

# CYMBRIA

**CYMBRIA CORPORATION**  
**ANNUAL INFORMATION FORM**

**Class A Shares**  
**Class J Shares**

March 27, 2020

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#### **FORWARD-LOOKING STATEMENTS**

Certain statements in this Annual Information Form are forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company (as defined herein) or the Manager (as defined herein). Forward-looking statements are not historical facts but reflect the current expectations of the Company or the Manager regarding future results or events. Such forward-looking statements reflect the Company's or the Manager's current beliefs and are based on information currently available to them. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results or events to differ materially from current expectations. Some of these risks, uncertainties and other factors are described under the heading "Risk Factors" in this Annual Information Form. Although the forward-looking statements contained in this Annual Information Form are based upon assumptions that the Company and the Manager believe to be reasonable, neither the Company nor the Manager can assure investors that actual results will be consistent with these forward-looking statements. Unless otherwise stated, the forward-looking statements contained in this Annual Information Form are made as at the date hereof and neither the Company nor the Manager assumes any obligation to update or revise them to reflect new events or circumstances, except as required by law.

## 1. CORPORATE STRUCTURE

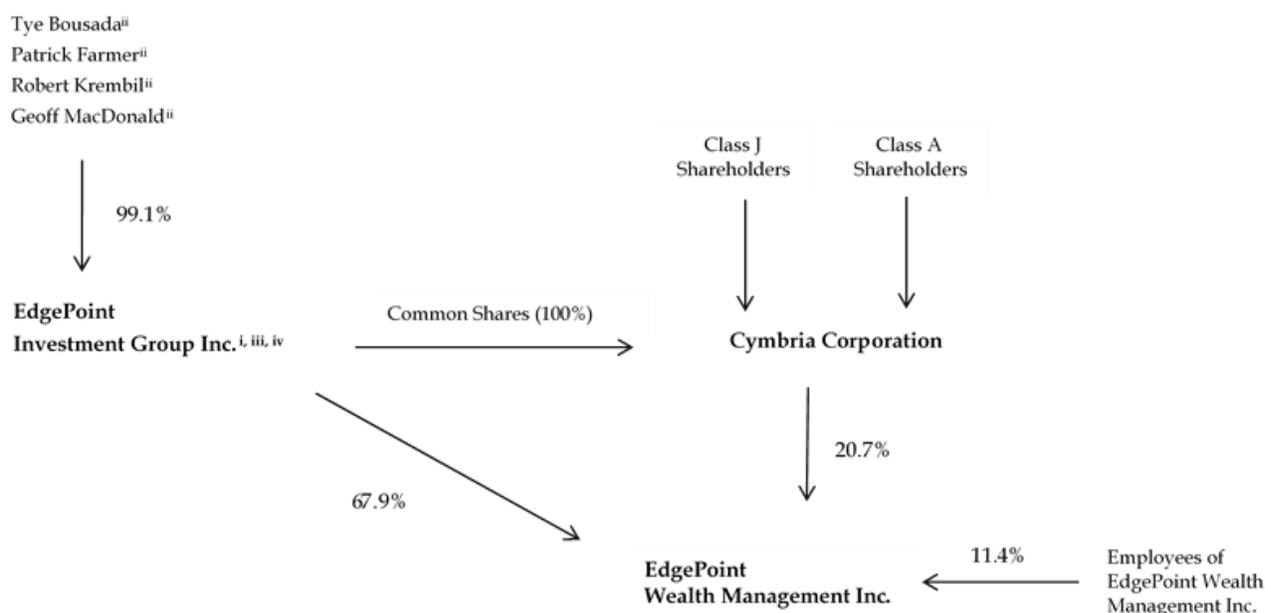
Cymbria Corporation (the “**Company**”) is a corporation established under the laws of the Province of Ontario pursuant to Articles of Incorporation dated September 4, 2008, as amended by Articles of Amendment dated October 20, 2008 and as further amended by Articles of Amendment dated June 27, 2013 (together, the “**Articles**”).

EdgePoint Investment Group Inc. (the “**Manager**”), a corporation established under the laws of the Province of Ontario, is the manager of the Company and also acts as the investment advisor to the Company. The principal office of the Company and the Manager is 150 Bloor Street West, Suite 500, Toronto, Ontario, M5S 2X9. EdgePoint Wealth Management Inc. (“**EdgePoint**”), a corporation incorporated under the laws of the Province of Ontario, is a subsidiary of both the Company and the Manager.

The fiscal year-end of the Company is December 31. All financial information is presented as at December 31, 2019 and is expressed in Canadian Dollars, unless otherwise noted. The Company, in accordance with International Financial Reporting Standards (“**IFRS**”), accounts for all of its investments at fair value.

### 1.1. Intercorporate Relationships

The following chart illustrates the intercorporate relationships of the Company and its affiliated entities as of the date of this Annual Information Form (“**AIF**”):



<sup>i</sup> the Manager provides management and portfolio advisory services to the Company pursuant to the Management Agreement and the Investment Advisory Agreement, and also provides advisory services to EdgePoint.

<sup>ii</sup> Indirect holdings.

<sup>iii</sup> Remaining 0.9% is owned by a principal of the Company.

<sup>iv</sup> 3.6% of the EdgePoint shares are held by parent companies of the Manager.

Tye Bousada, Patrick Farmer and Geoff MacDonald are executive officers and/or directors of the Manager and the Company. Robert Krembil is a director of the Manager.

## 2. GENERAL DEVELOPMENT OF THE BUSINESS

The Company completed an initial public offering of non-redeemable class A shares (the “**Class A Shares**”) and a private placement of non-redeemable class J shares (the “**Class J Shares**” together with the Class A Shares, the “**Shares**”) on November 4, 2008 for gross proceeds, after the exercise by the syndicate of agents of the over-allotment option, of approximately \$234 million.

References in this AIF to a Shareholder mean, unless the context otherwise requires, the owner of the beneficial interest in Class A Shares and/or Class J Shares, as applicable.

At the time of its initial public offering, the Company was considered a non-redeemable investment fund that was subject to the Canadian securities regulatory regime for investment funds (the “**Investment Funds Regime**”) and, as such, had been providing continuous disclosure pursuant to such Investment Funds Regime, including but not limited to the provisions under National Instrument 81-106 – *Investment Fund Continuous Disclosure*. On December 15, 2015, shareholders of the Company (the “**Shareholders**”) voted to approve the Company’s transition from the Investment Funds Regime to the regulatory regime for reporting issuers that are not investment funds. The transition was implemented with effect as of January 1, 2016. The transition resulted in the Company no longer being an investment fund under applicable securities laws and therefore not subject to the regulatory requirements applicable to non-redeemable investment funds.

The Company currently files public disclosure pursuant to National Instrument 51-102– *Continuous Disclosure Obligations*.

## 3. GENERAL DESCRIPTION OF THE BUSINESS

### 3.1. Investment Objective

The Company’s investment objective is to provide Shareholders with long-term capital appreciation primarily through a concentrated portfolio of global equities and an investment in EdgePoint, which through financial advisors offers mutual funds, institutional investments and other investments. Subject to the investment restrictions noted below, the Company may make other forms of investments, including but not limited to, investments in various forms of debt instruments, investments in private companies, and investments in various forms of derivatives that the Manager deems appropriate to satisfy the Company’s investment objective.

Additional information about the Company is available in the Company’s most recently filed financial statements and Management Discussion and Analysis (“**MD&A**”).

### 3.2. Investment Strategies and Oversight

The Manager, as the Company’s investment advisor, approaches all investment decisions with the view that each investment will be a long-term ownership interest in a business. The Manager endeavours to acquire ownership interests in quality businesses at prices that are below the Manager’s assessment of the business’s true worth. The Company does not have any geographic, sector or market capitalization constraints, which provides the Manager with significant investment flexibility.

The Manager strives to develop insights around businesses that the Manager understands. The Manager firmly believes that focusing on longer periods enables it to develop proprietary views not reflected in current stock prices. Investments held by the Company will mainly reflect the Manager’s view of the prospects of each business looking out more than five years. These businesses should also have attractive

return characteristics, which include (i) being led by a competent management team; (ii) having long-term growth prospects; and (iii) having defensible barriers to entry.

The Manager will generally sell an investment held by the Company if the Manager determines that its previous view and insights of the investment no longer hold true. In addition, there is also a constant culling process whereby the Manager is continuously striving to upgrade the quality of the Company's portfolio with better ideas. In general, the Company does not actively engage in the management or operations of its investments; however, the Company does, from time to time, have individuals join the board of directors of investee companies. The Company will involve itself with the management or operations of its investments when it believes its involvement is beneficial to its investment in the investee company and such involvement doesn't materially interfere with the Company's responsibilities.

All members of the Manager's investment team monitor ongoing investment performance and source and contribute investment ideas for the Company, using publicly available information or other information sourced by the investment team. Mr. Bousada and Mr. MacDonald are responsible for the overall construction of the Company's portfolio and make the final decisions on approval for investments. See "Directors and Executive Officers" for additional information on Mr. Bousada and Mr. MacDonald. In addition to on-going monitoring by the investment team, the Company's performance and investment activities are monitored by the Manager's Governance and Oversight Committee. This committee, which includes members of senior management of the Manager, meets quarterly to consider matters relating to the Company and to give direction as required. The board of directors of the Company (the "**Board of Directors**") reviews investment decisions made by the Manager in the context of reviewing the Company's performance on a quarterly basis, at a minimum.

### 3.3. Investment Restrictions

Subject to the restrictions listed below (as more particularly set out in the Articles), the Company does not impose pre-set restrictions on investments. Instead, the Manager will use its judgement as to what is prudent in the circumstances.

- A. The Company will not acquire any interest in a non-resident trust that is not an "exempt foreign trust" or any investment that would require the Company to include any significant amounts in income pursuant to the "offshore investment fund property" rules, each, as set forth in the *Income Tax Act* (Canada) (the "**Tax Act**").
- B. The Company will not borrow an amount exceeding 25% of the value of the assets of the Company ("**Total Assets**") under a loan facility or from any other source measured at the time of borrowing.
- C. The aggregate market value of all securities loaned by the Company in securities lending transactions and not yet returned to it, will not exceed 50% of the Total Assets of the Company, and for such purpose collateral held by the Company for loaned securities shall not be included in Total Assets.
- D. The Company will not enter into any further short sales if the aggregate exposure under short sales exceeds 20% of the value of the Total Assets measured at the time of such short sale.

### 3.4. Loan Facility

The Company entered into a loan facility with a Schedule I chartered Canadian bank on September 22, 2017 (the “**Loan Facility**”). The Loan Facility, which matures on September 22, 2024, is in place to allow for borrowing within the parameters of the Company’s investment restrictions. Interest, which is calculated based on whether the Loan Facility is drawn in the form of banker’s acceptances or as a prime loan up to a principal amount of \$100,000,000, will be charged on the outstanding balance from time to time. When the Loan Facility is drawn upon, the Company will make a selection of eligible securities in the Company’s investment portfolio that will be used as collateral to secure the Loan Facility, on the terms and conditions agreed to with the lender.

\$6,000,000 has been advanced in the form of banker’s acceptances under the Loan Facility.

### 3.5. Valuation Policies and Procedures

Unless otherwise required by law, for the purpose of calculating adjusted Net Asset Value (as defined below) on any business day (a “**Valuation Date**”), the Total Assets on such Valuation Date will be determined as follows:

- (a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, distributions, dividends or other amounts received (or declared to holders of record of securities owned by the Company on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) and interest accrued and not yet received, shall be deemed to be the full amount thereof, provided that if the valuation agent has determined that any such deposit, bill, demand note, accounts receivable, prepaid expense, distribution, dividend or other amount received (or declared to holders of record of securities owned by the Company on a date before the Valuation Date as of which the Total Assets are being determined, and to be received) or interest accrued and not yet received is not otherwise worth the full amount thereof, the value thereof shall be deemed to be such value as the valuation agent determines to be the fair market value thereof;
- (b) the value of any security, index future or index option which is listed or traded upon a stock exchange (or if more than one, on the principal stock exchange for the security, as determined by the valuation agent) shall be determined by taking the latest available sale price of recent date, or lacking any recent sales or any record thereof, the latest available offer price (unless in the opinion of the valuation agent such value does not reflect the value thereof and in which case the latest offer price or bid price shall be used), as at the Valuation Date on which the Total Assets are being determined, all as reported by any means in common use;
- (c) the value of any security, which is traded over-the-counter will be priced at the last bid price quoted by a major dealer (which may be the counterparty) in such securities or as the valuation agent determines to be the fair market value;
- (d) the value of any purchased or written clearing corporation options, options on futures or over-the-counter options, debt like securities and listed warrants shall be the current market value thereof;
- (e) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Total Assets are being

determined as determined by the valuation agent (generally the valuation agent will value such asset at cost until there is a clear indication of an increase or decrease in value);

- (f) any market price reported in currency other than Canadian dollars shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the valuation agent, including, but not limited to, the valuation agent or any of its affiliates;
- (g) listed securities subject to a hold period will be valued as described above with an appropriate discount as determined by the valuation agent; and
- (h) investments in private companies and other assets for which no published market exists will be valued at the lesser of cost and the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is determined to be appropriate by the valuation agent. The Manager may engage a third party valuator to assist with the valuation of EdgePoint. As it relates to EdgePoint, the fair market value is determined by the valuation agent after consultation with the Manager. For the most recent financial statements, fair market value of EdgePoint was determined with the assistance of a third party valuator using primarily a discounted cash flow model. As circumstances dictate, alternative valuation approaches to determine the fair value of EdgePoint may be utilized in the future.

The value of any security or property to which, in the opinion of the valuation agent, in consultation with the Manager, the above principles should not be applied or are inappropriate (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair market value thereof determined in good faith in such manner as the valuation agent, in consultation with the Manager, from time to time adopts. However, such discretion to deviate from the foregoing valuation practices has not been exercised in the past three years.

### **3.6. Calculation of adjusted Net Asset Value**

For reporting purposes other than financial statements, the "**adjusted Net Asset Value**" or "aNAV" of the Company on a particular date is equal to (i) the Total Assets of the Company as presented in the Company's financial statements, less (ii) the aggregate value of the liabilities of the Company, less (iii) the stated capital of the Common Shares (\$100). For the purposes of calculating adjusted Net Asset Value, Total Assets have been adjusted to remove a provision for deferred tax assets, if any, and the liabilities of the Company have been adjusted to remove a provision for deferred tax liabilities, if any. Current tax liabilities reflect the tax amounts due when securities have been sold for proceeds in excess of cost. Deferred tax liabilities reflect the amounts that would be due in the future if the investment portfolio were to be sold at prevailing prices and proceeds realized in excess of cost. For greater clarity, current tax liabilities are included in adjusted Net Asset Value, however, deferred tax assets and deferred tax liabilities have been removed. All estimated expenses and liabilities (including Management Fees, current taxes, and operating expenses) of the Company are calculated on an accrual basis and are accrued to the date as of which the aNAV is calculated. Adjusted Net Asset Value excludes deferred tax assets and deferred tax liabilities, which includes any future liabilities associated with unrealized gains and future assets associated with the Company's deferred share units.

The adjusted Net Asset Value for each of the Class A Shares and the Class J Shares of the Company (the "**adjusted Net Asset Value per Share**") is equal to the value of the assets of the Company allocated to that specific class less the Company's liabilities allocated to that specific class divided by the number of Class A Shares or Class J Shares, as applicable, then outstanding.

The valuation agent calculates the adjusted Net Asset Value per Share in Canadian dollars as at the close of business on each Valuation Date. The result of this calculation is available at [www.cymbria.com](http://www.cymbria.com).

The Manager may suspend the calculation of adjusted Net Asset Value, if (a) for the whole or any part of a period during which normal trading is suspended on one or more stock exchanges, options exchanges or futures exchanges where more than 50% of the Total Assets, less the value of EdgePoint, are listed and traded; or (b) for any period during which the Manager determines that conditions exist which render impractical the sale of assets of the Company or which impair the ability of the Manager to determine the value of the assets of the Company. The suspension of the calculation of adjusted Net Asset Value shall terminate in any event on the first business day on which the condition giving rise to the suspension has ceased to exist; provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Manager shall be conclusive.

### **3.7. Risk Factors**

There are many risks associated with an investment in Shares. Those outlined below are the risks which are regarded by the Company to be material at this time, but they are not the only risks that may be faced by the Company. If any of the identified or unidentified risks materialize such occurrence may have a material adverse effect on the operations of the Company and thus impact the price of the Shares.

#### **3.7.1. Risk Factors Related to an Investment in the Company**

##### *Reliance on the Manager*

The Manager is responsible for providing or arranging for the provision of management and administrative services, including investment and portfolio management services, required by the Company. Investors who are not willing to rely on the Manager should not invest in Shares.

The Company relies on the ability of the Manager to actively manage the Company's assets pursuant to the Investment Advisory Agreement. The Manager will make the investment decisions in respect of the portfolio upon which the success of the Company will depend significantly. No assurance can be given that the approach utilized by the Manager in respect of the portfolio will prove successful.

##### *Reliance on Key Personnel*

The Company and the Manager depend, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Company. The loss of such services or the loss of some key individuals could impair the ability of the Company and/or the Manager to perform its management and administrative activities on behalf of the Company.

##### *Limited Redemption Feature*

Other than redemption pursuant to a LRO (see "Redemption of Securities and LRO"), the absence of a fulsome redemption feature may lead to a trading price for the Class A Shares below the adjusted Net Asset Value per Share.

### ***The Company is Controlled by the Manager***

The Company may be considered to be effectively controlled, indirectly, by the Manager. The Company's business and affairs are controlled by the Manager, which owns 100% of the Common Shares, which are the only voting shares in the capital of the Company. As a result, the Company is governed by the Board of Directors, which is elected by the Manager. The holders of Shares will not have the right to vote on matters other than those outlined in "Meetings and Acts Requiring Shareholder Approval".

### ***Trading Price of the Shares Relative to adjusted Net Asset Value***

Securities of certain exchange listed companies in Canada have traded at a discount from their net asset values. This risk associated with securities of a listed corporation is a risk separate and distinct from the risk that the Company's adjusted Net Asset Value may decrease. The Company cannot predict whether the Shares will trade at a discount from, a premium to, or at the Company's adjusted Net Asset Value.

The market price of the Shares will likely be affected by macroeconomic developments around the world and market perceptions of the attractiveness of various economies, industries or companies.

The market price of the Shares at any given point in time may not accurately reflect the Company's long-term value. The market price of the Shares is determined by, among other things, the relative demand and supply of the Shares in the market, the Company's investment performance and investor perception of the Company's overall attractiveness as an investment as compared with other investment alternatives.

### ***No Guaranteed Return***

There is no guarantee that an investment in the Company will earn any positive return in the short term or long term.

### ***Future Dilution***

Where, in the opinion of the Board of Directors and the Manager, additional capital is necessary or desirable to carry on the investment activities of the Company, the Company may create and issue additional Shares at a price and otherwise on terms and conditions determined by the Board of Directors and the Manager as provided for in the constating documents of the Company. Depending on the price at which such additional securities of the Company are offered for sale, the issuance of such additional securities could result in a dilution to existing Shareholders. In creating and issuing additional securities of the Company, the Board of Directors and the Manager will comply with the requirements of applicable securities legislation and will act in the best interests of the Company and its Shareholders.

### ***Enforcement of Rights***

The Company's assets may be held in accounts by custodians, or pledged to creditors of the Company as per applicable law, in jurisdictions outside of Canada so that there can be no assurance that judgments obtained in Canadian courts will be enforceable in any of those jurisdictions. It is possible that events such as the expropriation, confiscatory taxation or nationalization of foreign bank deposits or other assets may occur, which may result in the Company being unable to enforce its legal rights or protect its investments.

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights may differ from those that may apply in other jurisdictions. Shareholders' rights under foreign law may not be as extensive as those that exist under the laws of Canada. The Company may therefore have more difficulty asserting its rights as a shareholder of a foreign company in which it invests than it would as a shareholder of a comparable Canadian company.

### *Potential Lack of Investment Diversification*

The Company does not have any specific limits on holdings in securities of issuers in any one industry or size of issuer. Although the portfolio will generally be diversified, this may not be the case at all times if the Manager deems it advantageous for the Company to be less diversified. Accordingly, the portfolio may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting a particular industry or segment of issuers than would be the case if the Company were required to maintain wide diversification.

### *Inability to Obtain or Maintain Required Registrations*

The Company may be required to be registered to trade in foreign securities in certain jurisdictions. An inability to obtain or maintain such registrations may adversely affect the portfolio if the Manager is unable to sell securities already in the portfolio or purchase securities in certain jurisdictions.

### *Short Sale Equity Positions*

The Company may engage in short selling securities. A short sale of a security may expose the Company to losses if the price of the security sold short increases because the Company may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited, since there is no limit on how much the price of a security will appreciate before the short position is closed out. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the Company wishes to do so, thereby requiring the Company to borrow the security elsewhere or purchase the security in the market at an unattractive price. If numerous lenders of the security in the market simultaneously recall the same security, a "short squeeze" may occur, whereby the market price of the borrowed security may increase significantly. In addition, the borrowing of securities entails the payment of a borrowing fee. There is no assurance that a borrowing fee will not increase during the borrowing period, adding to the expense of the short sale strategy. In addition, there is no assurance that the security sold short can be purchased due to supply and demand constraints in the marketplace.

The Company will not enter into any further short sales if the aggregate exposure under short sales exceeds 20% of the value of the Total Assets measured at the time of such short sale.

### *Leverage*

The Company may borrow additional capital to invest in securities comprising the portfolio for the purpose of enhancing the potential returns of the Company. The risk to Shareholders may increase if securities purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried. Leveraging will thus tend to magnify the losses or gains from investment activities.

The Company is subject to a pre-set restriction, as more particularly set out in the Articles, such that the Company's debt cannot exceed 25% of assets, whether under a loan facility or from any other source, as measured at the time of borrowing.

If at any time leverage exceeds 25% of Total Assets or an amount owed is called by a lender, the Company may be required to liquidate securities in the portfolio to comply with the restriction or to repay the indebtedness. Such sales may occur at a time when the market for the securities in the portfolio is

depressed, affecting the value of the portfolio and the return to the Company. In addition, the Company may not be able to renew loan facilities on acceptable terms.

There can be no assurance that the borrowing strategy employed by the Company will enhance returns and it may, in fact, reduce returns.

### *Conflicts of Interest*

The Manager and its directors and officers and its affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest in securities similar to the portfolio of the Company.

Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of the Company, each will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Company.

The Manager and its principals control and operate EdgePoint. The Manager and its affiliates may provide other services to the Company and EdgePoint, both of which are related parties to the Manager.

### *Cyber Security Risk*

The Company is exposed to cyber security risk, which is the risk of harm, loss and liability resulting from a failure or breach of an organization's information technology systems. In general, cyber security risks can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber security risks include, but are not limited to, third-parties gaining unauthorized access to digital systems (e.g. through "hacking" or malicious software coding) for the purpose of misappropriating assets or sensitive information, corrupting data, damaging equipment or systems, or causing operational disruption. Cyber security risks may also include denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security risks have the ability to negatively impact the Company and the Shareholders by, among other things, disrupting and impacting the Company or Manager's business operations, disrupting and impacting business operations of the Company's investments and impeding trading by or in the Company. Cyber security risks can result in significant financial losses and cause violations of applicable privacy and other laws.

The Manager has established business continuity plans and risk management systems to address cyber security risks. There are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or appropriately protected against. Furthermore, the Company cannot control the cyber security plans and systems put in place by its service providers, the businesses it invests in or any other third party whose operations may affect the Company or its Shareholders. However, the Company does ensure that any service providers deemed critical to the Company's functions have proper security measures and controls in place.

### *Changes in Legislation and Administrative Policy*

There can be no assurance that certain laws applicable to the Company, including income tax laws, will not be changed in a manner which could adversely affect the value of the Company. In addition, there can be no assurance that the administrative policies and assessing practices of the CRA will not be changed in a manner which adversely affects the Shareholders. The Company may also be affected by changes in regulatory requirements, customs, duties or other taxes in Canada or foreign jurisdictions. Such changes could, depending on their nature, benefit or adversely affect the Company.

### **3.7.2. Risk Factors Relating to the Portfolio**

#### ***Foreign Security Risk***

The value of foreign securities may be influenced by foreign government policies, lack of information about foreign companies, political or social instability and the possible levy of foreign withholding tax. There may be lower standards of government supervision and regulation in foreign financial markets. Foreign stock markets may also be less liquid and more volatile. In addition, the securities markets of many countries have at times in the past moved relatively independently of one another due to different economic, financial, political and social factors. This may reduce gains the Company derived from movements in a particular market. The Company may have difficulty enforcing legal rights in jurisdictions outside Canada, with regards to any foreign securities held by the Company.

Owning foreign securities can also expose the Company to foreign currency risk. Since exchange rate fluctuations are beyond the Company's control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the Shares. Although the Company may use hedging strategies to limit its exposure to currency fluctuations, there can be no assurance that such hedging strategies will be successful or that they will mitigate the risk of such fluctuations.

#### ***Tax Risk***

There can be no assurance that the tax laws applicable to the Company under the Tax Act or under foreign tax regimes will not be changed in a manner which could adversely affect the Company.

#### ***Foreign Currency Exposure***

The Company invests in securities denominated in foreign currency. Accordingly, the adjusted Net Asset Value will fluctuate depending on the rate of exchange between the Canadian dollar and such foreign currencies. Proceeds of disposition of securities, distributions, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars in accordance with the rules in the Tax Act in that regard. The Company may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to the Canadian dollar. An increase in the Canadian dollar relative to these foreign currencies may have an adverse effect on the adjusted Net Asset Value.

#### ***General Economic, Political and Market Conditions***

The success of the Company's activities may be affected by general economic, political and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, growing rise of anti-business sentiment, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Company's assets. Unexpected volatility or illiquidity could impair the Company's profitability. Market conditions may adversely affect global companies and the pricing of their securities.

#### ***Potential for Limited Liquidity in Some Portfolio Investments***

Some of the securities in which the Company invests or may invest in the future may be thinly traded and some may have no market at all including, but not limited to, the Company's private investments. It is possible that the Company may not be able to sell portions of such positions without facing substantially adverse prices. If the Company is required to transact in such securities or other assets before their intended investment horizon, the performance of the Company could suffer.

### *Investments in Private Issuers*

Issuers whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. The Company's portfolio may consist of securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Company must rely on the diligence of the Manager to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of the Manager will uncover all material information about the privately held business necessary for the Company to make a fully informed investment decision.

### *Valuation Risk for Illiquid Assets*

The Company may invest in illiquid assets, including EdgePoint. Illiquid assets, including EdgePoint, that have not had recent trading activity or are not publicly available have inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. The valuation process for these investments, including EdgePoint, is based partly on subjective judgement which, to the extent that these valuations are inaccurate, will be reflected in the adjusted Net Asset Value of the Shares.

### *Concentration Risk*

The Company may concentrate its investments in securities of a small number of issuers. The result is that the securities in which the Company invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. The Company may also have a significant portion of its portfolio invested in the securities of a single issuer. A relatively high concentration of assets in a single or small number of investments may reduce the diversification of the Company.

### *Derivative Risk*

While derivatives can be useful for hedging against losses, making indirect investments and gaining exposure to financial markets and other assets, they have certain risks including: (i) no guarantee that hedging will be effective; (ii) no guarantee a market will exist for some derivatives which could prevent the Company from making a profit or limiting its losses; (iii) exchange traded derivatives may lack liquidity; (iv) trading limits may be imposed that could prevent execution of the derivative contract; (v) price of a derivative may not accurately reflect the value of the underlying asset; and (vi) the counterparty to a derivative contract may not be able to honour its obligations under the contract.

### *Regulatory Risk*

Some industries, such as financial services, health care and telecommunications, are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding.

### *Trading Value on Foreign Exchanges*

The relatively small market capitalizations of, and trading values on, certain foreign stock exchanges may cause the Company's investments in securities listed on these exchanges to be comparatively less liquid and subject to greater price volatility than comparable Canadian or U.S. investments.

### *Stock Exchange Risk*

Stock exchanges, have in the past, experienced problems such as temporary exchange closures, broker defaults, settlement delays and broker strikes that, if they occur again, could affect the market price and liquidity of the securities in which the Company invests. In addition, the governing bodies of the various stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Disputes have also occurred from time to time among listed issuers, the stock exchanges and other regulatory bodies, and in some cases those disputes have had a negative effect on overall market sentiment. In addition, there have been delays and errors in share allotments relating to initial public offerings, which in turn affect overall market sentiment and lead to fluctuations in the market prices of the securities of those issuers and others in which the Company may invest.

### *Potential Investment and Repatriation Restrictions; Exchange Controls*

Foreign investment in the securities of foreign issuers may be restricted or controlled to varying degrees. These restrictions or controls may limit or preclude foreign investment in certain industries and increase the costs and expenses of the Company. The ability of the Company to invest in certain issuers may be restricted, and there can be no assurance that additional restrictions on investments permissible for under foreign guidelines will not be imposed in the future. The ability of the Company to invest in foreign securities, exchange foreign currencies into Canadian dollars and repatriate investment income, capital and proceeds of sales realized from its investments in foreign securities may be subject to the foreign laws. Under certain circumstances, such as a change in law or regulation, governmental registration or approval for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors may be required. In addition, foreign governments may impose temporary restrictions on foreign capital remittances abroad. The Company could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Company of any restrictions on investments.

### *Less Stringent Corporate Disclosure, Governance and Regulatory Requirements in Certain Jurisdictions Throughout the World*

In addition to smaller size, lesser liquidity and greater volatility, some foreign securities markets are less developed than Canadian securities markets. Disclosure and regulatory standards are in many respects less stringent than Canadian standards. Issuers in these foreign markets are subject to accounting, auditing and financial standards and requirements that differ, in some cases significantly, from those applicable to Canadian issuers. In particular, the assets and profits appearing on the financial statements of a foreign issuer may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with Canadian generally accepted accounting principles or IFRS.

There is less regulation and monitoring in some foreign securities markets and the activities of investors, brokers and other participants than in Canada. Moreover, issuers of securities in these foreign markets are not subject to the same degree of regulation as are Canadian issuers with respect to such matters as insider trading rules, tender offer regulation, shareholder proxy requirements and the timely disclosure of information. There is also less publicly available information about some foreign issuers than Canadian issuers.

### *Political, Economic, Social, and Other Factors*

The value of the Company's assets may be adversely affected by political, economic, social and other factors, including changes in foreign law or regulations and the status of relations between countries. In addition, the economy of foreign jurisdictions may differ favourably or unfavourably from the Canadian economy in such respects as the rate of GDP growth, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Foreign governments may exercise significant influence over many aspects of the economy. Accordingly, foreign government actions in the future could have a significant effect on the economy of such foreign jurisdiction, which could affect market conditions, and prices and yields of securities in the Company's portfolio.

### *Market disruptions*

Natural disasters, epidemic and pandemic outbreaks, public health emergencies, war, occupation, terrorism and related geopolitical risks may lead to increased market volatility and may have adverse effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers and can adversely affect securities and financial markets, inflation and other factors relating to the Company, its service providers and its portfolio securities. These market conditions and volatility or illiquidity in capital markets may also adversely affect the prospects of the Company and the value of its portfolio securities.

### *Counterparty Risk*

Due to the nature of some of the investments that the Company may undertake, the Company relies on the ability of the counterparty to the transaction to perform its obligations. In the event that a counterparty fails to complete its obligations, the Company bears the risk of loss of the amount expected to be received under options, forward contracts or securities lending agreements or other transactions in the event of the default or bankruptcy of a counterparty.

### *Sensitivity to Interest Rate Fluctuations*

The market price of the Shares may be affected by the level of interest rates prevailing from time to time. In addition, the adjusted Net Asset Value may be highly sensitive to interest rate fluctuations because the value of the Company's investments will fluctuate based on interest rates. Further, any decrease in the adjusted Net Asset Value resulting from an increase in interest rates may also negatively affect the market price of the Shares. Increases in interest rates will also increase the Company's costs of borrowing.

### *Use of a Prime Broker/Custodian to Hold Assets*

Some or all of the Company's assets may be held in one or more margin accounts due to the fact that the Company may use leverage and engage in short selling. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Company's assets in such accounts, which may result in a potential loss of such assets. As a result, the Company's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Company may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the prime broker is unlikely to be able to provide leverage to the Company, which would adversely affect the Company's returns.

### *Options and Futures Transactions*

The Company may utilize derivatives. The use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) hedging to reduce risk does not guarantee that there will not be a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Company wants to complete the derivative contract, which could prevent the Company from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Company from completing the derivative contract; (iv) the Company could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; and (v) if the Company has an open position in an option, a futures contract or a forward contract with a dealer who goes bankrupt, the Company could experience a loss and, for an open futures or forward contract, a loss of margin deposits with that dealer. In circumstances where there is an interest rate hedge employed, total return on the portfolio may be higher with the hedge than without it when interest rates rise significantly, but total return may be lower than it otherwise would be in a stable to falling interest rate environment.

### **3.7.3. Risks Related to an Investment in EdgePoint Wealth Management Inc. by the Company**

#### *The Company's Interest in EdgePoint Wealth Management Inc. is a Minority Interest*

The interest in EdgePoint held by the Company is a minority interest with the Manager holding the majority interest. Control over the direction and management of EdgePoint resides with the Manager and indirectly, the shareholders of the Manager. The Company's rights as it relates to being a minority shareholder of EdgePoint are governed by the Unanimous Shareholders' Agreement that can be found on [www.sedar.com](http://www.sedar.com).

#### *Lack of Public Market*

As of the date of this AIF, there is no public market for the securities of EdgePoint and it is anticipated that there will not be an active public market developed or sustained for such securities.

#### *Competitive Environment for EdgePoint Wealth Management Inc.*

EdgePoint operates in a highly competitive environment, with competition based on a variety of factors, including the range of products offered, brand recognition, investment performance, business reputation, financing strength, the strength and continuity of institutional, management and sales relationships, quality of service, level of fees charged and the level of commissions and other compensation paid.

EdgePoint competes with a large number of mutual fund companies and other providers of investment products, investment management firms, broker dealers, banks, insurance companies and other financial institutions. Some of these competitors have greater capital and other resources, and offer more comprehensive lines of products and services, than EdgePoint. The trend toward greater consolidation within the investment management industry has increased the strength of a number of EdgePoint's competitors. Additionally, there are few barriers to entry by new investment management firms, and the successful efforts of new entrants have resulted in increased competition. Competitors of EdgePoint are also seeking to expand market share by offering different products and services than offered by EdgePoint. There can be no assurance that EdgePoint will grow its standing in the market or its market share, and that may adversely affect the business, financial condition or operating results of EdgePoint.

### ***Risks of Significant Redemptions of EdgePoint Wealth Management Inc.'s Assets Under Management***

EdgePoint earns revenue primarily from management fees earned for advising and managing pools of assets. These revenues depend largely on the value and composition of mutual fund assets under management. The level of assets under management is influenced by three factors: (i) sales; (ii) redemption rates; and (iii) investment performance. Sales and redemptions may fluctuate depending on market and economic conditions, investment performance, and other factors. Market volatility can contribute to significant redemptions and diminished sales for participants in the Canadian wealth management industry. The success of EdgePoint is dependent on its ability to achieve superior returns relative to its competitors. If the funds managed by EdgePoint are unable to achieve investment returns that are competitive with or superior to those achieved by other comparable investment products offered by competitors, or should a sizeable number of clients seek to terminate their agreements with EdgePoint and withdraw their assets or should investment management agreements pursuant to which the managers manage a major percentage of EdgePoint assets under management be terminated, there would be a material adverse effect on EdgePoint's management fee revenue and profitability.

### ***Access to Distribution Channels for EdgePoint Wealth Management Inc.***

Access to the third-party distribution channel for investment funds is highly competitive. Consolidation within this channel has resulted in the acquisition of several dealers by EdgePoint's competitors. As a result of these consolidations, these dealers, including bank-owned dealers, may offer solely or partially their related proprietary investment funds which could have an adverse effect on EdgePoint's operations and prospects and potentially impact the Company's performance.

### ***Costs of Regulatory Compliance and Risks of Regulatory Change for EdgePoint Wealth Management Inc.***

EdgePoint is heavily regulated in almost all jurisdictions where it carries on business. Laws and regulations applied at the national and provincial level generally grant governmental agencies and self-regulatory bodies broad administrative discretion over the activities of EdgePoint, including the power to limit or restrict business activities. Possible sanctions include the revocation or imposition of conditions on licenses to operate certain businesses, the suspension or expulsion from a particular market or jurisdiction of any of EdgePoint's business segments or their key personnel or financial advisors, and the imposition of fines and censures. It is also possible that the laws and regulations governing EdgePoint's operations or particular investment products or services could be amended or interpreted in a manner that is adverse to EdgePoint. To the extent that existing or future regulations affecting the sale or offering of EdgePoint's products or services or EdgePoint's investment strategies cause or contribute to reduced sales of EdgePoint's products or lower margins or impair the investment performance of EdgePoint's products, EdgePoint's aggregate assets under management and its revenues may be adversely affected.

### ***Management Fees are Based on Assets Under Management and are Therefore Subject to Market Risk, Currency Risks, Interest Rate Risks and Similar Risks***

EdgePoint's ability to maintain its management fee structure is dependent on the ability to provide investors with products and services that will cause investors to be willing to pay those fees. There can be no assurance that EdgePoint will not come under competitive pressures to lower fees or that it will be able to retain the current fee structure or, with such fee structure, retain their investors in the future. Changes to management fees, commission rates, structures or service fees related to the sale of mutual funds and closed-end funds could have an adverse effect on EdgePoint's operating results.

#### **4. DIVIDENDS AND DISTRIBUTIONS**

The Company has not declared any dividends to any class of security since inception.

The Company does not currently intend to pay regular dividends or other distributions, but may do so if, as and when determined by the Board of Directors.

#### **5. DESCRIPTION OF THE SECURITIES OF THE COMPANY**

##### **5.1. Description of Class A Shares**

The Company is authorized to issue an unlimited number of Class A Shares. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of Class A Shares will be entitled to receive their *pro rata* portion of the adjusted Net Asset Value attributable to the Class A Shares. The calculation of adjusted Net Asset Value is described under "Calculation of adjusted Net Asset Value".

The Class A Shares and Class J Shares rank equally with each other with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of the Class A Shares will be entitled to receive their *pro rata* portion of the adjusted Net Asset Value attributable to the Class A Shares. The Class A Shares are non-voting shares.

The Class A Shares are not redeemable other than pursuant to a LRO, as more fully described under "Redemption of Securities and LRO".

##### **5.1.1. Market Purchases of Class A Shares**

The Company may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Shares for cancellation, subject to applicable law and stock exchange requirements. It is expected that these purchases will be made as normal course issuer bids through the facilities and under the rules of the Toronto Stock Exchange ("TSX") or such other exchange or market on which the Shares are then listed.

On May 15, 2019, the Company announced that the Company had renewed its normal course issuer bid to purchase a portion of the outstanding Class A Shares on the TSX. Under the normal course issuer bid, the Company is permitted to purchase for cancellation up to 1,553,563 Class A Shares, representing 10% of the public float of the Class A Shares issued and outstanding as of May 9, 2019. These purchases will be made in accordance with applicable regulations and will be effected through the facilities of the TSX over a maximum period of 12 months commencing on May 23, 2019 and ending on May 22, 2020. The Company can purchase a maximum of 313,161 Class A Shares during a 30-day period, subject to certain TSX exceptions. Under the Company's previous normal course issuer bid, which expired on May 22, 2019, the Company did not purchase any Class A Shares. The Company has not purchased any Class A Shares under the current normal course issuer bid. A copy of the notice filed with the TSX can be obtained by contacting the Company or the Manager.

The Company did not redeem any Class A Shares pursuant to a LRO during the 2019 fiscal year and has not announced an intention to redeem any Class A Shares pursuant to a LRO for the 2020 fiscal year.

## 5.2. Description of Class J Shares

The Company is authorized to issue an unlimited number of Class J Shares. The Class A Shares and Class J Shares rank equally with each other with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company. Upon dissolution, liquidation or winding up of the Company, after satisfaction of all liabilities of the Company (or the establishment of reserves or other provisions therefore) holders of the Class J Shares will be entitled to receive their *pro rata* portion of the adjusted Net Asset Value attributable to the Class J Shares. The Class J Shares are non-voting shares.

The Class J Shares are not redeemable other than pursuant to a LRO. The Company did not redeem any Class J Shares pursuant to a LRO during the 2019 fiscal year and has not announced an intention to redeem any Class J Shares pursuant to a LRO for the 2020 fiscal year.

Class J Shares may be deposited into CDS through a CDS Participant. Class J Shares deposited in CDS are subject to the same conditions, restrictions and terms as Class A Shares deposited in CDS.

### 5.2.1. Exchange Feature for Class J Shares

Holders of Class J Shares may exchange all or any portion of such shares for Class A Shares (the “**Exchange Feature**”) on the last business day of each week, subject to a minimum dollar value of \$50,000 or at the discretion of the Manager.

The formula used to determine the conversion ratio (the “**Exchange Ratio**”) with respect to the exchange of Class J Shares for Class A Shares is determined by dividing the adjusted Net Asset Value per Share attributable to the Class J Shares on the applicable business day by the adjusted Net Asset Value per Share attributable to the Class A Shares on such date. Holders of Class J Shares who deposit such securities pursuant to the Exchange Feature will continue to be holders of record up to but not including the date of the exchange and will be entitled to receive any dividends in respect of such securities up to that date. The number of Class A Shares issuable pursuant to the Exchange Feature will be rounded down to the nearest whole number of Class A Shares. No fractional Class A Shares will be issued pursuant to the Exchange Feature and the Company will pay cash in consideration in lieu thereof provided the value of the fractional shares is above \$2.00.

## 5.3. Description of Common Shares

The Manager owns of record and beneficially 100 (100%) of the outstanding common shares of the Company (“**Common Shares**”). All of the Common Shares of the Company have been lodged in escrow with Computershare Trust Company of Canada pursuant to an agreement dated November 4, 2008 among the holders thereof, the Company and Computershare Trust Company of Canada (the “**Escrow Agreement**”). Under the Escrow Agreement, none of the Common Shares of the Company may be disposed of or dealt with in any manner until either all the Class A Shares and Class J Shares have been retracted, or the Company receives the express consent, order or direction in writing of the Ontario Securities Commission. The Common Shares may, however, be pledged to a Canadian chartered bank as collateral to secure a *bona fide* debt to such bank. The holders of Common Shares are not entitled to receive dividends and are entitled to one vote per Common Share. Both the Class A Shares and Class J Shares rank ahead of the Common Shares with respect to distributions on the dissolution, liquidation or winding-up of the Company.

The Manager is controlled indirectly by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald. Messrs. Bousada, Farmer, Krembil and MacDonald beneficially own, directly and indirectly,

approximately 99.11% of the Manager. Messrs. Bousada, Farmer and MacDonald are executive officers and/or directors of the Manager and the Company. Robert Krembil is a director of the Manager.

#### 5.4. Redemption of Securities and LRO

The Shares are currently not redeemable except if the Manager declares a liquidity realization opportunity (“**LRO**”) in accordance with the Articles and the LRO Policy (as defined herein). The LRO provides a right for the Manager to redeem a number of Shares from time to time at a very small discount to aNAV per Class A Share and aNAV per Class J Share. In circumstances where (i) as of December 31 of any year the aNAV per Class A Share has increased since December 31 of the immediately preceding year, (ii) the average closing price of the Class A Shares on the TSX is less than 97% of the average aNAV per Class A Share when calculated over a fiscal quarter, and (iii) the Manager has recommended to the Board of Directors that a certain number of Class A Shares or Class J Shares be redeemed, the Company shall offer to redeem such number of Shares. The recommendation of the Manager shall be in accordance with the Liquidity Realization Opportunity Policy (the “**LRO Policy**”) adopted by the Board of Directors, as amended from time to time. The Company does not expect to make an LRO offer more than once per fiscal year, however, the Company is not prohibited by the Articles from making more than one LRO offer in a fiscal year.

The LRO Policy sets out the conditions governing the exercise of the Manager’s discretion in recommending a LRO to the Board of Directors, which is the final condition to be satisfied in order for the Board of Directors to declare a LRO. The Manager believes the ability to implement a LRO strengthens the attractiveness of the Company’s securities by providing enhanced liquidity and a potential opportunity for Shareholders to dispose of Shares at a price close to aNAV at times when the trading price of the Class A Shares on the TSX is at a discount to aNAV. The LRO Policy is available on the Company’s website at [www.cymbria.com](http://www.cymbria.com).

The Company will give between 30 and 60 days’ prior notice of a LRO by sending a notice of redemption to Shareholders (“**Notice of Redemption**”). Such Notice of Redemption will set out the date upon which Shares will be redeemed (the “**Redemption Date**”), the date on which payment will be made to holders whose Shares are redeemed (the “**Redemption Payment Date**”), the percentage of aNAV per Class A Share and aNAV per Class J Share to be used as the determination of redemption price for a Class A Share and Class J Share and the aggregate amount of funds available to be used for redemption of each class of Shares, the time, place and manner in which the holder shall surrender to the Company the certificate or certificates representing such Shares to be redeemed, including the steps that a holder should take with respect to any uncertificated Shares (if any Shares have been issued in non-certificated form), and the manner in which Shares that are surrendered but not redeemed will be returned to Shareholders. On the day following the date by which Shares must be tendered by Shareholders for redemption, the Company will publicly announce the number of Shares surrendered for redemption, the number of Shares the Company intends to redeem, the price that the Company will pay each Shareholder whose Shares are redeemed and the Redemption Payment Date.

A LRO would not affect any other rights of Shareholders or any of the other Share provisions contained in the Articles. No Shareholder will be required to surrender Shares for redemption pursuant to a LRO. The redemption price for Shares redeemed pursuant to a LRO will be determined by the Manager as determined in accordance with the LRO Policy and will be paid from the applicable class net assets for each of the Class A Shares and Class J Shares. Shareholders should consult their own tax advisors with respect to the income tax consequences associated with surrendering Shares for redemption pursuant to a LRO.

## **5.5. Meetings and Acts Requiring Shareholder Approval**

### **5.5.1. Meetings of Shareholders**

Except as required by law or set out herein, Shareholders are not entitled to receive notice of, to attend or to vote at any meeting of security holders of the Company. The quorum for any meeting of Shareholders is two or more Shareholders present in person or represented by proxy holding not less than 25% of the Shares then outstanding. If no quorum is present at such meeting when called, the meeting, if convened upon the request of the Shareholders, shall be dissolved, but in any other case shall be adjourned for not less than 14 days and the Shareholders present in person or represented by proxy at such adjourned meeting form the necessary quorum. At any such meetings, each holder will be entitled to one vote for each Share held.

### **5.5.2. Acts Requiring Shareholder Approval**

The following acts will require not only the approval of the holders of Common Shares, by extraordinary resolution, but also the approval, by extraordinary resolution, of Shareholders, voting as a single class, unless the circumstances are such that one class is affected differently in which case the holders of Class A Shares and Class J Shares will vote separately:

- (a) any change in the investment objective or investment restrictions (as each is defined in the Articles), unless such changes are necessary to ensure compliance with applicable laws, regulations or other requirements imposed by applicable regulatory authorities from time to time;
- (b) any material change in the Management Agreement, other than a change in the Manager provided the new manager is an affiliate of the Manager;
- (c) any increase in the Management Fee; and
- (d) any change in the frequency of calculating adjusted Net Asset Value per Share to less often than every business day.

### **5.5.3. Reporting to Shareholders**

The Company will make available to Shareholders and the Board of Directors such financial statements and other continuous disclosure documents as are required by applicable law, including unaudited interim and audited annual financial statements, prepared in accordance with IFRS and other information reasonably requested. The Company shall make available to each Shareholder annually, within the time periods prescribed by law, information necessary to enable such Shareholder to complete an income tax return with respect to the amounts payable by the Company.

Prior to any meeting of Shareholders, the Company will provide the Shareholders (along with notice of such meeting) all such information as is required by applicable law to be provided to such Shareholders.

## **5.6. Termination of the Company**

The Company does not have a fixed termination date.

The Manager may, in its discretion, terminate and dissolve the Company without the approval of Shareholders if, in its opinion, it would be in the best interests of all of the Shareholders. The Manager will provide notice of such early termination to Shareholders at least 30 days prior to the termination date by way

of press release. After fixing a date for termination, the Manager may, in its discretion and upon not less than 30 days' notice to the Shareholders, extend the termination date by a period of up to 180 days if the portfolio will be unable to be converted to cash prior to the original termination date and the Manager determines that it would be in the best interests of all of the Shareholders to do so. The Company will issue a second press release at least 10 business days in advance of the termination date. Upon such a termination the Company will distribute to Shareholders their *pro rata* portions of the remaining assets of the Company after all liabilities of the Company have been satisfied or appropriately provided for, and which will include cash and, to the extent liquidation of certain assets is not practicable or the Manager considers such liquidation not to be appropriate prior to the termination date, such unliquidated assets *in specie* rather than in cash, subject to compliance with any securities or other laws applicable to such distributions. See "Risk Factors". Following such distribution, the Company will be dissolved.

The Company will also be terminated and dissolved in the event of the resignation of the Manager, if a replacement Manager has not been appointed within 120 days of the date of resignation. Such termination shall occur on the date which is 60 days following the last day of the aforementioned 120-day period.

The Company will retract all of the outstanding Shares in order to facilitate termination of the Company.

## 6. MARKET FOR SECURITIES

### 6.1. Class A Shares

The issued and outstanding Class A Shares were initially issued to holders under the initial public offering of the Company. The Class A Shares are listed for trading on the TSX under the symbol CYB and may be purchased through the facilities of the TSX. The following table is the monthly price ranges and volume for the Class A shares traded on the TSX for the most recently completed fiscal year:

Fiscal Year 2019	Price range		Volume Traded
	Low	High	
January	\$53.70	\$57.49	257,741
February	\$53.50	\$55.81	271,769
March	\$55.40	\$55.93	350,374
April	\$55.06	\$57.00	272,578
May	\$51.88	\$55.15	311,082
June	\$51.80	\$56.00	226,615,
July	\$55.30	\$56.65	171,269
August	\$53.05	\$56.00	209,851
September	\$53.54	\$54.71	249,632
October	\$51.98	\$53.99	296,227
November	\$53.14	\$56.54	248,452
December	\$54.99	\$57.00	161,468

### 6.2. Class J Shares

The issued and outstanding Class J Shares were initially issued to holders on a private placement basis. There have been no new Class J Shares issued by the Company, since the initial issuance. The Class J Shares are not listed on any stock exchange. Accordingly, there is no market through which the Class J Shares may

be sold, however, Class J Shares may be exchanged for Class A Shares, as described in “Exchange Feature for Class J Shares”.

## 7. DIRECTORS AND EXECUTIVE OFFICERS

### 7.1. The Company

In the constating documents of the Company, it is mandated that the majority of the Board of Directors be independent. The Board of Directors of the Company consists of a minimum of 3 and a maximum of 10 directors. The Board of Directors, as of the date of this AIF, is composed of 5 directors, 3 of whom are unrelated directors within the meaning of the rules of the TSX and “independent” within the meaning of applicable securities legislation. Directors are appointed to serve on the Board of Directors by the holders of Common Shares until the time that they retire or are removed. The name, municipality of residence, office and principal occupation of each of the directors and executive officers of the Company are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with the Company</b>	<b>Principal Occupation</b>
Tye Bousada King City, Ontario	Co-Chief Executive Officer	President and Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald Etobicoke, Ontario	Co-Chief Executive Officer	Co-Chief Executive Officer and Chief Investment Officer, EdgePoint Investment Group Inc.
Norman Tang Etobicoke, Ontario	Chief Financial Officer	Director of Finance, EdgePoint Investment Group Inc.
Diane Rossi Etobicoke, Ontario	Corporate Secretary	Director of Operations, EdgePoint Investment Group Inc.
Patrick Farmer Bolton, Ontario	Chairman of the Board of Directors (since inception)	Chairman of the Board of Directors and Chief Operating Officer of EdgePoint Investment Group Inc.
Ugo Bizzarri Toronto, Ontario	Director (since 2016)	Senior Managing Director, CIO & Global Head of Direct and Debt Investments, Timbercreek Asset Management Inc.
James MacDonald <sup>1</sup> Toronto, Ontario	Director (since inception)	Private Investor and Corporate Director.
Reena Carter <sup>1,2</sup> Etobicoke, Ontario	Director (since 2016)	Executive Vice-President, Investment Finance & Valuations, Ontario Municipal Employees Retirement System
Richard Whiting <sup>1</sup> Toronto, Ontario	Director (since inception)	Private Investor

<sup>1</sup> Independent member of the Audit Committee

<sup>2</sup> Chair of the Audit Committee

**Ugo Bizzarri** is a Co-Founder, Director and Managing Director, Portfolio Management and Investments of Timbercreek Asset Management Inc. ("**Timbercreek**") and several of its subsidiaries and related entities. Prior to co-founding Timbercreek, Mr. Bizzarri was in Portfolio Management at Ontario Teachers' Pension Plan Board. Mr. Bizzarri is a graduate of the Richard Ivey School of Business and is a Chartered Financial Analyst.

**James MacDonald** was Chairman and Managing Partner of Enterprise Capital Management Inc. from 1997 to 2009. Prior to 1997 he was Deputy Chairman of ScotiaMcLeod Inc.

**Reena Carter** is Executive Vice-President, Investment Finance & Valuations at OMERS Administration Corporation ("**OMERS**"), one of Canada's largest defined benefit pension plans. Prior to joining OMERS in 2016, she was with Borealis Infrastructure for 13 years where she assumed progressively senior finance roles, including Chief Financial Officer. From 1999-2003, Ms. Carter worked in both the assurance and advisory practices at KPMG LLP. Ms. Carter is a Chartered Professional Accountant, Chartered Accountant, a Chartered Business Valuator and a Chartered Director.

**Richard Whiting** was employed by AGF Management for 17 years as an investment manager, Senior Vice President and a member of the board of directors. Mr. Whiting joined Trimark Investment Management in 1993 as Portfolio Manager of the Trimark Americas Fund. Mr. Whiting retired from AIM Trimark Investments in September 2000.

Except as set forth above, a brief description of the background of the directors and officers of the Company is listed under "The Manager".

As of the date of this AIF, in aggregate, directors and executive officers of the Company own directly and indirectly 127,073 (0.80%) of the issued and outstanding Class A Shares, 1,361,992 (19.55%) of the issued and outstanding Class J Shares and 75 (75.7%) of the issued and outstanding Common Shares.

As of the date of this AIF, in aggregate, directors and executive officers of the Company own directly and indirectly (without including any indirect holdings through ownership of the Company but including indirect holdings through the Manager) 711,111 (52.65%) of the issued and outstanding common shares of EdgePoint, a subsidiary of the Company.

## **7.2. The Manager**

The Manager was incorporated pursuant to the *Business Corporations Act* (Ontario) on January 21, 2008. The principal office of the Manager is 150 Bloor Street West, Suite 500, Toronto, Ontario, M5S 2X9. The telephone number of the Manager is 416-963-9353 or 1-866-757-7207. More information can be found at [www.edgepointwealth.com](http://www.edgepointwealth.com) or by email at [info@edgepointwealth.com](mailto:info@edgepointwealth.com). Approximately 99.11% of the Manager is owned either directly or indirectly by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald.

### **7.2.1. The Management Agreement**

Pursuant to the management agreement between the Company and the Manager dated November 4, 2008 (the "**Management Agreement**"), the Company has retained the Manager to manage and administer the day-to-day business and affairs of the Company. The Manager may from time to time employ or retain any other person or entity to manage on behalf of the Manager or to assist the Manager in managing or providing administrative and investment advisory services to all or any portion of the Company's assets and in performing other duties of the Manager as set out in the Management Agreement. The Manager has delegated certain of its duties and powers under the Management Agreement to other service providers.

The Management Agreement continues until the termination of the Company, unless terminated at an earlier time by the Manager. The Manager may resign upon 120 days' notice to the Company.

In consideration for services rendered pursuant to the Management Agreement, the Company pays the Manager a management fee at an annual rate of 1.00% of adjusted Net Asset Value of the Shares attributable to the Class A Shares, plus applicable taxes. Fees payable to the Manager will be calculated and payable monthly based on the average adjusted Net Asset Value calculated on each valuation date during that month. Pursuant to the terms of the Management Agreement, the Manager charges a management fee at an annual rate of 0.50% of adjusted Net Asset Value of the Shares attributable to the Class J Shares, plus applicable taxes. For the purposes of calculating the fees payable to the Manager in its capacity as manager, the value of EdgePoint will not be included in the calculation of adjusted Net Asset Value.

The amount of fees paid by the Company to the Manager is contained in the audited financial statements of the Company.

### **7.2.2. Duties of the Manager**

The Manager's duties include, without limitation: authorizing the payment of operating expenses incurred on behalf of the Company; preparing financial statements and financial and accounting information as required by the Company; ensuring that Shareholders are provided with financial statements and other reports as are required by applicable law from time to time; ensuring that the Company complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Company reports to Shareholders and the Canadian securities regulatory authorities; preparing income tax returns; making recommendations to the Board of Directors with respect to the amount of dividends (if any) to be made by the Company; and negotiating contractual agreements with third party providers of services, including registrars, transfer agents, custodians, auditors and printers.

The Manager is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Company, and in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Manager and each of its shareholders, directors, officers, employees and agents is indemnified and saved harmless by the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Manager or any of its shareholders, directors, officers, employees or agents in the exercise of its duties as Manager if they do not result from the Manager's wilful misconduct, bad faith, negligence or reckless disregard of its duties and breach of its obligations as Manager under the Management Agreement. The Manager may assign its interest in the Management Agreement to an affiliate or a successor to all or substantially all of its business.

The Company is not able to terminate the Manager prior to the dissolution of the Company.

### **7.2.3. Remuneration of Directors and Executive Officers**

Under the terms of the Management Agreement and the Investment Advisory Agreement (see "The Investment Advisory Agreement"), any directors, officers or employees of the Manager who are also officers of the Company are paid by the Manager for serving in such capacity and do not receive any remuneration directly from the Company.

#### 7.2.4. Directors and Executive Officers of the Manager

The board of directors of the Manager consists of a minimum of 3 and a maximum of 10 directors. The board of directors of the Manager, as of the date of this AIF, is comprised of four directors, none of whom are unrelated directors within the meaning of the rules of the TSX nor “independent” within the meaning of applicable securities legislation. Directors are appointed to serve on the board of directors of the Manager until such time as they retire or are removed and their successors are appointed.

The name, municipality of residence, position with the Manager and principal occupation of each director and executive officer are set out below:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Tye Bousada King City, Ontario	President, Co-Chief Executive Officer & Director (since inception)	President and Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald Etobicoke, Ontario	Co-Chief Executive Officer, Chief Investment Officer, & Director (since inception)	Co-Chief Executive Officer and Chief Investment Officer, EdgePoint Investment Group Inc.
Patrick Farmer Bolton, Ontario	Chairman of the Board of Directors (since inception), & Chief Operating Officer	Chairman of the Board of Directors, and Chief Operating Officer, EdgePoint Investment Group Inc.
Norman Tang Etobicoke, Ontario	Director of Finance	Director of Finance, EdgePoint Investment Group Inc.
Diane Rossi Etobicoke, Ontario	Director of Operations	Director of Operations, EdgePoint Investment Group Inc.
Sayuri Childs Etobicoke, Ontario	Chief Compliance Officer	Chief Compliance Officer, EdgePoint Investment Group Inc.
Robert C. Krembil Schomberg, Ontario	Director (since inception)	President of Chiefswood Holdings Limited

A description of the experience and background relevant to the business of the Company for each of the directors and executive officers of the Manager is set out below.

*Tye Bousada* is Co-Chief Executive Officer of the Company and President, Co-Chief Executive Officer and a Director of the Manager and has been with the Manager since its incorporation in 2008. He holds a Chartered Financial Analyst designation and has over 20 years’ experience in the investment industry, including almost 9 years as an investment manager with Trimark Investment Management and AIM Trimark Investments. During the last 8 years at AIM Trimark Investments, Mr. Bousada was a manager of the Trimark Fund, a large global equity fund. Prior to joining Trimark Investment Management in 1999, Mr. Bousada spent almost 3 years at Ontario Teachers’ Pension Plan Board as an Investment Analyst and Portfolio Manager.

*Geoff MacDonald* is Co-Chief Executive Officer of the Company and Co-Chief Executive Officer, Chief Investment Officer, and a Director of the Manager and has been with the Manager since its incorporation in 2008. He holds a Chartered Financial Analyst designation and has over 20 years’ experience in the investment industry, including approximately 9 years as an investment manager with Trimark Investment Management and AIM Trimark Investments. Prior to joining Trimark Investment Management in 1998,

Mr. MacDonald spent almost 4 years at Ontario Teachers' Pension Plan Board as an Investment Analyst and Portfolio Manager.

**Patrick Farmer** is Chairman of the Board of Directors of the Company and Chairman of the Board of Directors, and Chief Operating Officer of the Manager and has been with the Manager since its incorporation in 2008. Mr. Farmer is Chief Executive Officer of EdgePoint. He holds a Chartered Financial Analyst designation and has over 30 years' experience in the investment industry, including approximately 14 years as an investment manager and Chief Investment Officer at Trimark Investment Management and AIM Trimark Investments. Prior to joining Trimark Investment Management in 1993, Mr. Farmer spent 7 years as a Fixed Income Portfolio Manager/Trader/Analyst with Crown Life Investment Management and Crown Life Insurance Company.

**Norman Tang** is the Chief Financial Officer of the Company and Director of Finance of the Manager and has been with the Manager since 2009. Prior to joining EdgePoint, Mr. Tang was a Senior Manager for KPMG LLP's Financial Institutions and Real Estate assurance practice where he worked from 2000 to 2009. Mr. Tang is a Chartered Professional Accountant, Chartered Accountant.

**Diane Rossi** is the Corporate Secretary of the Company and the Director of Operations of the Manager. From April 2006 to June 2008, Ms. Rossi led the Client Administration department for Burgundy Asset Management where she was responsible for servicing institutional and high net worth private clients. Prior to joining Burgundy Asset Management in 2006, Ms. Rossi was employed by Trimark Investment Management since April 1992 where she held the position of Assistant Vice President of Operations for Trimark Investment Management and AIM Trimark Investments since 1999. During Ms. Rossi's 14 year career at Trimark Investment Management and AIM Trimark Investments she was instrumental in building the back office administration team. Ms. Rossi has a history of implementing innovative solutions to maximize operational efficiencies and creating a culture focused on the provision of superior service.

**Sayuri Childs** is Chief Compliance Officer of the Manager. Prior to becoming the Chief Compliance Officer, Ms. Childs was Director of Compliance of the Manager. Ms. Childs headed the investment communications team at EdgePoint from 2008 to 2016 and built the foundation for the client-focused team that exists today. Before joining EdgePoint, she worked at Invesco Canada from 2001 to 2008 as a Product Manager and Manager, Product Management & Research. Prior to Invesco, Ms. Childs worked in various roles at the Toronto Stock Exchange. Throughout her career, Ms. Childs has played key roles in developing departmental efficiencies, leveraging technology and creating compliant, client-friendly materials. Ms. Childs holds a Chartered Financial Analyst designation.

**Robert C. Krembil**, B.A., M.B.A., LL.D., CFA is a principal shareholder and a director of the Manager. Mr. Krembil, as of the date of this AIF, is the President of Chiefswood Holdings Limited and associated companies including Chiefswood Investment Management Inc. Mr. Krembil is Chairman of the Krembil Foundation and a member of the Dean's Advisory Council for Schulich School of Business. Mr. Krembil was educated at the University of Saskatchewan, B.A., 1963; York University, M.B.A., 1971; The Institute of Chartered Financial Analysts, CFA., 1971 and received a Doctors of Law (honoris causa) from York University in 2000. In 2005 Mr. Krembil became a Member of the Order of Canada. Prior to July 2000, Mr. Krembil was Chairman and Chief Executive Officer, Trimark Financial Corporation, which he co-founded in 1981. Trimark Financial Corporation became one of Canada's leading mutual fund companies before being sold to AMVESCAP PLC in 2000. Mr. Krembil has over 50 years' experience as an investment analyst and portfolio manager. Mr. Krembil remains actively engaged in philanthropy and investment management on behalf of the Chiefswood Companies and the Krembil Foundation.

### 7.3. Investment Advisor

On September 24, 2010, EdgePoint Investment Management Inc. (the former investment advisor) was amalgamated with the Manager and the amalgamated entity continues to operate as the Manager under the name of EdgePoint Investment Group Inc. As a result of the amalgamation, the Manager is responsible for all duties of the Manager and the investment advisor, as applicable, under both the Management Agreement and the investment advisory agreement between the Company, the Manager and EdgePoint Investment Management Inc. dated November 4, 2008 (the “**Investment Advisory Agreement**”).

#### 7.3.1. Key Personnel of the Manager in its Role as Investment Advisor

The team that is primarily responsible for overseeing and making decisions in respect of the Company’s portfolio of investments includes the following personnel:

<u>Name and Municipality of Residence</u>	<u>Position with the Manager</u>	<u>Principal Occupation</u>
Tye Bousada King City, Ontario	President, Co-Chief Executive Officer & Director (since inception)	President and Co-Chief Executive Officer, EdgePoint Investment Group Inc.
Geoff MacDonald Etobicoke, Ontario	Co-Chief Executive Officer, Chief Investment Officer & Director (since inception)	Co-Chief Executive Officer and Chief Investment Officer, EdgePoint Investment Group Inc.

A description of the experience and background relevant to the business of the Company for each of the directors and executive officers of the Manager is set out above under “Directors and Executive Officers of the Manager”.

#### 7.3.2. The Investment Advisory Agreement

Pursuant to the Investment Advisory Agreement, the Manager will manage the assets held by the Company in accordance with the investment objective and investment restrictions of the Company.

The Investment Advisory Agreement may be terminated by the Manager or the Company on (a) 10 days’ written notice to the other party for an uncured material breach of the Investment Advisory Agreement following 30 days’ written notice of such breach, (b) immediately upon the insolvency or liquidation of the other party (and in the case of the Manager, either the Manager or the Company) or if the other party becomes bankrupt or passes a resolution approving its winding-up or dissolution or in the case of its deemed dissolution or makes a general assignment for the benefit of its creditors, (c) upon the provision of 60 days’ written notice to the other party, or (d) immediately by either party in the event that a court of competent jurisdiction establishes the other party has committed any fraudulent act in the performance of its duties under the Investment Advisory Agreement. The Investment Advisory Agreement will terminate in accordance with its terms upon the termination of the Company.

#### 7.3.3. Duties of the Manager under the Investment Advisory Agreement

Under the Investment Advisory Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Company and its Shareholders and must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Manager is not liable in carrying out its duties under the Investment Advisory Agreement, including for any loss or diminution in value of the Company’s assets or any loss or damage caused to the Company or any Shareholder relating to permitted loans or indebtedness of the Company or for any insufficiency of income from or any depreciation in the value of any investments in or upon which any of the

moneys of or belonging to the Company shall be invested or by virtue of the acquisition or disposition of any such investments or for any other loss or damage to the Company's assets which may occur during or in the course of the performance by the Manager of its rights, duties, powers, discretions, authorities, obligations and responsibilities under the Investment Advisory Agreement, except to the extent that the loss or damage results from the wilful misconduct, bad faith, negligence or reckless disregard by the Manager of its duties, obligations and responsibilities, or the Manager has failed to meet its standard of care.

The Manager and each of its directors, officers, employees and agents are indemnified and saved harmless by the Company for all liabilities, costs and expenses incurred in connection with any claim, action, suit or proceeding that is proposed or commenced or any other claim that is made against the Manager or any of its officers, directors, employees or agents in the exercise of its duties as Manager if they do not result from the Manager's wilful misconduct, bad faith, negligence or reckless disregard of its duties, breach of its obligations under the Investment Advisory Agreement or failure to meet its standard of care.

The management services and portfolio advisory services of the Manager under the Management Agreement and the Investment Advisory Agreement, respectively, are exclusive to the Company and EdgePoint. The Manager and Messrs. Bousada, Farmer and MacDonald have agreed not to manage or promote publicly offered funds (except the Company), institutional assets, or any other investment related products in Canada, except publicly offered funds, institutional assets, and other investment related products managed by EdgePoint. This exclusivity agreement, offered by the Manager, has no fixed termination date and with respect to Messrs. Bousada, Farmer and MacDonald will not terminate as long as they are actively employed by the Manager (the "**Exclusivity Agreement**").

#### **7.4. Custodian and Fund Administrator**

CIBC Mellon Trust Company (the "**Custodian**") is the custodian and valuation agent of the Company's assets pursuant to a custodian agreement between the Manager and the Custodian effective July 30, 2015 (the "**Custodian Agreement**"). The address of the principal office of the Custodian is 1 York St, Suite 500, Toronto, Ontario M5J 0B6. Pursuant to the Custodian Agreement, in consideration for the services, the Manager pays all fees, charges and obligations incurred by the Custodian in accordance with a fee schedule, which may be changed from time to time by the Custodian upon prior written notice to the Manager. The Custodian may employ sub-custodians as considered appropriate by the Company in the circumstances. If the Custodian has delivered possession of securities to a third party (other than an affiliate of the Custodian or an appointed sub custodian) in connection with its services as custodian, it will not be responsible or liable for the holding or control of such securities or for any loss of or diminution in value of such securities.

CIBC Mellon Global Securities Services Company (the "**Fund Administrator**") has been appointed the fund administrator of the Company pursuant to a fund administration services agreement between the Company, the Manager and the Fund Administrator effective July 30, 2015 (the "**Fund Administration Agreement**"). Pursuant to the Fund Administration Agreement, the Manager pays the fees and expenses for services performed by the Fund Administrator pursuant to the asset servicing indicative schedule of fees, which may be changed from time to time with the consent of the Fund Administrator and the Manager. The Fund Administration Agreement also sets out general terms and conditions governing the appointment including, but not limited to, services not provided, administrative powers, limitation on liability and when the Fund Administration Agreement may be terminated.

#### **7.5. Conflicts of Interest**

The Manager owns of record and beneficially 100% of the outstanding Common Shares. The Manager is controlled indirectly by Tye Bousada, Patrick Farmer, Robert Krembil and Geoff MacDonald all of whom are executive officers and/or directors of the Manager and/or the Company. Messrs. Bousada, Farmer, Krembil and MacDonald beneficially own, directly and indirectly, approximately 99.11% of the Manager.

To the knowledge of the directors and executive officers of the Company, as of the date of this AIF, the Krembil Foundation and Chiefswood Holdings Ltd., both controlled by Robert Krembil, own, in the aggregate, 1,092,006 Class J Shares, representing approximately 15.5% of the issued and outstanding Class J Shares. To the knowledge of the directors and executive officers of the Company, no other person owns more than 10% of the issued and outstanding Class A Shares or Class J Shares.

#### **8. LEGAL AND REGULATORY ACTIONS**

As of the date of this AIF, there are no ongoing legal or regulatory actions material to the Company, pursuant to which the Company or the Manager is a party.

As of the date of this AIF, neither the Manager nor, to the best of the Company's knowledge, any director or officer of the Company or the Manager has:

- (a) been subject to any penalties or sanctions relating to trading in securities, promotion or management of a publicly-traded fund or theft or fraud or has entered into a settlement agreement with a court, securities regulator or other regulatory body, in relation to such matters, in the last 10 years;
- (b) within the prior 10 years, been a director, chief executive officer or chief financial officer of any company that, while such person was acting in such capacity or after such person ceased to act in such capacity but resulting from an event that occurred while acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; and
- (c) within the prior 10 years, been a director or executive officer of any company that, while such person was acting in such capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings or arrangements with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### **9. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Company has not had any material transactions with any director or officer of the Company or the Manager.

#### **10. TRANSFER AGENTS AND REGISTRARS**

Computershare Investor Services Inc. is the registrar, transfer agent and distribution agent for the Shares. The register and transfer ledger is kept by the registrar at its principal stock and bond transfer offices located in Toronto, Ontario.

## 11. MATERIAL CONTRACTS

The only material contracts entered into by the Company or the Manager other than during the ordinary course of business, are as follows:

- (a) the Articles;
- (b) the Management Agreement;
- (c) the Investment Advisory Agreement;
- (d) the Custodian Agreement;
- (e) the Fund Administration Services Agreement;
- (f) the Escrow Agreement; and
- (g) the Unanimous Shareholders' Agreement among the shareholders of EdgePoint dated November 4, 2008, as amended July 28, 2009, July 24, 2012 and June 26, 2014 (the "**Unanimous Shareholders' Agreement**"). Pursuant to the Unanimous Shareholders' Agreement, the direct and indirect shareholders of EdgePoint have agreed to be bound by certain rights and restrictions, including, but not limited to: (i) transactions with related parties requiring approval by extraordinary resolution; (ii) the limit on the amount of common shares issuable to employees of EdgePoint; (iii) the valuation methodology to be used for valuing the common shares of EdgePoint; (iv) the restrictions on transferring common shares of EdgePoint; (v) the granting of piggy-back rights in the event of certain third party offers for the common shares of EdgePoint; and (vi) the events causing an employee shareholder to be deemed inactive and the related consequences. The Unanimous Shareholders' Agreement also outlines the Exclusivity Agreement in relation to Messrs. Bousada, Farmer and MacDonald.

Copies of the foregoing documents may be examined during normal business hours at the principal office of the Company located at 150 Bloor Street West, Suite 500, Toronto, Ontario, M5S 2X9 and can also be found under the Company's profile at [www.sedar.com](http://www.sedar.com).

## 12. INTEREST OF EXPERTS

The Company's independent auditors are KPMG LLP, Chartered Professional Accountants, who have issued an independent auditors' report dated March 12, 2020 in respect of the Company's consolidated financial statements as at December 31, 2019 and December 31, 2018. Deloitte LLP assists in the preparation of the valuation of EdgePoint that is incorporated into the Company's financial statements. KPMG LLP and Deloitte LLP have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## 13. VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

For information on voting securities and principal holders of voting securities, see "Conflicts of Interest".

## 14. EXECUTIVE COMPENSATION

### 14.1. Executive Compensation Discussion and Analysis

The senior management team of the Company consists of individuals employed by the Manager. Pursuant to the Management Agreement, the Company has retained the Manager to manage and administer the day-to-day business and affairs of the Company. Pursuant to the Investment Advisory Agreement, the Manager manages the assets held by the Company in accordance with the Company's investment objective and investment restrictions.

Although certain individuals hold titles as officers of the Company, these officers are employees of the Manager. Under the terms of the Management Agreement and the Investment Advisory Agreement, any directors, officers or employees of the Manager who are also officers of the Company are paid by the Manager for serving in such capacity and do not receive any remuneration directly from the Company. Accordingly, the Company has no compensation committee.

#### *Named Executive Officers*

The following discussion describes the portion of the compensation that is attributable to time spent on the activities of the Company of the Co-Chief Executive Officers, the Chief Financial Officer, and the Corporate Secretary who represent all executive officers for 2019 (collectively, the "Named Executive Officers" or "NEOs"). The Company has four NEOs:

- Tye Bousada, Co-Chief Executive Officer;
- Geoff MacDonald, Co-Chief Executive Officer;
- Norman Tang, Chief Financial Officer; and
- Diane Rossi, Corporate Secretary.

#### *Compensation Objectives and Principal Elements*

The compensation of the NEO's includes two major elements: (1) base salary; and (2) an annual cash bonus, in each case, paid by the Manager.

The NEO's are employed by the Manager. The Board of Directors has no role in determining compensation for employees of the Manager, including those that act as NEOs. Accordingly, the Board of Directors has not considered the risks associated with the Manager's compensation policies and practices. Although the Board of Directors has not adopted any policies in this regard, in the event that an NEO or director of the Company purchases financial instruments that are designed to hedge or offset a decrease in market value of the Company's equity securities granted as compensation or held, directly, or indirectly, by a NEO or director of the Company, such purchases must be disclosed in the insider reporting filings of the NEO or director of the Company.

The NEOs do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not expected to be a significant element of compensation of the NEOs that is attributable to time spent on the activities of the Company.

#### *Base Salaries*

Base salaries are paid by the Manager and are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined by the Manager on an individual basis, taking into consideration the past, current and potential contribution to success, the position and responsibilities of the NEOs and competitive industry pay practices for other

investment corporations and corporations of comparable size. Base salaries are determined and paid by the Manager and not by the Company.

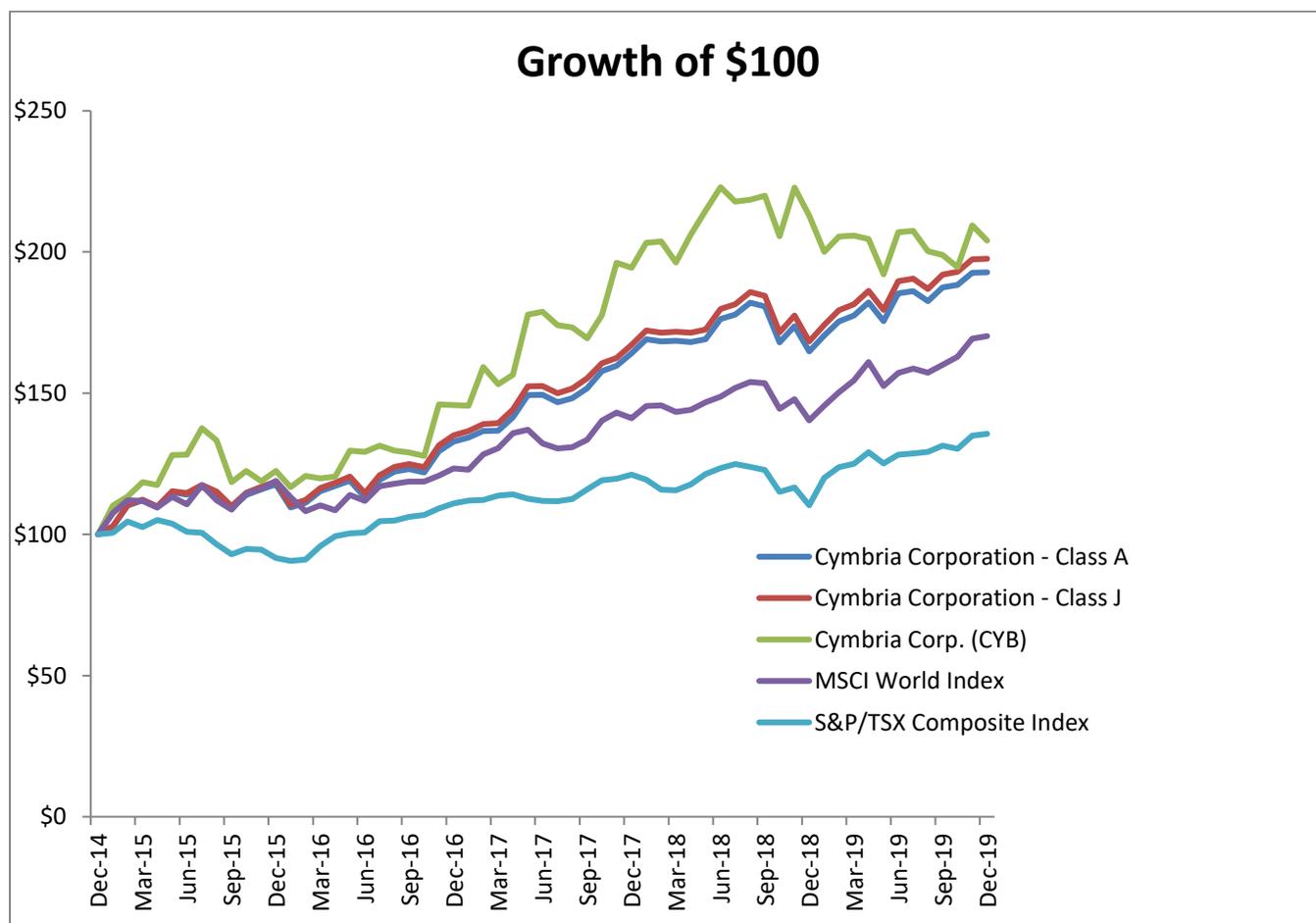
**Annual Cash Bonus**

Annual cash bonuses are paid by the Manager and are awarded primarily based upon qualitative and quantitative performance standards, and reward performance of the NEO individually. Individual performance factors may vary, and may include completion of specific projects or transactions and the execution of day to day management.

Annual bonuses are determined and paid by the Manager and will not be paid by the Company.

**14.2. Performance of the Company**

The following performance graph compares the total cumulative return of a \$100 investment in Class A Shares based on aNAV, Class A Share based on the Class A Share trading price and Class J Shares based on aNAV from January 1, 2015 to December 31, 2019 with the total cumulative return of the S&P/TSX Composite Index and the MSCI World Index (C\$). During the period, an investment of \$100 in Class A Shares would have grown to \$193 for a total cumulative return of 93% based on aNAV, or \$204 or 104% based on the Company’s Class A Share trading price, and \$198 or 98% for Class J Shares based on aNAV, as compared to \$136 or 36% for the S&P/TSX Composite Index or \$170 or 70% for the MSCI World Index.



### 14.3. Compensation Governance

Under the terms of the Management Agreement and the Investment Advisory Agreement, any directors, officers or employees of the Manager who are also officers of the Company are paid by the Manager for serving in such capacity and do not receive any remuneration directly from the Company.

#### Compensation Consultants

No compensation consultant or advisor has been retained to assist the Company, the Board of Directors or the Manager in determining compensation for any of the Company's directors or executive officers.

### 14.4. Summary Executive Compensation Table

The following table sets out the compensation paid by the Manager to each Named Executive Officer that is attributable to time spent by such Named Executive Officer on the activities of the Company for each of the fiscal years ended December 31, 2017, December 31, 2018 and December 31, 2019:

Name and Principal Position of Named Executive Officer	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(1)</sup> (\$)	Long-Term Incentive Plans (\$)			
Tye Bousada Co-Chief Executive Officer	2019	16,750	N/A	N/A	-	N/A	N/A	-	16,750
	2018	16,750	N/A	N/A	-	N/A	N/A	-	16,750
	2017	16,750	N/A	N/A	-	N/A	N/A	-	16,750
Geoff MacDonald Co-Chief Executive Officer	2019	16,750	N/A	N/A	-	N/A	N/A	-	16,750
	2018	16,750	N/A	N/A	-	N/A	N/A	-	16,750
	2017	16,750	N/A	N/A	-	N/A	N/A	-	16,750
Norman Tang Chief Financial Officer	2019	15,300	N/A	N/A	17,595	N/A	N/A	-	32,895
	2018	15,300	N/A	N/A	17,595	N/A	N/A	-	32,895
	2017	15,300	N/A	N/A	17,595	N/A	N/A	-	32,895
Diane Rossi Corporate Secretary	2019	14,000	N/A	N/A	16,100	N/A	N/A	-	30,100
	2018	14,000	N/A	N/A	16,100	N/A	N/A	-	30,100
	2017	14,000	N/A	N/A	16,100	N/A	N/A	-	30,100

#### Notes:

- 1) Total management fees paid to the Manager, which is controlled by certain of the Named Executive Officers, was \$7,793,462, \$7,387,499, and \$6,500,560 in 2019, 2018, and 2017, respectively. The compensation noted above would be paid or allocated from these fees. The compensation noted above represents the portion of base salary and annual bonus paid by the Manager to the Named Executive Officers attributable to time spent on the executive activities of the Company. It does not include time spent on portfolio management activities for the Company. The amounts allocated in the table were determined by the Manager solely for the purposes of the table, based on the role, responsibility and time spent by the respective NEO to fulfill the requirements of their office.
- 2) No Named Executive Officer receives any compensation for acting as a member of the Board of Directors of the Company.

#### 14.5. Director Compensation Discussion and Analysis

Each independent member of the Board of Directors will be paid such remuneration for their services as the Board of Directors may, from time to time, determine. Until otherwise determined, such compensation for each director is \$30,000 per year, for each director that is not an employee of the Manager. The Chair of the Audit Committee also receives a further retainer of \$7,500 per year, and each member of the Audit Committee also receives a further retainer of \$5,000 per year, for services in those respective capacities. The Company will also reimburse all members of the Board of Directors for out-of-pocket expenses for attending meetings of the Board of Directors and committees of the Board of Directors.

The Company established a deferred share unit plan (the “**DSU Plan**”) to promote the interests of the Company by attracting and retaining qualified persons to serve on the Board of Directors and to afford such persons an opportunity to receive a portion of their compensation for serving as a member of the Board of Directors in the form of securities of the Company.

##### *Deferred Share Unit Plan*

The DSU Plan allows members of the Board of Directors to receive a portion of their compensation for serving as a member of the Board of Directors in the form of securities of the Company.

Each participant in the DSU Plan may elect, once each calendar year, to be paid a percentage of his or her annual retainer in the form of a deferred share unit, which is a bookkeeping entry equivalent in value to a Class A Share credited to the participant’s account (each a “**DSU**”), with the balance being paid in cash. Each participant is entitled to redeem his or her DSUs commencing on the business day immediately following the date upon which a participant ceases to hold any position as a member of the Board of Directors, as applicable, and is no longer otherwise employed by the Company, including in the event of the death of the participant.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company’s assets to shareholders, or any other change affecting Shares, such proportionate adjustments, if any, as the Board of Directors in its discretion may deem appropriate to reflect such change, shall be made with respect to the number of DSUs outstanding under the DSU Plan.

The Board of Directors may at any time, and from time to time, and without Shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation: (a) amendments to the termination provisions of the DSU Plan; (b) amendments necessary or advisable because of any change in applicable securities laws; (c) amendments to Section 4 relating to the administration of the DSU Plan; and (d) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the TSX, including amendments of a “clerical” or “housekeeping” nature. Notwithstanding the foregoing the Board of Directors shall not be permitted to amend: (a) in order to increase the maximum number of DSUs which may be issued under the DSU Plan or to increase the maximum value of equity that a participant may be eligible to receive on an annual basis under the DSU Plan together with all other security based compensation arrangements of the Company; (b) the amendment provisions of the DSU Plan in any manner; (c) amendments to the transferability of DSUs provided for in the DSU Plan; or (d) the definition of “Participant”; in each case without first having obtained the approval of a majority of the holders of Common Shares.

The Board of Directors may decide to discontinue granting awards under the DSU Plan at any time in which case no further DSUs shall be awarded or credited under the DSU Plan. Any DSUs which remain outstanding in a participant’s account at that time shall continue to be dealt with according to the terms of

the DSU Plan. The DSU Plan shall terminate when all payments owing pursuant to the DSU Plan have been made and all DSUs have been cancelled in all participants' accounts.

#### 14.6. Summary Director Compensation Table

The following table sets out information concerning compensation paid by the Company to each of the directors listed below for the year ended December 31, 2019:

Name	Fees Earned		Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	Annual Retainer (\$)	% paid in DSUs						
Ugo Bizzarri	\$30,000	100%	N/A	N/A	N/A	N/A	-	\$30,000
Patrick Farmer	Nil	N/A	N/A	N/A	N/A	N/A	-	Nil
James MacDonald	\$35,000	100%	N/A	N/A	N/A	N/A	-	\$35,000
Reena Carter	\$37,500	100%	N/A	N/A	N/A	N/A	-	\$37,500
Richard Whiting	\$35,000	-	N/A	N/A	N/A	N/A	-	\$35,000

Note: Patrick Farmer does not receive fees as a director and is paid by the Manager only.

#### *Pension Benefits*

The Board of Directors do not participate in any defined benefit or defined contribution pension plan of the Company.

### 15. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

#### 15.1. Aggregate Indebtedness of All Executive Officers, Directors, and Employees

#### AGGREGATE INDEBTEDNESS (as of the date of this AIF)

Purpose	To EdgePoint (subsidiary)	To Another Entity
Share Purchases	\$24,672,354	\$0
Other	\$0	\$0

**15.2. Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During 2019	Amount Outstanding as at the date of this AIF	Financially Assisted Securities Purchases During 2019 (#)	Security for Indebtedness	Amount Forgiven During 2019 (\$)
<i>Securities Purchase Programs</i>						
Norman Tang, Director of Finance, EdgePoint Investment Group Inc.	EdgePoint (subsidiary) - lender	\$100,000	\$200,000	125	Common shares of EdgePoint	\$0
Diane Rossi, Director of Operations, EdgePoint Investment Group Inc.	EdgePoint (subsidiary) - lender	\$344,031	\$395,569	249	Common shares of EdgePoint	\$0
<i>Other Programs</i>						
N/A						

EdgePoint provides share purchase loans to all employees to assist in the purchase of EdgePoint's common shares. The loans are secured by the common shares of EdgePoint purchased with no further recourse to the employee. The loans bear a variable rate of interest based on the Canada Revenue Agency's prescribed rates for employee loans. The loans have an initial term to maturity of 10 years and are interest-only for the first ten years. The loans may be repaid at any time without penalty.

The EdgePoint common shares are voting securities with the right to receive any remaining property upon a dissolution of EdgePoint and dividends, if and when declared by EdgePoint.

**16. APPOINTMENT OF AUDITOR**

The auditors of the Company are KPMG LLP, Toronto, Ontario.

**17. CORPORATE GOVERNANCE**

Certain details regarding the Company's policies and procedures relating to corporate governance are attached hereto as Appendix "A".

## 18. AUDIT COMMITTEE

### *Composition and Background*

The audit committee of the Company (the “**Audit Committee**” or “**Committee**”), as of the date of this AIF, is comprised of Messrs. James MacDonald, Richard Whiting and Ms. Reena Carter. Ms. Carter serves as its Chair.

<b>Audit Committee Member</b>	<b>Experience and Education</b>
James MacDonald	James MacDonald has been a director of a number of public and private companies, including serving on compensation, corporate governance, and audit committees. He was Chairman and Managing Partner of Enterprise Capital Management Inc. from 1997 to 2009. Prior to 1997 he was Deputy Chairman of ScotiaMcLeod Inc. Mr. MacDonald is a graduate of the University of Western Ontario where he earned a Hons. B.A. and Northwestern University where he earned an MBA.
Reena Carter	Reena Carter, at the date of this AIF, is the Executive Vice-President, Investment Finance & Valuations at OMERS. Prior to joining OMERS in 2016, she was with Borealis Infrastructure for 13 years where she assumed progressively senior finance roles, including Chief Financial Officer. From 1999-2003, Ms. Carter worked in both the assurance and advisory practices at KPMG LLP. Ms. Carter is a Chartered Professional Accountant, Chartered Accountant, a Chartered Business Valuator, and a Chartered Director.
Richard Whiting	Richard Whiting was employed by AGF Management for 17 years as an investment manager, Senior Vice President and a member of the Board of Directors. Mr. Whiting joined Trimark Investment Management in 1993 as Portfolio Manager of the Trimark Americas Fund. Mr. Whiting retired from AIM Trimark Investments in September 2000.

The three members of the Audit Committee are “independent” as contemplated by National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) and each is financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the financial statements of the Company. Each of the members of the Audit Committee, is regarded by the Board of Directors, by virtue of his/her respective education and/or business background, as well as experience with the Company, as having: (a) a basis for understanding the accounting principles used by the Company to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience analyzing or evaluating financial statements of the type referred to above and (d) an understanding of internal controls and procedures for financial reporting.

## *Responsibilities*

Pursuant to the Management Agreement, the Executive Officers that serve the Company are provided and compensated by the Manager. “Executive Officers” and “the Manager” can be used interchangeably throughout this section. The Audit Committee fulfils its responsibilities within the context of the following guidelines:

- the Committee communicates its expectations to the Executive Officers and the external auditors with respect to the nature, extent and timing of its information needs. The Committee expects that draft financial statements and other written materials will be received from the Executive Officers several days in advance of Committee meeting dates;
- the Committee, in consultation with the Officers and the external auditors, develops an Audit Committee agenda which is responsive to the Committee's needs as set out in its charter;
- the Committee, in consultation with the Executive Officers and the external auditors, reviews important financial issues and emerging audit, accounting and governance standards which may impact the Company's financial disclosure and presentation;
- the Chairman of the Committee and other Audit Committee members have direct, open and frank discussions during the year with the Executive Officers, other Board of Directors members and the external auditors as required;
- to assist the Committee in fulfilling its responsibilities, it may, at the expense of the Company, engage an outside advisor with special expertise;
- as the external auditor's responsibility is not only to the Board of Directors but to the Audit Committee as representatives of the shareholders, the Committee expects the external auditors to report to it all material issues arising out of their services or relationship with the Manager and the Company; and
- the Committee pre-approves both audit and non-audit services performed by the external auditor.

## *Charter*

The charter of the Audit Committee is as follows:

Purpose: The primary function of the Audit Committee is to assist the Board of Directors in fulfilling their oversight responsibilities by reviewing:

- (a) the selection, independence and effectiveness of the external auditors;
- (b) the financial statements and other financial information and reports which will be provided to the shareholders and others;
- (c) the financial reporting process; and
- (d) the Company's system of internal controls and disclosure.

The external auditors' ultimate responsibility is to the Company and the Audit Committee, as representatives of the shareholders. These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors.

The Committee shall be given full access to the Company's records and access to the external auditors as necessary to carry out these responsibilities.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. It is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with IFRS as issued by the International Accounting Standards Board. These are the responsibilities of the Executive Officers. The external auditors' responsibility is to perform an audit to determine whether the financial statements prepared by the Executive Officers are, in all material respects in accordance with IFRS.

#### *Qualification of Members*

1. The members of the Audit Committee (the "**Committee**") shall be three or more in number and be "independent" as defined in NI 52-110 of the Canadian securities regulators. "Independent" for this purpose means that a member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with his or her independent judgment. Members of the Committee shall not receive any remuneration other than for acting as a member of the Committee or another Committee or as a Board of Directors member.
2. All members of the Committee shall, as stipulated in NI 52-110, be "financially literate", that is to say have the ability to read and understand financial statements and related notes that present a breadth and level of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

#### *Operating Procedures*

1. The Committee requires that the Executive Officers provide for review draft annual and quarterly financial statements, annual and quarterly reports, Management's Discussion and Analysis, Annual Information Form and press releases where relevant, in a timely manner before the scheduled Committee meetings.
2. The Committee meets annually in March so as to be able to review the draft annual audited financial statements, audit results and related materials, and external auditors' review report. It also meets quarterly as required to review the draft first, second and third quarter unaudited financial statements and the accompanying report to shareholders.
3. At least annually, the Committee reviews its effectiveness and the contribution of each of its members.
4. The Committee shall have adequate resources and authority to discharge its responsibilities.
5. The Committee shall have the authority to engage and compensate independent counsel and other advisors which it determines are necessary to enable the Committee to carry out its duties, and to communicate directly with the external auditors.

#### *Relationship with External auditors and Review Responsibilities*

1. The external auditors are accountable to the Board of Directors and the Committee, the Committee serving as representatives of the shareholders of the Company. As such representatives, the Committee has overall responsibility for selection of the external auditors and recommends to the Board of Directors, the firm of external auditors. The Committee will only select external auditors

who (a) participate in the oversight program of the Canadian Public Accountability Board (the "CPAB") and are in good standing with the CPAB.

2. The Committee annually reviews and discusses communications from the external auditors detailing factors that might have an impact on the auditors' independence, including all services provided and fees charged by the external auditors as required by the Canadian Securities Administrators or Chartered Professional Accountants Canada to the extent applicable. The Committee satisfies itself regarding the independence of the auditors and reports its conclusions, and the basis for those conclusions, to the Board of Directors.
3. The Committee reviews and recommends to the Board of Directors for approval the annual audited financial statements and accompanying report to shareholders as well as related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis.
4. The Committee also reviews and recommends to the Board of Directors for approval the unaudited financial statements for the first, second and third quarters, Management's Discussion and Analysis and related reports to shareholders.
5. The Committee is responsible for approving the scope of the annual audit, the audit plan, the access granted to the Company's records and the co-operation of the Executive Officers and officers of the Manager in any audit and review function.
6. The external auditors are required to communicate with the Committee on matters relating to the planning, conduct and results of the audit and to discuss with the Committee its views about the quality of the accounting policies adopted by the CFO in preparing the financial statements with a particular focus on the accounting estimates and judgments made by the Executive Officers and their selection of accounting principles. The Committee meets in private with appropriate Executive Officers and separately with the external auditors to share perceptions on these matters, discuss any potential concerns and agree upon appropriate action plans.
7. The Committee is responsible for reviewing the communications from the external auditors relating to material weakness in internal control over financial reporting.
8. The Committee is responsible for reviewing the work of the external auditors, including their findings and recommendations, as well as the Executive Officers' response to any such findings and recommendations, and resolving any disagreements between them and the external auditors regarding financial reporting.
9. The Committee pre-approves all audit services and any non-audit services to be provided by its external auditors or any public accounting firm.
10. The Committee should review any public report of the CPAB related to audit quality issues pertaining to the external auditors.
11. The Committee is responsible for assessing the effectiveness of the working relationship of the external auditors with the Executive Officers.
12. The Committee is responsible for annually reviewing the performance of, and approving the fees charged by, the external auditors and for performing a comprehensive review of the external auditors not less often than every five years.

13. The Committee is also responsible, when circumstances dictate, for recommending to the Board of Directors the removal and replacement of external auditors.
14. The Committee, with the assistance of the Manager, shall establish procedures for dealing with complaints regarding accounting, internal accounting controls or auditing matters of the Company and for the confidential, anonymous submission by Executive Officers of the Company or officers and employees of the Manager regarding such matters (i.e. whistle-blowing).
15. The Committee shall review and approve the hiring by the Company of employees and former employees of the external auditors who were involved in audit of the Company's accounts.
16. The Committee shall review and comment to the Board of Directors on all related-party transactions.
17. The Committee shall review any change in the Company's Code of Ethics for Executive Officers.
18. The Committee shall, when feasible, review the relevant portions of any prospectuses, registration statements, information circulars and other reporting issuer or disclosure statements of the Company involving and as related to financial disclosure.

#### *Relationship to Internal Audit*

1. The Committee is responsible for reviewing and approving the Executive Officers' decisions relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, to approve the supplier of such service.
2. The Committee is responsible for ensuring that the Executive Officers have designed and are implementing an effective system of internal control over financial reporting.

#### *Committee Meetings*

The times and locations of meetings of the Committee, the calling of such meetings and all aspects of procedure at such meetings shall be determined by the Committee, as the case may be, provided that in every case:

- (a) the presence of at least two members shall be necessary to constitute a quorum; and
- (b) the acts of the Committee or any sub-committee, at a duly constituted meeting, shall require no more than the vote of a majority of the members present and that, furthermore, in any circumstance, a resolution or other instrument in writing signed by all members of the Committee shall avail as the act of the Committee.

#### *Audit and Non-Audit Services Pre-Approval Policies and Procedures*

The Committee is required to approve all non-audit work undertaken by the auditors. As a matter of policy, the auditors are precluded by the Board of Directors from supplying: actuarial services; appraisal or evaluation services; fairness opinion or contribution-in-kind reports; bookkeeping or other services related to the accounting records or financial statements; broker or dealer, investment advisor or investment banking services; financial information systems design and implementation; internal audit outsourcing; legal or expert services related to the audit; and management functions or human resources (the "**Prohibited Services**").

### *Pre-approval for Required Non-Audit Services*

A registered public accounting firm may engage in any non-audit service, including tax services, litigation support and internal control documentation, that is not described in the Prohibited Services, only if the activity is approved in advance by the audit committee of that company, in accordance with the Pre-approval Requirements section of this policy.

### *Pre-approval Requirements*

All audit and non-audit services provided to the Company by the auditor shall be pre-approved by the Audit Committee. Lists of the nature of specific services that are pre-approved are provided below. Services not listed must be specifically pre-approved before the engagement commences.

### *Pre-approval of Individual Services*

From time to time it is expected that certain services, which are not contemplated in the Pre-approval Requirements Section of this policy, may need to be specifically pre-approved. Where these services are to be performed for the Company then the Audit Committee has delegated the authority to effect such pre-approval to the Chairman of the Audit Committee or such other member of the Audit Committee as the Chairman may choose to appoint.

### *Report of Services to the Audit Committee*

At each regularly scheduled meeting of the Audit Committee, management shall report on all new pre-approved engagements of the external auditor to the Company.

### *Lists of Services for Audit Committee Pre-approval*

#### **1. Audit and audit related services**

<i>Type of Service</i>	<i>Description</i>
Financial Statement Audit	Recurring audit of financial statements including statutory audits and assistance with statutory audit disclosures. Also including review of other documents associated with the annual audit, MD&A, Annual Report, AIF, and Proxy Circular, if applicable. Also including tax and accounting consultations required in connection with the financial statements audit pertaining to complex or unusual transactions and/or other consultations required to perform an audit in accordance with generally accepted auditing standards.
Quarterly Reviews	Review of interim financial statements conducted in accordance with generally accepted auditing standards.
Regulatory financial filings	Services related to regulatory filings and prospectus including consent and comfort letters.
Internal control attestation services	Attestation services relating to the report on the entity's internal controls and any similar requirements which may be introduced under Canadian and other local legislation/regulations.
Consultation regarding IFRS	Discussions, review of impact of new pronouncements and other assistance in connection with the interpretation of accounting literature, including technical update sessions.

Review of other financial information	Reviews of financial information conducted in accordance with standards for review engagements as provided for in generally accepted auditing standards.
Other attest services	Attest services that are not required by statute or regulation, including attest services in respect of special audit reports to support tax filings.
Financial statement translation	Translation of statutory or regulator financial statements and related information.

## 2. Tax Services

<i>Type of Service</i>	<i>Description</i>
Corporate tax compliance	Preparation and/or review of corporate tax returns, filings and forms. Consultation regarding handling of items for tax returns, required disclosures, elections, and filings positions available.
Indirect tax compliance and advisory	Indirect tax recovery, compliance and advisory services (GST, HST, and other commodity taxes) including compliance advice, audit support, recovery services.
Routine corporate tax advisory services	Assistance with tax audits, examination of requests for information. Responding to requests regarding technical interpretations, applicable laws and regulations, and tax accounting. Tax advice on inter-company transactions, foreign tax credits, foreign income tax, tax accounting, foreign earnings and profits, capital tax, sales tax, GST, excise tax or equivalent taxes in the jurisdiction. Assistance with tax appeals that are not in front of a tax court or its equivalent.

## 3. Other Services

<i>Type of Service</i>	<i>Description</i>
Valuation	Valuation services to review and comment on valuations prepared by the company or third parties, valuations for decision-support analysis and deal valuations.
Internal audit services	Assisting an existing in-house internal audit function with specific, limited and non-recurring projects. Operational or other internal audit services unrelated to the internal accounting controls, financial systems or financial statements. Advising on and assessing the company's internal audit activities.
PFIC annual information statements	Assisting with computation of earnings and net capital gains in accordance with U.S. tax laws for the purposes of the preparation of Passive Foreign Investment Corporation ("PFIC") annual information statements.

### *Fees Paid to auditors*

The following table sets forth the aggregate fees incurred by the Company for audit and other services performed by the Company's auditor, KPMG LLP, for the years ended December 31, 2019 and 2018:

<b>Fiscal Year Ended</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit-Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>	<b>Total Fees Paid</b>
December 31, 2019	\$81,229	\$0	\$10,780	\$7,820	\$99,829
December 31, 2018	\$80,250	\$0	\$3,000	\$6,150	\$89,400

Note:

(1) Includes audit and review of financial statements for statutory and regulatory filings of the Company.

(2) Audit-related Fees includes professional fees billed by the Company's auditor related to assurances and related services related to the performance of the audit or review of the financial statements not included in "Audit Fees".

(3) Tax Fees include the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) All Other Fees include fees for PFIC annual information statements, advisory and consulting services for business transition, IFRS and other non-audit services, if any.

### **19. ADDITIONAL INFORMATION**

Copies of this AIF, the MD&A and Financial Statements for the year ended December 31, 2019 and any interim unaudited financial statements of the Company subsequent to such date, are available at no cost, by calling toll free 1-866-757-7207, by e-mail at [info@edgepointwealth.com](mailto:info@edgepointwealth.com) or on the Company's website at [www.cymbria.com](http://www.cymbria.com). These documents and other information about the Company are also available at [www.sedar.com](http://www.sedar.com).

**APPENDIX "A"**  
**DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE**

<b>Board of Directors</b>	
<i>Disclose the identity of directors who are independent.</i>	The Board of Directors has determined that three of the five directors, a majority, are "independent" within the meaning of National Instrument 52-110– <i>Audit Committees</i> . The three independent directors are James MacDonald, Reena Carter and Richard Whiting. Patrick Farmer and Ugo Bizzarri due to their relationship with the Company, the Manager and affiliated entities are not considered independent.
<i>Disclose the identity of directors who are not independent, and describe the basis for that determination.</i>	
<i>Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgement in carrying out its responsibilities.</i>	
<i>If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</i>	Ugo Bizzarri is a director of Timbercreek Financial Corp. None of the other directors currently serve on the board of directors of any other reporting issuers.
<i>Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.</i>	The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, however, the directors may hold "in camera" sessions at the end of regularly scheduled meetings of the Board of Directors during which members of management are not in attendance. As well, the Board of Directors, to facilitate an open and candid discussion among its independent directors, encourages the independent directors to meet at such times and in such manner as they determine necessary, from time to time.
<i>Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.</i>	Patrick Farmer is the Chairman of the Board of Directors and the Chief Operating Officer of the Manager and is not considered an independent director. The Board of Directors has determined, at this time, that there is not a need for a lead director that is independent. The Board of Directors took into consideration the operations of the Company, the size of the Board of Directors and the terms of the Management Agreement between the Company and the Manager. The fact that there are only three independent directors allows them to work collaboratively to ensure proper independent leadership and oversight of the Company is achieved.

<p>Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>There were six Board of Directors meetings and six Audit Committee meetings held in Fiscal 2019. Directors attendance record for Fiscal 2019 is as follows:</p> <table border="1" data-bbox="813 321 1417 787"> <thead> <tr> <th data-bbox="813 321 1015 453">Director</th> <th data-bbox="1015 321 1216 453">Attendance at Board of Director meetings</th> <th data-bbox="1216 321 1417 453">Attendance at Audit Committee meetings</th> </tr> </thead> <tbody> <tr> <td data-bbox="813 453 1015 520">Patrick Farmer</td> <td data-bbox="1015 453 1216 520">6/6</td> <td data-bbox="1216 453 1417 520">N/A</td> </tr> <tr> <td data-bbox="813 520 1015 588">Ugo Bizzarri</td> <td data-bbox="1015 520 1216 588">5/6</td> <td data-bbox="1216 520 1417 588">N/A</td> </tr> <tr> <td data-bbox="813 588 1015 655">James MacDonald</td> <td data-bbox="1015 588 1216 655">6/6</td> <td data-bbox="1216 588 1417 655">6/6</td> </tr> <tr> <td data-bbox="813 655 1015 722">Reena Carter</td> <td data-bbox="1015 655 1216 722">6/6</td> <td data-bbox="1216 655 1417 722">6/6</td> </tr> <tr> <td data-bbox="813 722 1015 787">Richard Whiting</td> <td data-bbox="1015 722 1216 787">6/6</td> <td data-bbox="1216 722 1417 787">6/6</td> </tr> </tbody> </table>	Director	Attendance at Board of Director meetings	Attendance at Audit Committee meetings	Patrick Farmer	6/6	N/A	Ugo Bizzarri	5/6	N/A	James MacDonald	6/6	6/6	Reena Carter	6/6	6/6	Richard Whiting	6/6	6/6
Director	Attendance at Board of Director meetings	Attendance at Audit Committee meetings																	
Patrick Farmer	6/6	N/A																	
Ugo Bizzarri	5/6	N/A																	
James MacDonald	6/6	6/6																	
Reena Carter	6/6	6/6																	
Richard Whiting	6/6	6/6																	

**Board of Directors Mandate**

<p>Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.</p>	<p>The Company's Board of Directors' Charter is attached as Schedule 1 and the Board of Directors' mandate is as follows:</p> <p>"The essence of the Board's responsibility is one of reviewing and monitoring to gain reasonable assurance that the business and affairs of Cymbria are being conducted properly and effectively. This includes:</p> <ul style="list-style-type: none"> <li>▪ contributing to the formulation of, and monitoring the implementation of Cymbria's strategic and business operating plans;</li> <li>▪ monitoring EdgePoint Investment Group Inc. in its capacity as Cymbria's manager and investment advisor;</li> <li>▪ reviewing the Manager's recommendations regarding major decisions and actions;</li> <li>▪ reviewing key policies developed by Cymbria and the Manager and monitoring compliance with such policies;</li> <li>▪ retaining the auditor for Cymbria;</li> <li>▪ monitoring Cymbria's financial reporting and disclosure; and</li> <li>▪ reviewing and approving certain transactions conducted by EdgePoint Wealth." </li></ul>
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**Position Descriptions**

<p>Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board</p>	<p>The Chairman of the Board of Directors provides leadership to the Board of Directors to ensure it functions effectively. Key responsibilities include:</p>
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<p><i>delineates the role and responsibilities of each such position.</i></p>	<ul style="list-style-type: none"> <li>▪ Chairing Board of Director meetings and ensuring they’re conducted efficiently and effectively;</li> </ul>
<p><i>Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</i></p>	<ul style="list-style-type: none"> <li>▪ Ensuring the Board of Directors is able to function independently from management, that responsibilities are understood and boundaries are respected;</li> <li>▪ Taking a leadership role in maintaining effective communication;</li> <li>▪ Coordinating with the Corporate Secretary to set the Board of Directors agenda and meetings and ensuring that the Board of Directors receives the appropriate quantity and quality of information in a timely manner to enable it to make informed decisions;</li> <li>▪ Facilitating candid Board of Directors discussions, ensuring all directors express their views on key Board of Director matters and assisting the Board of Directors in achieving a consensus;</li> <li>▪ Helping ensure that action items established by the Board of Directors are tracked and appropriate follow-up action is taken as necessary; and</li> <li>▪ Monitoring compliance with governance policies of the Board of Directors regarding conduct of meetings, managing and reporting information.</li> </ul> <p>The Chairman (“Chair”) of the Audit Committee is responsible for providing leadership to the Audit Committee in fulfilling the Audit Committee’s duties and responsibilities under its Charter. Key responsibilities include:</p> <ul style="list-style-type: none"> <li>• Act as the liaison between the Board of Directors and the Audit Committee;</li> <li>• Oversee the structure, composition, and activities of the Audit Committee;</li> <li>• Establish the agenda for each Audit Committee meeting in consultation with other members of the Audit Committee;</li> <li>• Chair all meetings of the Audit Committee including closed sessions and “in camera” sessions. If not present, the Chair will choose an alternate member of the Audit Committee to chair the meeting;</li> <li>• Ensure information and resources are provided in a timely manner to the Audit Committee members;</li> </ul>

	<ul style="list-style-type: none"> <li>• Facilitate effective communication between the Audit Committee and the Company’s management;</li> <li>• Ensure independence of the Audit Committee from the Company’s management and the Board of Directors, which includes meeting separately as deemed necessary;</li> <li>• In collaboration with the CFO and the external auditors, create and monitor the execution of a work plan for the Audit Committee; and</li> <li>• Report to the Board of Directors on the work of the Audit Committee in a timely and comprehensive manner.</li> </ul> <p>There is no specific written position description for the Co-Chief Executive Officers (Co-CEOs). The role and responsibilities of the Co-CEOs are assessed by the Board of Directors in connection with their responsibilities to oversee the Management Agreement. The Co-CEOs do provide updates to the Board of Directors on the operations of the Company and bring to the attention of the Board of Directors any material concerns. The role and responsibilities of the Chair of the Audit Committee is assessed periodically with the Board of Directors and with management.</p>
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**Orientation and Continuing Education**

<p><i>Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors' and (ii) the nature and operation of the issuer's business.</i></p>	<p>The Board of Directors and management have an informal orientation program for new directors outlining the role of the Board of Directors, its committees and the business of the Company. New directors meet with the Board of Directors and management to discuss the Company and its operations. The information and discussions are tailored to the particular needs of each new director. In addition, each director has access to management and relevant business information, as needed, to allow them to fulfil their director duties. New directors are provided with copies of the Board of Directors’ charter and mandate. While a formal continuing education program has not been adopted, the Manager seeks directors who have a broad understanding and interest in the financial services industry. The Board of Directors discusses typical issues on a regular basis and meets with management to learn about the business of the company, its growth and changes in the industry.</p>
<p><i>Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</i></p>	

**Ethical Business Conduct**

<p><i>Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</i></p> <p><i>(i) disclose how a person or company may obtain a copy of the code;</i></p> <p><i>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</i></p> <p><i>(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</i></p>	<p>The Board of Directors has determined that a code of conduct specific to the Company is not required at this time as the Company does not have any employees. The Manager has adopted a Code of Ethics as well as Guidelines of Conduct that apply to the Manager's directors, officers and employees. Any significant instances of non-compliance will be disclosed and discussed during regular quarterly Board of Directors meetings, unless such instances are of such a nature that immediate notification is deemed necessary.</p>
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<p><i>Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.</i></p>	<p>The Company's conflicts of interest policy outlines the expectations of directors and executive officers when faced with a conflict or a perceived conflict of interest matter.</p> <p>When a conflict of interest arises that involves a director or executive officer, the director or executive officer is required to disclose the conflict of interest in writing or by requesting to have it entered into the minutes of meetings of the Board, the nature and extent of any personal interest in any material contract or transaction made or proposed. A conflicted director will not vote on the matter in question. In addition, the Audit Committee is required to review any related party transactions.</p>
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<p><i>Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</i></p>	<p>The Company has established an investigations and complaints 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. The reporting system is confidential and anonymous.</p> <p>The Audit Committee is responsible for monitoring compliance with this policy.</p>
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**Nomination of Directors**

<p><i>Describe the process by which the board identifies new candidates for board nomination.</i></p> <p><i>Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.</i></p>	<p>The Board of Directors is responsible for considering and assessing new nominees to the Board of Directors taking into consideration, at least annually, the size and composition of the Board of Directors to ensure the right mix of skills and experience to guide the long-term strategy and ongoing business operations of the Company.</p> <p>As the Manager owns 100% of the voting shares in</p>
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<p><i>If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</i></p>	<p>the capital of the Company, the Manager ultimately decides who is elected to the Board of Directors and the Manager takes into consideration such factors as it deems necessary, including independence and experience of the directors.</p> <p>The Board of Directors will at all times consist of a majority of independent directors as required by the constating documents of the Company.</p>
<p><b>Compensation</b></p>	
<p><i>Describe the process by which the board determines the compensation for the issuer’s directors and officers. Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation. If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</i></p>	<p>Although certain individuals hold titles as officers of the Company, these officers are employees of the Manager. Under the terms of the Management Agreement and the Investment Advisory Agreement, any directors, officers or employees of the Manager who are also officers of the Company are paid by the Manager for serving in such capacity and do not receive any remuneration directly from the Company. Accordingly, the Company has no compensation committee.</p> <p>The Board of Directors, at least annually, reviews and determines the compensation of directors who are not also employees of the Manager.</p>
<p><b>Other Board of Directors Committees</b></p>	
<p><i>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</i></p>	<p>The Board of Directors has no formal committees other than the Audit Committee.</p>
<p><b>Assessments</b></p>	
<p><i>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</i></p>	<p>The Board of Directors as a whole, from time to time, conducts informal peer evaluation to provide feedback to individual directors in their capacity as directors or as members of the Audit Committee. This feedback provides valuable insight on their effectiveness and the effectiveness of the Audit Committee and the Board of Directors itself.</p>
<p><b>Director Term Limits and Other Mechanisms of Board Renewal</b></p>	
<p><i>Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</i></p>	<p>The Corporation has not adopted director term limits at this time on the basis that the imposition of limits on the tenure of directors discounts the value of experience and continuity amongst board members. Such limits create a risk of excluding experienced and valuable board members as a result of an arbitrary determination based on fixed criteria that may not best serve the interests of shareholders.</p>

<b>Policies Regarding the Representation of Designated Groups on the Board of Directors</b>	
<p><i>Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women, indigenous persons (First Nations, Inuit and Metis), persons with disabilities and members of visible minorities (each a “designated group” and collectively, “designated groups”) directors. If the issuer has not adopted such a policy, disclose why it has not done so. If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</i></p>	<p>After considering its director profile, the Board of Directors has determined that a formal written policy regarding designated group diversity on the Board of Directors is not necessary or appropriate in the context of the Company at this time believing that strict rules would be unduly restrictive given the relatively small number of directors and executive officers at each entity.</p> <p>While the Board of Directors does not have a specific policy, the Board of Directors and the Manager considers, among other criteria, diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for director membership. The Board of Directors will continue to evaluate whether a formal written policy would be appropriate or beneficial in the future.</p>
<b>Consideration of the Representation of Designated Groups in the Director Identification and Selection Process</b>	
<p><i>Disclose whether and, if so, how the board or nominating committee considers the level of representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of designated groups on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer’s reasons for not doing so.</i></p>	<p>In identifying and nominating candidates for election, the Board of Directors does not consider the level of representation of individuals who identify with any particular designated group, including women directors, and haven’t adopted any targets with respect to such representation believing that strict rules would be unduly restrictive given the relatively small number of directors and executive officers at each entity.</p> <p>Furthermore, while employees are encouraged to self-identify as a member of a designated group, we believe in an individual’s right to personal privacy. The ultimate decision to elect an individual to the Board of Directors is made by the Manager and in consultation with the Board of Directors. It is based on merit and the contribution the chosen candidate will bring to the Board of Directors.</p> <p>The Manager selects and employs the individuals listed as officers of the Company based on merit and suitability. Selection of candidates of a specific designated group is dependent upon the pool of candidates with the necessary skills, knowledge and experience. This selection process is in line with the expectations that the Board of Directors has of the Manager in selecting executive officers.</p> <p>These approaches regarding the composition of the Board of Directors and executive officers are based on what is in the best interests of the Company and its shareholders.</p>

<b>Consideration Given to the Representation of Designated Groups in Executive Officer Appointments</b>	
<i>Disclose whether and, if so, how the issuer considers the level of representation of designated groups in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of designated groups in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</i>	The Board of Directors relies on the Manager for selecting qualified individuals for executive office as discussed above.
<b>Issuer's Targets Regarding the Representation of Designated Groups on the Board of Directors and in Executive Officer Positions</b>	
<i>For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of designated groups on the issuer's board or in executive officer positions of the issuer by a specific date. Disclose whether the issuer has adopted a target regarding designated groups on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. Disclose whether the issuer has adopted a target regarding designated groups in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.</i>	The Board of Directors has not adopted a target regarding the level of representation of individuals who identify with any particular designated group, including women directors, and haven't adopted any targets with respect to such representation believing that strict rules would be unduly restrictive given the relatively small number of directors and executive officers at each entity. Furthermore, while employees are encouraged to self-identify as a member of a designated group, we believe in an individual's right to personal privacy.  The Board of Directors feels that adopting such a target could unduly restrict the Company's ability to identify and select the most qualified people.
<b>Number of individuals on the Board of Directors and in Executive Officer Positions who identify with a Designated Group</b>	
<i>Disclose the number and proportion (in percentage terms) of directors on the issuer's board who identify with a Designated Group.  Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who identify with a Designated Group.</i>	As of the date of this AIF, one of the five directors identifies with a Designated Group, representing 20% of the Board of Directors.  As of the date of this AIF, two of the four executive officers identify with a Designated Group, representing 50% of the executive officers.

## **SCHEDULE 1**

### **CHARTER OF THE BOARD OF DIRECTORS OF CYMBRIA CORPORATION**

#### **STATEMENT OF PURPOSE**

The Board of Directors (the “Board”) of Cymbria Corporation (the “Corporation”) is elected by the Corporation’s voting shareholders. The Board is responsible for monitoring the management of the Corporation’s business and affairs.

The Board shall review and reassess the adequacy of this Charter on an annual basis and at such other times as it considers appropriate.

#### **DUTIES OF DIRECTORS**

Pursuant to the *Business Corporations Act* (Ontario), in discharging his or her duties, each Director shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In determining whether Directors have fulfilled their duties, both procedural and substantive aspects of their conduct are relevant. The procedural aspect requires Directors to make reasonable inquiry into all relevant information available to them (informed decisions) and from a substantive aspect requires decisions to have been made honestly, prudently, in good faith and on reasonable grounds (business judgment rule).

#### **DISCLOSURE OF INTEREST IN MATERIAL CONTRACT OR TRANSACTION**

Directors are required to disclose to the Corporation, in writing or by requesting to have it entered into the minutes of meetings of the Board, the nature and extent of any personal interest in any material contract or transaction made or proposed with the Corporation. In the event the Board determines that a conflict of interest exists, then the Director with such conflict shall refrain from voting on any resolution related to such contract or transaction.

#### **SPECIFIC DUTIES AND RESPONSIBILITIES**

In adopting this Charter and in order to carry out its statutory responsibilities within the defined duty of care, the Board shall assume the following principal duties and responsibilities:

- monitor EdgePoint Investment Group Inc. (the “Manager”) in its capacity as manager and investment advisor of the Corporation including adherence to investment mandate;
- oversee the Corporation’s key agreements;
- review the Manager’s recommendations regarding major decisions and action outside of the ordinary course of business, including acquisitions and divestitures, financings and capital expenditures;
- review key policies developed by the Corporation, the Manager and Investment Advisor on various issues such as ethics, compliance, communications and public disclosures and review and monitor compliance with such policies;
- retain the auditor for the Corporation;

- monitor financial reporting and disclosure of the Corporation with a view to obtaining reasonable assurance that
  - the Corporation complies with all applicable laws and regulations of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure, and
  - the accounting policies and practices, significant judgments and disclosures which underlie or are incorporated in the Corporation's financial statements are appropriate having regard to the Corporation's business.
- review and approve the financial statements and review and obtain reasonable assurance as to the integrity of the Corporation's internal controls and management systems;
- review and approve any of the following transactions conducted by EdgePoint Wealth Management Inc.:
  - (a) the purchase or acquisition of an asset from a related party;
  - (b) the sale, transfer or disposition of an asset to a related party;
  - (c) the lease of property to or from a related party;
  - (d) the acquisition of a related party through an amalgamation, arrangement or otherwise;
  - (e) the issuance of a security to a related party, except in respect of share issuances to employees of up to 10% of the equity of Wealth Management Company;
  - (f) the subscription for a security of a related party;
  - (g) the assumption or otherwise becoming subject to a liability of a related party;
  - (h) the borrowing from, or lending to, a related party;
  - (i) the release, cancellation or forgiveness of a debt owed by a related party;
  - (j) materially amending the outstanding debt owed by or to a related party; or
  - (k) providing a guarantee on behalf of a related party.

For these purposes, "related party" shall have the meaning ascribed thereto under applicable securities laws.

The essence of the Board's responsibility is one of reviewing, and monitoring to gain reasonable assurance (but not to ensure) that the business and affairs of the Corporation are being conducted properly and effectively.

## **CORPORATE GOVERNANCE**

The Board is responsible for developing and implementing the Corporation's overall approach to governance issues. In connection therewith, the Board shall:

- review at least annually the size and composition of the Board;

- review at least annually the compensation of Board members (with management representatives not receiving compensation for acting in a Board capacity);
- developing corporate governance policies appropriate to the Corporation and monitoring their effectiveness;
- reviewing proposed annual corporate governance disclosure; and
- considering and assessing new nominees to the Board.

## **BOARD STRUCTURE AND COMPOSITION**

### **Membership**

The Board shall consist of such members that, from time to time, have an appropriate mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation.

The Board shall consist of such number of Directors as the Board may determine from time to time, provided that such number shall be within the minimum and maximum number of Directors set out in the Corporation's articles of incorporation and giving consideration to the role of the Manager in administering the day-to-day business of the Corporation.

The Board shall be comprised of a majority of Directors that are independent of the Corporation as determined in accordance with applicable law and regulatory guidelines or standards.

### **Meetings of the Board**

A quorum of the Board shall be a majority of its Members.

The Board shall meet as often as may be required to carry out its duties.

Notice of the principal matters to be addressed at all Board meetings shall be distributed to Directors in advance of each meeting. In addition, the Directors shall be provided with sufficient materials in order to appropriately consider such matters.

### **Management and Others at Board Meetings**

The Board may request any officer or employee of the Corporation, the Manager, or other outside advisors to attend meetings of the Board or to meet or provide consultations to the Board or any member thereof.

Representatives of the Manager shall normally attend meetings of the Board unless otherwise requested by the Board.

### **Resolutions**

Resolutions of the Board passed at a meeting shall require approval by a simple majority of members voting on such resolution.

Any decision or determination of the Board reduced to writing and signed by all of the members of the Board shall be fully as effective as if it had been made at a meeting duly called and held.

## **BOARD COMMITTEES**

The Board may, but need not establish standing committees. The entire Board shall constitute the governance committees for the purposes of applicable law.

The Board will establish an audit committee comprised of three independent members.

#### **BOARD CONFIDENTIALITY**

Directors shall maintain the absolute confidentiality of the deliberations and decisions of the Board and information received in respect thereof, except as may be specified by the Chair or if the information is otherwise publicly disclosed by the Corporation.

#### **OTHER ADVISORS**

The Board shall have the authority to consider and, if appropriate, approve the engagement of outside advisors at the Corporation's expense.

**Cymbria Corporation**  
**EdgePoint Investment Group Inc.**  
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**Toronto, Ontario, M5S 2X9**  
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