

# **POLLARD** **banknote limited**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**to be held MAY 10, 2018**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**APRIL 6, 2018**

April 6, 2018

Dear Shareholders:

You are invited to attend the annual meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of shares (the “**Shares**”) of Pollard Banknote Limited (the “**Company**”) to be held at the Harrow Room, Mezzanine Level, The Fairmont, 2 Lombard Place, Winnipeg, Manitoba, on May 10, 2018, at 11:00 a.m. (Winnipeg time).

At the Meeting, the Shareholders will be asked to consider and vote upon the matters outlined in the accompanying notice of the Meeting.

If you are unable to attend the Meeting in person, please complete and deliver the enclosed form of proxy in accordance with the instructions set out in the accompanying information circular so that your Shares can be voted at the Meeting.

On behalf of the Directors, management and the employees of the Company and its subsidiaries, I would like to thank you for your continued support of Pollard Banknote. We look forward to seeing you at the Meeting.

Yours very truly,

(signed) “*Douglas Pollard*”

Douglas Pollard  
Co-Chief Executive Officer,  
Pollard Banknote Limited

**POLLARD BANKNOTE LIMITED**

**NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS**

This document provides formal notification of your invitation to attend the annual meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Pollard Banknote Limited (the “**Company**”). The Meeting will be held at

**Harrow Room, Mezzanine Level  
The Fairmont  
2 Lombard Place  
Winnipeg, Manitoba  
Thursday, May 10, 2018  
at 11:00 a.m. (Winnipeg time)**

As a Shareholder, you are entitled to attend the Meeting and to cast one vote for each share (“**Share**”) of the Company that you own. If you are a registered Shareholder and are unable to attend the Meeting, you will still be able to vote on the items of business set out below by completing the form of proxy (a “**Form of Proxy**”) included with the management information circular (the “**Information Circular**”). The Information Circular explains how to complete the Form of Proxy and how the voting process works. **To be valid, registered Shareholders must submit the Form of Proxy to the Company’s transfer agent, Computershare Trust Company of Canada (“Computershare”), Attention: Proxy Department: (i) by mail in the enclosed postage prepaid envelope; (ii) by hand to the Toronto office of Computershare; or (iii) by facsimile to 1 (866) 249-7775, no later than 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in the City of Toronto) before the time of the Meeting or any adjournments or postponements thereof, or registered Shareholders may present the Form of Proxy at the Meeting prior to commencement of the Meeting or any adjournments or postponements thereof.**

If you are a non-registered beneficial Shareholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or similar entity in order to vote your Shares.

The following business will be conducted at the Meeting:

- (i) receipt of the audited consolidated financial statements of the Company for the year ended December 31, 2017, and the auditors’ report;
- (ii) election of the directors of the Company (the “**Directors**”);
- (iii) re-appointment of the auditors of the Company and authorization of the Directors to fix the remuneration of the auditors; and
- (iv) transaction of any other business that is properly brought before the Meeting.

This notice is accompanied by a Form of Proxy, the Information Circular and the letter of transmittal.

The Directors have by resolution fixed the close of business on March 15, 2018, as the record date for the determination of holders of Shares entitled to receive notice of and vote at the Meeting or any adjournments or postponements thereof.

**BY ORDER OF THE DIRECTORS**

Winnipeg, Manitoba  
April 6, 2018

(signed) “*Douglas Pollard*”  
Douglas Pollard  
Co-Chief Executive Officer,  
Pollard Banknote Limited

# MANAGEMENT INFORMATION CIRCULAR

## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>1</b>
Advice to Beneficial Holders of Shares .....	1
Information for United States Securityholders .....	2
<b>DOCUMENTS INCORPORATED BY REFERENCE</b> .....	<b>3</b>
<b>GLOSSARY OF TERMS</b> .....	<b>4</b>
<b>MEETING</b> .....	<b>6</b>
<b>DESCRIPTION OF THE COMPANY</b> .....	<b>6</b>
<b>GENERAL PROXY MATTERS</b> .....	<b>6</b>
Appointment of Proxies .....	6
Voting of Proxies .....	6
Revocation .....	7
Quorum .....	7
Common Shares .....	7
Preference Shares .....	8
Additional Information .....	9
<b>ANNUAL BUSINESS OF THE MEETING</b> .....	<b>9</b>
Election of Directors .....	9
Skills Matrix .....	13
Diversity Policy .....	14
Retirement Age and Term Limit.....	14
Appointment of Auditors .....	14
<b>EXECUTIVE OFFICER AND DIRECTOR COMPENSATION</b> .....	<b>15</b>
Compensation Discussion and Analysis .....	15
Performance Graph .....	16
Summary Compensation Table.....	17
Stock Option Plan .....	19
Pension Plan Benefits .....	20
Employment Contracts.....	21
Compensation of Directors .....	22
<b>INDEBTEDNESS</b> .....	<b>23</b>
<b>CORPORATE GOVERNANCE</b> .....	<b>23</b>
The Board .....	23
Other Directorships.....	24
The Compensation Committee .....	26
The Audit Committee .....	26
The Governance and Nominating Committee .....	26
<b>DIRECTORS AND OFFICERS' LIABILITY INSURANCE</b> .....	<b>27</b>
<b>MATERIAL CONTRACTS</b> .....	<b>27</b>
<b>INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED</b>	
<b>UPON</b> .....	<b>27</b>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b> .....	<b>27</b>
<b>PRINCIPAL SHAREHOLDERS</b> .....	<b>27</b>

<b>OTHER BUSINESS.....</b>	<b>28</b>
<b>ADDITIONAL INFORMATION.....</b>	<b>28</b>
<b>DIRECTORS' APPROVAL .....</b>	<b>28</b>
<b>CHARTER OF THE BOARD OF DIRECTORS.....</b>	<b>A-1</b>

## INTRODUCTION

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of the directors (referred to as the “**Directors**”) of Pollard Banknote Limited (the “**Company**”) to all of the holders (the “**Shareholders**”) of shares (the “**Shares**”) of the Company, for use at the annual meeting (the “**Meeting**”) of Shareholders, together with a notice of Meeting, form of proxy (a “**Form of Proxy**”) and letter of transmittal. References in this Information Circular to the Meeting include any adjournments or postponements thereof.

No person has been authorized to give any information or to make any representation in connection with any matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized. Solicitation of proxies is being made by or on behalf of the Directors and will be primarily by mail, but may also be undertaken by way of telephone, facsimile, e-mail or oral communication by the Directors, officers or employees of the Company and its subsidiaries, for no additional compensation. All costs associated with the solicitation of proxies by the Company and its subsidiaries will be borne by the Company and its subsidiaries.

The Directors have by resolution fixed the close of business on March 15, 2018, as the record date, being the date for the determination of registered Shareholders entitled to receive notice of and vote at the Meeting. Duly completed and executed proxies must be received by the Company’s transfer agent at the address indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in the City of Toronto) before the time of the Meeting or any adjournments or postponements thereof, or registered voting Shareholders may present the Form of Proxy at the Meeting prior to commencement of the Meeting or any adjournments or postponements thereof.

All capitalized terms used in this Information Circular, but not otherwise defined herein, shall have the meanings set forth under “Glossary of Terms”. Unless otherwise stated, information contained in this Information Circular is given as of April 6, 2018.

### **Advice to Beneficial Holders of Shares**

The information set forth in this section is important to many Shareholders, as a substantial number of such persons do not hold Shares in their own name.

Holders who do not hold their Shares in their own name (the “**Beneficial Shareholders**”) should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Shareholders whose names appear on the records maintained by or on behalf of the Company as the registered holders of Shares on the date of record. If such Shares are listed in an account statement provided to a Shareholder by a broker or other intermediary, then in almost all cases those Shares will not be registered in that holder’s name on the records of the Company. Such Shares will more likely be registered under the name of the holder’s broker, an agent or nominee of that broker or another intermediary. In Canada, the vast majority of such Shares are typically registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their agents or nominees or another intermediary can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, the intermediaries are prohibited from voting the Shares for their clients. The Company does not know for whose benefit Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the Form of Proxy supplied

to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form in lieu of the Form of Proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to provide instructions regarding the voting of the Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at a meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Shares voted.

If you are a Beneficial Shareholder, you may only attend the Meeting as a proxyholder for the registered holder and vote your Shares, as applicable, in that capacity. To do this, you should enter your own name in the blank space on the applicable Form of Proxy or voting instruction form provided to you and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker or intermediary **well in advance of the Meeting**.

See “General Proxy Matters” for additional information.

#### **Information for United States Securityholders**

The solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the United States *Securities Exchange Act of 1934*, as amended (the “**1934 Act**”), by virtue of an exemption applicable to proxy solicitations by “foreign private issuers”, as defined in Rule 3b-4 under the 1934 Act. This Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Securityholders in the United States should be aware that such requirements are different than those of the United States.

Financial statements and information included or incorporated by reference herein have been prepared in accordance with generally accepted accounting principles in Canada, and are subject to auditing and auditor independence standards in Canada. These financial statements may not be comparable to financial statements of United States companies, and auditing and auditor independence standards may be different.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company and its consolidated operations and a number of its subsidiaries and affiliates (the “**Group**”) are incorporated or organized outside the United States, that all of their officers and Directors and the experts named herein are residents of a foreign country and that a substantial portion of the assets of the members of the Group and all of said persons are located outside the United States. As a result, it may be difficult or impossible for U.S. securityholders to effect service of process within the United States upon any members of the Group, their officers, Directors and general partners or the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, U.S. securityholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference in this Information Circular may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com) or on request without charge from the Chief Financial Officer of Pollard Banknote Limited at 140 Otter Street, Winnipeg, Manitoba R3T 0M8, or at (204) 474-2323. The following documents are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- a) the Company's annual information form dated March 12, 2018;
- b) the Company's audited consolidated financial statements, together with the accompanying report of the auditors, for the year ended December 31, 2017; and
- c) management's discussion and analysis of results of operations and financial condition of the Company for the year ended December 31, 2017.

**Any document of the type referred to in the preceding paragraph and any material change report (excluding confidential material change reports) or press release filed by the Company with a securities commission or similar authority in Canada after the date of this Information Circular and prior to the Meeting that specifically states that it is intended to be incorporated by reference into this Information Circular will be deemed to be incorporated by reference into this Information Circular.**

**Any statement contained in a document incorporated or deemed to be incorporated by reference in this Information Circular or contained in this Information Circular is deemed to be modified or superseded, for purposes of this Information Circular, to the extent that a statement contained in this Information Circular or in any other document subsequently filed with a securities commission or other similar organization in Canada which also is or is deemed to be incorporated by reference in this Information Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.**



## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular:

“**Affiliate**” has the meaning assigned to “affiliated companies” in the *Securities Act* (Ontario);

“**Agent**” means a person appointed to act on behalf of another;

“**Annual Information Form**” or “**AIF**” means the annual information form of the Company dated March 12, 2018;

“**Associate**” has the meaning specified in the *Securities Act* (Ontario);

“**Beneficial Shareholders**” means persons who do not hold their Shares in their own name;

“**Broadridge**” means Broadridge Financial Solutions, Inc.;

“**Business Day**” means a day, other than a Saturday, Sunday or statutory or civic holiday, when banks are generally open in the City of Toronto, in the Province of Ontario, for the transaction of banking business;

“**CBCA**” means the *Canada Business Corporations Act* R.S.C. 1985 c.C-44, as amended, including the regulations promulgated thereunder;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” means Pollard Banknote Limited;

“**Company Group**” means, collectively, the Company, Nacako Sdn, Bhd, PBL of Puerto Rico Inc., Concuros y Promociones Pollard de Puerto Rico, Inc., Pollard Holdings Inc., Pollard (U.S.) Ltd., Pollard iLottery Inc., NeoPollard Interactive LLC, Integrity Bingo, LLC, 10188557 Canada Inc., INNOVA Gaming Group Inc., Diamond Game Enterprises, Diamond Game Enterprises Canada ULC and Pollard Games, Inc., doing business as American Games;

“**Computershare**” means Computershare Trust Company of Canada;

“**Consolidation**” means the reorganization whereby Pollard Banknote Limited simplified its corporate structure through the consolidation of its wholly-owned Canadian subsidiaries, Pollard Holdings Limited Partnership, Pollard Banknote Limited Partnership, Pollard (Canada) Inc. and Pollard Banknote GP Limited effective January 1, 2015;

“**Conversion**” means the reorganization whereby Pollard Banknote Income Fund was converted into a publicly traded share corporation, Pollard Banknote Limited, which occurred on May 14, 2010;

“**Depository**” means Computershare, or such other person as may be designated by the Company;

“**Director**” means the director appointed under Section 260 of the CBCA;

“**Equities**” means Pollard Equities Limited, a corporation continued under the CBCA;

“**Form of Proxy**” means the form of proxy distributed by the Company in connection with the Meeting;

“**Gaming Regulatory Authority**” means any governmental authority which exercises gaming regulatory jurisdiction over the business of the Company and/or its subsidiaries, as such business is constituted from time to time;

“**General Partner**” means Pollard Banknote GP Limited, a corporation incorporated under the CBCA;

“**GP Board**” means the board of directors of the General Partner;

“**Information Circular**” means this management information circular distributed by the Company in connection with the Meeting;

“**Intermediary**” means securities held on behalf, or for the account, of a beneficial holder, by a broker, securities dealer, bank, trust company or similar entity;

“**KPMG**” means KPMG LLP;

“**Letter of Transmittal**” means the letter of transmittal that accompanies this Information Circular;

“**Management**” means management of the Company Group;

“**Meeting**” means the annual meeting of Shareholders to be held on May 10, 2018, and any adjournments or postponements thereof, to consider and to vote on the matters set out in the Notice of Meeting;

“**Named Executive Officers**” or “**NEO’s**” means the Co-Chief Executive Officers, the Chief Financial Officer and the three other most highly compensated executive officers of the Company, as prescribed by National Instrument 51-102F6 - *Statement of Executive Compensation*;

“**Notice of Meeting**” means the notice of the Meeting that accompanies this Information Circular;

“**Pension Plan**” means the pension plan for executive employees of Pollard Banknote Limited;

“**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, any government or government entity, or any other entity, whether or not having legal status;

“**Pollard Banknote**” means Company Group;

“**Pollard LP**” means Pollard Holdings Limited Partnership, a limited partnership established under the laws of the Province of Manitoba;

“**Record Date**” means March 15, 2018;

“**Securities Depository**” means CDS Clearing and Depository Services Inc. or any other person acting as an intermediary for the payment or delivery of securities in respect of securities transactions and providing centralized services for securities transactions or providing centralized services as a depository in respect of securities transactions;

“**Shareholders**” means the holders of the Common Shares of the Company from time to time;

“**Shares**” means collectively, the Common Shares of the Company;

“**Tax Act**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, in each case as amended;

“**TSX**” means the Toronto Stock Exchange.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

## MEETING

The Meeting will be held at the Harrow Room, Mezzanine Level, The Fairmont, 2 Lombard Place, Winnipeg, Manitoba on Thursday, May 10, 2018, commencing at 11:00 a.m. (Winnipeg time) for the purposes set forth in the accompanying Notice of Meeting. The business of the Meeting will be to: (1) receive the audited consolidated financial statements of the Company for the year ended December 31, 2017, and the auditors' report; (2) elect the Directors of the Company; (3) re-appoint the auditors of the Company and authorize the Directors to fix the remuneration of the auditors; and (4) transact any other business that is properly brought before the Meeting.

As of the date of this Information Circular, the Directors are not aware of any changes to these items, and do not expect any other items to be brought forward at the Meeting. If there are changes or new items, your proxyholder can vote your Shares on these items as he or she sees fit. See "General Proxy Matters" for additional information.

## DESCRIPTION OF THE COMPANY

The Company was incorporated on March 26, 2010, pursuant to the provisions of the CBCA, for purposes of effecting the Conversion. The principal and head office of the Company is located at 140 Otter Street, Winnipeg, Manitoba, R3T 0M8. Together with its principal subsidiaries, the Company Group is one of the leading providers of products and services to the lottery and charitable gaming industries in the world. Management believes that the Company Group is the largest provider of instant tickets based in Canada and second largest producer of instant tickets in the world.

The Company is a leading lottery partner to more than 60 lotteries worldwide, providing high quality instant ticket products, licensed games, and a full suite of digital offerings ranging from game apps to comprehensive player engagement and iLottery solutions, including strategic marketing and management services. The Company Group is a proven innovator and has decades of experience helping lotteries to maximize player engagement, sales, and proceeds for good causes and also plays a major role in providing pull-tab tickets, bingo paper and its Diamond Game and Oasis-branded electronic ticket machines to charitable and other gaming markets. The Company Group's lottery products are offered for sale in North America and throughout the world, while the Company Group's charitable gaming products are principally sold in the United States.

On January 1, 2015, Pollard Banknote Limited simplified its corporate structure through (i) the dissolution of Pollard Holdings Limited Partnership and Pollard Banknote Limited Partnership and (ii) the vertical short-form amalgamation of Pollard (Canada) Inc. and Pollard Banknote GP Limited with Pollard Banknote Limited.

## GENERAL PROXY MATTERS

### Appointment of Proxies

The persons named in the enclosed Form of Proxy are Directors or officers of the Company. Only Shareholders are entitled to vote at the Meeting. **Shareholders who wish to appoint some other person to represent such Shareholders at the Meeting may do so by inserting such person's name in the blank space provided in the relevant Form of Proxy.** Such other person need not be a Shareholder of the Company.

### Voting of Proxies

The persons named in the accompanying Form of Proxy will vote, withhold from voting or vote against any matter to be acted upon at the Meeting on any ballot that may be called for in accordance with the

instructions of the Shareholder as indicated on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. In the absence of such direction, such Shares will be voted by the persons named in the accompanying Form of Proxy FOR each matter to be acted upon at the Meeting.

The enclosed Form of Proxy confers discretionary authority upon the persons named in the proxy with respect to amendments to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, the Directors know of no such amendments or other matters.

### **Revocation**

A Shareholder who has submitted a proxy (other than a Shareholder who completed a voting instruction form) may revoke the proxy at any time prior to the exercise thereof:

- (a) by depositing an instrument of revocation in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing:
  - (i) at the registered office of the Company or at the offices of Computershare at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournments or postponements thereof, at which the proxy is to be used, or
  - (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournments or postponements thereof; or
- (b) in any other manner permitted by law.

A Shareholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary may not act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary in sufficient time prior to the Meeting.

### **Quorum**

Unless otherwise required by law, at any meeting of Shareholders, a quorum shall consist of two or more individuals present in person either holding personally or representing as proxies in aggregate not less than 10% of the votes attached to all outstanding Shares.

### **Common Shares**

Holders of Common Shares are entitled to receive notice of any meetings of Shareholders of the Company and to attend and to cast one vote per Common Shares at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of Directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of Directors may elect all Directors standing for election. Holders of Common Shares are entitled to receive on a *pro-rata* basis such dividends, if any, as and when declared by the Company's Board of Directors at its discretion from funds legally available therefore and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a *pro-rata* basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a *pro-rata* basis with the holders of Common Shares with respect

to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

The Articles of Incorporation of the Company provide that if, in the opinion of the Board of Directors of the Company, a person, or group of persons acting in concert acquires, agrees to acquire, holds, beneficially owns or controls, either directly or indirectly, a number of Common Shares that is prohibited by any Gaming Regulatory Authority, the Board of Directors of the Company are entitled to take any of the following actions (each a “**Constraint Action**”):

- (a) place a stop transfer on all or any of the Common Shares of the person, or group of persons, the Board of Directors of the Company reasonably believes is violating such prohibitions;
- (b) suspend all voting and dividend rights on all or any of the Common Shares held by the person, or group of persons, the Board of Directors of the Company believes is violating such prohibitions;
- (c) apply to a court of competent jurisdiction seeking an injunction to prevent a breach or continuing breach of such prohibitions; or
- (d) make application to the relevant securities commission, its successors or assigns or such other governmental regulatory agency having jurisdiction over the affairs of the Company, to effect a cease trading order or such similar restriction against such person or group of persons until such time as the person or group of persons ceases to be in violation of such prohibitions.

In addition, if a Gaming Regulatory Authority has determined that ownership by a holder of Common Shares is inconsistent with its declared policies, the Board of Directors of the Company are also entitled to take a Constraint Action against such Shareholder. In addition, any Shareholder, regardless of the number of Common Shares held by such Shareholder, may be required to file an application, be investigated and have suitability as a Shareholder determined by a Gaming Regulatory Authority, if such Gaming Regulatory Authority has reason to believe such ownership would otherwise be inconsistent with its declared policies. The Shareholder must pay all of the costs of the investigation incurred by any such Gaming Regulatory Authority.

### **Preference Shares**

The Board of Directors of the Company may issue preference shares (the “**Preference Shares**”) at any time in one or more series and shall fix the number of shares in each series. Before any shares of a particular series are issued, the Board of Directors of the Company is required to fix the number of shares in such series and to determine, subject to the limitations set out in the articles, the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, voting rights, the rate or rates, amount or method or method of calculation of any dividends thereon and whether such rate(s), amount or method(s) of calculation shall be subject to change or adjustment in the future, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights (if any), the conversion or exchange rights attached thereto (if any) and the terms and conditions of any purchase obligation or sinking fund or other provisions attaching thereto. No rights, privileges, restrictions or conditions attached to a series of Preference Shares will confer upon a series a priority in respect of dividends or return of capital over any other series of Preference Shares then outstanding. The Preference Shares are entitled to priority over the Common Shares and over any other share ranking prior to the Common Shares and over any other shares ranking junior to the Preference Shares. As of the date of this circular the Company has not issued any Preference Shares.

## Additional Information

Additional information relating to the Company is available in the AIF which is incorporated by reference in this Information Circular and is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the respective financial statement for the year ended December 31, 2017 and the accompanying annual management's discussion and analysis, which are incorporated by reference in this Information Circular and can be accessed on SEDAR.

## ANNUAL BUSINESS OF THE MEETING

### Election of Directors

The number of Directors to be elected at the Meeting is six. Unless otherwise directed, it is the intention of the persons named in the enclosed Form of Proxy to vote in favour of electing as Directors the proposed nominees whose names are set out in the table below. All the nominees, other than Mr. Brown, have been Directors since inception of the Company in 2010. Mr. Brown was elected a Director in May of 2017. Prior to the Conversion, four of the Directors had been Directors of the General Partner of Pollard LP since its inception in 2005 and one Director had been a Director of the General Partner of Pollard LP since March 2009. The Directors do not contemplate that any of the proposed nominees will be unable to serve as 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 Director elected at the Meeting will hold office (unless the office is vacated earlier due to death, removal, resignation or ceasing to be duly qualified) until the close of the next annual meeting of Shareholders or until his or her successor is elected or appointed. Two of the three current independent Directors previously served as the Trustees of the Pollard Banknote Income Fund and the Pollard Banknote Trust prior to the Conversion.

Lawrence Pollard, Chair Emeritus of the Company, serves as a trusted advisor to the Directors and is invited to attend all meetings of the Board of Directors. Mr. Pollard was formerly a Director of the Company and prior to Conversion, had been a Director of the General Partner of Pollard LP since its inception in 2005.

### *Proposed Directors of the Company*

Name	Offices Held	Principal Occupation	Director Since <sup>(6)</sup>	No. of Common Shares Beneficially Owned, Controlled or Directed
Jerry Gray <sup>(1)(2)(3)(4)</sup> Winnipeg, Manitoba, Canada	Director	Director	2005	31,400
Garry Leach <sup>(1)(2)(3)</sup> Victoria, British Columbia, Canada	Director	Director	2009	82,100
Gordon Pollard <sup>(5)(7)</sup> Winnipeg, Manitoba, Canada	Executive Chair and Director	Executive Chair	2005	See note 5

Name	Offices Held	Principal Occupation	Director Since <sup>(6)</sup>	No. of Common Shares Beneficially Owned, Controlled or Directed
Dave Brown <sup>(1)(2)(3)</sup> Winnipeg, Manitoba, Canada	Director	President & CEO Richardson Capital Limited	2017	5,400
John Pollard <sup>(5)</sup> Winnipeg, Manitoba, Canada	Co-Chief Executive Officer and Director	Co-Chief Executive Officer	2005	See note 5
Douglas Pollard <sup>(5)(7)</sup> Winnipeg, Manitoba, Canada	Co-Chief Executive Officer and Director	Co-Chief Executive Officer	2005	See note 5

Notes:

- (1) Member of the Governance and Nominating Committee. Mr. Leach is the Chair of the Governance and Nominating Committee.
- (2) Member of the Audit Committee. Mr. Brown is the Chair of the Audit Committee.
- (3) Member of the Compensation Committee. Mr. Leach is the Chair of the Compensation Committee.
- (4) Lead Director.
- (5) As at April 6, 2018, the Directors and Named Executive Officers of the Company, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, 133,900 Shares representing less than 1% of the Common Shares. In addition, Messrs. John Pollard, Gordon Pollard and Douglas Pollard are members of a control group that controls Equities which owns 17,305,158 Shares representing an approximate 67.6% controlling interest in the voting securities of the Company.
- (6) Includes directorships held in the general partner of Pollard LP prior to the Conversion.
- (7) Effective May 1, 2011, Douglas Pollard was appointed Co-Chief Executive Officer of the Company; Gordon Pollard was appointed Executive Chair of the Board of Directors.

Each of the Directors and executive officers has held the same principal occupation, or in the case of the executive officers, other executive offices, with the Company Group or its predecessors, for the five preceding years. See “Annual Business of the Meeting – Election of Directors – Biographies of the Directors of the Company” in the Information Circular.

The individuals named in the above table and their Associates, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 17,424,058 Common Shares, representing approximately 68.0% of the issued and outstanding Common Shares.

Each Director of the Company will hold office until he or she resigns or is replaced at a meeting of Shareholders of the Company.

***Corporate Cease Trade Orders or Bankruptcies***

To the knowledge of the Company, except as disclosed below, none of the proposed Directors (a) are, as at the date hereof, or have been, within the 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company 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 (an “Order”) that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person 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, (b) are, as at the date of the Information Circular, or have been within 10 years before the date of the Information Circular, a director or executive officer of any company 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 (c) have, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

Dave Brown, a Director, resigned as a director of each of 2154331 Canada Inc. (formerly Mechtronix Systems Inc.) and 6941249 Canada Inc. (formerly Mechtronix World Corporation) on March 26, 2012. Those companies were each a petitioner/debtor in a proposal made under the Bankruptcy and Insolvency Act (Canada) on or about the 16<sup>th</sup> day of May, 2012.

### ***Penalties or Sanctions***

To the knowledge of the Company, none of the proposed Directors, nor any personal holding company thereof owned or controlled by them, (i) has been subject to 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) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### ***Biographies of Directors and Chairman Emeritus***

The following are brief profiles of the Directors.

***Jerry Gray, Director, (75)*** is Dean Emeritus of the I. H. Asper School of Business at the University of Manitoba where he also held the CA Manitoba Endowed Chair in Business Leadership. He is Past Chair of the Winnipeg Regional Health Authority and a director and Chairman of the Board of Directors of Gendis, Inc. He has consulted with many major corporations in the United States and Canada in the areas of motivation, organizational design, manpower planning, managing change, management development, incentive system design, customer service and strategic planning.

***Garry Leach, Director, (70)*** is the Chief Executive Officer of Mandak Capital Limited (an investment corporation). From 1988 to 2004, Mr. Leach was President and Chief Executive Officer of Gerdau MRM Steel (Manitoba Rolling Mills) and its predecessors. Mr. Leach has previously served on the Board of Directors for each of Gerdau Ameristeel, GLM Industries, Manitoba Hydro, the Canadian Steel Producers Association, (Ottawa), the Steel Manufacturers Association, (Washington), as well as the Business Council of Manitoba. Mr. Leach also served as Regent for the University of Winnipeg.

***Dave Brown, Director, (58)*** is President and CEO of Richardson Capital and Managing Director of RBM Capital Limited. Previously, he was Corporate Secretary of James Richardson & Sons, Limited, and a partner in the independent law and accounting firm of Gray & Brown. He also serves on the Board of Directors of GMP Capital, Inc. and Richardson Financial Group, and on the Board of Trustees of The Boyd Group Income Fund. He graduated from the University of Manitoba law school, and is a Chartered Professional Accountant and member of the Manitoba Bar.



**Gordon Pollard, Director and Executive Chair, (58)** joined Pollard Banknote in 1989 as Vice President, Marketing. He became Co-Chief Executive Officer in 1997 and on May 1, 2011, was appointed Executive Chair of the Board of Directors. Prior to 1989, he practiced law with a major Manitoba firm specializing in corporate and securities law. Mr. Pollard has an LL.B. from the University of Manitoba and a B.A. from the University of Winnipeg.

**Douglas Pollard, Director and Co-Chief Executive Officer, (47)** joined Pollard Banknote in 1997 as Vice President, Lottery Management Services and on May 1, 2011, he was appointed Co-Chief Executive Officer. From 1997 to 1999 he was a director and the General Manager of Imprimerie Spéciale de Banque, a subsidiary of Pollard Banknote based in Paris, France. Prior to 1997 Mr. Pollard was a Senior Consultant with PricewaterhouseCoopers. Mr. Pollard has an M.B.A. from The Richard Ivey School of Business at the University of Western Ontario and a B.A. from the University of Manitoba.

**John Pollard, Director and Co-Chief Executive Officer, (56)** joined Pollard Banknote in 1986 as Vice President, Finance. He became Co-Chief Executive Officer in 1997. Prior to 1986, he was an associate with the accounting firm Deloitte & Touche LLP. Mr. Pollard has a B.Comm. from the University of Manitoba, and is a former member of the Institute of Chartered Accountants of Manitoba.

The following is a brief profile of the Chair Emeritus.

**Lawrence Pollard, Chair Emeritus of the Board**, has been with Pollard Banknote since 1947. Mr. Pollard is a senior lottery products business executive with more than 65 years of general management and sales experience. Mr. Pollard has served on the board of directors of a number of public and private companies. He has served as president of the Winnipeg Chamber of Commerce and was named Manitoba's Entrepreneur of the Year in 1991. Mr. Pollard is a graduate from the Dunwoody Industrial Institute of Printing Management in Minneapolis and is a past national president of the Canadian Graphic Arts Industries Association.

## Skills Matrix

Non-employee Directors identify their skills and experience annually.

The information is used to assess the Board strength and diversity shown below:

	Gray	Brown	Leach
<b>Executive Leadership</b> Broad business experience as a senior officer or chair of the board of a major organization (public, private, non-profit)	X	X	X
<b>Other Board Experience</b> Director of a major organization	X	X	X
<b>Accounting and Finance</b> Expertise is based on the definition of "financial expert" for members of the Audit Committee under securities law	X	X	X
<b>Manufacturing</b> Experience at a senior level in a manufacturing industry or similar industrial setting	X	X	X
<b>Lottery and Gaming</b> Experience at a senior level within the lottery or gaming industry	X		X
<b>Mergers and Acquisitions</b> Experience with mergers or acquisitions, including due diligence		X	X
<b>Risk Management</b> Knowledge of, and experience with internal controls, risk assessments and reporting	X	X	X
<b>Risk Governance</b> An understanding of the Board's role in the oversight of risk management principles and practices	X	X	X
<b>Human Resources</b> Experience with benefit, pension and compensation programs (in particular executive compensation programs)	X	X	X
<b>Marketing</b> Experience in a major retail, consumer products, services or distribution company	X		
<b>Public Sector</b> Including Crown Corporation, educational institution, government department or other non-government organizations (NGO)	X	X	X
<b>Corporate Responsibility/Sustainability</b> Understanding and experience with corporate responsibility practices and the constituents involved in sustainable development practices	X	X	X
<b>Legal/Regulatory/Compliance</b> Training and experience in compliance for complex regulatory regimes	X	X	X
<b>Strategic Planning</b> Experience in the development and implementation of a strategic direction of a large organization	X	X	X

## **Diversity Policy**

It is the responsibility of the Board of Directors to enhance the Company's long-term value for its Shareholders.

Pollard Banknote believes that increasing the diversity of the Board of Directors to reflect the communities and customers it serves is essential to its success. Each year the Board of Directors proposes Director nominees to Shareholders, who can vote for each Director nominee at the annual meeting. Director nominees are recommended to the Board of Directors by the Governance and Nominating Committee, which is comprised entirely of independent Directors. The Governance and Nominating Committee examines annually the size and composition of the Board of Directors and its committees by considering factors such as the skills, experience, professional and industry representation, as well as factors that promote diversity on the board, including age and gender with a view to ensuring that the Board of Directors benefits from a broad range of perspectives and relevant experience. The Company believes that fostering a diverse and inclusive culture both within its Management team and among its Directors represents a strategic business priority for the Company and contributes to its continued commitment to sound corporate governance, market innovation and growth.

When recruiting new Directors, the Governance and Nominating Committee considers candidates on merit taking into account the vision and business strategy of the Company; the skills and competencies of the current Directors; the existence of any gaps in board skills; and the attributes, knowledge and experience new Directors should have in order to best enhance the Company's business plan and strategies. In this process, the Governance and Nominating Committee will also take into account factors that promote diversity, such as age and gender, with a view to ensuring that the Board of Directors benefits from the broader exchange of perspectives brought by diversity of thought, background, skills and experience.

As of April 6, 2018, the Company's senior management team is comprised of 88 men and 40 women. Of these, 7 men and 2 women sit on the Company's executive management committee. There are currently 6 men and no women on the Board of Directors of the Company.

## **Retirement Age and Term Limit**

The Board believes that it should reflect a balance between expertise, skills, experience and learning on the one hand, and the need for renewal and fresh perspectives on the other. The Board has a term limit policy providing that non-employee Directors are expected to serve up to a maximum of 10 years, assuming they are annually re-elected by the Shareholders. For current non-employee Directors, term limits start from March 10, 2015, when the ten-year limit was first introduced, or their respective first election date, whichever came later. In all cases, no Director will serve beyond the annual meeting of Shareholders following his or her 78th birthday.

## **Appointment of Auditors**

It is the intention of the persons named in the enclosed Form of Proxy for use at the Meeting to vote in favour of the reappointment of KPMG LLP, Chartered Professional Accountants, as the auditors of the Company to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the Directors. KPMG have been the auditors of the Company since it was created in 2010 and prior to the Conversion of the Fund from its inception until the Conversion.

## EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

### Compensation Discussion and Analysis

The objectives of the Compensation Committee regarding executive compensation are guided by its philosophy to assist the Co-Chief Executive Officers to attract and retain high quality executives critical to the success of the Company and the enhancement of Shareholder value. The Company's compensation benefits program consists of base salary, health benefits, annual incentive plans consisting of the executive bonus plan and the employees' profit sharing plan, and stock option plans.

The remuneration of the Co-Chief Executive Officers of the Company includes base salary and benefits, eligibility for participation in: (i) the executive bonus plan and (ii) the employee profit sharing plan. Under the incentive plans, the remuneration is tied directly to the performance of the Company. The Compensation Committee reviews the Co-Chief Executive Officers compensation on an annual basis. The Co-Chief Executive Officers determine the compensation of the other Named Executive Officers.

#### *Base Salaries*

Base salaries for executive officers of the Company are reviewed annually in view of corporate and personal performance objectives, based on individual levels of responsibility, with the intention of attracting and retaining individuals with the appropriate skill sets. Salaries of the executive officers of the Company are not determined based on benchmarks or a specific formula.

#### *Annual Incentive Plans*

The executive bonus plan component of executive compensation could comprise a significant portion of the total remuneration of the executive group. In order for the executive to receive the maximum bonus under the executive bonus plan, the Company must meet a certain base threshold of earnings. Under the incentive plan the remuneration is tied directly to the performance of the Company as reflected in levels of pre-tax income. Under the executive incentive plan executives can earn up to 30% of their base pay if the highest target levels of pre-tax consolidated income is exceeded. In 2017 the highest level of the incentive plan was achieved. In addition, individual executives also have available bonus plans tied to individual objectives such as revenue growth or achievement of certain manufacturing operational metrics. Executives also share in the overall Company profit sharing plan, 10% of pre-tax income is distributed equally among all employees each quarter. Pay for performance is an important underlying principle of the Company's executive compensation philosophy, with the result that variable compensation can represent a substantial proportion of total compensation.

#### *Stock Option Plan*

The Board of Directors considers a number of factors to assess the Company's long-term incentive strategy. Since the Conversion, the Company has put in place the Pollard Banknote Limited Stock Option Plan ("**Option Plan**"). Under the plan the Board has the authority: (i) to grant Options to purchase Shares to Eligible Persons; (ii) to determine the terms, including the limitations, restrictions and conditions, if any, upon such grants; (iii) to interpret the Option Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Option Plan as it may from time to time deem advisable, subject to required prior approval by any applicable regulatory authority; and (iv) to make all other determinations and to take all other actions in connection with the implementation and administration of the Option Plan as it may deem necessary or advisable.

The aggregate maximum number of Common Shares available for issuance from the Company's treasury under the Option Plan is 2,354,315 Common Shares, representing approximately 9% of the aggregate issued

and outstanding Common Shares of the Company. As at December 31, 2017, 250,000 options have been granted at a weighted average exercise price of \$7.26. There remains 2,104,315 Common Shares available for issuance under the Option Plan.

The granting of stock options to Named Executive Officers and other employees is reviewed and approved at the meetings of the Compensation Committee and the Board of Directors. Factors that are considered include the balance between long-term value creation and shareholder wealth, executive stock ownership and executive retention risk.

The first award of stock options under the Option Plan became effective March 10, 2014 (See description below under Stock Option Plan).

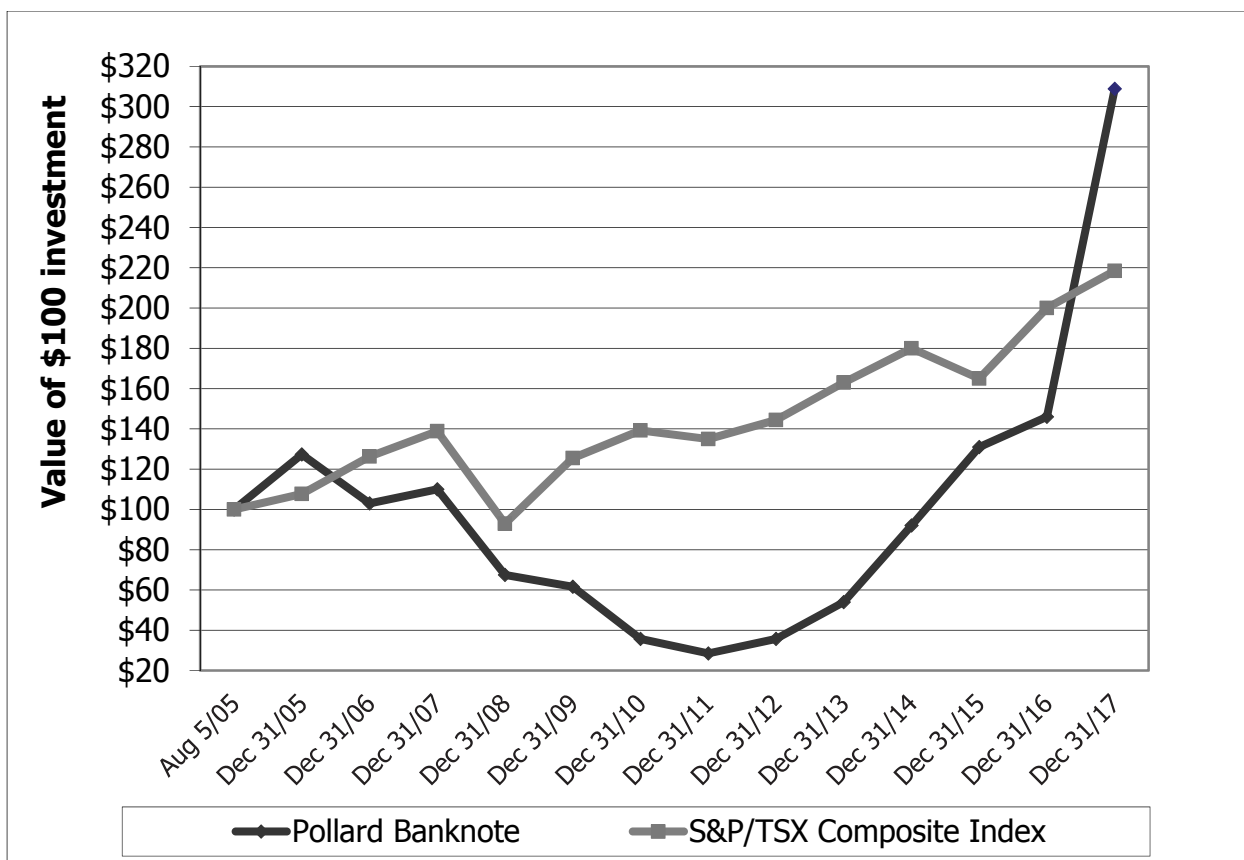
### ***Compensation Committee***

The Compensation Committee is comprised of Garry Leach, Dave Brown and Jerry Gray, each of whom is “independent”, as such term is defined in applicable securities legislation, of the Company.

The Compensation Committee is responsible for assisting the Board in discharging its responsibilities relating to executive hiring, assessment, compensation and succession planning. Among its duties are: (i) to recommend to the Board the appointment of the Co-Chief Executive Officers and to approve the terms and conditions of their appointment and retirement or termination; and (ii) to assess annually the performance of the Co-Chief Executive Officers against specific performance criteria and to report annually to the Board on the foregoing. The Compensation Committee also annually reviews the compensation of the Directors of the Company.

### **Performance Graph**

The following graph compares the percentage change in the cumulative Shareholder return for \$100 invested in Shares with the total cumulative return of the S&P/TSX Composite Index for the period from August 5, 2005, the date when the Pollard Banknote Income Fund completed its initial public offering, until December 31, 2017. The cumulative Shareholder return reflects the return generated by the Pollard Banknote Income Fund units prior to the Conversion on May 14, 2010 and the return generated by the Pollard Banknote Limited Shares subsequent to the Conversion on May 14, 2010. On December 31, 2017, the closing price per Share on the TSX was \$17.40.



	Aug 5/05	Dec 31/05	Dec 31/06	Dec 31/07	Dec 31/08	Dec 31/09	Dec 31/10	Dec 31/11	Dec 31/12	Dec 31/13	Dec 31/14	Dec 31/15	Dec 31/16	Dec 31/17
Pollard Banknote	100	127	103	110	68	62	36	29	36	54	92	131	146	309
S&P/TSX Composite Index (Total Return)	100	108	126	139	93	125	139	135	144	163	180	165	200	218

### Summary Compensation Table

The following table provides a summary of all compensation paid to the Named Executive Officers. Securities legislation provides that the Named Executive Officers must include the Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers determined on the basis of the total compensation paid in the year ended December 31, 2017.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value <sup>(3)</sup> (\$)	All other compensation <sup>(4)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(2)</sup> (\$)	LTIP pay-outs (\$)			
Douglas Pollard, Co-Chief Executive Officer	2017	289,205	Nil	Nil	3,004	Nil	25,000	Nil	317,209
	2016	289,205	Nil	Nil	1,569	Nil	25,000	Nil	315,774
	2015	300,329	Nil	Nil	1,363	Nil	33,000	Nil	334,692
John Pollard, Co-Chief Executive Officer	2017	289,205	Nil	Nil	3,004	Nil	18,000	Nil	310,209
	2016	289,205	Nil	Nil	1,569	Nil	20,000	Nil	310,774
	2015	300,329	Nil	Nil	1,363	Nil	32,000	Nil	333,692
Rob Rose, Chief Financial Officer, Executive VP, Finance	2017	264,277	Nil	56,671	80,189	Nil	14,000	Nil	415,147
	2016	264,696	Nil	Nil	64,665	Nil	32,000	Nil	361,361
	2015	250,619	Nil	Nil	73,963	Nil	42,000	Nil	366,582
Jennifer Westbury, Executive VP, Sales & Customer Development	2017	304,686	Nil	56,671	129,892	Nil	18,000	Nil	509,249
	2016	295,745	Nil	Nil	114,098	Nil	45,000	Nil	454,843
	2015	297,798	Nil	Nil	96,048	Nil	78,000	Nil	471,846
Riva Richard, General Counsel, Executive VP, Legal Affairs	2017	257,562	Nil	56,671	103,229	Nil	34,000	Nil	451,462
	2016	250,111	Nil	Nil	62,069	Nil	26,000	Nil	338,180
	2015	251,519	Nil	Nil	72,243	Nil	34,000	Nil	357,762
Robert Young, Executive VP, Operations	2017	312,901	Nil	56,671	109,754	Nil	39,000	Nil	518,326
	2016	314,840	Nil	Nil	75,944	Nil	41,000	Nil	431,784
	2015	299,811	Nil	Nil	104,050	Nil	42,000	Nil	445,861

Notes:

- (1) Reflects the estimated fair value of the stock options granted on April 24, 2017, on which the closing price was \$10.00. For the fair value of the stock options the Black-Scholes pricing model was used for compensation purposes as it is consistent with the valuation approach used for accounting purposes.
- (2) Represents payments under the Executive Bonus Plan and the Employee Profit Sharing Plan.
- (3) Pension value represents the value of the current service cost earned for the year of service credited for 2017, 2016 and 2015.
- (4) The value of perquisites and benefits for each Named Executive Officer did not exceed the lesser of \$50,000 and 10% of the total annual salary and bonus of such office.

## Stock Option Plan

On March 5, 2014, the Board of Directors approved the first issuance of stock options under the Pollard Banknote Limited Stock Option Plan. An aggregate of 100,000 options to purchase Common Shares from the Company's Treasury were awarded to certain Named Executive Officers of the Company effective March 10, 2014. The stock options have an exercise price of \$3.63, being equal to the closing price of the Common Shares on the TSX on March 7, 2014. The stock options vest over four years at the rate of 25% per year at each anniversary date and have a seven year term. The following Named Executive Officers were awarded 25,000 stock options each: Rob Rose, Jennifer Westbury, Riva Richard and Robert Young. 25,000 options vested in each of the years 2015, 2016 and 2017.

On September 7, 2016, the Board of Directors approved the issuance of stock options under the Pollard Banknote Limited Stock Option Plan for a senior executive. An aggregate of 25,000 options to purchase Common Shares from the Company's Treasury were awarded effective October 3, 2016. The stock options have an exercise price of \$8.12, being equal to the closing price of the Common Shares on the TSX on September 30, 2016. The stock options vest over four years at the rate of 25% per year at each anniversary date and have a seven year term.

On March 13, 2017, the Board of Directors approved the issuance of 125,000 options to purchase common shares of Pollard Banknote Limited Stock to certain Named Executive Officers and another executive. The effective date of the grant was April 24, 2017. The stock options have an exercise price of \$10.00, being equal to the closing price of the Common Shares on the TSX on April 21, 2017. The stock options will vest over four years at the rate of 25% per year at each anniversary date and will have a seven year term. The following NEO's were awarded 25,000 stock options each: Rob Rose, Jennifer Westbury, Riva Richard and Robert Young. The fair market value of the options granted are included in the compensation table for the year ended 2017.

Name and principal position	Option-based Awards		Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)		
Douglas Pollard, Co-Chief Executive Officer	N/A	N/A	N/A	N/A
John Pollard, Co-Chief Executive Officer	N/A	N/A	N/A	N/A
Rob Rose, Chief Financial Officer, Executive VP, Finance	25,000	3.63	March 10, 2021	344,250
	25,000	10.00	April 24, 2024	185,000
Jennifer Westbury, Executive VP, Sales & Customer Development	25,000	3.63	March 10, 2021	344,250
	25,000	10.00	April 24, 2024	185,000



Name and principal position	Option-based Awards		Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)		
Riva Richard, General Counsel, Executive VP, Legal Affairs	25,000	3.63	March 10, 2021	344,250
	25,000	10.00	April 24, 2024	185,000
Robert Young, Executive VP, Operations	25,000	3.63	March 10, 2021	344,250
	25,000	10.00	April 24, 2024	185,000

Notes:

<sup>(1)</sup> The value of unexercised in-the-money options as at December 31, 2017, is the difference between the closing price and the exercise price of the underlying shares at that date. These options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of shares on the date of exercise. The closing prices of the underlying stock as at December 31, 2017, was \$17.40.

### Pension Plan Benefits

The Company (and prior to the Consolidation, Pollard Banknote Limited Partnership) maintains the Pension Plan for Executive Employees including the Named Executive Officers. The Pension Plan pays a pension of 1% of final average earnings per year of pensionable service (maximum 35 years of service) with the exception that pre 1990 accrual rate is 2% rather than 1% for John Pollard and Gordon Pollard. The final average earnings are calculated as the total earnings during the 36 consecutive months prior to retirement. Total earnings includes salary but excludes bonuses and profit sharing payments. Pension payments are made over the life of the executive. In the event of death, 66 ⅔% of the pension is continued for the life of the executive's spouse. Other optional forms of payments are available on an actuarially equivalent basis.

### Defined Benefit Plan Table

Name and principal position	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year <sup>(1)</sup> (\$)	Compensatory change <sup>(2)</sup> (\$)	Non-compensatory change <sup>(3)</sup> (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Douglas Pollard, Co-Chief Executive Officer	20.6	58,000	110,000	767,000	25,000	290,000	1,082,000
John Pollard, Co-Chief Executive Officer	31.6	88,000	112,000	1,269,000	18,000	394,000	1,681,000
Rob Rose, Chief Financial Officer, Executive VP, Finance	23	60,000	79,000	916,000	14,000	142,000	1,072,000
Jennifer Westbury, Executive VP, Sales & Customer Development	27	79,000	95,000	1,271,000	18,000	171,000	1,460,000

Name and principal position	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year <sup>(1)</sup> (\$)	Compensatory change <sup>(2)</sup> (\$)	Non-compensatory change <sup>(3)</sup> (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Riva Richard, General Counsel, Executive VP, Legal Affairs	6.1	15,000	66,000	172,000	34,000	53,000	259,000
Robert Young, Executive VP, Operations	6.4	19,000	32,000	240,000	39,000	43,000	322,000

Notes:

- (1) Key elements of the actuarial basis for determining the accrued obligation are salary increases of 3% per annum and mortality table CPM14 Private Sector with improvement Scale MI for December 31, 2017 and improvement Scale B December 31, 2016. Interest rate assumed at December 31, 2017, is 3.4% per annum and for December 31, 2016, is 4.0% per annum.
- (2) Compensatory change is the value of the current service cost earned for the year of service credited for 2017.
- (3) The non-compensatory change refers to the impact on the accrued obligation of changing the interest rate from 4.0% to 3.4%.

### ***Expected Pension Benefits***

Final Average Earnings (\$)	Years of Service				
	15	20	25	30	35
125,000	\$18,750	\$25,000	\$31,250	\$37,500	\$43,750
150,000	\$22,500	\$30,000	\$37,500	\$45,000	\$52,500
175,000	\$26,250	\$35,000	\$43,750	\$52,500	\$61,250
200,000	\$30,000	\$40,000	\$50,000	\$60,000	\$70,000
225,000	\$33,750	\$45,000	\$56,250	\$67,500	\$78,750
250,000	\$37,500	\$50,000	\$62,500	\$75,000	\$87,500
275,000	\$41,250	\$55,000	\$68,750	\$82,500	\$96,250
300,000	\$44,167	\$58,889	\$73,611	\$88,333	\$103,055
325,000	\$44,167	\$58,889	\$73,611	\$88,333	\$103,055

Currently, the *Income Tax Act* (Canada) limits the maximum pension to \$2,944.44 per year of service for 2018. The maximum pension benefit is currently attained at a final average earning level of \$294,444. This maximum level is expected to increase annually based on certain indexes.

### **Employment Contracts**

The Company (and prior to the Consolidation, Pollard Banknote Limited Partnership), maintains employment agreements with Gordon Pollard, John Pollard and Douglas Pollard. The agreements were for an initial two-year term ended August 5, 2007, and are renewable for successive one-year terms. The agreements have been renewed annually and were most recently renewed for the one-year term ending August 5, 2018. The agreements provide for, among other things, confidentiality obligations and non-solicitation and non-competition covenants in favour of the Company and its subsidiaries that will apply during the term of each executive's employment and for 18 months thereafter. The employment agreements for Douglas Pollard and John Pollard provide that each will serve as the Co-Chief Executive Officer, and

each will be: (i) paid an annual salary of \$290,000, plus annual adjustments, (ii) eligible to receive an annual bonus of up to 30% of his base salary, and (iii) eligible to receive payments under the profit sharing plan. The employment agreement for Gordon Pollard provides that he will serve as the Executive Chair of the Board, and he will be paid an annual base salary of \$100,000, plus annual adjustments, and be eligible to receive: (i) an annual bonus of up to 30% of his base salary, and (ii) payments under the profit sharing plan.

### Compensation of Directors

The following table provides a summary of all compensation paid to the Directors for the year ended December 31, 2017.

Name <sup>(1)</sup>	Fees earned (\$)	Total compensation (\$)
Dave Brown <sup>(2)(3)(4)(5)</sup> Winnipeg, Manitoba, Canada	35,486	35,486
Jerry Gray <sup>(2)(3)(4)(5)</sup> Winnipeg, Manitoba, Canada	70,167	70,167
Garry Leach <sup>(2)(3)(4)</sup> Victoria, British Columbia, Canada	67,500	67,500

Notes:

- (1) Compensation paid to Douglas Pollard and John Pollard, Named Executive Officers, is disclosed in “Executive Officer and Director Compensation – Summary Compensation Table”. No additional compensation was paid to such Named Executive Officers in their capacity as Directors of the Company. Compensation paid to Gordon Pollard, Executive Chair, for the year ended December 31, 2017, totaled \$102,729. No additional compensation was paid to the Executive Chair in his capacity as a Director of the Company. No compensation was paid to the Chair Emeritus.
- (2) Member of the Governance and Nominating Committee. Mr. Leach is the Chair of the Governance and Nominating Committee.
- (3) Member of the Audit Committee. On May 11, 2017, Mr. Brown was appointed Chair of the Audit Committee, replacing Mr. Gray.
- (4) Member of the Compensation Committee. Mr. Leach is the Chair of the Compensation Committee.
- (5) Lead Director of the Board. On March 13, 2017, Mr. Gray was appointed Chair of the Audit Committee until replaced by Mr. Brown on May 11, 2017.
- (6) Del Crewson served as a Director until his passing on February 22, 2017 and received \$15,500 in compensation.

In 2017 the base retainer compensation for each Director was \$40,000. In 2017 the Executive Chair of the Board received annual compensation of \$100,000 plus profit share. None of the Executive Chair nor any other Director who is employed by the Company receives additional compensation in his or her capacity as a Director of the Company.

In 2017 the Chairs of the Audit Committee, Compensation Committee and Governance and Nominating Committee received additional annual retainers of \$10,000, \$3,750 and \$3,750, respectively, and the Lead Director received an additional retainer of \$7,500. Each Director receives \$1,500 for each meeting attended in person and \$500 for each meeting attended by telephone.

A total of 16 meetings were held during 2017. Directors of the Company are also reimbursed for out of pocket expenses for attending meetings of the Board and its committees, as applicable. From time to time, the Board may find it necessary or appropriate to strike special committees to deal with specific matters that arise. Terms of reference and compensation arrangements for each special committee are established when the committees are struck. During 2017 no such committee was struck.

During the year ended December 31, 2017, \$5,499 in travel expenses were reimbursed to the independent Directors of the Company.

## INDEBTEDNESS

No Director or senior officer of the Company, or any of their associates is, or has at any time since the establishment of the Company been, indebted to the Company or its subsidiaries, or had indebtedness the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or its subsidiaries.

## CORPORATE GOVERNANCE

### The Board

In 2017, the Board consisted of six members, three of whom are considered independent: Jerry Gray, Dave Brown and Garry Leach. On May 11, 2017, Dave Brown was elected to the Board as the third independent Director. The three Directors who are not independent are Douglas Pollard, John Pollard and Gordon Pollard. John Pollard, Douglas Pollard and Gordon Pollard are part of a control group that controls approximately 67.6% of the Company and each of them work in an executive capacity.

As the Board does not have a majority of independent Directors and the Executive Chair is considered not to be independent, there are steps the Board takes to ensure it exercises independent judgment in carrying out its responsibilities. Jerry Gray has been appointed as Lead Director and his responsibilities are to assist and lead the independent Directors in fulfilling their responsibilities and duties as independent members of the Board of Directors. In addition, during 2017 each of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee consist exclusively of the independent Directors of the Board of Directors, except for the period of March 13, 2017, to May 10, 2017 when John Pollard was appointed to the audit committee in a temporary capacity to ensure the committee continued with a minimum of three members. In their capacities as members of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee, the independent Directors of the Board of Directors have extensive opportunities to meet without the presence of non-independent Directors. The Company believes that these opportunities enable the independent Directors of the Board to have open and candid discussions, without holding regularly scheduled meetings with only the independent Directors of the Board of Directors in attendance.

The following table sets out the Board and committee meeting attendance of the Directors of the Company during 2017.

	Meetings of the Board	Meetings of the Audit Committee	Meetings of the Compensation Committee	Meetings of the Governance and Nominating Committee
Jerry Gray	8 of 8	4 of 4	2 of 2	2 of 2
Dave Brown <sup>(1)</sup>	3 of 3	2 of 2	N/A	N/A
Garry Leach	8 of 8	4 of 4	2 of 2	2 of 2
Douglas Pollard	8 of 8	N/A	N/A	N/A
John Pollard	8 of 8	N/A	N/A	N/A

	Meetings of the Board	Meetings of the Audit Committee	Meetings of the Compensation Committee	Meetings of the Governance and Nominating Committee
Gordon Pollard	8 of 8	N/A	N/A	N/A

Note:

(1) Dave Brown was elected to the Board on May 11, 2017

### Other Directorships

Directors involved as directors/trustees of other reporting issuers are listed below:

Jerry Gray	-	Gendis Inc.
Dave Brown	-	GMP Capital, Inc. The Boyd Group Income Fund

### Board Mandate

The charter of the Board of Directors is attached to this circular as Appendix “A”.

### Position Descriptions

The Board has developed detailed written position descriptions for the Chair of the Board and the Chair of each committee of the Board. The role of each committee Chair and the Chair of the Board is to ensure the responsibilities documented in the charters or mandates of each committee and the Board are carried out and achieved and these are reviewed annually.

The Board has also developed a written position description for the Co-Chief Executive Officers. In addition, the Board and the Co-Chief Executive Officers meet on a regular basis to discuss the roles of the Co-Chief Executive Officers and responsibilities in relation to the objectives and goals of the Company.

### Orientation and Continuing Education

The Company undertakes a day-long orientation and education session for all new Directors of the Board. The orientation includes a detailed review of the operations of the business as well as the roles of the Board of Directors and its committees. Directors meet regularly at the Company’s different operating facilities where extensive plant tours and interaction with local management provide greater understanding of the business. In addition, formal management presentations on different aspects of the Company’s operations are reviewed at least quarterly. Some of the presentations and learning opportunities are set out below:

Quarter	Topic
Ongoing programs	Regular deep dive presentations by management
	Regular meetings with Directors and senior executives and managers

Ongoing Programs (cont'd)	Extensive involvement in Director regulatory reporting requirements
	Provision of various articles and reading material relating to governance and regulatory requirements
<b>Quarter</b>	<b>Topic</b>
Fiscal Q1, 2017	<i>Strategic Planning Session and Review</i> , presentation by management
	<i>Corporate Development Activity</i> , presentation by management
Fiscal Q2, 2017	<i>Update on Productive Capacity</i> , presentation by management
	<i>Capital Markets Opportunities</i> , presentation by outside party
Fiscal Q3, 2017	<i>IT Security update and review</i> , presentation by management
Fiscal Q4, 2017	<i>Business and industry update</i> , presentation by management
	<i>Board Evaluation Program</i> , presentation by management
	<i>Review of 2018 operating and financial projections</i> , presentation by management
Fiscal Q1, 2018	<i>Strategic Planning Review and Update</i> , presentation by management
	<i>Corporate Development Activity</i> , presentation by management

As required, Directors of the Board avail themselves of any ongoing or additional education required to maintain the skill and knowledge necessary to meet their obligations as Directors of the Board.

### ***Ethical Business Conduct***

The Board has adopted a written code of ethical business conduct for Directors, officers and employees. A copy of the code is available on SEDAR at [www.sedar.com](http://www.sedar.com), or a copy can be obtained by writing the Chief Financial Officer at 140 Otter Street, Winnipeg, Manitoba R3T 0M8. The Board regularly reviews compliance with the code of ethical business conduct with management as part of its overall responsibilities.

### ***Assessments***

The Governance and Nominating Committee of the Board has the responsibility to assess on an annual basis the performance of the Board, the committees of the Board and the individual Directors of the Board. A formal Board Evaluation and self-assessment occurs every two years.

### ***Diversity***

The Governance and Nominating Committee examines annually the size and composition of the Board of Directors and its committees by considering factors such as the skills, experience, professional and industry representation, as well as factors that promote diversity on the board, including age and gender with a view to ensuring that the Board of Directors benefits from a broad range of perspectives and relevant experience. The Company believes that fostering a diverse and inclusive culture both within its Management team and among its Directors represents a strategic business priority for the Company and contributes to its continued commitment to sound corporate governance, market innovation and growth.

### **The Compensation Committee**

The Company has a Compensation Committee consisting solely of the independent Directors. For a description of the governance policies related to the Compensation Committee, see “Executive Officer and Director Compensation – Compensation Discussion and Analysis – Compensation Committee.”

### **The Audit Committee**

In 2017 the Company had an Audit Committee consisting of the independent Directors, Chaired by Del Crewson, until his passing on February 22, 2017. Effective March 13, 2017, Jerry Gray was appointed Chair. By resolution dated March 13, 2017, the Board of Directors, upon the recommendation of the Company’s Governance and Nominating Committee, determined in accordance with Section 3.9 of National Instrument 52-110, Audit Committees, that the appointment of John Pollard as an interim member of the Audit Committee and the reliance on the exemption in Section 3.5 from the independence requirements will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the requirements of National Instrument 52-110. The company was entitled to rely on this exemption for up to six months. Dave Brown was appointed as the third independent member of the committee upon his election to the Board on May 11, 2017, replacing John Pollard as a member and was appointed Chair in place of Jerry Gray.

For a description of the governance policies related to the Audit Committees, see the AIF, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **The Governance and Nominating Committee**

The Company has a Governance and Nominating Committee consisting of the independent Directors. Garry Leach is the Chair of the Governance and Nominating Committee and during 2017 the other members were Del Crewson and Jerry Gray. On the passing of Del Crewson on February 22, 2017, the committee consisted of Garry Leach and Jerry Gray, until May 11, 2017, when Dave Brown was appointed as the third independent member on election to the Board.

The Governance and Nominating Committee develops and reviews criteria as well as establishes procedures for selecting Directors by regularly assessing the competencies, skills, personal qualities, business background and diversified experience of the Board and the Company’s circumstances and needs. The Governance and Nominating Committee identifies candidates qualified to become Board members and recommends nominees for election.

The Governance and Nominating Committee assists the Board in: (i) developing the Company's approach to corporate governance issues, (ii) proposing new Board nominees and Director nominees for each committee of the Board, (iii) assessing the effectiveness of the Board and its committees as a whole and the contribution of individual members, and (iv) orienting new Directors upon appointment or election to the Board.

#### **DIRECTORS AND OFFICERS' LIABILITY INSURANCE**

The Directors and officers of the Company are covered under a liability insurance policy. The aggregate premium for such insurance for the period from August 5, 2017, to August 4, 2018, is \$56,500. The aggregate limit of liability applicable to the insured Directors and officers under the policies is \$20 million, inclusive of defence costs. Under the policy, each entity has reimbursement coverage to the extent that it has indemnified the Directors and officers. The policy includes securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Company or its subsidiaries. There is a \$50,000 deductible provision for all other claims made by the Company but no such provision for claims made by any of their respective Directors or officers. The total limit of liability is shared between the Company and its subsidiaries and their respective Directors and officers so that the limit of liability is not exclusive to any one of the entities or their respective Directors and officers.

#### **MATERIAL CONTRACTS**

For a description of material contracts of the Company, see the section entitled "Material Contracts" in the AIF, which is incorporated by reference in this Information Circular.

#### **INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

The Directors and Named Executive Officers of the Company Group and their associates, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 17,424,058 Shares, representing approximately 68.0% of the outstanding Shares.

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

Other than as disclosed under "Related Party Transactions" of the Company's audited consolidated financial statements for the year ended December 31, 2017, incorporated by reference herein, no informed person of the Company, proposed nominee for election as a Director, or any associate or affiliate of such persons, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

#### **PRINCIPAL SHAREHOLDERS**

To the knowledge of the Directors and senior officers of the Company, as of April 6, 2018, there is no beneficial owner of, nor any person or company who exercises control or direction over, Common Shares carrying more than 10% of the votes attached to the outstanding Common Shares, other than Equities which, by virtue of its ownership of 17,305,158 Common Shares, controls approximately 67.6% of the votes attached to the outstanding Common Shares. As at the date hereof, the Company has outstanding 25,613,158 Common Shares.



## **OTHER BUSINESS**

As of the date hereof, Management does not know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Information Circular.

## **ADDITIONAL INFORMATION**

Current financial information for the Company is provided in the audited consolidated financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.pollardbanknote.com](http://www.pollardbanknote.com).

Copies of the Company's AIF, annual report (including management's discussion and analysis), audited consolidated financial statements and this Information Circular may be obtained upon request to the Company's Chief Financial Officer at 140 Otter Street, Winnipeg, Manitoba R3T 0M8. The Company may require payment of a reasonable charge if the request is made by a person who is not a Shareholder of the Company.

## **DIRECTORS' APPROVAL**

The contents and the sending of this Information Circular have been approved by the Directors.

DATED at Winnipeg, Manitoba, on April 6, 2018.

(signed) "*Douglas Pollard*"

Douglas Pollard  
Co-Chief Executive Officer,  
Pollard Banknote Limited

**CHARTER OF THE  
BOARD OF DIRECTORS**

**OF**

**POLLARD BANKNOTE LIMITED**

**Authority**

The Board of Directors (the “Board”) establishes the overall policies for Pollard Banknote Limited (the “Corporation”), monitors and evaluates the Corporation’s strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management. Accordingly, in addition to the duties of Directors pursuant to the Canada Business Corporations Act, the mandate of the Board is to supervise the management of the business and affairs of the Corporation with a view to the best interests of the Corporation. Management’s role is to conduct the day-to-day operations in a way that will meet this objective.

The Board may assign to Board committees the prior review of any issues it is responsible for.

The Board may engage outside advisors at the expense of the Corporation in order to assist the Board in the performance of its duties and set and pay the compensation for such advisors.

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the Directors of the Corporation.

**Structure**

- Directors are elected annually by the shareholders of the Corporation and together with those appointed to fill vacancies or appointed as additional Directors throughout the year, collectively constitute the Board of Directors of the Corporation.
- The composition of the Board, including the qualification of its members, shall comply with the constituting law and charter of the Corporation as well as other applicable legislation, rules and regulations.
- The Chairman of the Board shall be appointed by resolution of the Board to hold office from the time of his/her appointment until the next annual general meeting of shareholders or until his/her successors are so appointed.
- The Board shall appoint an independent director to act as ‘lead director’, to act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.
- The Board shall meet at least four times per year and may meet more often if required.
- The Board shall meet separately without non-Board management present, as it shall determine, but at least annually.
- The provisions of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Board meetings.

- The Chairman shall approve the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- The Board may invite from time to time such person as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Board.
- The minutes of the Board meetings shall accurately record the significant discussions of and decisions made by the Board and shall be distributed to the Board members, with copies to the Co-Chief Executive Officers of the Corporation.

### **Responsibilities**

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

- Reviewing and approving, at the beginning of each fiscal year, the operating and capital budget and financial goals of the Corporation as well as longer term strategic plans prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set.
- Reviewing and approving all securities continuous disclosure filings such as the Annual Report, Proxy Circular, and Annual Information Form.
- Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues) and developments involving the Corporation and its business environment.
- Identifying, with management, the principal risks of the Corporation’s business and the systems put in place to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
- Satisfying itself as to the integrity of the Co-Chief Executive Officers and other senior officers and that the Co-Chief Executive Officers and other senior officers create a culture of integrity throughout the Corporation.
- Ensuring proper succession planning (including appointing, training and monitoring senior executives).
- Reviewing and ratifying the Compensation Committee’s assessment of the performance of the Co-Chief Executive Officers.
- Adopting a communication and disclosure policy for the Corporation and monitoring investor relations programs.
- Adopting and enforcing good corporate governance practices and processes.
- Ensuring the integrity of the Corporation’s internal control, management information systems and financial disclosure.
- Reviewing the Board's mandate annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board and of its Directors.

