Committee) or through the Company's independent third party supplier, Ethicspoint/Navex Global. The Board believes that providing a procedure for employees and officers to raise concerns about ethical conduct on an anonymous and confidential basis fosters a culture of ethical conduct within the Company.

To promote the exercise of independent judgment by directors in considering transactions and agreements, any director or officer who has a material interest in the matter being considered would not be present for discussions relating to the matter and would not participate in any vote on the matter. The Company's Code also sets out the Board's expectations and requirements for officers, directors and employees with respect to avoiding or dealing conflicts of interest.

Nomination of Directors

The Nominating and Corporate Governance Committee is currently comprised of three independent directors: Stephen Ryan, Robert L. McLeish and Alan J. Watson. Because the Nominating and Corporate Governance Committee is independent and functions in accordance with a detailed mandate, the Board believes its nomination process is objective.

The primary mandate of the Nominating and Corporate Governance Committee is to oversee the Company's approach to governance issues, to recommend to the Board corporate governance practices consistent with the Company's commitment to high standards of corporate governance, to recommend to the Board, when required, candidates for election as directors and for appointment to Board Committees, and to assess the effectiveness and contribution of the Board, of Board Committees and of individual directors.

The Board has delegated to the Nominating and Corporate Governance Committee responsibility to identify and recommend qualified individuals to be recruited to the Board, as and when required. In fulfilling this responsibility, the Nominating and Corporate Governance Committee would identify currents gaps, if any, and expected future gaps. In addition to seeking candidates who have sound business acumen, along with high level of financial experience, new candidates for Board nomination, would need to possess strong leadership skills, integrity, and the time availability required of a director to fulfill Board responsibilities. Industry specific skills that would be of benefit to the Company, along with experience would be weighed, in addition to diversity, ethnicity, gender, cultural and personality fit, in order to ensure that the Board considers all avenues possible to bring forward an informal list of potential nominees.

The mandate of the Nominating and Corporate Governance Committee also includes the assessment of the competencies and skill of each existing director and to determine the appropriate size of the Board with a view to effective decision making. In addition, the Nominating and Corporate Governance Committee is tasked with assisting the Board in fulfilling its oversight responsibilities to ensure that the Company has an effective corporate governance system. The Nominating and Corporate Governance Committee is responsible for monitoring governance developments, best practices and the effectiveness of the Company's governance practices.

The Nominating and Corporate Governance Committee generally meets at least once a year and additional meetings are held as deemed necessary by the Committee Chair. The Nominating and Corporate Governance Committee has a written charter that sets out its mandate and responsibilities and authority to engage outside advisors as required. This mandate was reviewed, and amendments thereto were approved, by the Board in 2017.

Compensation

The Board has a Compensation Committee comprised of three independent directors; Robert L. McLeish (Chair), Alan J. Watson, and Stephen Ryan each of whom the Board believes has sufficient skills and experience relevant to their role on the Compensation Committee. The primary mandate of the Compensation Committee is to review and approve compensation policies and guidelines for directors, officers and employees of the Company, to approve compensation arrangements for senior executives of the Company, assess the performance of the CEO and report on executive compensation in the Company's information circulars. A detailed discussion regarding the Company's executive compensation policies and processes is found above in the section entitled "Compensation Discussion and Analysis".

Directors' compensation is reviewed annually by the Board, following review and recommendations from the Compensation Committee. As noted above under the section entitled "Director Compensation", director compensation structures were revised at the beginning of 2016 to align with current practices for public companies. The Board feels that the compensation paid to directors under the new structure is adequate and reflects the responsibilities and risks of their position. In determining the appropriate compensation, the Board takes into consideration the remuneration paid by other reporting issuers that the Board feels are similarly placed within the same industry as the Company and that would attract and retain qualified directors.

The Compensation Committee has a written mandate that sets out its mandate and responsibilities and authority to engage outside advisors as required. This mandate was reviewed, and amendments thereto were approved, by the Board in 2017.

Audit Committee

The Audit Committee is comprised of four independent directors: David Camilleri (chair), Robert L. McLeish, Alan Watson and Jo-Anne O'Connor. The Audit Committee has direct communication channels with internal personnel responsible for financial statement preparation and with the Company's external auditors. The Audit Committee monitors audit functions, management reporting on internal control and the preparation of financial statements and meets with outside auditors independent of management. The Audit Committee operates independently. The Annual Information Form of the Company for the year ended December 31, 2024 contains additional information about the Audit Committee, including the full text of the Audit Committee Charter. The Annual Information Form is available on SEDAR+ at www.sedarplus.com.

The primary mandate of the Audit Committee is to review the financial statements of the Company and public disclosure documents containing financial information and to report on such review to the Board, to be satisfied that adequate procedures are in place for the review of the Company's public disclosure documents that contain financial information, to oversee the work and review the independence of the external auditors, and to review any evaluation of the Company's internal control over financial reporting.

The Audit Committee has a written charter that sets out its mandate and responsibilities and authority to engage outside advisors as required. This charter was reviewed, and amendments thereto were approved, by the Board in 2017.

Assessment of Directors

The Nominating and Corporate Governance Committee is responsible for assessing the performance and effectiveness of the Board, Board Committees, and individual directors from time to time, with a view to ensuring that they are fulfilling their respective responsibilities and duties. A subjective evaluation is conducted at least annually to assist in assessing the overall performance of the Board and the Board Committees. The Chairman of the Committee reports the findings, including key recommendations, to the full Board for discussion.

Representation of Women and Diversity on the Company Board and in Executive Officer Positions

The Board believes that gender diversity is important to ensure that the profiles of senior management provide the necessary range of perspectives, experience and expertise required to maximize effective management. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role of women in contributing to diversity in senior management roles. The Board is committed to selecting the best person to fulfill director and senior management roles within the Company.

The Company has not adopted a written policy on the identification and nomination of female executive officers or Board members, or a target for the number of women in these roles. The Company does not believe that quotas or targets necessarily result in the selection of the best candidates for Board members and executive officers. However, the Company is mindful of the benefit of promoting diversity and the need to maximize the Company's effectiveness and the effectiveness of the Board. Accordingly, the Company considers both the level of female representation and diversity as essential considerations in the selection process for new Board members and executive officers, in addition to the expertise and experience required. The Governance Committee focusses on diversity, including gender diversity, in discussions surrounding potential nominees for the Board. As of the date of this Circular, two women are members of the Board (representing 29% of the proposed directors).

Director Tenure and Retirement

The Company does not have established term limits or a set retirement age for directors. The Board has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as directors of the Company, as it does not believe that such limits are in the best interests of the Company. Continuity of Board members has served the Company well. The Company's policy regarding director tenure and retirement is determined on a case-by-case basis depending upon various factors, including the age and experience of the director and his or her history of service on the Board. The current Board members have diverse experience and viewpoints.

Cyber Risk Oversight

The Board of Directors directly oversees issues related to cybersecurity, given the nature of risks in this area, as opposed to delegating oversight to a specific committee. The Company also has a team of experts, led by the Vice President, Information Technology, whose role is to identify and mitigate cybersecurity risks in the Company's systems. One or more members of the Board, including Mr. Stephen Ryan, an expert in cybersecurity matters, meet with management on a quarterly basis to receive a report on cybersecurity in addition to ad hoc meetings as required. The quarterly management report includes a summary of achievements, initiatives underway and upcoming plans to identify, protect, detect, respond and recover in the event of and in respect of cybersecurity risks. Management also reports to the Board any material cybersecurity incidents, if applicable, and the Board has the opportunity to discuss these with and question management. In the past three years, the Company has not experienced a data breach. In addition to the foregoing measures, the Company maintains an information security risk insurance policy and has an information security training program which is published annually for employees with updates and reminders as needed.

Director Orientation and Continuing Education

New Board members would participate in an informal orientation and education program, which would be tailored to meet the specific needs and experiences of each director, as assessed by the Board. Incoming directors would be provided with comprehensive information to familiarize them with the nature and operations of the Company's business, the role of the Board, its Committees and directors, and of the contributions that the newly elected director is expected to make. Board members are encouraged to communicate with the Company's management, auditors and consultants to remain current with industry trends, developments and changes in applicable legislation. The Board provides all directors with information pertaining to their fiduciary duties under corporate legislation and the Company's continuous disclosure obligations under securities legislation.

Directors are updated by way of quarterly presentations to the Board meetings, regarding the Company's major operating subsidiaries and operating segments. Directors also receive a comprehensive package of information prior to each Board and Committee meeting. Directors also have access to the Company's senior management and employees on an ongoing basis throughout their mandate. Directors are also provided opportunities to do site visits.

The Board also recognizes the importance of continuing education for directors. The Board encourages directors of the Company to participate in continuous improvement programs from time to time, as considered appropriate. Two of the Company's independent directors have completed courses within the Global Network of Director Institutes during the current tenure of their directorship: one with the Institute of Corporate Directors, earning the designation of ICD.D; and the other with the Australian Institute of Company Directors, earning the designation of GAICD.

Communication with Third Parties

The Company believes that it is in its best interest to have a consistent message delivered to the investment community (including shareholders, potential investors, analysts and other media) and other third parties. Accordingly, pursuant to the corporate disclosure policy of the Company, the Chairman and Co-CEO, the President and Co-CEO and the CFO together act as the unified voice of the organization. Other directors do not (unless specifically requested by the Chairman and Co-CEO or President and Co-CEO to do so) engage in communications with the investment community regarding the Company or its affairs.

PART V – OTHER INFORMATION

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, person or company who beneficially owns, controls or directs more than 10% of the voting securities of the Company or proposed nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

SUSTAINABILITY

Environment

The Company is subject to environmental regulation by federal, state, provincial, and local authorities. Manufacturing facilities in Kitchener, Ontario, Scotland Neck, North Carolina and Auburn Hills, Michigan are ISO 14001:2015 certified with the facilities in Acton Vale, Quebec and Charleston, South Carolina being ISO 9001:2015 compliant. The Company has liability insurance coverage for potential environmental risks, which the Company believes to be appropriate for the nature of its operations. Management does not anticipate being required to make significant capital expenditures to comply with applicable environmental regulations, and does not believe that there are significant financial or operational effects of environmental protection requirements on capital expenditures, earnings or our competitive position at this point in time. In addition, by commencing to follow the Sustainability Accounting Standards Board (SASB) and Task Force on Climate Related Financial Disclosures (TCFD) frameworks, the Company is striving to focus on the most important metrics to all stakeholders while also considering climate related risks and opportunities

Sustainability

The interaction between the business and the environment is monitored to manage and limit environmental impacts. At AirBoss, we strive to be responsible stewards of the environment. Environmental data is gathered and analyzed, under a standardized framework and sustainability software platform to compare past and present metrics and monitor resource management and our impact on the surrounding environment. Going forward, the Company intends to use its approach to sustainability as a tool that will aid it in understanding these aspects of the business and their environmental impacts.

AirBoss strives for compliance with all regulations regarding chemicals used in our products and aims for innovation to make materials that are sustainable and environmentally friendly for our customers to use.

The emissions at the manufacturing facilities are tracked to evaluate performance and efficiency and determine where improvements can be made. AirBoss also participates in climate disclosures, such as CDP (www.cdp.net) for corporate environmental reporting to demonstrate transparency with our stakeholders and contribute to the dataset towards a global sustainable economy.

AirBoss is committed to the protection of the environment, the health and safety of its employees and customers, the communities where we work and live, and to the fulfillment of compliance obligations. The Company has policies in place, such as a Human Rights Policy, to protect the rights and freedoms of each employee while creating a positive work environment and community. In addition, AirBoss has a Code of Conduct for Suppliers and Service Providers to help ensure responsible sourcing and ethical business practices from its supply chain. Frequent critical risk analyses allow for the assessment of risks to cater and implement preventative measures and training to decrease the total number of accidents occurring at any of our workplaces. Alongside health and safety initiatives, the Company has implemented a Diversity and Inclusion Policy to enforce its vision of equity and representation in our workforce. AirBoss supports participating in philanthropic causes important to the company's values, evidenced by the involvement of employees and executives supporting charities and the community.

Creating a fair and supportive workforce in all its locations is a high priority for the Company, along with having effective and efficient personnel to promote organizational success. AirBoss strives to work hand in hand with all stakeholders including the surrounding communities, the government, individual and institutional investors, and customers.

Governance

AirBoss understands that all processes and values put in place are for the success and longevity of the organization. Governance is a crucial component in developing a strong work environment that improves both the environmental and social aspects of a company. At AirBoss, our managerial staff are committed to making real changes within the company to ensure that we have our best foot forward as we progress into the future. Being able to create effective policies and codes that align with our company values and message, is an area that we will continue to develop and monitor to ensure sustainable growth. The overall corporate governance policies apply to all divisions and locations to provide standardization and unity across the corporation. Further governance documentation is available to review on the AirBoss website at https://airboss.com/corporate-governance/.

ADDITIONAL INFORMATION

A copy of this Circular has been sent to each director of the Company, to each shareholder of the Company entitled to receive notice of and to vote at the Meeting, and to the auditors of the Company. Additional information relating to the Company is available on SEDAR+ at www.sedarplus.com. Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for the year ended December 31, 2024. Copies of the Company's financial statements and Management Discussion and Analysis may be obtained through www.sedarplus.com or upon written request to the Secretary of the Company at 16441 Yonge Street, Newmarket, Ontario, L3X 2G8 or the Company's website at www.airboss.com.

GENERAL

The contents of this Circular and the sending of this Circular to the shareholders of the Company has been approved by the Board of Directors of the Company.

DATED the 11th day of April, 2025

(signed) Peter Grenville Schoch
Chairman and Co-CEO

APPENDIX "A"

AIRBOSS OF AMERICA CORP.

MANDATE OF THE BOARD OF DIRECTORS

1. Responsibilities of the Board and Each Director

Board responsibility

The Board of Directors (the "Board") of AirBoss of America Corp. (the "Corporation") is responsible for the stewardship of the Corporation. In connection with this responsibility, the Board will:

(a) in consultation with the chief executive officer of the Corporation (the "CEO"), define the principal objective(s) of the Corporation;

(b) supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objective(s) as defined by the Board;

(c) discharge the duties imposed on the Board by applicable laws; and

(d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Director obligations

In exercising his or her powers and discharging his or her responsibilities to the Corporation, each director shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall act honestly and in good faith with a view to the best interests of the Corporation. In addition, each director shall:

(a) review and participate in the word of the Board necessary in order for the Board to discharge its duties and responsibilities as set out herein;

(b) participate in any orientation and continuing orientation programs developed by the Corporation for directors;

(c) participate in any processes as may be established by the Board for assessing the Board, directors and any committee of the Board from time to time; and

(d) in connection with each meeting of the Board and of each committee of the Board of which such director is a member:

    (i) respond promptly to management requests in respect of availability for proposed meetings;

    (ii) review thoroughly the material provided to the director by management in connection with the meeting; and

    (iii) attend each meeting in person to the extent practicable (unless the meeting is scheduled to be held by phone of video-conference).

Delegation

Unless otherwise stated herein or under the Corporation's by-laws, the *Business Corporations Act* (Ontario) or other applicable laws and regulations, the Board may delegate its duties and responsibilities to any committee of the Board and to senior management. However, such delegation does not relieve the Board of its overall responsibilities and it retains its oversight over such delegated matters.

The Board may establish such committees as the Board may consider appropriate and shall establish and regularly review written terms of reference for each such committee. The duties and responsibilities delegated to any committee shall be those set out in the applicable terms of reference.

The Board has delegated responsibility for the day-to-day operations of the Corporation to the CEO, which delegation shall be guided by the limitations set out in this Mandate, the strategic, operating, capital and financial plans approved by the Board from time to time and any other express limitation put in place by the Board from time to time.

2. Organization and Operation of the Board

Composition

(a) The Board will be composed of a minimum of three and a maximum of 10 members, a majority of whom must qualify as "independent directors" under the rules of the applicable stock exchange(s) and corporate and securities laws, as determined by the Board.

(b) The Chair of the Board will be an independent director. If this is not desirable in the circumstances an independent lead director shall be appointed.

Meetings

(a) The Board shall meet at least once each fiscal quarter, and shall also meet at least once annually to review the Corporation's strategic plan and approve proposed annual operating and capital budgets.

(b) The quorum at any meeting of the Board shall be a majority of directors in office.

(c) The Chair of the Board and the Corporate Secretary shall develop the agenda for each meeting of the Board in consultation with the CEO and the lead independent director, if any. The agenda and the appropriate material shall be provided to directors of the Corporation on a timely basis prior to any meeting of the Board.

(d) Independent directors will meet regularly without management present and without non-independent directors present.

(e) Minutes of each meeting will be prepared and approved.

(f) Unless otherwise requested by the Board, the CEO and, where appropriate, other executive officers of the Corporation and its consultants and advisors may be invited to attend meetings to provide additional input or insight to matters discussed at the meeting.

2. Director Share Ownership

To align directors' interests with those of shareholders of the Corporation, each director will be required to hold common shares and/or direct share units of the Corporation valued at three times his or her annual base cash retainer entitlement. Directors will have a period of five years from the date of their election to the Board to achieve the minimum shareholding requirement.

3. Specific Duties of the Board

In the course of discharging its responsibilities as described above, the Board will perform the specific duties set out below, and may direct any committee of the Board to consider any such matters and to report and make recommendations thereon. The following is not intended to be an exhaustive or comprehensive list of all actions directors must take in discharging its duties, nor is it intended to limit the Board's overall stewardship responsibility or its responsibility to supervise the management of the Corporation's business and affairs.

Specifically, the Board will:

Strategic Direction, Operating, Capital and Financial Plans

(a) Require the CEO to present annually to the Board the Corporation's strategic initiatives and business plan, which must:

  (i) be designed to achieve the Corporation's principal objectives;

  (ii) identify the principal strategic factors and operational opportunities and risks of the Corporation's business; and

  (iii) be approved by the Board as a pre-condition to the implementation of such plan.

(b) Approve the annual operating and capital budgets with the Corporation's business plan and any material changes thereto.

(c) Monitor the execution of the strategic initiatives and achievement of business plans by management and approve any significant or material change to such plans made necessary in light of changing circumstances.

(d) Generally provide strategic advice and guidance to management and assess the effectiveness of strategic initiatives and business plans.

(e) Identify and periodically review the principal risks of the Corporation's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks.

(f) Subject to delegation by the Board to management and committees of the Board, review and approval all material transactions and investments.

(g) Approve issuances of additional common shares or other securities of the Corporation.

Management

(a) Select and appoint the CEO and determine the terms of the CEO's employment and, in consultation with the CEO, develop a clear written position description for the CEO.

(b) Review and establish corporate and individual goals and objectives relevant to the compensation of the CEO and evaluate the performance of the CEO in light of such goals and objectives.

(c) In consultation with the CEO, appoint all officers of the Corporation and approve terms of employment of each officer of the Corporation and each employee holding the title of President or Divisional President (or equivalent) at the Corporation or at one of its subsidiaries or divisions (collectively "senior executives").

(d) Approve compensation levels (including incentive plan awards) for the CEO and each senior executive.

(e) Approve all equity-based plans for the Corporation.

(f) Satisfy itself, the extent possible, as to the integrity of the CEO and other senior executives and that senior management has fostered a culture of integrity throughout the organization.

(g) Be responsible for the Corporation's succession planning, by monitoring the succession plan process for the Corporation (including the processes for appointment, training and evaluation of the CEO and executive officers).

(h) Approve any proposed significant change in the management organization structure of the Corporation.

(i) Approve any proposed retirement plans available to management of the Corporation.

(j) In consultation with the CEO, establish a communications policy for the Corporation and establish processes pursuant to which the Board can receive feedback from shareholders of the Corporation.

Risk Oversight and Management and Financial Controls

(a) Ensure that the Corporation maintains appropriate systems to manage the principal risks of the Corporation's business and periodically review and assess the Corporation's risk management programs.

(b) Review and assess the quality and adequacy of risk-related information provided to the Board by management (directly or through its committees), to ensure the Board is made aware of material risks on a timely basis and to ensure the Board has sufficient information to evaluate such risks, their impact on the Corporation and management's proposed management of such risks.

(c) Require that the CEO institute, and maintain the integrity of, internal control, disclosure control and management and information systems and periodically review and assess the effectiveness of such controls and systems.

(d) In consultation with the CEO, establish at least annually the limits of management's authority and responsibility in conducting the Corporation's business as proposed in the annual operating and capital plans and on an individual transaction basis.

(e) Review and approve material contracts not in the ordinary course of business to be entered into by the Corporation and material contracts related to (re)financing, equity, acquisitions, and divestitures.

(f) Ensure that the financial performance of the Corporation is properly reported to shareholders, other security holders and regulators on a timely and regular basis. Take all necessary actions to ensure that all financial results made public by the Corporation (including the Corporation's annual and quarterly financial statements) are reported fairly and in accordance with generally accepted accounting principles and applicable legal disclosure requirements.

(g) In consultation with the CEO, establish the ethical standards to be observed by all officers and employees of the Corporation and monitor compliance with those standards, including by adopting and reviewing, on a regular basis, the Corporation's Code of Business Conduct and Ethics applicable to the Corporation's directors, officers and employees.

(h) Monitor compliance with all applicable laws and all significant corporate policies of the Corporation.

Governance

(a) Develop the Corporation's approach to corporate governance and approve the Corporation's public disclosure regarding its corporate governance principles and guidelines.

(b) Facilitate the continuity, effectiveness and independence of the Board by, amongst other things:

(i) selecting nominees for election to the Board;

(ii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;

(iii) ensuring that processes are in place and are utilized to assess the size of the Board, the independence of directors, the effectiveness of the Chairman of the Board, the Board as a whole, each committee of the Board and each director; and

(iv) providing for an orientation and education to new members to the Board and continuing education opportunities to all directors as deemed necessary.

(c) Review annually the adequacy and form of the compensation of directors and approve all changes thereto.

(d) Ensuring that processes are in place for the assessment, on at least an annual basis, of the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors.