

Constellation Software Inc.
Notice of Special Meeting of Shareholders To Be Held On August 5, 2020

Notice is hereby given that a special meeting (the "Meeting") of the holders of common shares ("Common Shares") of Constellation Software Inc. ("CSI" or the "Corporation") will be held at 10:00 a.m. (Eastern Time) at the head office of CSI located at 20 Adelaide Street East, Suite 1200, Toronto, Ontario for the following purposes: (a) to elect John Billowits, Donna Parr, Andrew Pastor and Barry Symons as directors, and to ratify their appointment as directors effective June 2, 2020; and (b) to transact such other business as may properly come before the meeting or any adjournment thereof.

Accompanying this Notice is a copy of a Management Information Circular and a form of proxy. A holder of Common Shares of record at the close of business on July 2, 2020 will be entitled to vote at the Meeting.

The Meeting is for the sole purpose of the business described herein. There will be no management presentation following the formal portion of the Meeting, and no Q&A session. Members of the CSI management group will not be in attendance at the Meeting.

In light of COVID-19, we strongly encourage all shareholders to vote in advance of the Meeting, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person. Instructions for voting in advance of the Meeting are included below. To mitigate the risks related to COVID-19, shareholders who are eligible to vote at the Meeting, and who would prefer to vote in person, are asked to book a timeslot for appearing in person to vote between the hours of 10:00 a.m. – 4:00 p.m. (Eastern Time) on the date of the Meeting through the following link: <http://www.123formbuilder.com/form-5521202/form>.

Shareholders wishing to call into the Meeting can do so at 10:00 a.m. (Eastern Time) on the date of the Meeting through the following: Dial In: +1 (647) 494-4053, Meeting ID: 148 910 4926, Password: 20200805.

A registered shareholder may submit his or her proxy by mail, by facsimile, by telephone or over the Internet in accordance with the instructions below. A non-registered shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary.

Voting by Mail. A registered shareholder may submit his or her proxy by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile. A registered shareholder may submit his or her proxy by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. at (416) 263-9524 or toll free (within North America) at (866) 249-7775.

Voting by Telephone. A registered shareholder may vote by telephone by calling toll free 1-866-732-VOTE (8683) or from outside of North America by calling (312) 588-4290 and following the instructions provided. Shareholders will require a control number (located on the front of the proxy) to identify themselves to the system.

Voting by Internet. A registered shareholder may vote over the Internet by going to www.investorvote.com and following the instructions. Such shareholder will require the 15 digit control number (located on the front of the proxy) to identify themselves to the system.

To be effective, a proxy must be received by Computershare Investor Services Inc. no later than 10:00 a.m. (Eastern Time) on July 31, 2020 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting or delivered to the Chairman on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof.

DATED June 29, 2020

By Order of the Board



Mark Leonard
Chairman and President

CONSTELLATION SOFTWARE INC.

MANAGEMENT INFORMATION CIRCULAR FOR THE SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 5, 2020

SOLICITATION OF PROXIES

This management information circular (the “Circular”) dated as of June 29, 2020 and accompanying form of proxy are furnished in connection with the solicitation, by management of Constellation Software Inc. (the “Corporation”), of proxies to be used at the special meeting of shareholders of the Corporation (the “Meeting”) referred to in the accompanying Notice of the Special Meeting of Shareholders (the “Notice”) to be held on August 5, 2020, at the time and place and for the purposes set forth in the Notice. The solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by directors and/or officers of the Corporation, or by the Corporation’s transfer agent, Computershare Investor Services Inc. (“Computershare”), at nominal cost. The cost of solicitation by management will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (“Common Shares”). The cost of any such solicitation will be borne by the Corporation.

The Meeting is for the sole purpose of the business described herein. There will be no management presentation following the formal portion of the Meeting, and no Q&A session. Members of the CSI management group will not be in attendance at the Meeting.

In light of COVID-19, we strongly encourage all shareholders to vote in advance of the Meeting, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person. Instructions for voting in advance of the Meeting are included below. To mitigate the risks related to COVID-19, shareholders who are eligible to vote at the Meeting, and who would prefer to vote in person, are asked to book a timeslot for appearing in person to vote between the hours of 10:00 a.m. – 4:00 p.m. (Eastern Time) on the date of the Meeting through the following link: <http://www.123formbuilder.com/form-5521202/form>.

Shareholders wishing to call into the Meeting after voting has been completed can do so at 10:00 a.m. (Eastern Time) on the date of the Meeting through the following:

Dial In: +1 (647) 494-4053
Meeting ID: 148 910 4926
Password: 20200805

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **Each shareholder has the right to appoint a person, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof.** Such right may be exercised by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. A registered shareholder may submit his or her proxy by mail, by facsimile, by telephone or over the Internet in accordance with the instructions below.

A non-registered shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary (as defined below).

Voting by Mail. A registered shareholder may submit his or her proxy by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

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To be effective, a proxy must be received by Computershare no later than 10:00 a.m. (Eastern Time) on July 31, 2020 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting or delivered to the Chairman on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (1) by delivering another properly executed form of proxy bearing a later date and depositing it as described above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder: (a) with Computershare at any time up to and including 10:00 a.m.(Eastern Time) on the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (b) with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof; or (3) in any other manner permitted by law.

Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (A) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- (B) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Circular and the accompanying Notice, form of proxy, and supplemental mailing card (collectively, the “Meeting Materials”)

to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders of Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on the type of form they receive:

- 1) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, facsimile, telephone or over the Internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or
- 2) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to Computershare as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Holder must strike out the persons named in the proxy and insert the Non-Registered Holder (or such other person's) name in the blank space provided.

In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

Exercise of Discretion by Proxies

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the shares will be voted or withheld from voting in accordance with the specifications so made. **Where shareholders have properly**

executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice. The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

INTERPRETATION

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars. All references to “\$” are to U.S. dollars and all references to “C\$” are to Canadian dollars. The information contained herein is provided as of June 29, 2020, unless indicated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed July 2, 2020 as the record date (the “Record Date”) for the persons entitled to receive notice of the Meeting. The Corporation shall prepare a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each holder on such date. Each holder of Common Shares is entitled to be present at the Meeting and to one vote for each Common Share registered in the name of such holder in respect of each matter to be voted upon at the Meeting. As at June 29, 2020, there were 21,191,530 Common Shares outstanding.

A quorum for the transaction of business at the Meeting is the presence of two shareholders of the Corporation holding Common Shares, present in person or by telephonic or electronic means and holding or representing by proxy not less than 15% of the votes entitled to be cast at the Meeting.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns, or exercises control or direction over, directly or indirectly more than 10% of the outstanding Common Shares.

COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of the Corporation’s Executive Compensation Program

The primary objective of the Corporation's executive compensation program is to attract and retain highly skilled executives required for the success of the Corporation and to reward and retain executives who create long-term value for our shareholders. The Compensation, Nominating and Human Resources (“CNHR”) Committee is responsible for making recommendations to the Board of Directors of the Corporation (the “Board” or the “Board of Directors”) with respect to the establishment of a compensation plan for the Corporation's executive officers, including the Named Executive Officers (as defined below).

The Corporation’s executive compensation program consists of base salary and annual incentive compensation. The annual incentive compensation is paid by way of a cash bonus, although a portion of the bonus is usually required to be used to purchase Common Shares.

Total compensation for each executive officer is designed to be competitive. The CNHR Committee periodically reviews and compares both base salary and total compensation against compensation data of Canadian, U.S. and European public companies with annual revenues, types of business and market capitalizations similar to ours (“peer group”) for reasonableness. The peer group consists of 100+ U.S., Canadian, and European software companies. The CNHR Committee uses this information to assist in establishing base salary and total compensation for all executive officers, including the Named Executive Officers (“NEO”).

Base salary

Providing a market competitive base salary is necessary to attract new talent as required, and it assists in retaining skilled executive talent. Base salaries for the Operating Group executive officers and other Named Executive Officers are set by the CNHR Committee taking into account the executive’s responsibilities, skills, and in the case of the Operating Group executive officers, the size of the Operating Group in which they are employed. All executive salaries are reviewed annually by the CNHR Committee on the basis of the above criteria and adjusted accordingly.

Annual incentive bonus

The objective of our annual incentive bonus is to reward employees for working towards our goal of increasing shareholder value. We believe that shareholder value is created by managing two financial components over the long term: profitability and growth. As such, our corporate bonus plan, which compensates employees at all levels of our organization, is based upon return on invested capital (“ROIC”) and net revenue growth (ROIC is calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period.). “Average Invested Equity Capital” represents the average equity capital of Constellation, and is based on the Corporation’s estimate of the amount of money that our common shareholders have invested in Constellation. Subsequent to that estimate, the Corporation keeps a running tally and adds net income for bonus purposes, subtracting any dividends, adding any amounts related to share issuances and makes some minor adjustments, including adjustments relating to our use of certain incentive programs and the impairment of intangible assets. Neither net income for bonus purposes nor Average Invested Equity Capital are measures defined by International Financial Reporting Standards. Net income for bonus purposes is calculated by making a number of adjustments to net income per the annual consolidated financial statements. The principal adjustments to net income include adjustment for the impact of deferred income taxes, unrealized foreign exchange gains/losses, bargain purchase gains, reductions due to ownership interests in subsidiaries and amortization of intangibles.

An individual’s annual incentive bonus is calculated as follows:

Base salary x Company performance factor x Individual factor

Individual factors for the Operating Group executive officers and other Named Executive Officers are set by the CNHR Committee taking into account the executive’s responsibilities, skills, and in the case of the Operating Group executive officers, the size of the Operating Group in which they are employed.

The company performance factor for Operating Group executive officers is based upon the performance of their respective Operating Group. The President, CFO, and other head office employees’ company performance factor is based upon the performance of the Corporation as a whole.

The company performance factor is determined by reference to net revenue growth and ROIC. ROIC is calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period. A ‘risk free’ rate of return established by the board (currently 5%) is netted from the

ROIC. If the ROIC does not exceed the risk-free rate of return, then the manager of the business receives no bonus. The Corporation measures growth by looking at the year-over-year increase in net revenues for the particular Operating Group. Net Revenue is not a measure defined by International Financial Reporting Standards. It is calculated based on revenue as reported in the Corporation's consolidated financial statements prepared in accordance with International Financial Reporting Standards less any third party and flow-through expenses.

The Corporation's Average Invested Equity Capital during the year ended December 31, 2019 that was used to calculate bonuses was approximately \$2,260 million. The net income for bonus calculation purposes was approximately \$643 million. Net revenues for bonus calculation purposes in fiscal 2019 and 2018 was approximately \$2,931 million and \$2,552 million, respectively. Measured in this fashion, the Corporation's ROIC (calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period) in 2019 was approximately 28% and the Corporation's net revenue growth was approximately 15%.

In considering the implications of the risks associated with the Corporation's annual incentive bonus structure, the CNHR Committee was satisfied that the counterbalance between ROIC (calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period) and net revenue growth and the requirement to invest 75% of their after-tax incentive bonus into Common Shares mitigates the risk that a Named Executive Officer would take inappropriate or excessive risks in respect of the Corporation's operations.

Although the Board may, at its discretion, increase or decrease the amount of annual incentive bonus awarded to a Named Executive Officer in a given year, it did not exercise such discretion in respect of the most recently completed fiscal year.

Investment of annual incentive bonus in Constellation shares

Executive officers are required to invest 75% of their after-tax incentive bonus into Common Shares. The shares are held in escrow for a minimum average period of four years. Once in every five-year period, executive officers may choose to receive their bonus entirely in cash. As of the date hereof, the Company does not have a formal policy that restricts the purchase by its Named Executive Officers, directors or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer, director or employee.

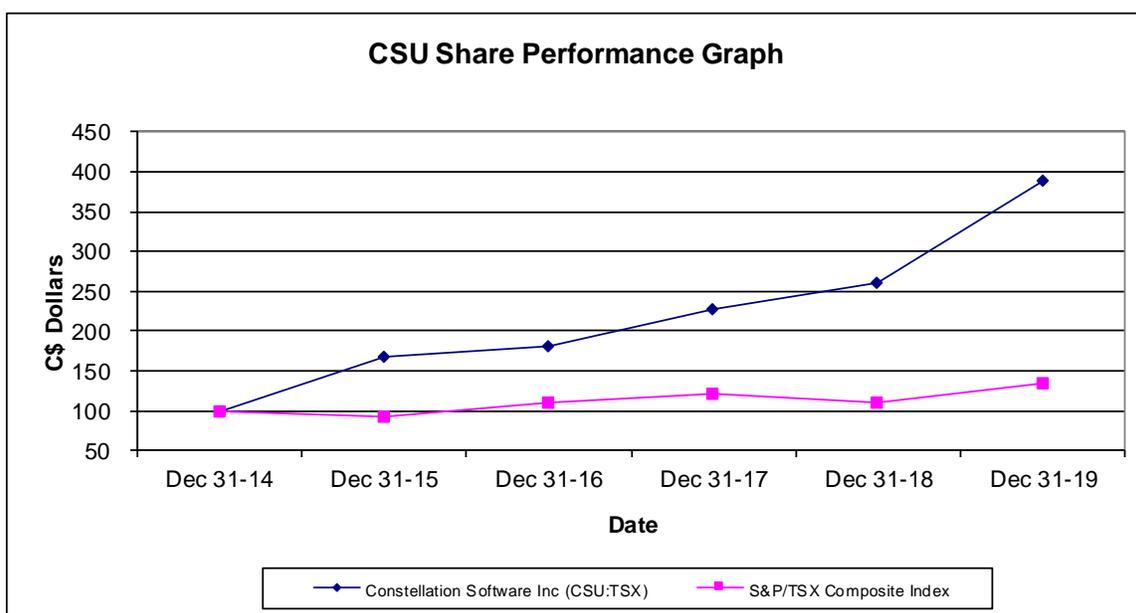
Mark Leonard's compensation

Mr. Leonard's compensation for acting as President of the Corporation during fiscal 2019 was determined by the CNHR Committee. The President's performance is reviewed on an annual basis, and changes to his base salary and/or the basis used for calculating incentive compensation in the coming year are made at that time. Mr. Leonard's and head office employees' incentive bonus entitlement is calculated in the same manner as the other executive officers as described above. In 2017, 2018 and 2019, Mr. Leonard voluntarily waived his entitlement to receive a salary and a bonus. Additional information regarding Mr. Leonard's compensation was included in a Letter to Shareholders filed on SEDAR on April 6, 2015.

Share Performance Graph

The following graph compares the total cumulative shareholder return over the five most recently completed financial years for C\$100 invested in Common Shares on such date with the total cumulative return of the S&P/TSX Composite Index on an annual basis.

	Dec 31/14	Dec 31/15	Dec 31/16	Dec 31/17	Dec 31/18	Dec 31/19
Constellation Software Inc. (CSU: TSX)	100	169	180	227	261	388
S&P/TSX Composite Index	100	92	111	121	110	136



The Corporation's total shareholder return increased by 288% since December 31, 2014, while the S&P/TSX composite index increased by 36% over the same period. Named Executive Officer compensation from 2014 to 2019, decreased by 18%, compared to the 288% increase in cumulative shareholder return over the same period. The decline in executive compensation is primarily the result of Mark Leonard voluntarily waiving his salary and bonus in 2019. Excluding the impact of this factor, Named Executive Officer compensation increased by 8% from 2014 to 2019. The bonuses of the Named Executive Officers, except for the President and Chief Financial Officer of the Corporation, are tied to the returns on invested capital of the Operating Group for which they are directly responsible, rather than the returns on the capital of the Corporation as a whole.

Summary Compensation Table

The following table provides a summary of the compensation earned during 2017, 2018 and 2019 by the President, the Chief Financial Officer and the Corporation's other three most highly compensated officers based on total compensation for the fiscal year ended December 31, 2019 (collectively, the "Named Executive Officers").

Name and Principal Position	Fiscal Year	Annual Compensation ⁽¹⁾							
		Annual Incentive Plan Compensation (\$) ⁽²⁾					Total Bonus (\$)	Other Annual Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Portion of Bonus Withheld at Source for Tax Purposes (\$)	Portion of Bonus Paid in Cash (\$)	Portion of Bonus to be Used to Purchase Common Shares (\$)	Total Bonus (\$)			
Mark Leonard President	2019	-(3)	-	-	-	-(3)	NIL	-	
	2018	-(3)	-	-	-	-(3)	NIL	-	
	2017	-(3)	-	-	-	-(3)	NIL	-	
Jamal Baksh Chief Financial Officer	2019	222,075	233,869	58,053	207,460	499,382	NIL	721,457	
	2018	222,894	250,124	62,089	221,873	534,086	NIL	756,980	
	2017	211,832	258,553	197,676	58,553	514,782	NIL	726,614	
Jeff Bender Chief Executive Officer, Harris Operating Group	2019	409,947	447,130	122,311	483,371	1,052,812	NIL	1,462,759	
	2018	396,544	754,588	655,858	-	1,410,446	NIL	1,806,990	
	2017	354,337	413,126	113,101	446,688	972,915	NIL	1,327,252	
Robin Van Poelje President, Chief Executive Officer, Total Specific Solutions	2019	367,137	609,165	155,367	466,103	1,230,635	NIL	1,597,772	
	2018	370,493	696,139	121,891	527,169	1,345,199	NIL	1,715,692	
	2017	316,337	586,251	135,559	406,679	1,128,489	NIL	1,444,826	
John Billowits Chief Executive Officer, Vela Operating Group	2019	369,254	772,083	211,201	834,660	1,817,944	NIL	2,187,198	
	2018	344,276	1,213,393	1,054,632	-	2,268,025	NIL	2,612,301	
	2017	278,848	574,473	157,240	620,882	1,352,595	NIL	1,631,443	

Notes:

- (1) The compensation data presented for Robin Van Poelje was paid in euros and for the remaining individuals was paid in Canadian dollars. Euro salary amounts have been converted to U.S. dollars using the average annual exchange rate of \$1.1193 for 2019 (2018 - \$1.1801; 2017 - \$1.1271). 2019 euro bonus amounts have been converted to U.S. dollars using the exchange rate prevailing at December 31, 2019 of \$1.1215 (2018 - \$1.1444; 2017 - \$1.1979). Canadian dollar salary amounts have been converted to U.S. dollars using the average annual exchange rate of \$0.7536 for 2019 (2018- \$0.7715; 2017 - \$0.7703). 2019 Canadian dollar bonus amounts have been converted to U.S. dollars using the exchange rate prevailing at December 31, 2019 of \$0.7682 (2018 - \$0.7336; 2017- \$0.7966).
- (2) Annual incentive compensation is paid by way of a cash bonus, although a portion of such bonus is required to be used to purchase Common Shares on the open market. See "Compensation Discussion and Analysis" for a description of the annual incentive bonus.
- (3) Mr. Leonard voluntarily waived his entitlement to receive a salary or a bonus in 2017, 2018 and 2019.

Employment Agreements

Each of the Named Executive Officers has an employment contract which provides for, among other things, certain covenants in favour of the Corporation or, in respect of a Named Executive Officer employed by one of our subsidiaries, that subsidiary. Each employment agreement provides that the Named Executive Officer will not, during the period of his employment or for a period of at least one year thereafter, be involved in any business that develops or markets competitive software or consulting, maintenance, support or training services in any jurisdiction where we market our products or services. The Named Executive Officer will not, without the prior written approval of the board of directors of his employer, employ any employee or consultant of CSI, in the case of the President and Chief Financial Officer, and,

in the case of the other Named Executive Officers, of the applicable operating group each is responsible for, in each case for a period of at least 12 months after the termination of his employment. Each Named Executive Officer will not, during his employment or for a period of at least 12 months thereafter, contract or solicit any clients (including persons who become clients within six months of the termination of his employment) for the purposes of the selling or supplying software products or services competitive to those offered by the Corporation, in the case of the President and the Chief Financial Officer, and, in the case of the other Named Executive Officers, those offered by the applicable Operating Group he is responsible for. If terminated for other than just cause, Mr. Bender is entitled to either 12 months prior written notice or payment in an amount equal to 12 months' salary at the rate in effect at the time of his termination. If Mr. Leonard is terminated for other than just cause, he is entitled to an amount equal to 12 months' salary, less required deductions. Mr. Baksh and Mr. Billowits are not entitled to any termination payments or prior notice pursuant to the terms of their employment contracts. Mr. van Poelje is entitled to two months' prior notice of any termination and is not entitled to any termination payments pursuant to the terms of his employment contract.

Compensation of Directors

The following table provides a summary of the compensation received by each of the independent directors during the fiscal year ended December 31, 2019. Independent directors are paid \$60,000 per annum, plus \$20,000 per annum for each committee of the Board ("Committee") of which they are a member. The Vice-Chairman of the Board is paid an additional \$40,000. The fees are payable in cash; however, the after-tax portion of such fees must be used by the directors to purchase Common Shares on the open market. The Common Shares are required to be held in escrow for a minimum average period of four years. The independent directors will also be reimbursed for all out-of-pocket expenses incurred in their capacities as members of the Board. During the fiscal year ended December 31, 2019, the directors rendered no additional professional services, directly or indirectly, to the Corporation.

Name	Annual Compensation				
	Fees Earned (\$)			All Other Compensation (\$)	Total Compensation (\$)
	Fees paid in cash (\$)	Fees used to purchase common shares (\$)	Total fees earned (\$)		
Lori O'Neill	16,245	43,755	60,000	NIL	60,000
Stephen R. Scotchmer ⁽¹⁾	18,461	61,539	80,000	NIL	80,000
Meredith (Sam) Hayes	18,461	61,539	80,000	NIL	80,000
Robert Kittel	25,461	74,539	100,000	NIL	100,000
Lawrence Cunningham	27,000	63,000	90,000	NIL	90,000
Paul McFeeters	20,886	59,114	80,000	NIL	80,000
Susan Gayner	4,500	10,500	15,000	NIL	15,000

Notes:

(1) Mr. Scotchmer is also a director of Manitou Capital Corporation, a shareholder of the Corporation.

Directors' and Officers' Liability Insurance

We currently maintain directors' and officers' liability insurance coverage with a C\$10 million per occurrence limit and a C\$10 million limit in aggregate. Coverage includes errors, omissions or breach of fiduciary duty by the directors and officers during the discharge of their legal duties. The annual premium paid by the Corporation for this coverage is C\$180,500.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Our Board of Directors is responsible for developing our approach to corporate governance issues and is committed to ensuring that a healthy governance culture exists at the Corporation. The directors periodically review the size, composition and compensation of the Board of Directors, the effectiveness of the Board and its individual members, and appropriate committee structures, mandates, composition, membership and effectiveness. To the extent that a conflict of interest arises from time to time, a conflicted director is required to excuse himself or herself from the applicable portion of any meeting at which such matter is to be discussed or decided.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Corporation is required to disclose on an annual basis its approach to corporate governance. The Corporation’s approach to significant issues of corporate governance is designed to ensure that the business and affairs of the Corporation are effectively managed to enhance shareholder value. The Corporation’s corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. Where the Corporation does not comply with recommended guidelines, it believes non-compliance is justifiable and its reasoning is provided. The Board has approved the description of the Corporation’s approach to corporate governance as outlined in Schedule “A” to this Circular. Corporate governance guidelines change from time to time. The Board monitors pending regulatory initiatives and developments in the corporate governance area and will address them as appropriate.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Election of Directors

The number of directors to be elected at the Meeting is four, and shareholders are asked to ratify their appointment as directors effective June 2, 2020. The four directors to be elected and ratified will be in addition to the eleven directors who were previously elected at the annual meeting of shareholders of the Corporation held on May 8, 2020, bringing the total number of directors to fifteen. As six of the eleven directors elected at the most recent annual meeting of shareholders, and two of the directors to be elected and ratified at the Meeting – Donna Parr and Andrew Pastor – are independent, the Corporation has deemed the majority of the Board will be independent upon the election and ratification of the four new directors. The CNHR Committee and the current Board of Directors have unanimously concluded that the four new directors add significant value, insight and experience to the Board, and recommend that shareholders vote in favour of the election of each of the four nominees, and the ratification of their appointment effective June 2, 2020.

Directors of the Corporation are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

Majority Director Election Policy

In 2009, the Board of Directors adopted a majority director election policy (the “Policy”). The Policy requires that the form of proxy for the vote at a shareholder meeting where directors are to be elected will provide for separate voting for each director nominee. The Policy requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election must immediately resign from the Board following the shareholders meeting.

The Board of Directors will consider relevant circumstances surrounding a nominee’s failure to obtain a majority vote and will, in the absence of compelling circumstances, accept the resignation as soon

as appropriate, consistent with an orderly transition. The Board will disclose the decision, via press release, announcing the resignation of the director or explaining the reasons justifying the decision not to accept the resignation. It is expected any resignation will be accepted by the Board within 90 days of the meeting at which such director was found not to have the confidence of the shareholders. Subject to applicable law, if a resignation is accepted, the Board may (i) leave the vacancy unfilled until the next annual general meeting of shareholders; (ii) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of shareholders; (iii) call a special meeting of shareholders at which there will be presented a management slate to fill the vacant position or positions; or (iv) reduce the size of the Board.

Unless the shareholder directs that his or her Common Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed form of proxy will vote for the election of the four nominees whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting or any adjournment thereof, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of business of the first annual meeting of shareholders of the Corporation following his or her election unless his or her office is earlier vacated in accordance with the Corporation's by-laws, the Policy, and the *Business Corporations Act* (Ontario) ("OBCA").

The following table sets out, for each person proposed to be nominated for election as a director, the person's name, municipality of residence, position(s) with CSI, principal occupation, the year in which the person became a director, and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction, either directly or indirectly as of June 29, 2020.

Name and Place of Residence	Position(s) with CSI	Principal Occupation	Director Since	Common Shares Beneficially Held or Over Which Control is Exercised
John Billowits	Chief Executive Officer, Vela Operating Group	Chief Executive Officer, Vela Operating Group	2020*	39,457
Andrew Pastor	Director*	Partner, EdgePoint	2020*	0
Donna Parr	Director*	President, Crimson Capital	2020*	0
Barry Symons	Chief Executive Officer, Jonas Operating Group	Chief Executive Officer, Jonas Operating Group	2020*	152,831

*Assumes the ratification of their appointment effective June 2, 2020.

The following are brief profiles of the four new directors, including a description of each individual's principal occupation within the past five years.

John Billowits – Director

Mr. Billowits has been with Constellation since 2003 when he joined as the Chief Financial Officer of the Jonas Operating Group. Mr. Billowits is currently the Chief Executive Officer of the Vela Operating Group. Prior to assuming this role, he held numerous positions within Constellation, including Chief Financial Officer of Constellation and President of Jonas' Club Division. Prior to joining Constellation, Mr. Billowits held a number of roles with Bain & Company, Dell Computers and PwC. Mr. Billowits is a Chartered

Professional Accountant, holds an MBA with Distinction from the London Business School and Honours BBA with Distinction from Wilfred Laurier University.

Andrew Pastor – Director

Mr. Pastor is currently a Partner at EdgePoint. Mr. Pastor was an equity research analyst at Sionna Investment Managers from 2010 to 2012 and previously spent four years at BMO Harris Investment Management. Since 2016, Mr. Pastor has been engaged as a consultant and observer to Constellation's Board of Directors. Mr. Pastor has a BA from the University of Western Ontario and is a CFA charterholder.

Donna Parr – Director

Ms. Parr has significant experience in venture and private equity investing and corporate finance working for Canadian Medical Discoveries Fund, Ontario Municipal Employees Retirement System, Canada Pension Plan, and several other institutional investors. Ms. Parr has served on 35 boards of private companies primarily on behalf of institutional investors and several as an Independent Corporate Director, including a term as a director of Constellation from 1995 to 2003. Ms. Parr is currently the President of Crimson Capital, and a Director of the Centurion Financial Trust. Ms. Parr holds an MBA from York University and Masters and Honours degrees from the University of Toronto in International Relations.

Barry Symons – Director

Mr. Symons joined Constellation in 1997. During his tenure with Constellation, Mr. Symons has held various senior financial and operational management positions within Constellation and its subsidiaries. In August 2007 Mr. Symons was appointed to the role of Chief Executive Officer of the Jonas Operating Group. Prior to this appointment, he was the Chief Financial Officer of Constellation from 2004 to 2007. Before joining Constellation, Mr. Symons was with a major international accounting firm in varying roles of increasing responsibility. Mr. Symons holds a Chartered Accountancy designation and a BBA (Honours) degree from Wilfred Laurier University both of which were received with distinction.

The profile information in respect of the eleven directors of the Corporation who were elected at the most recent annual general meeting of the Corporation can be found in the management information circular of the Corporation dated March 30, 2020 (the "AGM Circular"), which is incorporated by reference into this Circular. A copy of the AGM Circular is available at www.sedar.com.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

ADDITIONAL INFORMATION

A copy of this Circular has been sent to each director of the Corporation, to the applicable regulatory authorities, to each shareholder entitled to notice of the Meeting and to the auditors of the Corporation. Additional information relating to the Corporation is available on SEDAR at www.sedar.com. A comprehensive description of the Corporation and its business as well as a summary of the risk factors applicable to the Corporation are set out in the Corporation's Annual Information Form ("AIF"). Financial information is provided in the Corporation's annual consolidated financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2019, both of which are available at www.sedar.com. Copies of the Corporation's AIF, together with any documents incorporated by reference therein; the Corporation's most recently filed annual consolidated financial statements,

together with the accompanying report of the independent auditor, and any of the Corporation's condensed consolidated interim financial statements that have been filed for any period after the end of the Corporation's most recently completed financial year; annual and interim management's discussion and analysis and this Circular are available without charge to shareholders of the Corporation, upon request, from the Corporation at:

Constellation Software Inc.
20 Adelaide Street East
Suite 1200
Toronto, Ontario
M5C 2T6
Telephone: (416) 861-2279
Facsimile: (416) 861-2287
Email: info@csisoftware.com

For certain information with respect to the Corporation's Audit Committee, including its charter and composition, the relevant education and experience of its members, and services fees paid to the Corporation's external auditors, please refer to the section entitled "Committees of the Board of Directors" in the Corporation's AIF dated March 27, 2020.

DIRECTORS' APPROVAL

The contents of this Circular and the delivery thereof to the shareholders of the Corporation has been approved by the Board of Directors.

DATED the 29th day of June, 2020.

ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'M. Leonard', written in a cursive style.

Mark Leonard
Chairman and President

SCHEDULE "A"

NATIONAL INSTRUMENT 58-101 DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

1. Board of Directors

The board of directors of the Corporation (the “Board of Directors” or the “Board”) is currently composed of fifteen members, assuming the ratification of the appointment of the four new directors effective June 2, 2020. All Board members, with the exception of Mark Leonard, Jeff Bender, Dexter Salna, Robin Van Poelje, Mark Miller, John Billowits and Barry Symons are independent according to the definition of “independence” set out in NI 58-101 as it applies to the Board of Directors. Mark Leonard, Jeff Bender, Dexter Salna, Robin Van Poelje, Mark Miller, John Billowits and Barry Symons are not independent because they are senior officers of the Corporation. The Corporation has deemed the majority of the Board to be independent.

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name	Director of Other Issuer
Lori O’Neill	Sierra Wireless, Inc.
Susan Gayner	Synalloy Corporation
Paul McFeeters	Lightspeed POS Inc.
Mark Miller	Computer Modelling Group Ltd.
Andrew Pastor	Echelon Financial Holdings Inc.

At regularly scheduled meetings of the Board of Directors, the independent directors hold *in camera* sessions while members of management are not in attendance. The Board held four *in camera* sessions during fiscal 2019. The Audit Committee holds *in camera* sessions with only the external auditors present. The Compensation, Nominating and Human Resources (“CNHR”) Committee consists only of independent directors with management attending only by invitation.

Meetings of the Board of Directors are currently chaired by the President of the Corporation, Mr. Mark Leonard, who is not an independent director. The Board of Directors believes that the President is best suited to establish the agenda and ensure that relevant information is made available to the Board of Directors due to his intimate knowledge of the Corporation and its operating businesses. The Board’s non-management or outside directors have unrestricted and direct access to management and the external auditors of the Corporation and meet independently with the auditors at least four times a year through the *in camera* sessions as noted above. The Board of Directors has appointed Stephen R. Scotchmer, an independent director, as a lead director. As lead director, his role is to chair the *in camera* sessions held without management in attendance, and communicate the results of those sessions to management.

Since the beginning of the fiscal year ended December 31, 2019, the Board of Directors held 17 meetings. The attendance of the individual directors was as follows:

Director	Number of Meetings Attended
Mark Leonard	17/17
Paul McFeeters	16/17
Stephen R. Scotchmer	17/17
Meredith (Sam) Hayes*	14/15
Robert Kittel	17/17
Jeff Bender	16/17
Mark Miller	17/17
Lawrence Cunningham	16/17
Robin Van Poelje	17/17
Lori O'Neill	17/17
Dexter Salna**	8/8
Susan Gayner**	8/8
John Billowits***	n/a
Andrew Pastor***	n/a
Donna Parr***	n/a
Barry Symons***	n/a
*Meredith Hayes did not stand for re-election to the Board at the 2020 annual general meeting of shareholders and is no longer on the Board of Directors.	
***Dexter Salna and Susan Gayner were appointed to the Board of Directors on September 20, 2019.	
**No meetings of the Board of Directors have been held since June 2, 2020, the proposed date of ratification of the election of these directors.	

Since the beginning of the fiscal year ended December 31, 2019, the Audit Committee held five meetings. The attendance of the individual directors was as follows:

Director	Number of Meetings Attended
Paul McFeeters	5/5
Meredith (Sam) Hayes	4/4
Robert Kittel	5/5
Lori O'Neill	1/1

Since the beginning of the fiscal year ended December 31, 2019, the CNHR Committee held five meetings. The attendance of the individual directors was as follows:

Director	Number of Meetings Attended
Stephen R. Scotchmer	5/5
Robert Kittel	5/5

2. Board Mandate

The Board of Directors is responsible for the stewardship of the Corporation, ensuring that long-term value is being created for its shareholders. The Board has adopted a written charter to formalize their responsibilities, a copy of which is attached as Annex I hereto.

3. Position Descriptions

There are no specific written position descriptions for the Chairman of the Board, the Chairs of the various Board Committees or the President. The Board and each Committee has a written mandate pursuant to which its members and Chairs can be assessed. The President's role and responsibilities are assessed periodically by the Board. The role of the Chairman of the Board is to set agendas, ensure that the Board functions effectively, act as a liaison between management and the Board, and coordinate the activities of the committees with the work of the Board. The role of the chair of each committee is to set agendas, ensure that the committee functions effectively and report to the Board on committee business.

4. Orientation and Continuing Education

While the Corporation does not have a formal orientation program for new members of the Board, the President and other members of senior management are and will continue to be available to Board members to discuss the Corporation's business and assist in the orientation and education of Board members as required. As part of the orientation process, new Board members are provided with copies of the Corporation's relevant financial data and have the opportunity to attend management meetings.

The Board does not formally provide continuing education to its directors; however, the directors are experienced members, the majority of whom are or have been directors on boards of other companies. The Board of Directors relies on professional assistance when considered necessary in order to be educated or updated on a particular topic.

5. Ethical Business Conduct

The Corporation has not adopted a written code of conduct and ethics. The Board's mandate requires that business be conducted ethically and in compliance with applicable laws and regulations. In addition, most employees and officers of the Corporation have signed employment contracts that require that ethical and lawful behaviour must be exhibited at all times. In addition, most of the subsidiaries of the Corporation have codes of conduct in place and available to their employees which further outline what behaviour is/is not tolerated. Lastly, the Corporation has established a whistleblower policy which outlines the procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters as well as other issues.

Under the OBCA, to which the Corporation is subject, a director or officer of the Corporation must disclose to the Corporation, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Subject to limited exceptions set out in the OBCA, the director cannot vote on any resolution to approve the contract or transaction and must recuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

6. Nomination of Directors

The Board of Directors has delegated to the CNHR Committee the responsibility for identifying new candidates for Board nomination and proposing such nominees to the Board. Board members or management may suggest candidates for consideration by the Committee. Prospective candidates are interviewed by the President and by other Board members on an *ad hoc* basis.

All of the members of the CNHR Committee are independent according to the definition of “independence” set out in NI 58-101. The powers and responsibilities of the CNHR Committee are set out in the CNHR Committee’s written mandate, a copy of which is attached as Annex II hereto.

7. Compensation

The Board periodically reviews the remuneration of directors and makes adjustments where considered necessary. The CNHR Committee considers responsibilities, skills and competitive compensation in determining remuneration. With respect to the compensation of the Corporation’s officers, see “Compensation Discussion and Analysis” above.

The Board of Directors has established the CNHR Committee whose primary role and responsibility concerns human resources and compensation policies and processes, including:

- Ensuring that the Corporation’s compensation programs balance the needs of shareholders and employees;
- Reviewing and approving total remuneration of the President and other senior executives and the total allowance for increases to other employees;
- Monitoring the Corporation’s succession plans; and
- As required, recommending candidates for the Corporation’s Board of Directors.

The following sets out the relevant education and experience of each director relevant to the performance of his duties as a member of the CNHR Committee:

Mr. Scotchmer has been a director and/or officer of both private and public companies, and has served on the compensation committee of several companies.

Mr. Kittel is the Chief Operating Officer of The Westaim Corporation since January 2013. He also served as a director on several public boards, both in Canada and the United States. Mr. Kittel holds a BBA Honours (Gold Medalist) from Wilfrid Laurier University and is a Chartered Professional Accountant and a Chartered Financial Analyst.

Corporate objectives are established periodically by the Board of Directors. Executive performance is assessed at least annually by the CNHR Committee against those objectives. No compensation consultant or advisor was retained by the Corporation during the fiscal year ended December 31, 2019.

8. Other Board Committees

Other than the Audit Committee and CNHR Committee, the Board does not have any other committees in place.

9. Assessments

Each Committee reviews and assesses the adequacy of its Committee mandate on a periodic basis and recommends any proposed changes to the Board for approval. The Board in conjunction with the President periodically reviews and assesses the effectiveness of the Board as a whole, the membership of the Board committees, the mandates and activities of each committee and the contribution of individual directors. Feedback is obtained from members of the Board and the various Committees on an informal basis, which the Board believes is sufficient to address any changes that may be necessary or desirable.

Information on term limits and the representation of women can be found in the AGM Circular, which is incorporated by reference into this Circular. A copy of the AGM Circular is available at www.sedar.com.

ANNEX I

BOARD MANDATE

CONSTELLATION SOFTWARE INC.

CORPORATE GOVERNANCE BOARD OF DIRECTORS

MANDATE

The Board of Directors is responsible for the stewardship of the Corporation, ensuring that long-term value is being created for its shareholders.

BOARD COMPOSITION

The Board of Directors of the Corporation is currently comprised of fifteen Directors and is comprised of a majority of independent Directors.

The number of Directors may be set from time to time by the Board within the minimum and maximum numbers approved by the shareholders.

The Directors shall be elected by the shareholders, except as permitted by the Ontario Business Corporations Act. Where a vacancy arises the Compensation, Nominating and Human Resources (“CNHR”) Committee will recommend an appropriate person to fill such vacancy, at the Board’s discretion, or the Board may decide to reduce the size of the Board. The Board will appoint a Chairman and a Corporate Secretary. The Chairman shall be designated from among the members of the Board. A lead Director will be chosen each year to act as Chairman in instances when the Board meets without the Chairman being present.

MEETINGS AND BOARD PROCESS

The Board shall meet at least five times per year, once after each quarter, and once when the drafts of the Annual Information Circular, Annual Report, and Proxy have been prepared. The Board will meet more frequently if circumstances dictate.

Board meetings will allow for input from all Board members. Any Director may request that the lead Director co-ordinate a meeting of the non-management members of the Board. Board and Board Committee liaison with the Corporation will be principally through the President. The Board may, from time to time, assign specific duties and tasks to individuals or committees.

Audit and CNHR Committees have been established. Each of the Committees shall operate under a written Mandate document approved by the Board. The two standing Committees of the Board shall be comprised entirely of non-management Directors. The Board receives regular reports from the Committees.

Periodically, the Board will evaluate the effectiveness of the Board as a whole and ensure that appropriate succession plans are in place. This may include: Reviewing the process for nominating, orienting, and remunerating Board members, determining the committees required, and changing the mandates for the committees.

The Board has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The Board has the

ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

RESPONSIBILITIES

The Board members shall ensure that:

- All Board members understand the business of the Corporation;
- Processes are in place to effectively plan, monitor and manage the long-term viability of the Corporation;
- There is a balance between long and short-term goals and risks;
- Management's performance is adequate and that an adequate management succession plan is in place;
- Communication with shareholders and other stakeholders is timely and effective;
- Business is conducted ethically and in compliance with applicable laws and regulations; and
- All matters requiring shareholder approval are referred to them.

OPERATIONAL MATTERS

In the process of executing its responsibilities the Board will:

- Review corporate performance on a quarterly basis;
- Periodically adjust hurdle rates used to assess acquisitions;
- Review and approve all business acquisitions over certain thresholds (the Board of Directors may change the threshold requiring approval);
- Review and approve divestitures;
- Review and approve dividend payments;
- Ensure that management compensation is appropriate;
- Review and approve company banking and borrowing resolutions;
- Review and approve any changes in the issued shares;
- Review accounting policies, internal control and audit procedures;
- Review and approve the annual information circular and proxy for the annual meeting of shareholders;
- Review and approve the annual financial statements and the interim consolidated quarterly results;
- Recommend to the shareholders the appointment of auditors and their remuneration; and
- Provide advice to management.

ANNEX II

COMPENSATION, NOMINATION AND HUMAN RESOURCE (“CNHR”) COMMITTEE MANDATE

The purpose of the CNHR Committee is to assist, and where appropriate, make recommendations to the Board of Directors and President concerning matters relating to the Corporation’s employees and directors.

The Committee exists at the pleasure of the Board, and its Mandate may be changed by the Board at any time.

Responsibilities

The CNHR Committee’s duties and responsibilities are to:

- Ensure the Corporation’s compensation programs balance the needs of shareholders and employees;
- Review and approve total remuneration of the President and other senior executives;
- Review the Corporation’s succession plans;
- Develop a pool of potential director candidates for consideration in the event of a vacancy on the Board, and as part of such development efforts, identify highly qualified women and highly qualified individuals from minority groups to include in the pool of candidates;
- As required, recommend candidates for the Corporation’s Board of Directors, based on, among other things, their wisdom, long-term orientation, shareholder alignment, belief in the motivational power of autonomy and decentralisation, experience with successful capital allocation, diversity, age, and track record of exercising sound judgment; and
- Consider matters of corporate governance and periodically review the Corporation’s corporate governance policies and guidelines and recommend to the Board modifications to such policies and guidelines as appropriate.

Composition

The CNHR Committee shall be comprised of two or more directors, at least two of whom will be independent, as determined and appointed by the Board.

The Committee may elect its own chairman and secretary. The secretary to the Committee need not be a member of the Committee.

Meetings

The Committee shall meet at least twice per year and more frequently if circumstances dictate. The Chairman shall report on the Committee’s activities and make recommendations to the Board for approval.

Committee liaison with the Corporation will be principally through the President.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The CNHR Committee has the ability to retain, at the Corporation’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.