



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

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**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF  
ACASTA ENTERPRISES INC.  
TO BE HELD ON JUNE 19, 2017**

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May 12, 2017



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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders of Class B shares of Acasta Enterprises Inc. (“**Acasta**”) will be held at the offices of Goodmans LLP, located at 333 Bay St, Suite 3400, Toronto, Ontario on Monday, June 19, 2017 at the hour of 9:00 a.m. (Toronto time) for the following purposes:

1. **TO RECEIVE** the financial statements of Acasta for the year ended December 31, 2016, together with the report of the auditor thereon;
2. **TO ELECT** seven (7) directors to the board of directors of Acasta as described in the accompanying management information circular;
3. **TO APPOINT** the auditor of Acasta and authorize the board of directors of Acasta to fix the remuneration to be paid to the auditor;
4. **TO CONSIDER, AND IF DEEMED ADVISABLE, TO APPROVE** a deferred share unit incentive plan, as more particularly described in the accompanying management information circular;
5. **TO TRANSACT** such further or other business as may properly come before the Meeting and any and all adjournments thereof.

Acasta is using “notice-and-access” delivery to furnish proxy materials to shareholders over the internet. Acasta believes that this delivery process will expedite shareholders’ receipt of proxy materials and lower the costs and reduce the environmental impact of the Meeting. On or about May 19, 2017, shareholders will be sent a notice-and-access notification (the “**Notice-and-Access Notification**”) containing instructions on how to access proxy materials for the fiscal year ended December 31, 2016. The Notice-and-Access Notification also provides instructions on how to vote online and includes instructions on how to receive a paper copy of the proxy materials by mail. The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

**DATED** at Toronto, Ontario this May 12, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Anthony Melman”*

Chief Executive Officer and Chair of the Board of Directors  
Acasta Enterprises Inc.

## INFORMATION CIRCULAR

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of management of Acasta, for use at the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of Class B shares (the “**Class B Shares**”) of Acasta to be held on June 19, 2017 at the offices of Goodmans LLP, located at 333 Bay St, Suite 3400, Toronto, Ontario commencing at 9:00 a.m.(Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”).

## PROXY SOLICITATION AND VOTING

### Class B Shares

Acasta is authorized to issue an unlimited number of Class A restricted voting shares (the “**Class A Shares**”) and an unlimited number of Class B Shares, each without nominal or par value. The Class A Shares are “restricted securities” within the meaning of such term under applicable Canadian securities laws. Upon the closing (the “**Closing**”) of Acasta’s qualifying acquisition (the “**Qualifying Acquisition**”), each Class A Share was, unless previously redeemed, automatically converted into a Class B Share. As at the date hereof, no Class A Shares remain outstanding and Acasta has no intention of issuing additional Class A Shares. Each Class B Share outstanding on the Record Date (as defined below) is entitled to one vote.

### Solicitation of Proxies

The solicitation of proxies for the Meeting will be made using the notice-and-access mechanism, but proxies may also be solicited personally, in writing, by mail or by telephone by employees of Acasta, at nominal cost. Acasta will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of this Information Circular.

### Appointment and Revocation of Proxies

Together with the Information Circular, the Shareholders will also be sent a form of proxy (a “**Form of Proxy**”). The persons named in such proxy are directors of Acasta. **A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by crossing out the persons named in the enclosed Form of Proxy and inserting such person’s name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy. Such other person need not be a Shareholder.**

To be valid, proxies or instructions must be deposited at the offices of TSX Trust Company (the “**Transfer Agent**”), 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, so as not to arrive later than 9:00 a.m. (Toronto time) on June 15, 2017. If the Meeting is adjourned, proxies or instructions to the Transfer Agent must be deposited 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy or instructions are to be used. The deadline for the deposit of proxies (as described in the prior two sentences) may be waived or extended by the chair of the Meeting at the chair’s sole discretion without notice.

The document appointing a proxy must be in writing and completed and signed by a Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. Instructions provided to the Transfer Agent by a Shareholder must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, and directors or similarly otherwise should so indicate and provide satisfactory evidence of such authority.

A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by

the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited with the Transfer Agent at any time up to and including two business days preceding the Meeting or any adjournment thereof at which the proxy is to be used, and upon such deposit, the proxy is revoked. This deadline may be waived or extended by the chair of the Meeting at the chair's sole discretion without notice.

### **Voting of Proxies**

The persons named in the accompanying Form of Proxy will vote the Class B Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such specification, such Class B Shares will be voted at the Meeting as follows:

- **FOR the election of seven (7) director nominees to the board of directors (the “Board”) of Acasta, as described under the heading “Matters to be Considered at the Meeting – Election of Directors”;**
- **FOR the appointment of KPMG LLP, Chartered Accountants (“KPMG”), as the auditor of Acasta and to authorize the Board to fix the auditor’s remuneration; and**
- **FOR the approval of Acasta’s deferred share unit incentive plan.**

For more information on these matters, please see the section entitled “Matters to be Considered at the Meeting” in this Information Circular.

The persons appointed under the Form of Proxy are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy and the Notice of Meeting and with respect to other matters, which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter or business. At the time of printing the Information Circular, the directors of Acasta (the “Directors”) know of no such amendments, variations or other matters.

### **INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES**

**Information set forth in this section is very important to persons who hold Class B Shares other than in their own names.** A non-registered securityholder of Acasta (a “Beneficial Holder”) who beneficially owns Class B Shares, but such Class B Shares are registered in the name of an intermediary (such as a securities broker, financial institution, trustee, custodian or other nominee who holds securities on behalf of the Beneficial Holder or in the name of a clearing agency in which the intermediary is a participant) should note that only proxies or instructions deposited by securityholders whose names are on the records of Acasta as the registered holders of Class B Shares can be recognized and acted upon at the Meeting.

Class B Shares that are listed in an account statement provided to a Beneficial Holder by a broker are likely not registered in the Beneficial Holder’s own name on the records of Acasta and such Class B Shares are more likely registered in the name of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of securityholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Class B Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its broker is identical to that provided to registered securityholders. However, its purpose is limited to instructing the registered securityholder how to vote on behalf of the Beneficial Holder. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form (a “VIF”), mails those forms to the Beneficial Holders and asks Beneficial Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions regarding the voting of the

securities to be represented at the Meeting. A Beneficial Holder receiving a Broadridge VIF cannot use that VIF to vote Class B Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Class B Shares voted.

Acasta has elected to utilize notice-and-access delivery to furnish this Information Circular and the Form of Proxy to Beneficial Holders by: (i) distributing a notification of meeting along with the Form of Proxy to intermediaries for distribution to Beneficial Holders; and (ii) posting this information circular on Acasta's website at <http://acastaenterprises.com/>. See "Notice-and-Access" below for further information.

Beneficial Holders who have not objected to their intermediary disclosing certain ownership information about themselves to Acasta are referred to as "NOBOs". Beneficial Holders who have objected to their intermediary disclosing the ownership information about themselves to Acasta are referred to as "OBOs".

### NOTICE-AND-ACCESS

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), and National Instrument 51-102 – *Continuous Disclosure Obligations*, allow for the use of the notice-and-access system for the delivery to shareholders of certain materials, including the notice of meeting, management information circular, annual financial statements and management's discussion and analysis (collectively, the "Meeting Materials") by reporting issuers.

Under the notice-and-access system, reporting issuers are permitted to deliver the Meeting Materials by posting them on SEDAR at [www.sedar.com](http://www.sedar.com) as well as a website other than SEDAR and sending a notice package (the "Notice Package") to shareholders that includes: (i) the relevant form of proxy or VIF; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the Meeting Materials; and (iv) a plain-language explanation of how the notice-and-access system operates and how the Meeting Materials can be accessed online.

As described in the notice-and-access notification to be mailed to the Shareholders on or about May 19, 2017, Acasta has elected to deliver its Meeting Materials to Beneficial Holders using the notice-and-access system. Therefore, the Notice Package will be sent via prepaid mail directly to the NOBOs and, indirectly, through intermediaries to the OBOs; Acasta is assuming the cost of such delivery to OBOs. Registered Shareholders and those Beneficial Holders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials with the Notice Package.

Acasta is not using a procedure known as "stratification" in relation to its use of notice-and-access. Stratification occurs when a reporting issuer, while using notice-and-access, also provides a paper copy of the management information circular to some of its shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the notice-and-access system, and will not include a paper copy of the Information Circular.

The Meeting Materials can be viewed online under Acasta's profile at [www.sedar.com](http://www.sedar.com) or at Acasta's website at <http://acastaenterprises.com/>. Shareholders may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost. Requests for Meeting Materials may be made up to one year from the date the Information Circular was filed on SEDAR by emailing [TMXEInvestorservices@tmx.com](mailto:TMXEInvestorservices@tmx.com). Alternatively, requests may be made to TSX Trust Company, in its capacity as registrar and transfer agent for Acasta, by telephone at any time prior to the Meeting at 1-866-600-5869.

### Meeting Materials Received by OBOs from Intermediaries

Acasta has distributed copies of the Notice Package to intermediaries for distribution to OBOs. Intermediaries are required to deliver the Notice Package to all OBOs of Acasta who have not waived their right to receive these materials, and to seek instructions as to how to vote Class B Shares. Often, intermediaries will use a service company (such as Broadridge) to forward the Notice Package to OBOs.

OBOs who receive the Notice Package will typically be given the ability to provide voting instructions in one of two ways:

- (a) Generally, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary.
- (b) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Class B Shares owned by the OBO but is otherwise not completed. This form of proxy need not be signed by the OBO but must be completed by the OBO and returned to TSX Trust Company in the manner described above for registered shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Class B Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on its behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions provided by the intermediary. In either case, OBOs who received the Notice Package from their intermediary should carefully follow the instructions provided by the intermediary.

To exercise the right to revoke a proxy, an OBO who has completed a form of proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain Class B Shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Class B Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Class B Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum at the Meeting.

#### **Meeting Materials Received by NOBOs from Acasta**

As permitted under NI 54-101, Acasta has used a NOBO list to send the Notice Package directly to the NOBOs whose names appear on that list. If you are a NOBO and Acasta's transfer agent, TSX Trust Company, has sent the Notice Package directly to you, your name and address and information about your holdings of Class B Shares have been obtained from the intermediary holding such Class B Shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, NOBOs can expect to receive in the Notice Package a scannable VIF from TSX Trust Company. Please complete and return the VIF to TSX Trust Company in the envelope provided. In addition, telephone voting and internet voting are available, as further described in the VIF. Instructions with respect to the procedures for facsimile and internet voting can be found in the VIF. TSX Trust Company will tabulate the results of VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Class B Shares represented by VIFs received by TSX Trust Company.

By choosing to send the Notice Package to you directly, Acasta (and not the intermediary holding Class B Shares on your behalf) has assumed responsibility for delivering Notice Package to you and executing your proper voting instructions. The intermediary holding Class B Shares on your behalf has appointed you as the proxy holder of such Class B Shares, and therefore you can provide your voting instructions by completing the Form of Proxy included with this Information Circular in the same way as a registered Shareholder. Please refer to the information under the heading "Appointment and Revocation of Proxies" for a description of the procedure to return a Form of Proxy, your right to appoint another person or company to attend the meeting, and your right to revoke the Form of Proxy.

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Class B Shares registered in the name of CDS or their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxy holder for the registered holder and vote their Class B Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Class B Shares as proxy holder for the registered holder should enter their own names in the blank space on the Form of Proxy or voting instruction form provided to

them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of the date of this Information Circular, there were 92,677,798 Class B Shares outstanding.

At the Meeting, each Shareholder of record at the close of business on May 8, 2017, the record date established for the Notice of Meeting (the “**Record Date**”), will be entitled to one vote for each Class B Shares held on all matters proposed to come before the Meeting.

The following table discloses the names of the persons or companies who, to the knowledge of Acasta, as of the date of this Information Circular, beneficially owned, or controlled or directed, directly or indirectly, more than 10% of any class or series of the voting securities of Acasta:

Name	Number of Class B Shares Owned	Percentage of Class B Shares Owned
Martello Finance Company Limited <sup>(1)</sup>	21,280,160	23.0%
Apollo Beauty Corp. <sup>(2)</sup>	11,694,198	12.6%
Apollo Health Corp. <sup>(3)</sup>	11,694,198	12.6%

Notes:

- (1) Formerly Stellwagen Finance Company Limited. 100% of the issued share capital of Martello Finance Company Limited (“**MFCL**”) is held in trust for Douglas L. Brennan and is registered in the name of Cypronavus Limited (Trustee) as nominee shareholder of MFCL.
- (2) Richard Wachsberg is the President, sole director and indirect controlling shareholder of Apollo Beauty Corp.
- (3) Charles Wachsberg is the President, sole director and indirect controlling shareholder of Apollo Health Corp.

## MATTERS TO BE CONSIDERED AT THE MEETING

### Financial Statements

The financial statements of Acasta for the year ended December 31, 2016 and the auditors’ report thereon accompanying this Information Circular will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

### Election of Directors

The Board is currently comprised of four directors, being Anthony Melman, Geoff Beattie, Johan Eliasch and Belinda Stronach.

**The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, intend to vote for the election, as Directors, of the seven (7) proposed nominees whose names are set out below.** It is not contemplated that any of the proposed nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each nominee elected as a Director will hold office until the close of the next annual meeting of the Shareholders or until his or her successor is elected or appointed.

With respect to the election of Directors, the Board has adopted a majority voting policy under which each nominee that stands for election will be elected by the vote of a majority of the Class B Shares represented in person or proxy at any meeting for the election of Directors. If any nominee for election as Director receives, from the Class B Shares voted at the meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his or her election, the Director will be expected to immediately tender his or her resignation to the Chair of the Board (the



“Chair”) following the applicable meeting of the Shareholders. Following receipt of a resignation submitted pursuant to Acasta’s majority voting policy, the Compensation, Governance, and Nominating Committee of the Board (the “CGN Committee”) will consider whether or not to accept the Director’s offer of resignation and will make a recommendation to the Board whether or not to accept that offer. If each member of the CGN Committee receives a greater number of proxy votes withheld than the votes for each member in the same election, or a sufficient number of the CGN Committee members receives a greater number of proxy votes withheld than the votes for such members in the same election, such that the CGN Committee no longer has a quorum, then the remaining members of the CGN Committee, if any, shall not consider the resignation offer(s) and the Board shall consider whether or not to accept the offer of resignation without a recommendation from the CGN Committee. Within 90 days following the applicable meeting of the Shareholders, the Board will make its decision, on the CGN Committee’s recommendation. A Director who tenders his or her resignation pursuant to the policy will not be permitted to participate in any meeting of the Board and/or the CGN Committee at which his or her resignation is to be considered. This process applies only in circumstances involving an “uncontested” election of Directors – where the number of Director nominees does not exceed the number of Directors to be elected. If a resignation is accepted by the Board, it will be effective as of such time. Subject to any applicable corporate law restrictions or requirements, and the articles and bylaws of Acasta, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of the Shareholders. Alternatively, the Board may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or it may call a special meeting of Shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

**Nominees**

The following tables set forth the names of, and certain information for the seven (7) individuals proposed to be nominated for election as Directors.

Each of the following four (4) individuals proposed to be nominated for election as Directors currently serve as Directors.

<b>ANTHONY MELMAN</b> Age: 69 Toronto, Ontario, Canada  <b>NOT INDEPENDENT<sup>(1)</sup></b>  Director since June 19, 2015	<b>Biography</b>		
	Anthony Melman is Chief Executive Officer and Chair of the Board of Acasta. Mr. Melman provides leadership across all of Acasta’s businesses. He was previously a partner and Managing Director of Onex Corporation (“Onex”) where he spent 22 years, having joined in 1984. Mr. Melman led or was involved in many of the major acquisitions that Onex undertook in that time period, and most of those investments created substantial value for Onex shareholders. Mr. Melman also played a key role in structuring Onex’s bids for Labatt Breweries and Air Canada, and arranging substantial and innovative related financings. Prior to Onex, Mr. Melman was head of global project and acquisition financing at Canadian Imperial Bank of Commerce. Mr. Melman is the Chairman of Baycrest Global Solutions Inc. He was previously on the board of directors of Ontario Lottery and Gaming Corporation, Celestica Inc., and Canadian Pacific Railway Limited.		
	<b>Other Public Board Memberships</b>		
	None		
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>	<b>Overall Attendance</b>
Board (Chair)		9 of 9	100%
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>			
<b>Number</b>		<b>Market Value<sup>(2)</sup></b>	
3,655,556		\$32,717,226.20	

Notes:

- (1) Mr. Melman is Chief Executive Officer of Acasta.
- (2) This amount was determined by multiplying the number of Class B Shares by the closing price of the Class B Shares on May 12, 2017.

<b>GEOFF BEATTIE</b> Age: 57 Toronto, Ontario, Canada  <b>INDEPENDENT          (LEAD)</b>  Director since June 23, 2015	<b>Biography</b>		
	Geoff Beattie is Chief Executive Officer of Generation Capital and Chair of Relay Ventures. Mr. Beattie is a director of the General Electric Company, Maple Leaf Foods and DBRS Inc. and was previously a director of Royal Bank of Canada. In addition to his board memberships, he is a trustee of the University Health Network in Toronto. Mr. Beattie served as Chief Executive Officer of The Woodbridge Company Limited from 1998 through 2012. Prior to that, Mr. Beattie was a partner in the Toronto office of the law firm Torys LLP and was a Vice-President at Wood Gundy & Company from 1987 to 1990. The Woodbridge Company Limited is a privately held investment holding company for the Thomson family of Canada and the majority shareholder of Thomson Reuters Corporation (formerly Thomson Corporation), where Mr. Beattie served as Deputy Chair. Mr. Beattie received a law degree from the University of Western Ontario in 1984. In 2011, Mr. Beattie received the Business Leadership Award from the University of Western Ontario's Faculty of Law.		
	<b>Other Public Board Memberships</b>		
General Electric Company Maple Leaf Foods Inc. DBRS Inc.			
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>	<b>Overall Attendance</b>
Board		9 of 9	100%
Audit Committee (as defined below)		9 of 9	100%
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>			
<b>Number</b>		<b>Market Value<sup>(1)</sup></b>	
1,321,919		\$11,831,175.05	

Notes:

- (1) This amount was determined by multiplying the number of Class B Shares by the closing price of the Class B Shares on May 12, 2017.

	<b>Biography</b>	
<b>JOHAN ELIASCH</b> Age: 55 Monaco	Johan Eliasch is Chair and Chief Executive Officer of Head N.V., the global sporting goods group. Mr. Eliasch is also Chair of Equity Partners Limited, Aman Resorts International Pte Limited, London Films Limited, Co-Chair of Cool Earth, President of Global Strategy Forum, non-executive director of CV Starr Underwriting Agents Limited, advisory board member of Brasilinvest Group SA, Société du Louvre, Centre for Social Justice, advisory board member of the Stockholm Resilience Centre, and member of the Mayor of London's and Rome's International Business Advisory Council. He is patron of Stockholm University and a trustee of the Kew Foundation. He is the former Special Representative of the Prime Minister of the United Kingdom (2007-2010). He is actively involved in preservation of the rainforest in the Brazilian state of Amazonas. Mr. Eliasch earned a business and economics degree from Stockholm University and a Master's degree in engineering from the Royal Institute of Technology in Stockholm, Sweden. Mr. Eliasch was also a Non-Executive Director of IMG Worldwide, Inc. (2006-2013), as well as the former chair of the IMG Worldwide, Inc. audit committee, a non-executive Chair of Investcorp SA (Europe) (2010-2013), a member of the British Olympic Association advisory board (2003-2012), served as the deputy treasurer of the Conservative Party (UK) (2003-2007) and covered shadow foreign relations (2003-2005), and served as a member of the Royal Lifeguard (1980-1981).	

	Johan was recently awarded the Global Gift Humanitarian Award for his work with Cool Earth.	
<b>INDEPENDENT</b>  Director since June 23, 2015	<b>Other Public Board Memberships</b>	
	None	
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>
Board		9 of 9
Audit Committee		9 of 9
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>		
<b>Number</b>		<b>Market Value<sup>(1)</sup></b>
757,209		\$6,777,020.55

Notes:

(1) This amount was determined by multiplying the number of Class B Shares by the closing price of the Class B Shares on May 12, 2017.

<b>BELINDA STRONACH</b> Age: 51 Toronto, Ontario, Canada	<b>Biography</b>	
	Belinda Stronach is Partner and Chair of Acasta Capital Inc. (“ <b>Acasta Capital</b> ”), and Chair and President of The Stronach Group, a privately held consortium that owns, operates and manages a number of leading businesses in a range of industries. Previously, Ms. Stronach was Executive Vice-Chair, President and Chief Executive Officer of Magna International Inc., one of the world’s largest suppliers of automotive systems and components. She is also a former Canadian Member of Parliament and served in Canada’s Federal Cabinet as a Minister responsible for three senior portfolios. In recognition of her contributions to business and public life, Ms. Stronach received an Honorary Doctor of Laws from the Michael G. DeGroot School of Business at McMaster University in 2003, an Honorary Doctor of Laws degree from Brock University in 2009, and an Honorary Doctor of Laws degree from the University of Windsor in 2011. In 2008, Ms. Stronach received the Paul Harris Fellow Award, one of the highest honours that Rotary can bestow on an individual in recognition of outstanding contributions to the ideals of the Rotary service club organization.	
<b>INDEPENDENT</b>  Director since June 23, 2015	<b>Other Public Board Memberships</b>	
	None	
<b>Board / Committee Memberships</b>		<b>Attendance at Regular Meetings</b>
Board		9 of 9
Audit Committee		9 of 9
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>		
<b>Number</b>		<b>Market Value<sup>(1)</sup></b>
3,537,676		\$31,662,200.20

Notes:

(1) This amount was determined by multiplying the number of Class B Shares by the closing price of the Class B Shares on May 12, 2017.

Each of the following three (3) individuals proposed to be nominated for election as Directors do not currently serve as Directors.

<b>ROBERT SCHWARTZ<sup>(1)</sup></b> Age: 72 Menands, New York, United States  <b>INDEPENDENT</b>  Not currently a Director	<b>Biography</b>		
	Robert Schwartz is Founder & Chairman of Schwartz Heslin Group, Inc. (“SHG”) and currently heads the strategic advisory services of SHG. Prior to founding SHG, Mr. Schwartz was the Founder, President and Chief Executive Officer of a venture-funded telecommunications company, as well as the President and Chief Operating Officer of Coradian Corp., which he took public in 1979. Mr. Schwartz was also formerly the Chief Financial Officer of a major manufacturer of outdoor power equipment. His early experience was with KPMG and IBM working as a management consultant. Mr. Schwartz is active with a variety of professional organizations, including the Turnaround Management Association and The American Institute of CPAs (upstate New York chapter) and is a frequent lecturer at local universities. Mr. Schwartz teaches a graduate course in entrepreneurship at The University at Albany and also chairs the University at Albany Foundation’s Council on Economic Outreach. He currently serves on the board of five organizations, including Golub Corp. and Finger Lakes Fish, Inc. and in the past, has served as a director of a number of public, private and non-profit organizations, including New York State Industries for the Disabled, Inc., Doucon, Inc. and Statewide Zone Capital Corporation. Mr. Schwartz holds a Bachelor of Science degree from Cornell University and has done additional study through The University at Albany.		
	<b>Other Public Board Memberships</b>		
	Dais Analytic Corporation		
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>	<b>Overall Attendance</b>
N/A		N/A	N/A
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>			
<b>Number</b>		<b>Market Value</b>	
Nil		N/A	

Notes:

(1) The vendor of Stellwagen (as hereinafter defined) has nominated Robert Schwartz to stand for election as a member of the Board at the Meeting. See “Governance Agreements” in this Information Circular for more information.

<b>JAY SWARTZ</b> Age: 68 Toronto, Ontario, Canada	<b>Biography</b>		
	Jay Swartz has been a partner at Davies Ward Phillips & Vineberg LLP and its predecessors for over 40 years. He has a broad ranging business law practice including mergers and acquisitions, corporate finance, banking and financial products and restructuring as well as corporate governance. He is a graduate of York University (B.A. Economics, 1970) and Osgoode Hall Law School (1973). Mr. Swartz has been a director of many public and private for profit and not for profit companies. He currently serves as a director and a member of the Audit Committee for both Pizza Pizza Royalty Corp. and Industrial and Commercial Bank of China (Canada). In addition, he has served as President of the Insolvency Institute of Canada, a director and Vice Chair of Pine River Institute, and as a director of each of Sleep Country Canada Income Fund and the Ontario Branch of the Institute of Corporate Directors.		

<b>INDEPENDENT</b>  Not currently a Director	<b>Other Public Board Memberships</b>		
	Pizza Pizza Royalty Corp.		
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>	<b>Overall Attendance</b>
N/A		N/A	N/A
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>			
<b>Number</b>		<b>Market Value</b>	
Nil		N/A	

<b>MICHAEL D. YOUNG</b> Age: 72 Dallas, Texas, United States	<b>Biography</b>		
	Michael Young is President of Quadrant Capital Partners, Inc. which he founded in November 2003. From 1994 to October 2003, Mr. Young served as Managing Director and Head of Real Estate Investment Banking for CIBC World Markets. Mr. Young was appointed Global Head of Real Estate for CIBC World Markets in 1997. He has been Trustee of SmartREIT (TSX), formerly Calloway Real Estate Investment Trust, since November 2003 and currently serves as Lead Independent Trustee. Mr. Young was the Trustee and Chairman of the Board of Milestone Apartments REIT (TSX) since March of 2013. In April 2017, Milestone Apartments REIT completed a “going private” transaction with Starwood Capital Group as the purchaser. He was a Director of Brookfield Residential Properties Inc. (NYSE/TSX) since March 2011 and a Director of Brookfield Homes since 2007. On March 12, 2015 Brookfield Residential Properties completed a “going private” transaction with Brookfield Asset Management as the purchaser. He serves as a Director of the Board of the American Friends of the Art Gallery of Ontario and is Chairman of the Board of Dignitas International U.S.A. Mr. Young holds a Bachelors degree from the University of Western Ontario. He is also a member of Canada’s Sports Hall of Fame.		
<b>INDEPENDENT</b>  Not currently a Director	<b>Other Public Board Memberships</b>		
	SmartREIT		
<b>Board /Committee Memberships</b>		<b>Attendance at Regular Meetings</b>	
N/A		N/A	
<b>Class B Shares Beneficially Owned or Controlled as at May 12, 2017</b>			
<b>Number</b>		<b>Market Value</b>	
Nil		N/A	

***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

To the knowledge of Acasta, none of its directors and officers is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including Acasta) that (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than

30 consecutive days, that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of Acasta, none of its directors and officers is, or within 10 years prior to the date hereof has been, a director or executive officer of any company (including Acasta) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

To the knowledge of Acasta, none of its directors and officers has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to invest in Acasta.

### **Appointment of Auditor**

The audit committee of the Board (the “**Audit Committee**”) recommends to Shareholders that KPMG be appointed as the independent auditor of Acasta to hold office until the next annual meeting of Shareholders or until its successor is appointed, and that the Directors be authorized to fix the remuneration of the auditor.

KPMG has been the auditor of Acasta since its inception. **The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies in favour of a resolution to appoint KPMG as auditor of Acasta and authorize the Directors to fix its remuneration.**

### *Audit Committee Information*

Reference is made to Acasta’s annual information form for the year ended December 31, 2016 (the “**AIF**”) for information relating to the Audit Committee as required under Form 52-110F1. The AIF can be found under Acasta’s profile at [www.sedar.com](http://www.sedar.com). Upon request, Acasta will promptly provide a copy of the AIF free of charge to a security holder of Acasta. See also “Corporate Governance Disclosure – Audit Committee” in this Information Circular.

### **Deferred Share Unit Incentive Plan**

At the Meeting, Shareholders will be asked to consider and if deemed advisable, to pass, with or without modification, an ordinary resolution (the “**DSU Resolution**”) approving Acasta’s deferred share unit incentive plan (the “**DSU Plan**”). The Board recommends that Shareholders vote in favour of the approval of the DSU Resolution. The full text of the DSU Resolution is attached as Schedule “B” hereto. **The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies in favour of the DSU Resolution.**

The DSU Plan will authorize Acasta to grant deferred share units (“**DSUs**”) to non-employee Directors and officers of Acasta (the “**Participants**”). The purpose of the DSU Plan is to promote a greater alignment of interests between the Participants and the Shareholders. A copy of the DSU Plan will be posted on Acasta’s website at <http://acastaenterprises.com/> and will be filed on SEDAR at [sedar.com](http://www.sedar.com) after approval of the DSU Resolution.

### *Grant of DSUs*

Pursuant to the DSU Plan, Participants will be provided with the ability to elect to receive all or a portion of their annual retainer fees or annual bonus, as the case may be, in the form of DSUs (the “**Elected Amount**”). The number

of DSUs (including fractional DSUs) granted at any particular time pursuant to the DSU Plan will be calculated by dividing (a) the Elected Amount in respect of the annual retainer fees, or the annual bonus, as the case may be, as determined by a Director or officer of Acasta, respectively, or such other amount as allocated to the Participant by the Board or CGN Committee, by (b) the Market Value (as such term is defined in the DSU Plan) of a Class B Share on the award date. In addition to the foregoing, DSUs, to be known as “Discretionary DSUs”, may be granted from time to time to Participants at the discretion of the Board or the CGN Committee based on, without limitation, performance criteria and such other terms as the Board or the CGN Committee may determine. Whenever cash dividends or distributions are paid on the Class B Shares, additional DSUs will be credited to the Participant’s DSU account. The number of such additional DSUs to be credited to a Participant’s DSU account in respect of a cash dividend or distribution paid on the Class B Shares shall be calculated by dividing: (i) the amount determined by multiplying (A) the aggregate number of DSUs held on the relevant distribution record date by (B) the amount of the distribution paid by Acasta on each Class B Share, by (ii) the Market Value of a Class B Share on the distribution payment date.

### ***Vesting and Redemption of DSUs***

DSUs granted to Participants further to their Elected Amount will vest immediately upon grant. Subject to the following paragraph: (i) additional DSUs credited to a Participant’s account in connection with cash distributions shall vest on the same schedule as their corresponding DSUs and are considered issued on the same date as the DSUs in respect of which they were credited; and (ii) Discretionary DSUs will vest in accordance with a vesting schedule to be determined by the Board or the CGN Committee at the time of the grant.

In the event of any “Change of Control” (as such term is defined in the DSU Plan) any unvested DSUs will vest upon the earlier of (i) the next applicable vesting date; and (ii) the date which is immediately prior to the date upon which the Change of Control is completed. Upon the death or disability of a Participant, any unvested DSUs held by such Participant will vest immediately. Notwithstanding the foregoing or anything else contained in the DSU Plan, the Board will have the discretion to provide for the vesting of DSUs granted under the DSU Plan in a manner different from the foregoing.

DSUs are redeemable only after the Participant ceases to be a non-employee Director or officer of Acasta, as the case may be, for (at the election of Acasta): (i) one Class B Share; (ii) an amount in cash equal to the Market Value; or (iii) a combination of Class B Shares and cash as contemplated by (i) and (ii).

On redemption, Acasta shall deliver to a Participant (or, where the Participant has died, his or her beneficiary) the applicable number of Class B Shares or a cheque or direct deposit, net of applicable deductions and withholdings. Notwithstanding the foregoing, if a Participant’s DSU redemption date occurs during a Blackout Period (as such term is defined in the DSU Plan), the redemption date of such DSU shall automatically be extended until six business days after the end of the Blackout Period (but in no event later than the DSU Expiry Date (as such term is defined in the DSU Plan)) and such extended date will be considered the redemption date.

### ***Maximum Number of Class B Shares Issuable***

The maximum number of Class B Shares reserved for issuance under the DSU Plan at any time will be 5.0% of the total issued and outstanding Class B Shares from time to time. As of the date of this Information Circular, the initial DSU Plan maximum of 5.0% will be equal to 4,633,889 Class B Shares and there would be such number of Class B Shares available for grant under the DSU Plan. The prescribed maximums may be subsequently changed to any specified amount, provided the change is authorized by a vote of the Shareholders. Any increase in the issued and outstanding Class B Shares will result in an increase in the available number of Class B Shares issuable under the DSU Plan, and if any DSUs granted under the DSU Plan are terminated, redeemed (for Class B Shares, cash, or a combination of Class B Shares and cash, as described above), expire or are cancelled, or any Class B Shares are issued pursuant to DSUs granted under the DSU Plan, new grants of DSUs will be made available under the DSU Plan effectively resulting in a re-loading of the number of Class B Shares available to grant under the DSU Plan.

The maximum aggregate number of Class B Shares that may be subject to grants of DSUs under the DSU Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Class B Shares. Pursuant to the current rules of the Toronto Stock Exchange (the “TSX”), the DSU Plan will require the approval by a majority of the Directors and the Shareholders every three years.

The maximum aggregate number of Class B Shares issuable to insiders of Acasta at any time under the DSU Plan and any other compensation arrangement of Acasta shall not exceed 10% of the issued and outstanding Class B Shares. Moreover, the number of Class B Shares issued to insiders of Acasta together with any other compensation arrangement of Acasta that provides for the issuance of Class B Shares from treasury, shall not, within a one-year period, exceed 10% of the issued and outstanding Class B Shares.

### ***Assignability***

The right to receive Class B Shares and/or cash pursuant to DSUs granted to a Participant may only be exercised by such Participant personally and may not be assigned.

### ***Amendments to the DSU Plan***

Subject to regulatory requirements, the Board has the discretion to make amendments that it deems necessary, without having to obtain Shareholder approval. Such amendments include, without limitation, (i) amendments of a “housekeeping nature”; and (ii) a change to the vesting or redemption provisions of any DSU.

Notwithstanding the foregoing, Shareholder approval will be required for: (i) any amendment to remove or exceed the insider participation limits; (ii) any increase in the aggregate number of Class B Shares that may be issued under the DSU Plan; (iii) any amendment that increases the length of the period after a “blackout period” during which DSUs may be redeemed; (iv) any change which would permit DSUs to be transferable or assignable, other than as is currently contemplated in the DSU Plan; (v) any change to the eligible participants of the DSU Plan; and (vi) any amendment to the amendment provision of the DSU Plan. Such Shareholder approval will exclude the votes of certain insiders when required by TSX rules.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

As of the date of this Information Circular, the only “named executive officers” of Acasta are Anthony Melman as Chief Executive Officer, Ian Kidson as Chief Operating Officer and Chief Financial Officer, Michael Liebrock as Managing Director, Alexander Singh as Secretary and Edward Vesel as Vice President, Finance. An issuer’s “named executive officers” are comprised of its Chief Executive Officer and Chief Financial Officer (or individuals who serve in similar capacities), and its three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation is, individually, more than \$150,000 (collectively, the “**Named Executive Officers**” or “**NEOs**”).

### **Role of the Compensation, Governance and Nominating Committee**

The CGN Committee consists of three directors, being Geoff Beattie, Johan Eliasch and Belinda Stronach, all of whom are independent Directors. A Director is considered to be an independent Director if such person is independent within the meaning of National Instrument 58-201 – *Corporate Governance Guidelines* (“**NI 58-201**”). Based on recommendations made by the CGN Committee, the Board will make decisions regarding salaries, annual bonuses and equity incentive compensation for Acasta’s executive officers and will approve goals and objectives relevant to the compensation of the Chief Executive Officer and Acasta’s other executive officers.

Each of Geoff Beattie, Johan Eliasch and Belinda Stronach has had experience as a director and/or as the Chief Executive Officer of a public company. As a result, the Board believes that, collectively, the CGN Committee members have relevant experience and training in formulating, reviewing and/or approving executive compensation policies, strategies and programs. This experience and these skills that they possess enable the CGN Committee to evaluate and make decisions with regards to the suitability of Acasta’s compensation policies and practices.

A primary mandate of the CGN Committee is to approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and to make recommendations with respect to the Chief Executive Officer’s compensation based on its evaluation, to recommend compensation arrangements for the Directors, committee members and chairs, and the Chair, to administer and interpret the incentive compensation and equity



compensation plans, and to approve the appointment, compensation and terms of employment for the Chief Operating Officer and Chief Financial Officer and senior management of Acasta. Another mandate of the CGN Committee is to assess the effectiveness of the Board, of committees of the Board and of the directors of the Board, to recommend to the Board candidates for election as directors and candidates for appointment to Board committees and to advise the Board on enhancing Acasta's corporate governance through a continuing assessment of Acasta's approach to corporate governance.

The Board has adopted a written charter for the CGN Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board, each of its committees and individual Directors; (ii) overseeing the recruitment and selection of candidates as Directors; (iii) organizing the orientation of new Directors; (iv) considering and approving proposals by the Directors to engage outside advisers on behalf of the Board as a whole or on behalf of the independent Directors; (v) reviewing and making recommendations to the Board concerning the size, composition and structure of the Board and its committees; (vi) overseeing management succession; (vii) administering any securities-based compensation or incentive plans of Acasta; (viii) assessing the performance of the executives of Acasta; (ix) reviewing and approving the compensation program and compensation paid by Acasta, if any, to the executive officers of Acasta; (x) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Directors and executive officers of Acasta; and (xi) reviewing and approving the compensation paid by Acasta, if any, to advisors of the Board.

### **NEO Compensation**

For the year ended December 31, 2016, Acasta was a special purpose acquisition corporation as defined under Part X of the TSX Company Manual and therefore none of Acasta's officers or Directors received any salaries, consulting fees, management contract fees or directors' fees, finder's fees, loans, bonuses, deposits or similar payments, directly or indirectly, for services rendered to Acasta.

Since Closing, Acasta has entered into an agreement pursuant to which it will pay Nevele Inc., a company that is wholly-owned by our Chief Executive Officer and Chair of the Board, Anthony Melman a bonus of \$1,000,000 plus HST as a success fee in connection with the Qualifying Acquisition.

### **Compensation Objectives and Strategy**

Acasta's compensation practices will be designed to retain, motivate and reward its executive officers for their performance and contribution to its long-term success. The Board will seek to compensate Acasta's executive officers by combining short-term and long-term cash and equity incentives to reward the achievement of corporate and individual performance objectives and to align its executive officers' incentives with Acasta's performance. Acasta will seek to tie individual goals to the area of Acasta's executive officer's primary responsibility. These goals may include the achievement of specific financial, operational or business development goals. Acasta's performance goals will be based on its financial performance during the applicable period. Acasta's philosophy will be to pay fair, reasonable and competitive compensation in order to align the interest of the company's executive officers with those of its shareholders.

### **Compensation Related Risk**

The Board and, as applicable, the CGN Committee, intends to consider and assess as necessary, risks relating to compensation prior to entering into or amending employment contracts with NEOs and when setting the compensation of Directors.

In evaluating risks, the CGN Committee will seek to ensure that the compensation for the Directors and senior management align the interests of such individuals with Shareholders and Acasta as a whole. The CGN Committee will review Acasta's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on Acasta or encourage an NEO to take any inappropriate or excessive risks.

The Insider Trading Policy (as defined below) prohibits NEOs and other Acasta personnel from engaging in "short sales" of securities of Acasta (i.e., a sale of securities not owned in the expectation that the price of the security will fall) and buying or selling put or call options on securities of Acasta, or other derivative instruments such as prepaid

variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of Acasta's securities (including any equity based compensation).

### **Performance Graph**

Given that the Class B Shares have only been publicly traded since January 6, 2017 (following Closing), there is insufficient historical data to provide a pertinent performance graph showing Acasta's cumulative total shareholder return over a given period of time. Moreover, as Acasta has only recently begun to compensate its officers, such a performance graph would not be comparable to a trend in Acasta's compensation to executive officers over the same period. The closing price of the Class B Shares on the TSX on May 12, 2017 was \$8.95, which represented a decrease of 10.5% from the closing price of \$10.00 on January 6, 2017. Over the same period of time, the S&P/TSX Composite Total Return Index has increased by 1.18%.

### **Termination and Change of Control Payments**

Acasta has entered into an employment agreement with Edward Vesel. Acasta has also entered into terms of employment and is currently formalizing employment agreements with Anthony Melman, Ian Kidson, and Michael Liebrock. The termination provisions and change of control benefits payable under these arrangements are summarized below.

Pursuant to Mr. Vesel's employment agreement, if Acasta terminates Mr. Vesel's employment without cause, he would be entitled to the greater of: (A) six months' base salary and continued participation in Acasta's employee health and benefits plan for the minimum period required by applicable law; or (B) such minimum notice of termination or termination pay in lieu of notice and severance pay (if applicable) and continuation of benefits as required by applicable law. Acasta may terminate Mr. Vesel's employment for just cause at any time, without notice nor payment, except for statutory entitlements not yet paid to the date of termination. Mr. Vesel is required to provide three weeks' advance notice of resignation (or such other period as agreed upon with Acasta), which can be waived by Acasta.

Pursuant to Messr. Melman's and Kidson's employment terms, if Acasta terminates his employment without cause at any time (including following a change of control of Acasta), he would be entitled to: (A) a severance payment of (i) 24 months base salary and target bonus, and (ii) for the year in progress, a *pro rata* bonus, and, in the case of Mr. Kidson, his *pro rata* allocation of restricted share units ("**RSUs**"); and (B) the continuance of any benefits to which he is entitled, to the extent permitted by Acasta's benefit plans. Upon a change of control of Acasta, all shares and/or warrants issued to Mr. Melman, and RSUs issued to Mr. Kidson, would immediately vest and become exercisable.

Pursuant to Messr. Liebrock's employment terms, if Acasta terminates his employment without cause at any time (including following a change of control of Acasta), he would be entitled to: (A) a severance payment of (i) 24 months base salary and minimum bonus, and (B) the continuance of any benefits to which he is entitled, to the extent permitted by Acasta's benefit plans. Upon a change of control of Acasta, all Class B Shares and/or Warrants issued to him would immediately vest and become exercisable. Messr. Liebrock would also continue to be entitled to his respective share of the value of carried interest at the date of termination of employment in each and every investment of any private equity fund to be formed by Acasta (the "**PE Fund**") up to the date of termination of employment, to be paid at the same time carried investment is paid to other managing partners of the PE Fund.

Each of Messr. Melman and Kidson will be required to provide six months' advance notice of resignation, while Messr. Liebrock will be required to provide one month advance notice of resignation (which advance notice can, in each case, be waived by Acasta). Upon the executive's "Incapacity to Work", meaning the inability and/or failure to perform full-time duties by reason of disability or other incapacity or unauthorized absence from work for at least six consecutive months or 180 days in any 12 month period, Acasta may terminate his employment with no notice of termination and/or severance, other than as required under applicable law. Pursuant to Mr. Kidson's agreement, if Mr. Melman ceases to be the Chief Executive Officer of Acasta, Mr. Kidson may, no less than six months and no more than nine months after such occurrence, terminate his employment and would be entitled to receive severance on the same basis as if his employment were terminated without cause.

## **Director Compensation**

Effective as of Closing, the Board has approved an annual retainer fee of \$150,000 for all independent directors. An independent director can elect to receive all or a portion of his or her annual retainer fee in DSUs. Each independent director of Acasta will be required to hold at least three times his or her respective annual board compensation in Class B Shares and/or DSUs within five years of joining the Board. Until such time as an independent director meets the foregoing Class B Share and/or DSU ownership threshold, he or she must elect to receive all of his or her annual retainer fee in DSUs.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

Acasta did not have any equity compensation plans in place as at the end of the fiscal year ended December 31, 2016.

## **DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNIFICATION**

Acasta maintains a director and officer insurance program to limit its exposure to claims against, and to protect, its Directors and officers. In addition, Acasta has entered into indemnification agreements with each of its Directors and officers. The indemnification agreements generally require that Acasta indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to Acasta as Directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, Acasta's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by Acasta. Statutory indemnification rights also apply.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As of the date of this Information Circular, no individual who is a Director or senior officer of Acasta, or at any time during the most recently completed financial year of Acasta, was a Director or senior officer of Acasta or any of its subsidiaries, no individual proposed as a nominee for election as a Director of Acasta and no associates of any such Director, officer or proposed nominee, is indebted to Acasta.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as described below and elsewhere in the AIF, to the knowledge of the Directors, no other informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Acasta, no proposed Director and no known associate or affiliate of any such informed person or proposed Director, during the year ended December 31, 2016, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction which has or would materially affect Acasta or any of its subsidiaries.

Since Closing, Acasta has entered into an agreement pursuant to which it will pay Acasta Capital: (i) its share, as incurred, of any salaries, rent and other expenses incurred in respect of personnel and offices of Acasta Capital, to be allocated between Acasta and Acasta Capital in accordance with usage, and (ii) \$3,406,000 as a reimbursement of costs incurred by Acasta Capital relating to the Qualifying Acquisition.

## **CORPORATE GOVERNANCE DISCLOSURE**

Acasta's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' NI 52-110, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and NI 58-201. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of Acasta’s approach to corporate governance in relation to the Guidelines.

## **Board Composition**

### ***Board of Directors***

As of the date of this Information Circular, the Board is comprised of four directors: Anthony Melman (Chair), Belinda Stronach, Geoff Beattie (Lead Director) and Johan Eliasch.

The Board is responsible for the stewardship and oversight of Acasta and its business and in that regard, is specifically responsible for, among other things, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers of Acasta and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization, participating in the development of and approving a strategic plan for Acasta, supervising the activities and managing the investments and affairs of Acasta, approving major decisions regarding Acasta, defining the roles and responsibilities of management of Acasta, reviewing and approving the business and investment objectives to be met by management of Acasta, reviewing Acasta’s debt strategy, issuances of securities, determining the amount and timing of dividends and other distributions to Shareholders, if any and fulfilling such other duties and responsibilities as set out in the *Business Corporations Act* (Ontario), applicable securities laws and the rules of the TSX. The Board is also responsible for reviewing the succession plans for Acasta, including appointing, training and monitoring senior management to ensure that the Board and management have appropriate skill and experience.

The Board has adopted a majority voting policy for the election of directors. For a description of such policy, see “Matters to be Considered at the Meeting – Election of Directors” in this Information Circular.

The Board will delegate to the applicable committee those duties and responsibilities set out in each committee’s proposed charters. The primary function of the Audit Committee is to assist the Board in fulfilling their applicable roles by, among other things, overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management, pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to Acasta by Acasta’s external auditor, satisfying itself that adequate procedures are in place for the review of certain of Acasta’s public disclosure of financial information extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures, establishing procedures for the receipt, retention and treatment of complaints received by Acasta regarding accounting, internal controls or auditing matters, and for the confidential and anonymous submission by employees of Acasta of concerns regarding questionable accounting or auditing matters and reviewing and approving the annual and interim financial statements, related management discussion and analysis and other financial information provided by Acasta to any governmental body or the public. The composition of each committee of the Board is set out below and may change at the discretion of the Board following the Meeting.

### ***Independence of the Board***

NI 58-201 defines an “independent director” as a director who has no direct or indirect material relationship with Acasta. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. In determining whether a particular director is an “independent director” or a “non-independent director”, the Board considers the factual circumstances of each director in the context of the Guidelines.

As of the date of this Information Circular, the Board is comprised of four members, three of whom are “independent directors” within the meaning of NI 58-201. The independent directors are Geoff Beattie, Johan Eliasch and Belinda Stronach. As an officer of Acasta, Anthony Melman is not considered independent for the purposes of NI 58-201. Assuming that each nominee is elected as a Director at the Meeting, the size of the Board will be increased to seven (7) directors, six (6) of whom will be independent for the purposes of NI 58-201.

### ***Chair***

The Chair’s primary responsibilities are to: (i) seek to ensure that appropriate structures and procedures are in place

so that the Board may function independently of Acasta's management team, and (ii) lead the process by which the directors seek to ensure that the Board represents and protects the interests of all shareholders. The position description for the Chair sets out the Chair's key responsibilities, which include assisting in setting the agenda for meetings of the Board and presiding over all Board meetings. The Chair provides leadership to the directors and ensure the Board is independent from management. Anthony Melman serves as the Chair.

### ***Lead Director***

In the event that the Chair is not considered independent within the meaning of NP 58-201, the Board will appoint an independent Lead Director to provide leadership to the directors in discharging the Board's mandate as set out in the Board's charter, including by assisting the Chair in fulfilling his or her responsibilities. The Lead Director shall provide advice, counsel and mentorship to Acasta's management team, including its Chief Executive Officer, and Chief Operating Officer and Chief Financial Officer, as applicable. In the absence of the Chair, the Lead Director will serve as acting Chair presiding over meetings of the Board and of shareholders. Geoff Beattie serves as the Lead Director.

### ***Meeting in-camera***

Acasta takes steps to seek to ensure that adequate structures and processes are in place to permit the Board to function independently of Acasta's management team. Independent Directors hold in-camera sessions without management present at Board meetings, if considered necessary. The Chair, or Lead Director if the Chair is not independent within the meaning of NP 58-201, will chair the meetings and encourage open and candid discussions among the independent Directors by providing them with an opportunity to express their views on key topics before decisions are taken.

### **Charters and Position Descriptions**

The Board is responsible for the overall stewardship of Acasta. The Board discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board, the Chair, and officers of Acasta. The committee charters for the Audit Committee and the CGN Committee set out in writing, the responsibilities of the committees vis-à-vis the Board and management of Acasta.

The Board also has written position descriptions for the Chair, Lead Director, chairs of each of the committees of the Board and the Chief Executive Officer. Each position description sets out, without limitation, the requirements and responsibilities of each such position.

### **Director Term Limits/Mandatory Retirement**

The Board will consider the matters of term limits and mandatory retirement. At this time, Acasta does not expect that these types of policies would be appropriate for the Board. Acasta believes that a rigorous self-evaluation process combined with input from an external third party governance firm is a more effective and transparent manner to ensure that the Directors add value and remain strong contributors.

### **Diversity**

#### ***Board of Directors***

Acasta recognizes the benefits that diversity brings to the enterprise. The Board aims to be comprised of Directors who have a range of perspectives, insights and views in relation to the issues affecting Acasta. The Board has adopted a written Diversity Policy, reflecting Acasta's belief in diversity. The Diversity Policy states that the Board should include individuals from diverse backgrounds, having regard to, among other things, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background. Accordingly, consideration of whether the diverse attributes highlighted in the policy are sufficiently represented on the Board is an important component of the selection process for new Board members.

As of the date of this Information Circular, one of the Directors, or 25% of the Directors, is female. Acasta recognizes the value of the contribution of members with diverse attributes on the Board and is committed to ensuring that there is representation of women on the Board. However, Acasta does not presently have, nor does it intend to establish, a target regarding the number of women on the Board. Acasta believes a target would not be the most effective way of ensuring the Board is comprised of individuals with diverse attributes and backgrounds. Acasta will, however, evaluate the appropriateness of adopting targets in the future.

### ***Management***

Acasta believes that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace, which improves overall business performance. Acasta recognizes the value of ensuring that it has leaders who are women. Acasta works to develop its employees internally and provide them with opportunities to advance their careers. Acasta will build a strategy and execution plan to work towards increasing the representation of women in leadership roles at all levels of the organization. One of the objectives of this initiative will be to ensure that there are highly-qualified women within Acasta available to fill vacancies in executive officer and other leadership positions. In appointing individuals to its leadership team, both at the corporate level and business vertical level, Acasta will weigh a number of factors, including the skills and experience required for the position and the personal attributes of the candidates.

None of the current executive officers of Acasta are female. Acasta does not presently have, nor does it intend to establish a target regarding the number of women in executive officer or senior leadership positions. Acasta believes that the most effective way to achieve its goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within Acasta and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to become effective leaders. Acasta will, however, evaluate the appropriateness of adopting targets in the future.

### **Orientation and Continuing Education**

The CGN Committee will oversee an appropriate orientation for new Board members in order to familiarize them with Acasta and its business (including Acasta's reporting and organizational structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors), the role of the Board and its committees and the contribution that an individual Director is expected to make to the Board, its committees (as applicable) and Acasta. The CGN Committee will periodically recommend to the Board (and coordinate the development of) continuing education activities or programs for directors, from time to time as appropriate, that, among other things, will assist Directors to maintain or enhance their skills and abilities as Directors, and assist Directors in ensuring that their knowledge and understanding of Acasta and its business remains current.

In addition, Board members are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of Acasta. Board members have access to Acasta's in-house and external legal counsel in the event of any questions or matters relating to the Board members' corporate and director responsibilities and to keep themselves current with changes in legislation. Board members have full access to Acasta's records.

### **Ethical Business Conduct**

The Board has adopted a code of business conduct and ethics (the "**Code of Business Conduct and Ethics**"), a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The objective of the Code of Business Conduct and Ethics is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of Acasta. The Code of Business Conduct and Ethics is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct and includes a strong "tone from the top" message. The Code of Business Conduct and Ethics is given to all of Acasta's employees and such employees undertake in writing to abide by such code on a periodic basis. As of the date of this Information Circular, there have been no material violations of the Code of Business Conduct and Ethics.

## **Insider Trading Policy**

The Board has adopted a policy relating to the trading in securities of Acasta by Directors, senior executives, employees and other insiders of Acasta and its subsidiaries (the “**Insider Trading Policy**”). Among other things, the following are prohibited by the Insider Trading Policy: (i) short sales of Acasta’s securities; (ii) transactions in puts, calls or other derivative securities, on an exchange or in any other organized market; (iii) hedging or monetization transactions that allow an individual to continue to own the covered securities, but without the full risks and rewards of ownership; and (iv) the resale of securities of Acasta purchased in the open market prior to the expiration of three months from the purchase date. Consequently, the foregoing prohibitions in the Insider Trading Policy do not permit an executive officer, or Director to purchase financial instruments that are designed to hedge or offset a decrease in market value of Acasta’s equity securities granted as compensation or held, directly or indirectly, by an executive officer or Director of Acasta.

## **Audit Committee**

The Audit Committee presently consists of Geoff Beattie and Johan Eliasch and Belinda Stronach, each of whom is and must at all times be financially literate. Each of Geoff Beattie, Johan Eliasch and Belinda Stronach is also independent within the meaning of NI 52-110. The relevant education and experience of each member of the Audit Committee is described as part of their respective biographies above under “Matters to be Considered at the Meeting – Election of Directors”.

The Board has adopted a written charter for the Audit Committee, which sets out the Audit Committee’s responsibility in reviewing and approving the financial statements of Acasta and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the reviewing of Acasta’s public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors. The text of the written charter of the Audit Committee and other Audit Committee information are set out in Appendix A to the AIF.

## **CGN Committee**

The CGN Committee presently consists of Geoff Beattie and Johan Eliasch and Belinda Stronach, each of whom is “independent” within the meaning of NI 58-201. The CGN Committee conducts its business on the basis of majority approval, encouraging an objective process for determining compensation.

The CGN Committee’s role includes assisting the Board in relation to: (i) the selection, performance review and succession plans of executive officers; (ii) professional development for executive officers; (iii) Acasta’s overall approach to governance; (iv) the size, composition and structure of the Board and its committees; (v) orientation and continuing education for directors; (vi) identifying and nominating candidates for the Board; (vii) assessment of the Board, its committees and individual directors; (viii) related party transactions and other matters involving conflicts of interest unless such matters fall within the mandate of the Audit Committee; (ix) the Insider Trading Policy; and (x) any additional matters delegated to the committee by the Board.

The members of the CGN Committee are appointed by the Board, and each member of the CGN Committee will serve at the request of the Board until the member resigns, is removed, or ceases to be a member of the Board.

## **Other Committees**

### ***Executive Management Board***

Acasta has established an executive management board (“**EMB**”) for purposes of integrating the executive leadership of each of Apollo Health and Beauty Care Partnership and Apollo Laboratories Inc. (collectively, “**Apollo**”), JemPak Corporation (“**JemPak**”) and Stellwagen Group (“**Stellwagen**”). The EMB is initially comprised of eight members, being the Chief Executive Officer of Acasta, the Chief Operating Officer or Chief Financial Officer of Acasta, and two leaders from each of Apollo, JemPak and Stellwagen. The Board has adopted a mandate of the EMB (the “**EMB Mandate**”), the purpose of which is to set out the composition, and responsibilities of, and

other matters relevant to the EMB. The Chief Executive Officer of Acasta will, together with the EMB, periodically review the EMB's composition and the EMB Mandate and recommend changes to the Board, as appropriate.

### ***Management Committees***

A management committee has been established for each of Apollo, JemPak and Stellwagen (each, a "**Management Committee**") and collectively, the "**Management Committees**") for purposes of overseeing the management of each business, including leading and operating each of the respective businesses with a view to maximizing the value thereof and of Acasta. Each of the Management Committees will generally be comprised of four members, being the Chief Executive Officer of Acasta, the Chief Operating Officer or Chief Financial Officer of Acasta, the Chief Executive Officer of Apollo, JemPak or Stellwagen, as the case may be and another senior executive officer of such business. The Board has adopted a mandate with respect to each Management Committee, the purpose of which is to set out the composition, and responsibilities of, and other matters relevant to each Management Committee.

### **Governance Agreements**

In connection with the closing of the Qualifying Acquisition, Acasta entered into governance agreements with the vendors of Apollo, JemPak and Stellwagen pursuant to which, in addition to certain other governance rights, each of the Apollo vendors, JemPak vendors and Stellwagen vendor have been granted the right to nominate one individual to stand for election as a member of the Board, provided such individual satisfies certain qualifications. The vendor of Stellwagen has nominated Robert Schwartz to stand for election as a member of the Board at the Meeting.

## **OTHER BUSINESS**

The Directors are not aware of any matters intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting accompanying this Information Circular. If any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy to vote in respect of those matters in accordance with their judgment.

## **ADDITIONAL INFORMATION**

Financial information is provided in Acasta's comparative financial statements and Acasta's management's discussion and analysis for the year ended December 31, 2016 (the "**MD&A**"). Copies of Acasta's financial statements for the year ended December 31, 2016 and the period from inception on June 19, 2015 to December 31, 2015, together with the auditors' report thereon, the MD&A, the AIF (together with any document incorporated therein by reference) and this Information Circular are available upon written request from the Secretary of Acasta, 150 Bloor Street West, Suite 310, Toronto, Ontario M5S 2X9. Acasta may require payment of a reasonable charge if the request is made by a person who is not a Shareholder. These documents and additional information relating to Acasta may also be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on Acasta's website at <http://acastaenterprises.com/>.

## **APPROVAL OF DIRECTORS**

The contents and the sending of this Information Circular to the Shareholders have been approved by the Board.

### **BY ORDER OF THE BOARD**

Dated: May 12, 2017

*"Anthony Melman"*

Chief Executive Officer and Chair of the Board of Directors  
Acasta Enterprises Inc.



**SCHEDULE "A"**

**CHARTER OF THE BOARD OF DIRECTORS**

**(See Attached)**



**ACASTA ENTERPRISES INC.  
(the “Corporation”)**

***CHARTER OF THE BOARD OF DIRECTORS***

This Charter of the Board of Directors (the “**Charter**”) was adopted by the board of directors (the “**Board**”) of the Corporation on August 26, 2015.

**1. Purpose**

The purpose of this Charter is to set out the mandate and responsibilities of the Board of the Corporation. Pursuant to the *Business Corporations Act* (Ontario) (the “**Act**”) governing the Corporation, the Board is responsible for managing or supervising the management of the business and affairs of the Corporation. By approving this Charter, the Board confirms its responsibility for the stewardship of the Corporation and its affairs. This stewardship function includes responsibility for the matters set out in this Charter. The responsibilities of the Board described herein are pursuant to, and subject to, the Act and the by-laws of the Corporation in effect from time to time and do not impose any additional responsibilities or liabilities on the directors at law or otherwise.

**2. Composition**

The Board shall be constituted with a majority of individuals who qualify as “independent” within the meaning of National Policy 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-201**”) provided, however, that if at any time a majority of the Corporation’s directors are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any director who was an independent director within the meaning of NI 58-201, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining directors shall appoint a sufficient number of directors who qualify as “independent” to comply with this requirement.

Pursuant to NI 58-201, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s independent judgment.

**3. Responsibilities of the Board of Directors**

The Board is responsible for the stewardship and oversight of the Corporation and its business and in that regard shall be specifically responsible for:

- (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization;

- (b) participating in the development of and approving a strategic plan for the Corporation;
- (c) supervising the activities and managing the investments and affairs of the Corporation;
- (d) approving major decisions regarding the Corporation;
- (e) defining the roles and responsibilities of management of the Corporation (“**Management**”);
- (f) reviewing and approving the business and investment objectives to be met by Management;
- (g) assessing the performance of and overseeing Management;
- (h) issuing shares and other securities of the Corporation for such consideration as the Board may deem appropriate, subject to the Act, applicable securities laws and the rules of the Toronto Stock Exchange (the “**TSX**”);
- (i) issuing any type of debt securities or convertible debt securities and borrowing money or incurring any other form of indebtedness for the approved purposes of the Corporation, subject to the Act, applicable securities laws and the rules of the TSX;
- (j) approving the re-purchase of securities of the Corporation, subject to the Act;
- (k) reviewing the Corporation’s debt strategy;
- (l) identifying and managing risk exposure;
- (m) ensuring the integrity and adequacy of the Corporation’s internal controls and management information systems;
- (n) succession planning;
- (o) establishing committees of the Board, where required or prudent, and defining their mandates;
- (p) maintaining records and providing reports to shareholders of the Corporation (“**Shareholders**”);
- (q) ensuring effective and adequate communication with Shareholders, other stakeholders and the public;
- (r) determining the amount and timing of dividends and other distributions to Shareholders, if any;
- (s) developing the Corporation’s approach to corporate governance; and

- (t) fulfilling such other duties and responsibilities as set out in the Act, applicable securities laws and the rules of the TSX.

It is recognized that every member of the Board in exercising powers and discharging duties must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. Directors must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, members of the Board are expected to carry out their duties in accordance with policies and regulations adopted by the Board from time to time.

It is expected that Management will co-operate in all ways to facilitate compliance by the Board with its legal duties by causing the Corporation and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board that may affect such compliance.

#### **4. Expectations of Directors**

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board.

- (a) ***Commitment and Attendance.*** All directors are expected to maintain a high attendance record at meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance.
- (b) ***Preparation for Meetings.*** All directors are expected to review the materials circulated in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Chairman of the Board, the Chief Executive Officer and any other appropriate executive officer(s) of the Corporation to ask questions and discuss agenda items prior to meetings.
- (c) ***Participation in Meetings.*** Each director is expected to be sufficiently knowledgeable of the business of the Corporation, including its financial statements, and the risks it faces, to ensure active and effective, and candid and forthright participation in the deliberations of the Board and of each committee on which he or she serves.
- (d) ***Loyalty and Ethics.*** In their roles as directors, all members of the Board owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any other interest possessed by a director. Directors are expected to conduct themselves in accordance with the Corporation's Code of Business Conduct and Ethics.
- (e) ***Other Board Memberships and Significant Activities.*** The Corporation values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a director's time and availability and may present

conflicts or legal issues, including independence issues. Each member of the Board should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the member's time and availability for his or her commitment to the Corporation. Directors should advise the Chairman of the Board and the Chief Executive Officer before accepting membership on other public company boards or any audit committee or other significant committee assignment on any other board, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the member's relationship to the Corporation.

- (f) ***Contact with Management and Employees.*** All members of the Board should be free to contact Management at any time to discuss any aspect of the Corporation's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the Corporation. The Board expects that there will be frequent opportunities for members of the Board to meet with Management in meetings of the Board and committees, or in other formal or informal settings.
- (g) ***Personal Conduct.*** Directors are expected to: (i) exhibit high standards of personal integrity, honesty and loyalty to the Corporation; (ii) project a positive image of the Corporation to news media, the financial community, governments and their agencies, shareholders and employees; (iii) be willing to contribute extra efforts, from time to time, as may be necessary including, among other things, being willing to serve on committees of the Board; and (iv) disclose any potential conflict of interest that may arise with the affairs or business of the Corporation and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.
- (h) ***Confidentiality.*** The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board will maintain the confidentiality of information received in connection with his or her service as a director.

## **5. Meetings**

The Board will meet not less than four times per year: three meetings to review quarterly results and one meeting prior to the issuance of the annual financial results of the Corporation. The Board shall meet periodically without Management present to ensure that the Board functions independently of Management. At each Board meeting, unless otherwise determined by the Board, an in-camera meeting of independent directors will take place, which session will be chaired by the Chairman of the Board.

In discharging its mandate, the Board and any committee of the Board will have the authority to retain and receive advice from outside financial, legal or other advisors (at the cost of the Corporation) as the Board or any such committee determines to be necessary to permit it to carry out its duties.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinion to assist the members of the Board in their deliberations. Management attendees who are not Board members will be excused for any agenda items which are reserved for discussion among directors only.

**6. Board Meeting Agendas and Information**

The Chairman, in consultation with Management will develop the agenda for each Board meeting. Agendas will be distributed to the members of the Board before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the directors in advance of the meeting. Reports may be presented during the meeting by members of the Board, Management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

**7. Measures for Receiving Shareholder Feedback**

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback of Shareholders.

**8. Telephone Board Meetings**

A director may participate in a meeting of the Board or in a committee meeting by means of telephone, electronic or such other communications facilities as permit all persons participating in the meeting to communicate with each other and a director participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the Board to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone board meetings may be required to be called in order for directors to be in a position to better fulfill their legal obligations. Alternatively, Management may request the directors to approve certain matters by unanimous written consent.

**9. Expectations of Management**

Management shall be required to report to the Board at the request of the Board on the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any other matter the Board or its Chairman may deem appropriate. In addition, the Board expects Management to promptly report to the Chairman any significant developments, changes, transactions or proposals respecting the Corporation or its subsidiaries.

**10. Communications Policy**

The Board shall approve the content of the Corporation's major communications to Shareholders and the investing public including any Annual Report, Management Information Circular, Annual Information Form and any prospectuses which may be issued. The Audit Committee

shall review and recommend to the Board the approval of the quarterly and annual financial statements (including the Management's Discussion & Analysis) and press releases relating to financial matters. The Board also has responsibility for monitoring all of the Corporation's external communications. However, the Board believes that it is the function of Management to speak for the Corporation in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public.

The Board shall have responsibility for reviewing the Corporation's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the Corporation in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the Corporation's policies relating to communication and disclosure on an annual basis.

Generally, communications from Shareholders and the investment community will be directed to Management, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to the Chairman or to other individual members of the Board, that Management will be informed and consulted to determine any appropriate response.

#### **11. Internal Control and Management Information Systems**

The Board has responsibility for the integrity of the Corporation's internal control and management information systems. All material matters relating to the Corporation and its business require the prior approval of the Board, subject to the Board's ability to delegate such matters to, among others, the Corporation's Audit Committee and Management. Management is authorized to act, without Board approval, on all ordinary course matters relating to the Corporation's business.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that Management's financial reporting is complete and accurate, even though Management may be charged with developing and implementing the necessary procedures.

#### **12. Delegation of Powers**

The directors may establish one or more committees and may, subject to the Act and other applicable laws, delegate to such committees any of the powers of the Board. The directors may also, subject to the Act and other applicable laws, delegate powers to manage the business and affairs of the Corporation to such of the officers of the Corporation as they, in their sole and absolute discretion, may deem necessary or desirable to appoint, and define the scope of and manner in which such powers will be exercised by such persons as they may deem appropriate.

The Board retains responsibility for oversight of any matters delegated to any director(s) or any committee of the Board, to Management or to other persons.

#### **13. Board Effectiveness**

The Board shall review and, if determined appropriate, approve the recommendations of the applicable committee of the Board, if any, concerning formal position descriptions for the

Chairman of the Board, and for each committee of the Board, and for the Chief Executive Officer, provided that in approving a position description for the Chief Executive Officer, the Board shall consider the input of the Chief Executive Officer and shall develop and approve corporate goals and objectives that the Chief Executive Officer is responsible for meeting (which may include goals and objectives relevant to the Chief Executive Officer's compensation, as recommended by the applicable committee of the Board, if any).

The Board shall review and, if determined appropriate, adopt a process recommended by the applicable committee of the Board, if any, for reviewing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors on an annual basis.

**14. Inconsistencies with Applicable Laws**

In the event of any conflict or inconsistency between this Charter and the provisions of the Act or other applicable laws, in each case as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of the Act or such other applicable laws to the extent necessary to resolve such conflict or inconsistency.



## **SCHEDULE "B"**

### **DSU RESOLUTION**

#### **WHEREAS:**

1. The Board wishes to adopt the DSU Plan, which does not have a fixed maximum number of Class B Shares issuable;
2. The rules of the TSX require that the DSU Plan be approved by a majority of votes in respect of the DSU Resolution; and
3. The rules of the TSX provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years.

#### **BE IT RESOLVED THAT:**

1. The DSU Plan, substantially as described in the Information Circular is hereby confirmed, ratified and approved;
2. The DSUs to be issued under the DSU Plan, and all unallocated DSUs under the DSU Plan, be and are hereby approved;
3. In accordance with the rules of the TSX, Acasta shall have the ability to grant DSUs in accordance with the terms of the DSU Plan until June 19, 2020, which is the date that is three years from the date of the shareholder meeting at which shareholder approval of the DSU Plan is being sought;
4. The Board is hereby authorized to make such amendments to the DSU Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the DSU Plan, the approval of the Shareholders;
5. Any one director or officer of Acasta is hereby authorized and directed, acting for, in the name of and on behalf of Acasta, to execute or cause to be executed, under the seal of Acasta or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as, in the opinion of such director or officer of Acasta, may be necessary or desirable to carry out the terms of the foregoing resolutions; and
6. Unless otherwise specified or defined herein, capitalized terms used herein shall have the meaning ascribed thereto in the Information Circular.

