



# **MANAGEMENT** INFORMATION CIRCULAR

Notice of Annual Meeting of Shareholders to be held on June 25, 2021



**THE BRAND  
BEHIND YOUR BRAND**



**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF DATA  
COMMUNICATIONS MANAGEMENT CORP.**

**TO BE HELD ON JUNE 25, 2021**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

May 17, 2021

This booklet contains important information and requires your immediate attention. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your professional advisor.



May 17, 2021

Dear Shareholder,

On behalf of the Board of Directors and management of DATA Communications Management Corp. (“**DCM**”), we are pleased to invite you to attend the annual meeting of the common shareholders of DCM. The meeting will be held at 10:00 a.m. (Toronto time) on Friday June 25, 2021. This year, to proactively address the health impact of COVID-19 and in light of the current restrictions on large public gatherings, we will hold the meeting in a virtual-only format, which will be conducted via live webcast online at [web.lumiagm.com/292777170](http://web.lumiagm.com/292777170) (Password: “dcm2021” case sensitive)). The virtual-only format will mitigate the risk to the health and safety of our communities, shareholders, employees and other stakeholders and will allow shareholders an opportunity to participate in the meeting regardless of where they are located.

The enclosed Management Information Circular contains important information about the business to be conducted at the meeting, voting instructions, the nominated directors recommended by the Board of Directors, DCM’s corporate governance practices and how DCM compensates its directors and officers.

At the meeting, management will discuss DCM’s financial performance and business accomplishments in 2020 and our plans for 2021 and beyond. A copy of management’s presentation will be available on our website in advance of the meeting.

Your participation in the affairs of DCM is important to us. Please take the time to review the information enclosed and exercise your vote. To mitigate risks associated with COVID-19, we encourage you to participate in the meeting by proxy. Questions following the formal meeting may be submitted via direct messaging.

We look forward to having you join us at the meeting.

*“J.R. Kingsley Ward”*

J.R. Kingsley Ward

Chair of the Board

*“Richard Kellam”*

Richard Kellam

Chief Executive Officer

**DATA COMMUNICATIONS MANAGEMENT CORP.**  
**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 25, 2021**

Notice is hereby given that an annual meeting (the “**Meeting**”) of the common shareholders of DATA Communications Management Corp. (the “**Corporation**”) will be held at 10:00 a.m. (Toronto time) on June 25, 2021. This year, to proactively address the health impact of COVID-19 and in light of the current restrictions on large public gatherings, we will hold the meeting in a virtual-only format, which will be conducted via live webcast online at [web.lumiagm.com/292777170](http://web.lumiagm.com/292777170) (Password: “dcm2021” case sensitive)).

At the Meeting, shareholders will be asked to:

- receive the consolidated financial statements for the year ended December 31, 2020, together with the report of the auditors thereon;
- appoint auditors and authorize the directors to fix the remuneration to be paid to the auditors;
- elect directors for the coming year; and
- transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by the management information circular (the “**Circular**”) of the Corporation for the Meeting, a form of proxy, and a financial statement request form.

Only common shareholders of record at the close of business on May 14, 2021 will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Registered shareholders and duly appointed proxyholders can participate, vote and ask questions during the meeting so long as they are connected to the internet and comply with all of the requirements set out in the Circular. Shareholders are encouraged to express their vote in advance of the Meeting by completing, dating and signing the form of proxy or voting instruction form provided to them. To be effective, completed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by facsimile to 1-866-249-7775 or 416-263-9524, no later than 10:00 a.m. (Toronto time) on June 23, 2021 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before the time set for the adjourned Meeting. The deadline for the deposit of proxies may be waived or extended by the chair of the Meeting at the Chair’s sole discretion without notice. If you are a non-registered shareholder of the Corporation and received this Notice and accompanying materials through an intermediary, such as a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf, please read the instructions regarding how to vote at or attend the Meeting under “General Proxy Matters – Non-Registered (Beneficial) Shareholders” in the Circular.

DATED May 17, 2021.

By Order of the Board of Directors



J.R. Kingsley Ward  
Chair of the Board of Directors  
DATA Communications Management Corp.

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## GENERAL PROXY MATTERS

### General

**This management information circular, or Circular, of DATA Communications Management Corp. dated May 17, 2021 is furnished in connection with the solicitation of proxies by and on behalf of management of DATA Communications Management Corp. for use at the annual meeting of our common shareholders, or the Meeting, to be held on June 25, 2021 and any adjournment or postponement of the Meeting.**

We have not authorized anyone to give any information or make any representation in connection with any matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

Unless otherwise indicated or the context otherwise requires, in this Circular the terms “**Corporation**”, “**we**”, “**us**” and “**our**” refer to DATA Communications Management Corp.; “**DCM**” refers to DATA Communications Management Corp. and its wholly-owned subsidiaries, DATA Communications Management (US) Corp. and Perennial Inc.; “**Common Shares**” refers to common shares of DATA Communications Management Corp.; “**shareholders**” refers to holders of Common Shares; and “**Board**” refers to our Board of Directors.

Information contained in this Circular is given as of May 17, 2021, unless otherwise specifically stated.

### Notice and Access

We are using notice and access to deliver this Circular to both our registered and non-registered shareholders. This means that we will post the Circular online for our shareholders to access electronically. You will receive a package in the mail with a notice, or the Notice, outlining the matters to be addressed at the Meeting and explaining how to access and review the Circular electronically, and how to request a paper copy at no charge. You will also receive a form of proxy or a voting instruction form in the mail so you can vote your Common Shares. All applicable Meeting related materials will be indirectly forwarded to non-registered shareholders at the Corporation’s expense.

Both registered and non-registered shareholders can request a paper copy of the Circular for up to one year from the date it is filed on SEDAR ([www.sedar.com](http://www.sedar.com)). The Circular will be sent to you at no charge. If you would like to receive a paper copy of the Circular, please follow the instructions provided in the Notice. If you request a paper copy of the Circular, you will not receive a new form of proxy or voting instruction form, so you should keep the original form sent to you in order to vote.

### Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by our regular employees without special compensation, or by our transfer agent, Computershare Investor Services Inc., at nominal cost. We will bear the cost of solicitation.

### Appointment of Proxies

Enclosed with the Notice being sent to our shareholders is a form of proxy. The persons designated in the form of proxy are Richard Kellam, the Chief Executive Officer of the Corporation, and James E. Lorimer, the Chief Financial Officer of the Corporation. **Each shareholder has the right to appoint some other person or entity (who need not be a shareholder) to attend, vote and act on their behalf at the Meeting other than the persons named in the enclosed instrument of proxy. This right may be exercised by inserting the person’s name in the blank space provided in the form of proxy or by completing another proper instrument of proxy naming such other person as proxyholder. The instrument appointing a new proxyholder must be in writing and must be signed by the shareholder or his or her attorney therefor duly authorized in writing.**

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. You are a registered shareholder if you have a share certificate for Common Shares and they are registered in your name or if

you hold Common Shares through direct registration. Shareholders who hold their Common Shares through a bank, broker or other intermediary should read the instructions under the heading below, “Non-Registered Shareholders”.

In order to be valid, the completed and signed proxies must be delivered:

- by fax to Computershare Investor Services Inc., Attention: Proxy Department at 1-866-249-7775 or 416-263-9524 outside of Canada and the United States;
- by mail to Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1; or
- by personal delivery to Computershare Investor Services Inc. at the address set out above,

in each case so as to be deposited with the Corporation no later than 10:00 a.m. (Toronto time) on June 23, 2021 or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Toronto, Ontario) before the time set for the adjourned Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.

**Non-Registered (Beneficial) Shareholders**

The information in this section is of significant importance to shareholders who do not hold their Common Shares in their own name. Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.

You are a non-registered shareholder if you hold Common Shares through an intermediary (such as banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans) that the non-registered holder deals with in respect of the Common Shares, or a clearing agency (such as the Canadian Depository for Securities Limited) of which the intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, we will have distributed copies of the Notice, a form of proxy and a financial statement request form to the clearing agencies and intermediaries for onward distribution to non-registered shareholders. Typically, intermediaries will use a service company to forward such materials to non-registered shareholders. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Corporation in Canada and its counterpart in the United States, or Broadridge.

If you are a non-registered shareholder, you may vote in person, by proxy or by internet only by the following procedures outlined below. If you wish to vote by internet, please see the enclosed voting instruction form for details on protocol.

*To Vote in Person*

<p><b>If you want to attend and vote at the virtual meeting</b></p>	<p><b>Please follow these steps:</b></p> <ol style="list-style-type: none"> <li>1. Log into <a href="http://web.lumiagm.com/292777170">web.lumiagm.com/292777170</a> at least 15 minutes before the meeting starts. Please check that your browser is compatible.</li> <li>2. Click “Shareholder”.</li> <li>3. Enter your control number (on your proxy form) as your username.</li> <li>4. Enter the password: dcm2021 (case sensitive).</li> <li>5. Follow the instructions to view the meeting and vote when prompted. Once you log into the meeting using your control number and you accept the terms and conditions, you will be revoking any and all previously submitted proxies for the meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the meeting. If you do not wish to revoke a previously submitted proxy, you may log in as a guest, but will be unable to vote or ask questions at the meeting.</li> </ol>
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<p><b>If you want to appoint a third party as proxy to attend and vote at the virtual meeting</b></p>	<p>If you want to appoint someone else (other than the management appointees as a proxy to attend, participate and vote at the meeting, you must submit your proxy form appointing the third party AND register the third-party proxyholder as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy form. Failure to register the proxyholder will result in the proxyholder not receiving a username to attend, participate or vote at the meeting. The third party you appoint as a proxyholder does not need to be a shareholder.</p>
	<p><b>Please follow these steps:</b></p> <ol style="list-style-type: none"> <li>1. Submit your proxy form – To appoint a third-party proxyholder, insert the person’s name into the appropriate space on the proxy form. Follow the instructions for submitting the proxy form (whether by internet, telephone or mail. This step must be completed before registering such proxyholder as step 2.</li> <li>2. Register your proxyholder – To register a proxyholder, shareholders MUST visit <a href="https://computershare.com/DataCommunications">computershare.com/DataCommunications</a> by 10:00 a.m. (EDT) on June 23, 2021 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to attend, participate or vote at the meeting.</li> </ol>
<p><b>Legal Proxy</b></p>	<p><b>United States Beneficial holders:</b> To attend and vote at the Meeting virtually, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the &lt;type of meeting&gt; Meeting. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the &lt;type of meeting&gt; Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:</p> <p style="text-align: center;">Computershare 100 University Avenue 8<sup>th</sup> Floor Toronto, Ontario M5J 2Y1 OR Email at <a href="mailto:uslegalproxy@computershare.com">uslegalproxy@computershare.com</a></p> <p>Requests for registration must be labeled as “Legal Proxy” and be received no later than June 23, 2021 by 10:00 a.m. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <a href="https://web.lumiagm.com/292777170">https://web.lumiagm.com/292777170</a> during the Meeting. Please note that you are required to register your appointment at <a href="http://www.computershare.com/appointee">www.computershare.com/appointee</a>.</p>
<p><b>If you want to attend the virtual meeting as a guest</b></p>	<p>Guests can log into the meeting as set out below. Guests can listen to the meeting but are not able to vote or ask questions at the meeting.</p> <ol style="list-style-type: none"> <li>1. Log in online at <a href="https://web.lumiagm.com/292777170">web.lumiagm.com/292777170</a>. We recommend that you log in at least 15 minutes before the meeting starts.</li> <li>2. Click “Guest” and then complete the online form.</li> </ol>

*To Vote by Proxy, Online or by Telephone*

Intermediaries are required to forward the Notice and other Meeting materials to non-registered shareholders and often use service companies for this purpose. Generally, non-registered shareholders will either:

- be given a voting instruction form which is not signed by the intermediary and which, when properly completed and signed by the non-registered shareholder and returned to the intermediary or its service company, will constitute authority and instructions (often called a proxy authorization form) which the intermediary must follow (and which may, in some cases, permit the completion of the voting instruction form by telephone or internet); or

- less typically, be given a form of proxy which has already been signed by the intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the non-registered shareholder, but which is otherwise not completed. This form of proxy need not be signed by the non-registered shareholder. In this case, the non-registered shareholder who wishes to submit a proxy should properly complete the applicable form of proxy and submit it to DATA Communications Management Corp., c/o Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, with respect to the Common Shares beneficially owned by such non-registered shareholder, in accordance with the instructions elsewhere in this Circular.

To vote online: visit [www.investorvote.com](http://www.investorvote.com) and enter the control number listed on the voting instruction form.

Telephone voting may be completed at 1-866-732-8683 (North America).

In either case, the purpose of this procedure is to permit the non-registered shareholder to direct the voting of the Common Shares they beneficially own.

Additionally, there are two kinds of non-registered shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or “OBOs”; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or “NOBOs”. Additionally, the Corporation may use the Broadridge QuickVote™ service to assist Non-Registered Shareholders with voting their Common Shares.

#### *Revocation of Proxies*

A registered shareholder who has given a proxy may revoke the proxy:

- by completing and signing a proxy bearing a later date and depositing it as previously described;
- by depositing an instrument in writing executed by him or her or by his or her attorney authorized in writing (i) at our registered office at any time up to and including the second last business day (being a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario for the transaction of banking business) preceding the day of the Meeting or any adjournment thereof, or (ii) with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or
- in any other manner permitted by law.

A non-registered 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 is not required to act on a revocation of proxy instruction form (voting instructions) or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

#### **Voting of Proxies**

On any ballot that may be called for, Common Shares represented by properly executed proxies in favour of the persons specified in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the specifications made therein. **If a specification is not made with respect to any matter to be voted on at the Meeting, Common Shares will be voted in FAVOUR of those matters set out in the form of proxy accompanying the Notice.** That form of proxy confers discretionary authority upon the persons specified therein with respect to amendments or variations to matters identified in the accompanying notice of Meeting, and with respect to other matters which may properly come before the Meeting. As of the date of this Circular, we are not aware of any such amendment, variation or other matter to come before the Meeting.

## Record Date, Voting of Common Shares

As at May 17, 2021, we had 43,938,480 Common Shares issued and outstanding. Shareholders of record at the close of business on May 14, 2021 are entitled to receive notice of and to attend the Meeting in person or by proxy and are entitled to one vote per Common Share held on all matters to come before the Meeting.

Only those shareholders of record on the record date with the right to vote will be entitled to vote the Common Shares owned by the shareholder at the Meeting or any adjournment(s) or postponement thereof, in person or by proxy.

Two or more persons present in person either holding personally or representing as proxies in the aggregate at least 25% of the votes attached to all of our outstanding Common Shares will constitute a quorum for the transaction of business at the Meeting.

Under normal conditions, confidentiality of voting is maintained by virtue of the fact that proxies and votes are tabulated by our transfer agent. However, such confidentiality may be lost as to any proxy or ballot if a question arises as to its validity or revocation or any other like matter. Loss of confidentiality may also occur if our Board of Directors decides that disclosure is in the interest of the Corporation or its shareholders.

## Principal Shareholders

To the knowledge of our Board of Directors and executive officers, as at May 17, 2021, the following persons beneficially own, or control or direct, directly or indirectly, voting securities carrying 10 per cent or more of the voting rights attached to any class of our voting securities:

Name	Number of Common Shares beneficially owned or over which control or direction is exercised	Percentage of Total Common Shares
KST Industries Inc. ("KST")	5,149,596 <sup>(1)</sup>	11.7%
Michael G. Sifton	4,495,989 <sup>(2)</sup>	10.2%

(1) This information is based upon public filings of KST. (2) This information is based upon public filings of Michael G. Sifton.

## FORWARD-LOOKING STATEMENTS

This Circular contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of DCM to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Circular. The principal factors, assumptions and risks that we made or took into account in the preparation of the forward-looking statements in this Circular include, among other things, the factors described in this Circular or in our most recent annual information form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this Circular as intended, planned, anticipated, believed estimated or expected. You are cautioned not to place undue reliance on forward-looking information or statements.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Receipt of Financial Statements

Our audited consolidated financial statements for the fiscal year ended December 31, 2020 and the report of the auditors thereon will be presented at the Meeting.

### Appointment of Auditors

At the Meeting, shareholders will be requested to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of shareholders or until their successors are appointed and to authorize the directors to fix the auditor's remuneration.

**The Board of Directors unanimously recommends that shareholders vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation. In the absence of a contrary instruction, the individuals named as proxyholders in the enclosed proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are appointed and FOR the resolution authorizing the directors to fix their remuneration unless specifically instructed otherwise on the form of proxy.**

### Election of Directors

The seven nominees proposed for election as directors are listed below. Directors are elected annually and, unless re-elected, retire from office at the end of the next annual meeting of shareholders. Each director elected at the Meeting will hold office until our next annual meeting or until his or her successor is elected or appointed.

**The Board of Directors unanimously recommends that shareholders vote FOR the election as directors of DCM each of the persons whose names are set forth below. In the absence of a contrary instruction, the individuals named as proxyholders in the enclosed proxy intend to vote FOR the election as directors of the Corporation each of such nominees.** If, for any reason, at the time of the Meeting any of the nominees is unable to serve, and unless otherwise specified, it is intended that the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares owned beneficially, or over which control or direction was exercised, by such person at the date of this Circular. The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised and the biographies of the proposed nominees for election as directors, not being within our knowledge, has been furnished by the respective nominees individually.

<u>Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Common Shares</u>
Richard C. Kellam, Ontario, Canada	President and Chief Executive Officer of the Corporation	2021	690,500
Gregory J. Cochrane Ontario, Canada	Vice Chairman of the Corporation	2018	3,208,726
Merri L. Jones Ontario, Canada	Corporate director and advisor	2018 <sup>(1)(3)</sup>	40,000
James J. Murray, O.Ont., SIOR Ontario, Canada	Principal and Senior Vice President of Lennard Commercial Realty Limited	2016 <sup>(2)</sup>	29,558

<u>Proposed Nominee</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Common Shares</u>
Michael G. Sifton Ontario, Canada	Corporate director	2015 <sup>(1)</sup>	4,495,989
J.R. Kingsley Ward Ontario, Canada	Managing Partner, VRG Capital Corp.	2014 <sup>(3)</sup>	2,314,756
Derek J. Watchorn Ontario, Canada	Consultant	2016 <sup>(1)(2)</sup>	459,053

Notes:

- (1) Member of the Audit Committee<sup>(4)</sup>.
- (2) Member of the Corporate Governance Committee<sup>(4)</sup>.
- (3) Member of the Human Resources and Compensation Committee<sup>(4)</sup>.
- (4) Board committees will be reconstituted after the Meeting.

The principal occupation of each person proposed to be nominated for election as a director for the past five years preceding the date hereof and additional biographical information is described below:

*Gregory J. Cochrane.* Mr. Cochrane has served as a director of the Company from June 2016 until November 2016, when he was appointed President of the Corporation. He has subsequently served as a director of the Corporation since June 2018, when he was appointed President and CEO. He held the position of President of the Corporation from November 2016 until April 2019, and then was President and CEO from June 2018 until April 2019, at which time he continued as CEO. He was re-appointed President and CEO in March 2021. With the appointment of Mr. Kellam as President and CEO in March 2021, Mr. Cochrane resigned from those roles and was appointed Vice Chairman in March 2021. As Vice Chairman, Mr. Cochrane is assisting in the transition of Mr. Kellam to his new role and will, in the absence of the Chair of the Board, preside at all meetings of the Board and at all meetings of the shareholders of DCM. Mr. Cochrane has had an extensive career in marketing services, communication and event management, as well as private equity investment. He began his marketing career in product management with General Electric, then worked with S.C. Johnson. In 1981 he bought into Mariposa Communications. By 1997, when the company was sold to Mosaic Group, a TSX-listed company, he and his partner had built the largest event company in Canada. In 2001, he became a lead investor in Pareto Corporation, a start-up marketing services business which became a publicly traded entity in 2004. He served as a director of Pareto Corporation until 2010, when the company was sold to a private equity firm. In 2011 Mr. Cochrane joined VRG Capital, a private equity family office. There, he served as lead investor and/or director in a number of public and private companies including Wheels Group, Jones Brown Insurance Brokerage, Founders Advantage Capital, and Globalive Technology. Greg currently serves on the advisory boards of Kensington Capital and the Smith School of Business at Queen's University. He is a founding donor of the Centre for Business Venturing at the Smith School of Business. He has served on boards for groups and associations including Junior Achievement, The Down Syndrome Association of Toronto, The Canadian Business Hall of Fame, and St. Joseph's Health Centre. In 1992, Greg received Canada's 125th Commemorative Anniversary medal for volunteerism in the community. Greg has an MBA from the Smith School of Business, and a BBA from Bishop's University in Lennoxville, Quebec.

*Merri L. Jones, ICD.D.* Ms. Jones joined the Corporation's board in June 2018 and previously was a member of the Corporation's Advisory Committee from January 2017. She currently serves on the Audit Committee and the Human Resources & Compensation Committee of the Board. Ms. Jones has over 40 years' experience within the financial services industry with expertise across sales and marketing, finance, strategy and human resources. She was the first female to lead a schedule II bank in Canada, having been President and Chief Executive Officer of First Interstate Bancorp from 1986 to 1990. Ms. Jones has been a member of the board of directors of Canaccord Genuity Group Inc. (TSX: CF) since August 2018 and is Chairman of Starlight Capital's Independent Review Committee. She previously held senior leadership roles including Executive Vice President, Private Wealth, at Fiera Capital from 2010 to 2015; President of GBC Asset Management in 2008 and 2009; President and Chief Executive Officer of AGF Private Wealth Management from 2003 to 2007; President, Chief Operating Officer and Director of TAL Private Management from 1996 to 2003; and as President and Chief Executive Officer of CIBC Trust in 1995 and 1996. She has served on a number of advisory boards and investment review committees.

*Richard C Kellam.* Mr. Kellam joined the Company as President and CEO in March 2021 and was appointed to the Board in March 2021. Mr. Kellam brings a wealth of experience in general management, customer development, and marketing, gained through his 35-year international career with leading global companies. Mr. Kellam was previously the CEO of Advantage Group International, from September 2018 through September 2020. Advantage Group is a privately held consulting and business development organization, where he worked with the largest consumer goods and retail companies in 45 markets globally. Prior to Advantage Group, he was Senior Vice President of Global Sales and Marketing at Goodyear, in Akron, Ohio, from September 2014 to May 2018. From September 2017 to May 2018 he took on additional responsibilities at Goodyear as Vice President of Emerging Markets, based in Dubai. Mr. Kellam also draws from over 15 years' experience with Mars, Incorporated, where he held the positions of Global Chief Customer Officer from January 2009 to September 2014, having previously held increasing levels of responsibility beginning as Market Director, Mars Canada, then Managing Director, Mars UK Limited, and President, Mars Petcare Europe. Prior to joining Mars in 2000, he spent seven years with the Wm. Wrigley Jr. Company, holding increasingly senior marketing and general management roles in the United States, India, Malaysia, and Canada. Mr. Kellam began his career as an Assistant Brand Manager with Playtex Limited and later served in marketing roles with Robin Hood Multifoods and Molson Canada. Mr. Kellam holds a Bachelor of Arts degree from Western University.

*James J. Murray, O.Ont., SIOR.* Mr. Murray joined the Corporation's Board in June 2016 and is currently a member of the Corporate Governance Committee. Mr. Murray's career spans more than fifty years in the commercial brokerage industry and he is currently a Principal and Senior Vice President of Lennard Commercial Realty Limited in its Mississauga office. Until early March 2018, Mr. Murray was the Senior Vice-President and Director of Business Development of Cushman & Wakefield Ltd. Brokerage, where he held the role of team leader on major assignments including the Mississauga & Oakville Campuses of Sheridan College, Movati Health Clubs, the TPCL Head Office in Calgary, Alberta, the sale of Imperial Oil tank farm in Mississauga, the Community Door in Mississauga and Brampton and the sale of Kingsway Financial's primary office building to the Region of Peel. Prior to joining Cushman & Wakefield, Mr. Murray was the Managing Director and Partner of J.J. Barnicke. Mr. Murray is a member of the Society of Industrial & Office Realtors and is President and Chair for the Hazel McCallion Foundation for Arts, Heritage and Culture. On September 30, 2020, he was appointed to the Board of Directors of EveryMind Mental Health Services in Peel Region. He has also served two six-year terms as a Board Member and Vice Chair of the Peel Regional Police Services Board, as well as serving a 12-year term on the Board of Governors of the Credit Valley Hospital. Mr. Murray was named "Business Person of the Year" by the Mississauga Board of Trade in 2009 and has also been awarded the Queen's Silver Jubilee medal and the Queen's Diamond Jubilee medal. In 2015, Mr. Murray was awarded the highly prestigious Order of Ontario.

*Michael G. Sifton.* Mr. Sifton has served as a director of DCM since April 2015, was President and CEO of the company from April 2015 until November 2016, and continued as CEO of the company until his retirement in June 2018. He currently chairs the Audit Committee of our Board. He is a past director of Yellow Pages Limited. Mr. Sifton was previously a Managing Director at Beringer Capital, a private equity firm based in Toronto. Mr. Sifton has had a long and successful career in the newspaper publishing business with extensive experience managing print operations. He was President and Chief Executive Officer of Sun Media, Canada's largest newspaper publisher by household penetration and reach. Prior to that, he led the formation and eventual public offering of Osprey Media Group guiding its acquisition by Sun in 2007. Mr. Sifton was President of Hollinger Canadian Newspapers G.P. and President and Chief Executive Officer of family-owned Armadale Communications. He has served on a number of newspaper industry boards, and previously served as Chairman of The Canadian Press. He has sat on a number of boards of non-profit organizations and currently is a member of the board of the Thousand Island Boat Museum. Mr. Sifton is a former Chairman of the Board of Governors of St. Andrew's College in Aurora, Ontario. Mr. Sifton holds a Bachelor of Commerce (Honours) from the Smith School of Business at Queen's University.

*J.R. Kingsley Ward.* Mr. Ward joined DCM's Board in 2014 and has served as Chairman of the Board since June 2016. He also serves as Chairman of the Human Resources and Compensation Committee of our Board. Mr. Ward is Chairman of The Vimy Ridge Group and is a Managing Partner at VRG Capital Corp. He also serves as Chairman of Clarus Securities Inc., an institutional investment dealer and research firm, Nucro Technics Inc., a pharmaceutical contract support organization, and Globalive Technology Inc. (TSX-V: LIVE), strategic fintech, communications, and telecom services investment firm. Mr. Ward's other engagements include being lead director of MCI Onehealth Technologies, Inc. (TSX: DRDR), a leading technology-enabled primary care network and one of Canada's largest medical clinic groups, as well as a director and former Chairman of Dominion Lending Centres Inc. (TSXV: DLCC), Canada's largest mortgage broker. Mr. Ward is or has been a director of numerous other public and private companies.

Mr. Ward has been actively involved in multiple philanthropic activities and has been involved in YPO (Young Presidents' Organization) since 1999, holding a number of executive positions.

*Derek J. Watchorn.* Mr. Watchorn joined the DCM Board in June 2016 and presently serves as Chairman of the Corporate Governance Committee and is a member of the Audit Committee of our Board. For the past eleven years, Mr. Watchorn has been acting as a consultant on several projects, most notably as a member of the management committee involved with the redevelopment of the Buttonville Airport land. Mr. Watchorn, a lawyer by trade, has extensive experience in the real estate industry through a variety of senior management and director positions he has held with both public and private organizations in Ontario and abroad. Mr. Watchorn is a director of Timbercreek Financial Corp. (TSX: TF), a member of its Audit Committee and Chairman of its Corporate Governance Committee. He is also a director of Southlake Regional Health Centre in Newmarket, Ontario and a director of the Royal Agricultural Winter Fair in Toronto, Ontario. Mr. Watchorn was the President and CEO of Revera Inc. (formerly Retirement Residences REIT) from October 2004 until June 2009. Prior to that, he served in London, England as Executive Vice President of Canary Wharf plc and as Executive Director of TrizecHahn plc. Mr. Watchorn was a senior partner of the law firm Davies Ward Phillips & Vineberg LLP, which he joined as a solicitor in 1968 and became partner of in 1970. During the period from 1987 to 2004 (excluding his tenure with TrizecHahn), Mr. Watchorn was a senior advisor to the Paul Reichmann family in Toronto and, in that capacity, during a three-year period from 1987 until 1990, served on a seconded basis as Executive Director of Olympia & York Canary Wharf plc. Mr. Watchorn was previously a director of Patheon Inc., a TSX-listed company.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### Overview

Our Board of Directors is committed to maintaining high standards of corporate governance and is committed to aligning, and to reviewing and updating, its corporate governance practices in light of changing practices, expectations and legal requirements.

### Board of Directors

#### *Board Mandate*

Our Board of Directors assumes stewardship of, and recognizes that it is ultimately responsible for, ensuring that our affairs are managed properly to protect and enhance shareholder value. Among its duties and responsibilities, the Board of Directors:

- oversees the formulation of our long-term strategic, financial and organizational plans and monitors performance in accordance with those plans;
- assesses the principal risks of our businesses and ensures appropriate systems are in place to manage those risks;
- oversees succession planning, including appointing, training and monitoring senior management;
- oversees the integrity of internal controls and management information systems;
- approves dividends on the Common Shares; and
- oversees our communications policy and reviews and, where necessary, approves (directly or through one of the Board of Directors' committees) our material disclosure documents, such as annual and quarterly financial statements, management's discussion and analysis, management information circulars for annual shareholders meetings and annual information forms.

For the year ended December 31, 2020, our Board of Directors discharged its responsibilities directly and through the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. In 2021, the Board will discharge its responsibilities directly and through those committees.

#### *Board of Directors Composition and Independence*

During 2020, our Board of Directors was comprised of seven directors. Six (or approximately 85%) of those directors were considered independent under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, or NI 58-101, adopted by the Canadian Securities Administrators, namely William M. Albino, James J. Murray, Michael G. Sifton, J.R. Kingsley Ward, Derek J. Watchorn and Merri L. Jones.

Our Board of Directors has adopted a written Charter, a copy of which is available on our website at [www.datacm.com/governance](http://www.datacm.com/governance). A copy of our Board of Directors Charter is also attached as Appendix "A" to this Circular.

The remaining director, Mr. Cochrane, was not independent under NI 58-101 by virtue of his relationship with the Corporation as its Chief Executive Officer.

Our Board of Directors elects from its ranks a chairperson to preside at all meetings of the Board of Directors. Sessions of the committees of the Board are presided over by the independent chairs of the respective committees. Sessions of the Board of Directors have been presided over by J.R. Kingsley Ward, the Corporation's independent Board chair, since he assumed that role following the 2016 annual and special meeting of Shareholders.



Our Board of Directors has established procedures to enable it to facilitate open and candid discussion among the independent directors and is satisfied that it can exercise independent judgment in carrying out its responsibilities. These include:

- the Chair of our Board of Directors is an independent director and has, as a primary function, the facilitation of the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its Charter; and
- our Board of Directors meets on a regular basis with the Chief Executive Officer and without other management of the Corporation present, and it also meets from time to time without our Chief Executive Officer. At each meeting of the Board held in 2020, the independent members of the Board met without our management present.

#### *Outside Directorships*

Directors of the Corporation must be able to devote sufficient time to their responsibilities to the Corporation. Board members are restricted from serving on boards of directors, or audit committees of the boards of directors, of other companies as follows:

- Each member of the Board is restricted from serving on the board of directors of another public company without prior advance notice to, and approval from, the Chair of the Corporate Governance Committee.
- No director of the Corporation will serve on the boards of directors of more than five public companies, including, without limitation, the Corporation.
- No member of the Corporation's Audit Committee will serve on the audit committees of more than three public companies, including, without limitation, the Corporation, without the prior approval of the Chair of the Audit Committee.
- No executive of the Corporation will serve on the boards of directors of more than two public companies, including, without limitation, the board of directors of the Corporation.

None of our directors is considered to be "over-boarded" as currently defined by the guidelines established by either Institutional Shareholder Services, Inc. or Glass, Lewis & Co.

A board "interlock" occurs when two or more of our directors serve as directors of another public company. None of our directors currently has a board interlock. The following proposed nominees for election as directors of the Corporation also hold other reporting issuer trusteeships or directorships as set out below:

<b><u>Director</u></b>	<b><u>Reporting Issuer</u></b> <sup>(1)</sup>
Merri L. Jones	Canaccord Genuity Group Inc.
J. R. Kingsley Ward	Founders Advantage Capital Corp. Globalive Technology Inc. MCI Onehealth Technologies, Inc.
Derek J. Watchorn	Timbercreek Financial Corp.

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Note:

- (1) The common shares of Canaccord Genuity Group Inc., MCI Onehealth Technologies, Inc. and Timbercreek Financial Corp. are listed on the Toronto Stock Exchange or TSX. The common shares of Founders Advantage Capital Corp. and Globalive Technology Inc. are listed on the TSX Venture Exchange.

### *Board Meeting Attendance*

During 2020, our directors attended meetings of the Board of Directors and meetings of committees of the Board as set out below:

<b>Director</b>	<b>Board Meetings Attended<sup>(1)</sup></b>	<b>Meeting Attendance Percentage</b>	<b>Committee Meetings Attended</b>	<b>Eligible Committee Meeting Attendance Percentage</b>
William Albino	14	100%	8	100%
James J. Murray	12	85.7%	2	100%
Michael G. Sifton	14	100%	4	100%
J.R. Kingsley Ward	14	100%	2	100%
Derek J. Watchorn	14	100%	5	83.3%
Gregory J. Cochrane <sup>(2)</sup>	14	100%	-	-
Merri L. Jones	13	92.9%	6	100%

Notes:

(1) In 2020, the Board of Directors held a total of 14 meetings.

(2) Mr. Cochrane was an executive officer of the Corporation during 2020 and did not formally sit on any of our Board committees.

### **Committees of our Board of Directors**

Our Board of Directors discharges its responsibilities directly, on the advice and recommendations of its committees. The Board has established three standing committees and delegates certain of its responsibilities to those committees. In each case, the committee is mandated to report to the Board of Directors and to carry out certain responsibilities. However, all decisions, recommendations and proposals require full board acceptance. Our Board of Directors has approved charters that govern the respective committees of the Board.

The three standing committees of our Board of Directors are the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. A brief summary of each committee's mandate is set out below.

#### *Audit Committee*

The members of the Audit Committee are Michael G. Sifton (Chair), William M. Albino, Merri L. Jones and Derek J. Watchorn, each of whom is independent within the meaning of Multilateral Instrument 52-110 - *Audit Committees* adopted by the Canadian Securities Administrators. The Audit Committee is responsible for monitoring our financial reporting, accounting systems, internal controls and liaising with external auditors.

The Audit Committee's duties and responsibilities include:

- reviewing and discussing with our management and our external auditors, where appropriate, the annual and interim financial statements and management's discussion and analysis and earnings press releases with respect to our annual and interim financial results;
- considering the scope and extent of the annual audit and evaluating the external auditors' performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board of Directors;

- reviewing the independence and performance of our external auditors and annually recommending to the Board of Directors the independent external auditors to be proposed for appointment at the next annual meeting of shareholders;
- examining the presentation and impact of significant risks and key management estimates and judgements which may have a material impact on our financial reporting; and
- examining the adequacy of internal accounting and control procedures and systems.

During 2020, the Audit Committee met four times.

For additional information concerning the Audit Committee, see the section entitled “Management of DCM–Committees of the Board of Directors of the DCM Audit Committee” contained in our most recent annual information form.

#### *Corporate Governance Committee*

The members of the Corporate Governance Committee are Derek J. Watchorn (Chair), William M. Albino and James J. Murray. All of the members of the Corporate Governance Committee are independent within the meaning of NI 58-101. The Corporate Governance Committee is responsible for, among other things:

- developing our approach to corporate governance issues and compliance with applicable laws, regulations, rules, policies and orders with respect to such issues;
- reviewing our annual report on corporate governance for inclusion in our public disclosure documents;
- advising the directors in filling vacancies on the Board of Directors;
- periodically reviewing the composition and effectiveness of the Board of Directors and committees of the Board of Directors and the contribution of individual directors; and
- reviewing director compensation and our directors’ and officers’ liability insurance and indemnification procedures.

The process the Corporate Governance Committee undergoes to fill any vacancies on the Board of Directors includes identifying new nominees who have expertise in an area of strategic importance to us, a willingness to serve on our Board of Directors and any of its committees, and the ability to devote sufficient time to Board of Directors service.

In determining director compensation, the Corporate Governance Committee takes into account directors’ time commitment, director compensation offered by other corporations of similar size, operations and market capitalization, and the risks and responsibilities that the directors assume in fulfilling their duties on the Board of Directors and any committee of our Board of Directors.

The Corporate Governance Committee is also responsible for adopting and periodically reviewing and updating our written disclosure policy. This policy, among other things:

- articulates our legal obligations, and those of our directors, with respect to confidential corporate information;
- identifies spokespersons who are the only persons authorized to communicate on our behalf with third parties such as analysts, media and investors;
- provides guidelines regarding the disclosure of forward-looking information;

- requires advance review by the directors (or, where considered appropriate, the Audit Committee) of any disclosure of financial information, and ensures that selective disclosure of material information is not permitted and that, if it occurs, a news release is issued immediately; and
- establishes “black-out” periods, immediately prior to and following the disclosure of quarterly and annual financial results and immediately prior to the disclosure of certain material changes during which we, our affiliated entities and our respective directors, officers, employees and consultants may not purchase or sell Common Shares.

Each year, the Corporate Governance Committee recommends to our Board of Directors the compensation to be paid to the directors for the year. Our Board of Directors, based on this recommendation, then establishes the annual compensation for the directors. In making its recommendation, the Corporate Governance Committee reviews each element of director compensation, including the annual retainer, the committee chair retainer, meeting fees and equity awards, to determine whether the amounts are reasonable for the services provided by the directors.

During 2020, the Corporate Governance Committee met two times.

#### *Human Resources and Compensation Committee*

The members of the Human Resources and Compensation Committee are J.R. Kingsley Ward (Chair), William M. Albino and Merri L. Jones. All members of the Human Resources and Compensation Committee are independent within the meaning of NI 58-101.

The Human Resources and Compensation Committee establishes the compensation levels for our Chief Executive Officer, or CEO, our President and our Chief Financial Officer, or CFO. This includes setting, in consultation with the CEO, President and CFO on an annual basis, corporate goals and objectives relevant to the compensation of the CEO, President and CFO, and reviewing and assessing their performance against those goals and objectives. In addition, this Committee is responsible for administering our equity compensation plans.

The Human Resources and Compensation Committee’s duties and responsibilities also include:

- overseeing succession planning and making recommendations to the Board of Directors regarding the appointment of our officers and executive compensation;
- reviewing with the CEO our salary scales and general salary structure, overall compensation strategy, objectives and policies;
- reviewing and approving any compensation report required by applicable securities regulatory authorities for disclosure in annual proxy materials;
- reviewing a code of ethics for our directors, officers and employees and submitting the same to the Board of Directors for its consideration and approval; and
- assisting the Board of Directors in fulfilling its responsibilities relating to our retirement pension plans.

During 2020, the Human Resources and Compensation Committee met two times.

#### **Position Descriptions**

Our Board of Directors has developed written position descriptions for the Chair of the Board of Directors and for the Chair of each committee of the Board of Directors.

### *Chair of the Board of Directors*

The Chair of our Board of Directors is responsible for the efficient organization and operation of the Board of Directors and its committees in order to facilitate the operations and deliberations of the Board of Directors and the satisfaction of the Board of Directors' responsibilities under its charter; ensuring the effective communication between the Board of Directors and management and that the Board of Directors effectively carries out its mandate; and reviewing the agenda for each meeting of the Board of Directors and for all meetings of the committees of the Board of Directors.

### *Chief Executive Officer*

Our Board of Directors and our CEO have a written position description for the CEO. The objectives of the CEO include the general mandate to manage DCM and its businesses, including financial and human resources, and to maximize shareholder value. The CEO's objectives are discussed annually with the Human Resources and Compensation Committee.

### **Tenure Policies**

Our Board's goal is to maintain a balanced board of directors comprised of members with diverse experience, characteristics and tenure. Subject to being annually elected by the shareholders of the Corporation, directors may serve on our Board for a period of up to ten years. The commencement of such ten-year period for existing directors was on the adoption of such term limit by the Board on November 10, 2020. On the recommendation of the Corporate Governance Committee, the Board may extend that limit by up to a further five years. The Board believes that its regular Board evaluation process is an effective mechanism for achieving an appropriate level of renewal of the membership of the Board. A director of the Corporation is expected to submit their resignation to the Chair of the Board for consideration by the Board of Directors upon a recommendation of the Corporate Governance Committee in the following circumstances:

- the credentials underlying the director's appointment have changed;
- the director fails to receive a majority of votes for election at a shareholders meeting; or
- the director is no longer qualified under the OBCA, or applicable laws to serve as a director of the Corporation.

### **Board and Senior Management Diversity**

Our Board of Directors recognizes the value of diversity at both the Board of Directors level and at an executive officer level. The Corporation is of the view that Board member and executive officer nominations should be based on merit and remains committed to selecting the best person to fulfill these roles. In addition, the Corporation recognizes that a diverse Board of Directors and executive management team will result in a diversity of perspectives, which it believes can enhance the Corporation's leadership, competitive edge and effectiveness. The Board of Directors also recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women, with appropriate and relevant skills and experience, can play in contributing to the diversity of perspectives on the Board of Directors and at the executive officer level. Diversity is an important factor considered by the Corporate Governance Committee in assessing candidates and nominees for the Board of Directors.

Our Board of Directors has adopted a diversity policy, or the Diversity Policy. In the Diversity Policy, the term "diversity" refers to all the criteria that make individuals different from one another. It includes, but is not limited to, criteria such as gender, sexual orientation, geographical representation, education, background, regional and industry experience, ethnicity, age, disability and other distinctions. The term "executive officer" in the Diversity Policy has the meaning attributed to it in NI 58-101.

The Board of Directors remains committed to basing Board member and executive officer nominations and appointments on merit and selecting the best persons to fulfill these roles. Within this framework, to support the Corporation's director and executive officer diversity objectives, the Board of Directors, the Corporate Governance

Committee, the Chair and the Chief Executive Officer will, as applicable, when identifying and considering the selection of candidates for director and senior leadership positions:

- consider the benefits of all aspects of diversity, including, but not limited to, those described above;
- consider the level of representation of women on the Board of Directors and in executive officer positions, respectively; and
- in addition to its own searches, if necessary, engage independent external advisors to conduct a search for candidates who meet the Board of Directors' and the Corporation's expertise, skills and diversity criteria to achieve the Corporation's diversity goals.

Our Board of Directors is committed to ensuring that gender diversity is actively pursued. We consider different aspects of diversity, including gender, when making executive officer appointments. The representation of women in those roles is an important element of our desire to build a diverse leadership team. However, the Board of Directors does not believe that quotas or measurable targets would necessarily result in the identification or selection of the best candidates. Accordingly, the Corporation has not established fixed targets regarding the representation of women on the Board of Directors or in executive officer positions. Assuming Merri L. Jones is re-elected to the Board of Directors at the Meeting, one of the members of our Board of Directors will be a woman. Currently, 41.7% (or five of twelve) of our senior leadership team are women.

The Corporate Governance Committee reviews the Diversity Policy every two years, which includes an assessment of the effectiveness of the Diversity Policy. The Corporate Governance Committee also discusses any revisions that may be required and recommends any such revisions to the Board of Directors for approval.

#### **Board and Committee Assessments**

The Chair of our Board of Directors is responsible for the effective operation of the Board of Directors and its committees. These duties include ensuring that issues regarding quality of information and the performance of our Board of Directors have been reviewed at meetings of the Board of Directors and that the Chair has made himself or herself available at all times for discussions with individual members of the Board of Directors regarding the Board of Directors' performance. In carrying out his or her responsibilities, the Chair also reviews the contributions of individual directors and considers whether the current composition of the Board of Directors promotes effectiveness and efficiency in its decision-making. The Audit Committee, Human Resources and Compensation Committee and Corporate Governance Committee each regularly assesses its effectiveness by requesting and collecting information from respective members of each committee in connection with formal and informal assessments of the Board of Directors. As a result of this process, our Board of Directors believes that the Board of Directors and each of its committees are operating effectively, with highly capable, informed individuals carrying out their responsibilities in a professional manner. Our Board of Directors and the Audit Committee, Human Resources and Compensation Committee and Corporate Governance Committee typically each conduct self-assessments every two years. The Board of Directors last completed self-assessments in March 2018.

#### **Orientation and Continuing Education**

We provide new directors with access to our CEO and all other senior management to provide each director with an understanding of DCM. The Chair of our Board of Directors reviews with new directors the role of the Board of Directors, its committees and its directors and the expectations of each member, including the rules and regulations with regard to the trading of our securities. Updates on our businesses and activities are provided to directors on a regular basis to ensure that directors have the necessary knowledge concerning DCM to meet their obligations as directors. All directors are also encouraged to visit our facilities with a view to enabling them to better understand our businesses.

## **Ethical Business Conduct**

As part of our commitment to effective corporate governance, all directors, officers and employees of DCM must act in accordance with our Business Conduct Guidelines, or the Guidelines. The Guidelines, which have been adopted by our Board of Directors, require every director, officer, and employee of DCM to observe high standards of business and personal ethics as they carry out their duties and responsibilities. The Guidelines set forth policies and procedures which comprise the core principles applicable to all, and address ethical conduct, conflicts of interest and compliance with the law. The Guidelines are administered by the Human Resources and Compensation Committee. The Human Resources and Compensation Committee oversees and monitors the Guidelines and reports to our Board of Directors on the implementation and monitoring of the Guidelines and all matters that arise related to their provisions, including any departures or waivers that are granted. Any person may obtain a copy of the Guidelines by visiting [www.datacm.com](http://www.datacm.com) under Governance; by written request to the Secretary of the Corporation, 9195 Torbram Road, Brampton, Ontario, Canada, L6S 6H2, or by calling (905) 791-3151. Our Board of Directors also ensures that directors exercise independent judgment in consideration of transactions in respect of which a director or executive officer, as applicable, has a material interest by requiring all directors and executive officers to adhere to the declaration of conflict of interest requirements mandated by applicable law.

## **Majority Voting Policy**

Our Board of Directors has adopted a majority voting policy in director elections that will apply at any meeting of our shareholders where an uncontested election of directors is held. For the purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for directors is equal to the number of directors to be elected. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such director, the director nominee must submit his or her resignation to the Board of Directors forthwith following the applicable shareholders’ meeting, effective on acceptance by the Board of Directors. Following receipt of the resignation, the Board of Directors will refer the resignation to the Corporate Governance Committee for consideration. The Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board of Directors as to whether to accept or reject the resignation. Except in special circumstances that would warrant the continued service of the applicable director on our Board of Directors, the Committee will be expected to accept, and recommend that the Board accept, the resignation. In considering whether or not to accept the resignation of that director, the Committee will consider all factors deemed relevant by members of the Committee, including the stated reasons why shareholders withheld votes from the election of that director, the composition of our Board of Directors, the length of service and the qualifications of that director, that director’s contributions to the Corporation and our governance guidelines.

Within 90 days following the applicable shareholders’ meeting, the Board of Directors will determine whether to accept or reject the director’s resignation offer that has been submitted, on the recommendation of the Committee. In considering the Committee’s recommendation, the Board will consider the factors considered by the Committee and such additional information and factors as the Board considers to be relevant. Following the Board of Directors’ decision on the resignation, the Board will publicly disclose its decision whether to accept the applicable director’s resignation, and fully state the reasons for rejecting the resignation. If a resignation is accepted, the Board may, subject to any applicable corporate law restrictions, leave a vacancy on the Board unfilled until the next annual meeting of shareholders, fill the vacancy by appointing a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to consider a new nominee to fill the vacant position.

A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board of Directors or of the Corporate Governance Committee at which the resignation is considered, subject to certain exceptions in the event of a lack of quorum. A copy of the majority voting policy may be found on our website at [www.datacm.com](http://www.datacm.com).

## **Advance Notice By-Law**

By-Law No. 2 of the Corporation is an advance notice by-law and applies to nominations of directors at the Meeting. Among other things, By-Law No. 2 fixes a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid. By-law No. 2 requires

advance notice to the Corporation in circumstances where nominations of persons for election as a director of the Corporation are made by shareholders other than pursuant to (i) a requisition of a meeting of shareholders made pursuant to the provisions of the *Business Corporations Act* (Ontario), or the OBCA, or (ii) a shareholder proposal made in accordance with the provisions of the OBCA.

By-Law No. 2 enables the Corporation to receive adequate prior notice of director nominations as well as sufficient information on the nominees. Consequently, the Corporation will be able to evaluate the proposed nominees' qualifications to act as directors of the Corporation. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of By-Law No. 2. In the case of an annual meeting of shareholders, notice to the Secretary of the Corporation must be given not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be given not later than the close of business on the tenth day following the notice date. In the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), notice to the Secretary of the Corporation must be given not later than the close of business on the fifteenth day following the day on which the first public announcement of the date of the special meeting was made. In no event will any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a nominating shareholder's notice.

Our Board of Directors may, in its sole discretion, waive any requirement of By-Law No. 2. A copy of By-Law No. 2 may be found on our website at [www.datacm.com](http://www.datacm.com).

## **COMPENSATION DISCUSSION AND ANALYSIS**

The following section of this Circular and the section below entitled "Executive Compensation" discuss our executive compensation policies and practices, including information regarding all significant elements of compensation awarded to, earned by, paid to, or payable to each of our executive officers named in the Summary Compensation Table below (our current CEO, Richard Kellam; our former CEO, Gregory J. Cochrane; our CFO, James E. Lorimer; Michael Coté, who acted in the capacity of our CEO for a portion of 2020; and our three other most highly compensated executive officers in 2020). We refer to these individuals in this Circular as the Named Executive Officers.

### **Compensation Philosophy and Objectives**

Our executive officer compensation program is designed to:

- provide motivation and incentives to our executives with a view to enhancing shareholder value and successfully implementing our business plans;
- attract and retain key employees;
- recognize the scope and level of responsibility of each position;
- provide a competitive level of total compensation to all of our executives; and
- reward superior performance and achievement.

We evaluate both performance and compensation to ensure that our compensation philosophy and objectives are met. We periodically review our executive officer compensation philosophy and program to ensure that they are consistent with our goal of attracting, retaining and motivating executive officers to enhance shareholder value. In 2020, those responsibilities were discharged by the Human Resources and Compensation Committee and the Board of Directors in the manner described above under the heading "Statement of Corporate Governance Practices – Committees of Our Board of Directors – Human Resources and Compensation Committee".



## **Executive Compensation Process and Components**

### *Process*

In establishing the compensation of our CEO, President and CFO, the Human Resources and Compensation Committee takes the following approach:

- identify on a frequent basis the competitive market values of total compensation and the separate components of pay (including base salary, annual cash incentive awards and long-term compensation awards) for the CEO, President and CFO using benchmarking data;
- consider the strategic value of the role of the CEO, President and CFO to our company and retention risk to determine the target positioning of the respective roles of the CEO, President and CFO relative to competitive market value; and
- perform an evaluation of the performance of the CEO, President and CFO.

In evaluating the performance of the CEO, President and CFO, the Human Resources and Compensation Committee takes into account the following factors:

- performance relative to job responsibilities, which, in the case of the CEO, include contributions to strategic planning and execution, financial acumen in running the business, board relations, management development, and management of operations;
- key financial and non-financial achievements based on our annual financial results and the executive officer's personal performance objectives; and
- self-evaluations of the performance of the CEO, President and CFO with respect to achieving non-financial objectives, contributions to the leadership team and overall leadership.

Decisions regarding the compensation of our other executive officers are made by the CEO and President, who annually review the performance of each member of our executive team during the year against our annual financial results as well as achievements of personal performance objectives detailing accomplishments, areas of strength and areas of development. The CEO and President base their evaluations on their knowledge of each executive officer's individual performance and achievements relative to their job responsibilities. The weight ascribed to any one of the components of executive compensation varies from individual to individual. The CEO and President determine the total compensation for each of the executive officers and those decisions are then implemented. The Human Resources and Compensation Committee reviews and approves the CEO and President's determination as to the total compensation for each of the executive officers.

In determining the compensation of the CEO and CFO, the Board of Directors may exercise its discretion to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout. The CEO may exercise similar discretion in determining the compensation of the other executive officers.

In 2018, Mr. Sifton served as our CEO and Mr. Cochrane served as our President until June 30, 2018. Following Mr. Sifton's retirement as an officer of the Corporation at that time, Mr. Cochrane served as our President and CEO for the balance of 2018. On April 8, 2019, Mr. Coté was appointed President, and Mr. Cochrane continued as our CEO.

For several months in 2020, Mr. Cochrane took a medical leave of absence from his responsibilities as our CEO. Mr. Coté assumed the responsibilities of our chief executive officer during the period of Mr. Cochrane's absence. On February 23, 2021, Mr. Coté resigned as President and Mr. Cochrane assumed the responsibilities of President and continued as our CEO. On March 8, 2021, Mr. Kellam was appointed President and CEO of the Corporation, at which time Mr. Cochrane was appointed Vice Chairman of the Corporation.

On March 9, 2021, we announced the departures of Chris Lund, our Chief Innovation Officer, Kevin Lund, our Chief Brand Officer, Ralph Misale, our Chief Operations Officer and Edwina Fung, our Senior Vice President, Finance. As a result of the departures of these officers and Mr. Coté, our Human Resources and Compensation Committee did not make any determination with respect to the 2020 compensation of any of those individuals.

In determining the compensation of the CEO and CFO, the Board of Directors may exercise its discretion to award compensation absent attainment of the relevant performance goal or similar condition or to reduce or increase the size of any award or payout. The CEO may exercise similar discretion in determining the compensation of the other executive officers.

The Board met in March 2021 to review DCM's preliminary financial results for 2020 and determine the basis on which to evaluate the performance in 2020 of the CEO and CFO.

### **Role of the Compensation Consultant**

The Human Resources and Compensation Committee may engage compensation consultants or other advisors to provide information and advice to the Human Resources and Compensation Committee. We pay for the costs of those engagements.

Decisions made by the Human Resources and Compensation Committee are the responsibility of the Human Resources and Compensation Committee and may reflect factors and considerations other than the information and recommendations provided by third party, independent compensation consultants as required.

Neither the Human Resources and Compensation Committee nor our Board of Directors engaged an external compensation consultant or advisor in 2019 or 2020 to advise on executive compensation. However, the Corporate Governance Committee engaged an external compensation consultant in 2019 to advise it on director compensation. See "Director Compensation".

### *All Other Fees*

We paid \$339,700 and \$241,026 to Mercer and its affiliates for consulting, actuarial, and defined benefit pension administration services in respect of our employee benefits plans in 2020 and 2019, respectively.

### **Components of Executive Compensation**

During the year ended December 31, 2020, the components of compensation for our executive officers were:

- base salary;
- performance-based annual cash bonuses;
- performance-based grants under our long-term incentive plan in the form of restricted share units, or RSUs;
- non-performance-based RSUs granted under our long-term incentive plan;
- defined contribution pension plan;
- employee share ownership plan; and
- personal benefits and perquisites such as car allowances and healthcare insurance.

The mix of these components in any given year is primarily influenced by the individual performance of the executive officer, the financial performance of DCM and competitive market levels of compensation.

## **Base Salary**

We provide our executive officers with base salary to compensate them for services rendered during the fiscal year and to aid in attracting and retaining quality employees. The base salary for each of our executive officers is reviewed annually or upon a promotion or other change in job responsibility, based on the individual's level of responsibility, the importance of the position to us and the individual's contribution to our performance.

Against the backdrop of COVID-19 and resulting economic uncertainty, in May 2020 certain senior employees of DCM, including the Named Executive Officers, agreed to reduce their base salaries by varying percentages according to their seniority. In the first quarter of 2021, upon the recommendation of Mr. Cochrane and after taking into account the financial position of the Corporation and other factors deemed relevant by the Board, those employees who had taken a salary reduction in 2020 and who remained employed with DCM received a payment equal to their foregone salary.

## **Performance-Based Short-Term Incentive Compensation**

The objective of including performance-based incentive compensation as part of the total compensation paid to our executive officers is to encourage and reward those individuals' contributions in producing strong financial and operational results and to focus our senior management to work as a team on our overall corporate results and strategic initiatives.

Our executive officers each have the opportunity to earn annual performance-based cash bonuses, which are awarded primarily on the basis of our consolidated financial objectives tied to target financial results of DCM for the relevant year. Those objectives are established by our Board of Directors, with the recommendation of the Human Resources and Compensation Committee. Executive officers are also awarded annual cash bonuses based on the executive's achievement of established personal performance objectives. In 2020 and consistent with 2019, the weighting of financial objectives to personal objectives for each of the Named Executive Officers was 70% and 30%, respectively, other than for Mr. Coté, Mr. K. Lund and Mr. Misale, for whom the weighting was 60% and 40%, respectively.

The Board of Directors and the Human Resources and Compensation Committee retain the discretion to change or delay the approval of performance objectives, measures and targets in relation to executive compensation and to approve adjustments to calculated performance-based compensation awards when it believes it is reasonable to do so or to reflect extraordinary events and other factors not contemplated in the original objectives, measures or targets. In exercising this discretion, the Board of Directors takes into account factors such as key performance indicators and the business environment in which DCM operates. In 2020, DCM faced unprecedented challenges due to the COVID-19 pandemic, including mandated governmental measures that, among other things, forced DCM and some of its customers and suppliers to reduce commercial operations, including production facilities, and an uncertain economic environment in Canada and the United States and reduced demand for some of DCM's products and services. As a result of these challenges and those posed by DCM's liquidity requirements, in the first quarter of 2020 the Board of Directors determined to delay the establishment of financial objectives in relation to 2020 performance-based compensation for the Corporation's executives until such time as the Board believed those objectives could be determined with reasonable certainty. The Human Resources and Compensation Committee reviewed personal objectives for each of the Named Executive Officers and discussed them with the Board of Directors. However, given the unprecedented challenges faced by the Corporation due to the COVID-19 pandemic, the Board of Directors also determined to delay the establishment of 2020 personal objectives for the Named Executive Officers.

Under the terms of their employment agreements, in 2020 each of Mr. Cochrane, Mr. Coté and Mr. C. Lund was eligible to receive an annual performance bonus in an amount of up to 112.5% (with an annual bonus equal to 75% of annual base salary should the applicable performance metrics be achieved at target), and Mr. Lorimer was eligible to receive an annual performance bonus in an amount of up to 90% (with an annual bonus equal to 60% of annual base salary should the applicable performance metrics be achieved at target), of their base salary upon the achievement of performance metrics established by the Human Resources and Compensation Committee. Each of Mr. K. Lund and Mr. Misale was eligible to receive an annual performance bonus in an amount of up to 75%, and 60%, respectively (with an annual bonus equal to 50% and 40%, respectively, of annual base salary should the applicable performance metrics be achieved at target), of their base salary upon the achievement of performance metrics approved by the CEO and President.

### *Performance-Based Financial Objectives*

Historically, payment of performance-based annual cash bonuses for the achievement of financial objectives for all of our executive officers has been contingent upon DCM achieving a threshold amount of “Adjusted EBITDA” (being earnings before interest, taxes, depreciation and amortization, as adjusted for extraordinary or unusual items, including restructuring costs, goodwill impairment, one-time business reorganization and acquisition-related costs, and the incremental expected Adjusted EBITDA to be contributed by acquisitions completed during the fiscal year). Failure to achieve the target Adjusted EBITDA in the relevant year would result in a greater decline in the executive’s cash bonus for that year, while exceeding the target would generate a greater increase in the amount of the bonus. For a discussion of our Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, refer to our most recent management’s discussion and analysis, copies of which are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Board considered DCM’s actual and projected financial results over the course of 2020 and in the first quarter of 2021. After taking into account the recommendations of the CEO and the President, the Board determined not to establish financial objectives in relation to 2020 performance-based compensation for the Named Executive Officers and other participants in the Corporation’s short-term incentive plan, or STIP, and, based on those results, the respective recommendations of the CEO and the President and other factors deemed relevant by the Board, also determined not to award any STIP to the Named Executive Officers.

### *Performance-Based Personal Objectives*

In 2020, the remaining 30% of the potential performance bonus awarded to each of the Mr. Cochrane, Mr. Lorimer and Mr. C. Lund, and 40% to each of Mr. Coté, Mr. K. Lund and Mr. Misale was based upon achievement of certain personal performance objectives which were determined by those individuals and the CEO or President, as the case may be, with consideration by the Human Resources and Compensation Committee in the case of the CEO, President, CFO and Chief Innovation Officer.

As a result of the departures of Mr. Coté, Mr. C. Lund, Mr. K. Lund and Mr. Misale in February and March of 2021, our Human Resources Committee did not make any determination or recommendation with respect to the performance of any of those individuals relative to their respective personal performance objectives for 2020.

The Board of Directors met in March 2021 to determine the basis on which to evaluate the performance in 2020 of the CEO and CFO. Subsequently, the Board determined to not award Mr. Cochrane and Mr. Lorimer any STIP payments.

Given the financial and operational challenges the Corporation experienced in 2019, Mr. Cochrane recommended to the Human Resources and Compensation Committee that no cash compensation be awarded to the senior leadership team nor to other employees eligible for personal performance-based objectives pursuant to STIP. The Committee subsequently made this recommendation to the Board, and it was accepted. Accordingly, none of the Named Executive Officers earned any of the target bonus available to each of them under this portion of the bonus program in 2019 on the basis of their personal performance targets.

### Long-Term Incentive Compensation

We maintain for our directors, officers and other employees an amended and restated long term incentive plan, or LTIP, and the following is intended as a summary of the LTIP.

#### *Purpose*

The purpose of the LTIP is to provide eligible participants with compensation opportunities that will enhance our ability to attract, retain and motivate key personnel, reward key senior management for strong financial performance and align executive officers’ incentives with the interests of shareholders.

### *Eligibility*

The composition of eligible participants in the LTIP from time to time is determined by the Human Resources and Compensation Committee, taking into account the recommendations of the CEO and the President and is limited to directors, officers (including officers of our affiliates), employees (including employees of our affiliates), and consultants of our affiliates, as well as consultant companies providing management or administrative services to DCM and employees of such consultant companies.

### *Administration*

The LTIP is administered by our Board of Directors or the Human Resources and Compensation Committee.

### *Awards*

Awards granted under the LTIP may consist of stock options, stock appreciation rights, or SARs, restricted Common Shares, or Restricted Shares, RSUs, and deferred share units, or DSUs. Each award will be subject to the terms and conditions set forth in the LTIP and to those other terms and conditions specified by the Human Resources and Compensation Committee. Previous awards will be taken into account when considering new awards.

### *Shares Subject to the LTIP*

Subject to adjustment in certain circumstances as discussed below, the LTIP authorizes the issuance of up to 10% of the issued and outstanding Common Shares from time to time pursuant to the terms of the plan. The maximum number of Common Shares that: (i) are issuable to insiders; and (ii) may be issued to insiders within a one-year period pursuant to awards under the LTIP and any other share-based compensation arrangement we adopt is 10% of the Common Shares outstanding from time to time. For these purposes, the term “insider” has the same meaning as “reporting insider” in National Instrument 55-104 – Insider Reporting Requirements and Exemptions. The number of shares subject to each award, the exercise price, the expiry time, the extent to which such award is exercisable and other terms and conditions relating to such awards is determined by the Board of Directors or the Human Resources and Compensation Committee. No participant will be granted awards in any single calendar year with respect to more than 5% of the issued and outstanding Common Shares. If, and to the extent, awards granted under the plan terminate, expire, cancel, or are forfeited without being exercised and/or delivered, Common Shares subject to such awards will again be available for grant under the LTIP. Additionally, to the extent any Common Shares subject to an award are tendered and/or withheld in settlement of any exercise price and/or any tax withholding obligation associated with that award, those Common Shares will again be available for grant under the LTIP.

In the event of any recapitalization, reorganization, amalgamation, stock split or combination, stock dividend or other similar event or transaction, substitutions or adjustments will be made by the Board of Directors or the Human Resources and Compensation Committee to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the LTIP; (ii) the number, class and/or issuer of securities subject to outstanding awards; and (iii) the exercise price of outstanding options or SARs, in each case in a manner that reflects equitably the effects of such event or transaction.

Awards under the LTIP will be non-assignable and non-transferable although they are assignable to and may be exercisable by a participant’s legal heirs or personal representatives in certain cases.

As of the date of this Circular, awards in the form of stock options to purchase up to 4,087,486 Common Shares were outstanding.

### *Amendments*

Shareholder approval will be required for amendments to the LTIP to: (i) reduce the exercise price or purchase price of awards under the LTIP benefiting an insider of the Corporation; (ii) extend the term under an award benefiting an insider of the Corporation; (iii) remove or exceed the insider participation limit; (iv) increase the maximum number

of securities issuable, either as a fixed number or a fixed percentage of our outstanding capital represented by such securities; and (v) amend an amending provision within the LTIP.

Our Board of Directors or the Human Resources and Compensation Committee may, without shareholder approval, amend the LTIP with respect to (i) amendments of a “housekeeping nature”; (ii) changes to the vesting provisions of the LTIP or any award; (iii) changes to the provisions of the LTIP relating to the expiration of awards prior to their respective expiration dates upon the occurrence of certain specified events; (iv) changes in the exercise price of an award granted to a participant who is not an insider; (v) the cancellation of an award; or (vi) any other amendment to the LTIP or an award which is approved by any applicable stock exchange on a basis which does not require shareholder approval to be obtained.

#### *Termination of Service*

Unless provided otherwise in the award agreement, the right to exercise any option or SAR will terminate 90 days following termination of the participant’s relationship with us or any of our affiliates, as applicable, for reasons other than death, disability or termination for cause (as defined in the LTIP). If the participant’s service with us or any of our affiliates terminates due to death or disability, unless provided otherwise in the award agreement or individual employment agreement, the right to exercise an option or SAR will terminate on the earlier of one year following such termination and the award’s original expiration date. If the participant’s relationship with us is terminated for cause, any option or SAR not already exercised will be automatically forfeited as of the date of such termination and any unvested RSUs will immediately expire on the date of such termination.

Unless provided otherwise in the award agreement, if a participant’s service with us or any of our affiliates terminates for any reason other than the death or disability of the participant during the period that restrictions on Restricted Shares granted to the participant remain unfulfilled or uncompleted, those Restricted Shares in respect of which restrictions remain uncompleted or unfulfilled will be forfeited to us. In the event of the death or disability of a participant, we will cause the trustee to distribute to the participant or their legal representative any Restricted Shares held by the participant subject to any restrictions specified by the Board of Directors or the Human Resources and Compensation Committee.

#### *Change of Control*

In the event of a change of control of the Corporation, the Board of Directors or the Human Resources and Compensation Committee will have discretion to, among other things, accelerate the vesting of outstanding awards, settle outstanding awards in cash or exchange outstanding awards for similar awards of a successor company. A change of control will be deemed to have taken place upon the occurrence of any of the following, in one transaction or a series of related transactions:

- the acquisition by any person or persons acting jointly or in concert, whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation;
- an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;
- the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates;
- the adoption of a resolution to wind-up, dissolve or liquidate the Corporation;

- as a result of, or in connection with, a contested election of directors of the Corporation, or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the board; or
- any other transaction that is deemed to be a “Change in Control” for the purposes of the LTIP by our Board of Directors in its sole and absolute discretion.

### *Stock Options*

The exercise price of any stock option granted under the LTIP will be the market price of the Common Shares, being the closing price of the Common Shares on the TSX on the date immediately before the date on which the option is granted or such other minimum price as is permitted by the TSX in accordance with its policies from time to time. Our Board of Directors or the Human Resources and Compensation Committee will be entitled to determine the option term for each option; provided, however, that the exercise period of any option may not exceed 10 years from the date of grant. It is currently anticipated that stock options granted under the LTIP will expire between five to seven years after the date of grant. Vesting for each option will also be determined by our Board of Directors or the Human Resources and Compensation Committee. In the event that the term of a stock option expires during a period, or a Blackout Period, when insiders of the Corporation are prohibited from trading in Common Shares under the terms of the Corporation’s insider trading policy in effect from time to time or within 10 business days thereafter, the option will expire on the date that is 10 business days after the Blackout Period is lifted.

### *SARs*

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to grant SARs pursuant to the terms of the LTIP. Upon exercise of a SAR, the participant will be entitled to receive an amount equal to the difference between the closing price of the Common Shares underlying the SAR on the TSX on the date immediately before the date of grant and the closing price of the Common Shares underlying the SAR on the TSX on the date immediately before the date of exercise. Such amount is payable in cash or Common Shares as determined by the Board of Directors or the Human Resources and Compensation Committee. The Board of Directors has amended the LTIP to provide that, in the event that the term of a stock option expires during a Blackout Period, the option will expire on the date that is 10 business days following after the Blackout Period is lifted.

### *Restricted Shares*

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to grant Restricted Shares pursuant to the terms of the LTIP. Restricted Shares may consist of either treasury Common Shares or outstanding Common Shares purchased for purposes of the LTIP. Restricted Shares will be granted subject to restrictions which will be determined by, and may be varied by, our Board of Directors or the Human Resources and Compensation Committee. Restricted Shares will generally vest over a five-year period. All Restricted Shares will be held for the benefit of participants in the name of a trustee appointed for purposes of the LTIP or, in the case of non-treasury Restricted Shares, by a custodian with whom shares are deposited by the trustee. Participants will have no custody or control of the Restricted Shares granted to them while they are held by the trustee or the custodian. Restricted Shares will only be released to the participant after the shares become free of all restrictions.

### *RSUs*

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to issue RSUs subject to such terms and conditions, not inconsistent with the terms of the LTIP, as our Board of Directors may impose in its sole and absolute discretion. An RSU is a contractual promise to issue shares and/or cash in an amount equal to the fair market value (determined at the time of distribution) of the Common Shares subject to the award, at a specified future date, subject to the fulfillment of vesting conditions specified by our Board of Directors or the Human Resources and Compensation Committee. Prior to settlement, an RSU will carry no voting or dividend rights or other rights associated with share ownership. An RSU award may be settled in Common Shares, cash, or in any

combination of both and it is the Corporation's practice that RSUs are generally intended to be settled in cash. However, a determination to settle an RSU in whole or in part in cash may be made by our Board of Directors or the Human Resources and Compensation Committee, in its sole discretion.

#### RSUs Awarded Pursuant to Employment Agreements

Under the terms of their respective employment agreements, Mr. Cochrane and Mr. Coté were, in 2020, entitled, and Mr. Kellam is entitled, to receive an annual non-performance-based grant of RSUs equal to 10% of their annual base salary at the time of the grant. In each case, those RSUs are granted under the LTIP. These RSUs are subject to cliff-vesting after three years, and, in the event that the executive is no longer a participant in the Corporation's LTIP prior to vesting, would be forfeited.

#### **2020 LTIP Awards of Performance Based and Non-Performance Based RSUs**

In March 2020, the Human Resources and Compensation Committee recommended the award of certain performance and non-performance based RSUs, or the 2020 LTIP, to certain members of senior management of the Corporation. The 2020 LTIP was subsequently approved by our Board of Directors. Eligible participants in the 2020 LTIP received a number of RSUs, or the Awarded RSUs, based on a percentage of their base salaries, of which 75% were performance based and 25% were non-performance based. Each Awarded RSU represents the right to receive from the Corporation, as soon as reasonably practicable following the final vesting date, a distribution in an amount equal to the fair market value (on the final vesting date) of one Common Share, with vesting of Awarded RSUs as to one-third upon approval by the Board of Directors of the Corporation's audited financial statements for fiscal 2020, one-third upon the Board's approval of the Corporation's audited financial statements for fiscal 2021 and one-third upon the Board's approval of the Corporation's audited financial statements for fiscal 2022, being the final vesting date.

Mr. Cochrane, Mr. Coté and Mr. Lorimer were each entitled under the terms of their employment agreement to receive a 2020 LTIP grant of RSUs equal to 40% of their annual base salary.

As a result of unprecedented challenges faced by DCM due to the COVID-19 pandemic and those posed by DCM's liquidity requirements, in the first quarter of 2020 the Board of Directors determined to delay the establishment of financial objectives in relation to 2020 performance-based RSUs for the Corporation's executives until such time as the Board believed those objectives could be determined with reasonable certainty.

DCM continued to face those challenges and uncertainties throughout 2020. Against that backdrop, and taking into account the recommendations of the CEO and the President, the Board determined not to establish financial objectives in relation to the 2020 performance-based component of the 2020 LTIP for the Named Executive Officers and other participants in the Corporation's LTIP, nor to make any 2020 LTIP performance-based awards. The Board of Directors confirmed that the non-performance based RSUs would be awarded and vest in accordance with their terms.

#### *2020 LTIP Non-Performance Based RSUs*

The first one-third of the non-performance based RSUs for Mr. Cochrane and Mr. Lorimer, along with all other participants in the 2020 LTIP, vested upon approval by the Board of Directors of the Corporation's fiscal 2020 financial results in March 2021.

#### **2019 LTIP Awards of Performance Based and Non-performance Based RSUs**

In March 2019, the Human Resources and Compensation Committee recommended the award of certain performance and non-performance based RSUs, or the 2019 LTIP, to certain members of senior management of the Corporation. The 2019 LTIP was subsequently approved by our Board of Directors. Eligible participants in the 2019 LTIP received a number of RSUs, or the Awarded RSUs, based on a percentage of their base salaries, of which 75% were performance based and 25% were non-performance based. Each Awarded RSU represents the right to receive from the Corporation, as soon as reasonably practicable following the final vesting date, a distribution in an amount equal to the fair market value (on the final vesting date) of one Common Share, with vesting of Awarded RSUs as to one-third upon approval by the Board of Directors of the Corporation's audited financial statements for fiscal 2019, one-



third upon the Board's approval of the Corporation's audited financial statements for fiscal 2020 and one-third upon the Board's approval of the Corporation's audited financial statements for fiscal 2021, being the final vesting date.

#### *2019 LTIP Performance-Based RSUs*

The performance based RSUs for all participants were contingent upon the Corporation achieving a threshold amount of Adjusted EBITDA in fiscal 2019. Failure to achieve the target Adjusted EBITDA in the year would result in a greater decline in the number of performance-based RSUs for that year, while exceeding the target would generate a greater increase in the number of performance-based RSUs. The number of awarded performance based RSU's is adjusted on the following basis: at less than 90% achievement of the Adjusted EBITDA objective, the performance-based RSUs are forfeited; at 90% achievement, the number of performance-based RSUs is adjusted down by 50%; if the Corporation achieves greater than 90% and up to 100% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 50% and 100%; if the Corporation achieves greater than 100% and up to 110% of the Adjusted EBITDA objective, the number of performance based RSUs is adjusted on a graduated scale between 100% and 150%. The number of non-performance based RSUs is fixed.

Awarded RSUs under the 2019 LTIP are subject to forfeiture in accordance with the LTIP, and, in the case of performance-based awards, in the event that at least 90% of the target financial objective was not achieved during fiscal 2019.

Mr. Cochrane, Mr. Lorimer, and Mr. Coté were each entitled under the terms of their employment agreements to receive a 2019 LTIP grant of RSUs equal to 40% of their respective annual base salaries.

In 2019, the Adjusted EBITDA threshold for participants was established with consideration by the Human Resources and Compensation Committee, and was the same target Adjusted EBITDA threshold applicable to the performance-based financial objective applicable to short-term incentive compensation for the year.

As the minimum Adjusted EBITDA performance metric threshold of 90% of target for fiscal 2018 was not achieved by the Corporation, with the Corporation's actual financial results being 86% of target adjusted EBITDA financial threshold, the 2018 LTIP performance-based awards for Mr. Cochrane, Mr. Coté, and Mr. Lorimer as well as for all other 2018 LTIP participants would have been forfeited.

At the meeting of the Human Resources and Compensation Committee in March 2019, the Human Resources and Compensation Committee also considered the Corporation's actual financial results in comparison to target financial results and compensation for the Named Executive Officers and other participants in the Corporation's LTIP.

The Human Resources and Compensation Committee considered similar factors relating to the failure to meet the Adjusted EBITDA target as it had with regards to the STIP incentive compensation, together with other considerations with regards to performance and compensation of senior management, and determined to recommend to the Board of Directors that, due to exceptional circumstances, payouts for the performance based RSU awards for the Named Executive Officers and other 2019 LTIP participants be made at 25% of their target payout. The Board of Directors accepted this recommendation and approved the grant of 2019 LTIP performance-based awards at 25% of the target threshold for all 2018 LTIP participants.

Accordingly, the first one-third of the 2019 LTIP performance based RSUs at 25% of target award for Mr. Cochrane, Mr. Coté and Mr. Lorimer vested on March 21, 2019, upon approval by the Board of Directors of the Corporation's fiscal 2019 financial results. The second one-third of the 2019 LTIP performance-based RSUs for Mr. Cochrane and Mr. Lorimer vested upon approval by the Board of Directors of the Corporation's fiscal 2020 financial results, and, in the case of Mr. Coté, the final two-thirds of his 2019 LTIP performance-based and non-performance RSUs became fully vested upon his resignation in accordance with the terms of his employment agreement.

#### *DSUs*

Our Board of Directors or the Human Resources and Compensation Committee will be authorized to issue DSUs, subject to such vesting and other terms and conditions, not inconsistent with the terms of the LTIP, as our Board of

Directors may propose in its sole and absolute discretion. A DSU is a right to receive, on a deferred payment basis, a Common Share or the cash equivalent of a Common Share on the terms contained in the LTIP. The amount will not be paid out until such time as the recipient leaves us, thereby providing an ongoing equity stake throughout the recipient's period of service. A DSU award may be settled in Common Shares, cash, or in any combination of both. However, a determination to settle a DSU in whole or in part in cash may be made by our Board of Directors or the Human Resources and Compensation Committee, in its sole discretion.

On March 14, 2018, the Board of Directors authorized the introduction of a DSU plan for directors, whereby each director was given the option to elect to receive all or part of his or her compensation in DSUs, commencing effective April 1, 2018. Each DSU represents the right to receive a distribution from the Corporation in an amount equal to the fair value of one Common Share on the date of the termination of service of the respective director. The number of DSUs payable to each director is determined by multiplying the total director fees payable by the amount of compensation elected to be paid in DSUs and dividing the product by the fair value of one Common Share on the grant date. DSUs granted in 2019 and 2020 are intended to be cash settled. During 2020, 1,435,828 DSUs (2019, 389,941 DSUs) were granted to directors. Pursuant to the anti-dilution provisions of the LTIP, the number of DSUs granted in 2019 were subsequently adjusted to 425,039.

### *Stock Options*

In March 2019, our Board of Directors granted stock options to acquire up to 40,000 Common Shares to Ms. Jones, a director of the Corporation, to recognize her contributions to the Corporation's initiatives over the past year. Once vested, the stock options are exercisable for a period of seven years from the grant date at an exercise price of \$1.41 per share, representing the fair value of the Common Shares on the date of grant.

Pursuant to the anti-dilution adjustment provisions of the LTIP, the exercise price of stock options granted in 2018 and 2019 with an exercise price of \$1.41 per share were adjusted to an exercise price of \$1.29 per share, and stock options issued in 2016 with an exercise price of \$1.50 per share were subsequently adjusted to an exercise price of \$1.38 per share, in each case as a result of the rights offering completed by the Corporation in December 2019. In addition, these anti-dilution adjustments resulted in the number of options previously awarded to each individual being adjusted by a factor of 1:1.09, and accordingly the total number of options outstanding was adjusted from 1,456,409 to 1,587,486.

In March 2021, our Board of Directors granted stock options to acquire up to 2,500,000 Common Shares to Richard Kellam, in connection with his appointment as President and Chief Executive Officer of the Corporation on March 8, 2021. 1,000,000 of those stock options vested immediately and 500,000 stock options will vest on each of the first, second and third anniversaries of Mr. Kellam's hire date, respectively, with the vesting of these remaining 1,500,000 stock options dependent on his continued employment with the Corporation at the time of vesting. Once vested, the stock options are exercisable for a period of seven years from the grant date at an exercise price of \$0.69 per share, representing the fair value of the Common Shares on the date of grant.

### Pension Plans

Our executive officers participate in the same defined contribution pension plan as our other employees.

The objective of including pension plans as part of our executive compensation program is to provide retirement benefits and additional retirement income security for officers who remain with us for an extended period of time.

### Personal Benefits and Perquisites

We provide our employees, including the Named Executive Officers, with other personal benefits and perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain quality employees for key positions. We periodically review the levels of other personal benefits and perquisites provided to the Named Executive Officers to ensure competitiveness and value to employees. The Named Executive Officers are given a car allowance and are entitled to reimbursement of a portion of certain business-related travel and entertainment expenses and participate in the pension plans described above.

Our executive officers participate in healthcare and other benefit programs on the same terms as our other employees.

#### Claw-Backs

We have not implemented any claw-back policy that would adjust or attempt to recover incentive compensation payable or paid to any executive officers if the performance objectives upon which the compensation was based were to be restated or otherwise adjusted in a manner that would have the effect of reducing the amount payable or paid.

#### **Assessment of Risks Associated with Our Compensation Policies and Practices**

We have assessed our compensation plans and programs for all our employees, including our executives, to ensure alignment of the various plans and programs with our business plan and to evaluate the potential risks associated with those plans and programs. We have concluded that, although we maintain performance-based incentive plans, our compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on us.

The Human Resources and Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing such plans and the elements described below with respect to such plans and programs have generally been implemented by or at the direction of the Human Resources and Compensation Committee.

In undertaking the assessment, the management team and the Human Resources and Compensation Committee considered the following features of our executive compensation plans and programs:

- a detailed planning process with executive or Human Resources and Compensation Committee oversight exists for all compensation programs;
- the proportion of an employee's performance-based pay increases as the responsibility and potential impact of the employee's position increases;
- all short-term incentive plans and commission plans are cash-based plans, which results in less total compensation being tied solely to the performance of the Common Shares;
- we set performance goals that we believe are reasonable in light of past performance and market conditions;
- for performance-based financial objective targets, we have used a consistent corporate performance metric for short-term cash compensation incentives, Adjusted EBITDA, from year to year, rather than changing the metric to take advantage of changing market conditions, and in 2017 we introduced Adjusted EBITDA as the corporate performance metric for our long-term incentive compensation plan;
- we historically used time-based vesting after three years for our long-term equity awards and in 2017 we introduced graded vesting over three years for certain of our long-term incentive awards, with any payouts to be made after the end of the final year of vesting in order to ensure our employees' interests are aligned with those of our shareholders for our long-term performance;
- assuming achievement of at least a threshold level of performance, payouts under our performance-based plans result in some compensation at levels below full target achievement, rather than an "all-or-nothing" approach; and
- through their participation in the LTIP, members of our senior management have a component of their leadership incentive plans tied to our overall performance to ensure cross-functional alignment with our business plan.

None of our executive officers or directors is permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of our equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table sets forth information concerning the compensation earned by the Named Executive Officers for the period from January 1, 2018 to December 31, 2020. Compensation is presented for the fiscal year ended December 31, 2020 to the extent that the Named Executive Officer was an employee during that period.

<u>Name and principal position</u>	<u>Year</u>	<u>Salary</u>	<u>Share-based awards<sup>(2)</sup></u>	<u>Option-based awards</u>	<u>Non-equity incentive plan compensation</u>	<u>Pension value<sup>(3)</sup></u>	<u>All other compensation</u>	<u>Total Compensation</u>
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
					Annual incentive plans <sup>(1)</sup>			
Gregory J. Cochrane, Chief Executive Officer <sup>(4)</sup>	2020	453,769	100,000 <sup>(10)</sup>	-	-	6,392	15,704	575,865
	2019	430,769	99,999 <sup>(11)</sup>	-	-	6,750	30,450	567,968
	2018	346,154	137,500 <sup>(12)</sup>	136,000 <sup>(9)</sup>	215,625	6,625	9,969	851,873
Michael Coté, President <sup>(5)</sup>	2020	480,769	100,000 <sup>(13)</sup>	-	-	6,150	15,339	602,258
	2019	375,385	80,172 <sup>(14)</sup>	-	-	6,854	29,712	492,123
	2018	318,846	31,718 <sup>(15)</sup>	136,000 <sup>(9)</sup>	132,000	1,292	12,000	631,856
James E. Lorimer, Chief Financial Officer	2020	347,308	35,000	-	-	4,846	13,212	400,366
	2019	350,000	34,999	-	-	6,808	18,044	409,851
	2018	350,000	61,249	136,000 <sup>(9)</sup>	142,800	6,579	12,000	708,628
Christopher Lund, Chief Creative & Innovation Officer <sup>(6)</sup>	2020	457,051	31,250	-	-	-	12,750	501,051
	2019	400,000	24,999	-	-	-	25,242	450,241
	2018	259,230	-	-	153,542	-	7,783	420,555
Kevin Lund, Chief Brand Officer <sup>(7)</sup>	2020	233,462	21,875	-	-	-	10,350	265,687
	2019	229,583	14,348	-	-	-	17,533	261,464
	2018	145,817	-	-	77,175	-	6,226	229,218
Ralph Misale, Chief Operations Officer <sup>(8)</sup>	2020	238,884	21,875	-	-	-	21,404	282,163
	2019	230,077	5,750	-	-	-	18,934	254,761
	2018	200,000	8,750	-	40,800	-	18,000	267,550

Notes:

- (1) Represents annual cash bonuses earned during the year. These amounts are paid in the subsequent year.
- (2) Represents the fair market value of RSU awards granted to the Named Executive Officers (NEO) determined using the market value of the Common Shares on the date of grant. RSU awards granted to the NEOs as a result of their employment agreements cliff vest over three years. RSU awards granted to the NEO under the Corporation's LTIP generally vest as follows: 1/3 after 12 months; 1/3 after 24 months; and 1/3 after 36 months.
- (3) Represents the sum of the compensatory amounts related to the Corporation's defined contribution pension plan.
- (4) Mr. Cochrane served as the President of the Corporation until June 30, 2018, at which point he was appointed President and Chief Executive Officer of the Corporation and served in that capacity for the remainder of 2018. On April 8, 2019, Mr. Cochrane continued to serve as Chief Executive of Corporation. During 2019, Mr. Cochrane elected to reduce his base salary from \$500,000 to \$400,000 per annum and in December 2019 his base salary reverted to \$500,000 per annum. During 2020, Mr. Cochrane took a temporary medical leave of absence and Mr Coté assumed Mr. Cochrane's responsibilities during those 5 months in 2020. Other elements of his incentive-based compensation, including awards under the STIP, LTIP, ESOP, pension and other benefits continued to be calculated based on an effective \$500,000 salary level, including termination and change of control provisions in his employment agreement.
- (5) In September 2017, Mr. Coté was appointed as the Corporation's Senior Vice President, Corporate Development and Strategy, in November 2017 he was appointed Senior Vice President, Chief Commercial Officer of the Corporation and on April 8, 2019 he was appointed as President of the Corporation. During 2019, Mr. Coté elected to reduce his base salary from \$500,000 to \$400,000 per annum and in December 2019 his base salary reverted to \$500,000 per annum. Other elements of his incentive-based compensation, including awards under the STIP, LTIP, ESOP, pension and other benefits continued to be calculated based on an effective \$500,000 salary level, including termination and change of control provisions in his employment agreement. On February 23, 2021, Mr. Coté resigned as President.

- (6) On May 8, 2018, Mr. C. Lund was appointed as Chief Creative & Innovation Officer of the Corporation. On March 9, 2021, Mr. C. Lund resigned.
- (7) On May 8, 2018, Mr. K. Lund was appointed as Chief Brand Officer of the Corporation. On March 9, 2021, Mr. K. Lund resigned.
- (8) On January 1, 2019, Mr. Misale was promoted to Senior Vice President, Operations of the Corporation until December 9, 2019, at which point he was appointed Chief Operations Officer of the Corporation. Mr. Misale's other compensation includes company RRSP contributions offered to certain employees previously employed by a company acquired by the Corporation. On March 9, 2021, Mr. Misale resigned.
- (9) Consists of options to acquire Common Shares at an exercise price of \$1.41 per share and vest at a rate of 1/36th per month, commencing on March 14, 2018. Pursuant to the anti-dilution provisions of the LTIP, the exercise price of these stock options granted in 2018 with an exercise price of \$1.41 per share were subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019.
- (10) 208,333 RSUs awarded under Mr. Cochrane's employment agreement and 294,117 RSUs awarded under LTIP had a value of approximately \$316,544 as of December 31, 2020.
- (11) RSUs awarded to Mr. Cochrane had a value of approximately \$50,166 as of December 31, 2020.
- (12) RSUs awarded to Mr. Cochrane had a value of approximately \$73,547 as of December 31, 2020.
- (13) 208,333 RSUs awarded under Mr. Coté's employment agreement and 294,117 RSUs awarded under LTIP had a value of approximately \$316,544 as of December 31, 2020.
- (14) RSUs awarded to Mr. Coté had a value of approximately \$40,163 as of December 31, 2020.
- (15) RSUs awarded to Mr. Coté had a value of approximately \$15,448 as of December 31, 2020.

## Incentive Plan Awards

### *Outstanding Share-based Awards and Option-based Awards*

The following table sets forth information regarding option-based awards and share-based awards to Named Executive Officers that were outstanding at December 31, 2020. All values shown in the table are based upon the closing price of the Common Shares of \$0.63 per share on December 31, 2020 (the last trading day on the TSX in 2020).

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not been vested <sup>(3)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gregory J. Cochrane	218,000 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	640,843	403,731	36,525
Michael Coté	218,000 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	563,544	355,033	17,122
James. E. Lorimer	127,565 <sup>(1)</sup>	1.38 <sup>(1)</sup>	June 23, 2023	-	239,702	57,528	9,740
	218,000 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-			
Christopher Lund	-	-	-	-	196,707	47,210	1,546
Kevin Lund	-	-	-	-	136,071	32,657	887
Ralph Misale	-	-	-	-	133,891	32,134	1,439

#### Notes:

- (1) The options held by the Named Executive Officers at December 31, 2020 vest over a two-year period from the date of grant at the rate of 1/24<sup>th</sup> per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2016 with an exercise price of \$1.50 per share was subsequently adjusted to an exercise price of \$1.38 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09 as a result of the rights offering completed by the Corporation in December 2019.
- (2) The options held by the Named Executive Officers at December 31, 2020 vest over a three-year period from the date of grant at the rate of 1/36<sup>th</sup> per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2018 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09 as a result of the rights offering completed by the Corporation in December 2019.
- (3) Pursuant to the anti-dilution terms of the LTIP, the number of RSUs outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09, in connection with the rights offering completed by the Corporation in December 2019.

### ***Value Vested or Earned During the Year***

The following table discloses the aggregate dollar value that would have been realized if the options granted to Named Executive Officers had been exercised on the applicable vesting date, the aggregate value realized upon vesting of share-based awards and the value of non-equity incentive plan compensation earned, in each case during the year ended December 31, 2020.

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Gregory J. Cochrane	45,054	36,525	-
Michael Coté	45,054	17,122	-
James E. Lorimer	45,054	9,740	-
Christopher Lund	-	1,546	-
Kevin Lund	-	887	-
Ralph Misale	-	1,439	-

### **Pension Plans**

We maintain a defined benefit and defined contribution pension plan or the DCM Plan, for certain of our employees. We also contribute to the Québec Graphics Communications Pension Plan for certain employees at our Drummondville plant in Québec. Prior to 2018, contributions were made to a similar plan, the Québec Graphics Communications Supplemental Retirement and Disability Fund. We also contribute to a number of multi-employer, defined benefit employee pension and non-pension benefit plans which are administered by Unifor Local 591G for our hourly employees at our Toronto, Ontario plant. Effective January 1, 2008, the DCM Plan was amended such that no further service credits will accrue under the defined benefit provision of the DCM Plan, after December 31, 2007, although pensionable earnings on and after January 1, 2008 will be factored into the determination of a participant's final average earnings. For more information regarding our pension plans, please refer to our most recent annual management's discussion and analysis filed on [www.sedar.com](http://www.sedar.com).

### **Defined Contribution Plans**

The following table sets forth information regarding the present value of accumulated benefits for each of the Named Executive Officers under the defined contribution provision of the DCM Plan as of December 31, 2020.<sup>(1)</sup>

<b><u>Name</u></b>	<b><u>Accumulated value at start of year</u></b>	<b><u>Compensatory</u></b>	<b><u>Accumulated value at year end</u></b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Gregory J. Cochrane	44,481	6,392	70,074
Michael Coté	26,352	6,150	54,638
James E. Lorimer	43,027	4,846	61,534
Christopher Lund	-	-	-
Kevin Lund	-	-	-
Ralph Misale	-	-	-

Note:

(1) The table includes an additional matching contribution by the Corporation.

The Corporation allows all eligible employees, including the Named Executive Officers, to participate in the defined contribution provision of the DCM Plan after one year of service on an optional basis, and on a mandatory basis after three years of service. The defined contribution provision of the DCM Plan is based on a contribution by the employee of a percentage of his or her earnings, which is matched 50% by the Corporation. Earnings include base pay, commissions, bonuses and variable compensation. The contribution rate for the plan is based on the employee's years of service with the Corporation and its predecessors at the beginning of each fiscal year, as outlined below. Rate changes take effect as of January 1 of each year.

The following table sets forth information regarding the respective levels of contribution by the Corporation and its employees under the defined contribution provision of the DCM Plan, based upon the employee's years of service with the Corporation and its predecessors.

<u>Years of Service as at January 1</u>	<u>Contribution of Named Executive Officer</u>	<u>Contribution of the Corporation<sup>(1)</sup></u>	<u>Total Contribution</u>
Fewer than 5 years (with a minimum of 1 year)	1% - 3%	0.5% - 1.5%	1.5% - 4.5%
5 years or more, but fewer than 15 years	1% - 4%	0.5% - 2%	1.5% - 6%
15 years or more	1% - 5%	0.5% - 2.5%	1.5% - 7.5%

Note:

(1) Except for those persons who participate in the defined benefit provision of the DCM Plan, who receive an additional one percent.

Pursuant to the defined contribution provision of the DCM Plan, and subject to the exception noted in the above table, the Corporation makes annual contributions up to a maximum of 2.5% of the employee's earnings. Employees are permitted to make additional voluntary contributions to the plan, but the Corporation will not match those additional contributions. The total mandatory and voluntary employee contributions and the Corporation's matching contributions are subject to limits under the *Income Tax Act* (Canada). These limits are updated annually and, in 2020, the annual contribution limit was the lesser of 18% of the employee's earned income and \$27,830, rising to \$29,210 in 2021. Funds are accumulated in the employee's account, following which the employee determines how the contributions will be invested by selecting from a group of funds available for the plan and administered by a Canadian financial services company as chosen by the Corporation. If the employee does not make an investment selection or makes an incomplete selection, the contributions will be invested in a default fund. Contributions on behalf of the Named Executive Officers are included in the "Non-Equity Incentive Plan Compensation – Long-term Incentive Plans" column in the Summary Compensation Table in this "Executive Compensation" section of this Circular. Upon retiring or leaving the Corporation, the Named Executive Officer will have choices in arranging for the transfer of his pension account pursuant to the defined contribution pension plan.

## **Termination and Change of Control Benefits**

### *Termination of Employment of Named Executive Officers*

Mr. Cochrane and Mr. Lorimer were each entitled to the provision of benefits upon (i) the involuntary termination of his employment without cause; and (ii) the voluntary termination of his employment within a period of three months. For purposes of Mr. Cochrane's and Mr. Lorimer's employment agreements with the Corporation, a "change of control" was defined as the occurrence of any of the following events: (i) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario), whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation; (ii) an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination; (iii) the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the



Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates; (iv) the adoption of a resolution to wind-up, dissolve or liquidate the Corporation; or (v) as a result of, or in connection with, a contested election of directors of the Corporation or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the Board.

As disclosed elsewhere in this Circular, Mr. Coté, Mr. C. Lund and Mr. K. Lund are no longer employed by DCM and Mr. Cochrane no longer serves as the CEO of the Corporation.

Under the terms of their respective employment agreements, Mr. Kellam and Mr. Lorimer (referred to below as the executive), are entitled to the following amounts in the event of the termination of their employment with the Corporation in the circumstances described below under the heading “Event”:

**Event**

**Payment**

Voluntary Termination following a Change of Control or Involuntary Termination without Cause

A lump sum payment equal to:

- The executive’s annual base salary, plus annual bonus (calculated based on the average annual bonus paid to the executive in the last two fiscal years ended immediately preceding the date of termination of his employment with the Corporation), plus any cash payments made in the applicable year to settle outstanding LTIP awards that are, by their terms, cash settled and that would otherwise have been paid to the executive had his employment with the Corporation continued for: (A) a period of twelve months following the date of termination if the date of termination occurs up to one year following the commencement of his employment with the Corporation; or (B) a period of twelve months following the date of termination plus an additional three months for each year of employment with the Corporation completed by the executive as of the date of termination, up to a maximum of 24 months, if the date of termination occurs more than one year following the commencement of his employment with the Corporation (we refer to the period in clause (A) or (B) above, as applicable, as the Severance Period); and
- accrued and unpaid annual base salary and vacation pay earned up to the date of termination; and
- continued participation for the Severance Period in those benefit plans generally available to the employees of the Corporation immediately prior to the termination of his employment. Those plans and programs currently consist of health care insurance and the Corporation’s defined contribution pension plan. If the terms and conditions of those benefits plans or the pension plan do not permit the continued participation of the executive or his dependents, as applicable, for any period between the date of termination and the expiry of the Severance Period, the Corporation will pay to the executive a lump sum payment equal to the premiums that the Corporation would have otherwise paid to maintain the participation of the executive or his dependents,

as applicable, in such benefits plans or the pension plan during such period.

#### Confidentiality, Non-competition and Non-solicitation Covenants

The respective employment agreements between the Corporation and Mr. Kellam and Mr. Lorimer each provide for confidentiality, non-solicitation and non-competition covenants in favour of the Corporation. The non-solicitation and non-competition covenants in Mr. Kellam's] and Mr. Lorimer's employment agreements apply during the term of their employment and, in the case of the non-competition and client non-solicitation covenants, for one year following their resignation or the termination of employment by the Corporation for any reason and, in the case of the employee and consultant non-solicitation covenant, for two years following either such event. In each case, those agreements also provide for a waiver by the executive of all defences related to the non-solicitation and non-competition covenants and entitle the Corporation to monetary damages that flow from breach of said covenants and injunctive relief in the event of such breach.

#### Other Executive Officers

We have generally provided separation benefits to executive officers who are asked to leave us for reasons other than cause. Those benefits are not contractual and are subject to approval by our Board of Directors. In determining the amount and extent of any separation benefits, we typically take into account factors such as length of service, individual accomplishments and performance, and the value of benefits forfeited through termination. Generally, separation benefits are not available for executive officers who voluntarily resign or retire. Our Board of Directors has not adopted any policy with respect to executive officer separation benefits, and there is no guarantee that any executive officer termination in the future will be handled in the same way as past terminations.

Certain of our other executive officers are, under the terms of their employment agreements, entitled to lump sum payments based on their annual compensation in the event of a voluntary termination of their employment with the Corporation following a change of control of the Corporation.

In the event of termination of employment, all of the Named Executive Officers are entitled to receive any benefits that they would otherwise be entitled to receive under any provision of our pension plan. Benefits under that plan are generally not affected by whether a participant's employment terminates with or without cause.

#### LTIP Payments Upon a Change of Control

Under the LTIP, in the event of a change of control of the Corporation, our Board of Directors or the Human Resources and Compensation Committee will have discretion to, among other things, accelerate the vesting of outstanding awards, settle outstanding awards in cash or exchange outstanding awards for similar awards of a successor company. A change of control will generally be deemed to have taken place for purposes of the LTIP upon the occurrence of any of the following, in one transaction or a series of related transactions:

- the acquisition by any person or persons acting jointly or in concert, whether directly or indirectly, of beneficial ownership of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all of the then outstanding voting securities of the Corporation;
- an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Corporation with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;
- the sale, lease, exchange or other disposition of all or substantially all of the property of the Corporation or any of its affiliates to another person, other than in the ordinary course of business of the Corporation or of an affiliate of the Corporation or to the Corporation or any one or more of its affiliates;
- the adoption of a resolution to wind-up, dissolve or liquidate the Corporation;

- as a result of, or in connection with, a contested election of directors of the Corporation, or an amalgamation, arrangement, reorganization, consolidation, share exchange, take-over bid or other form of business combination involving the Corporation or any of its affiliates and another person, the nominees named in the most recent management information circular of the Corporation for election to our Board of Directors do not constitute a majority of the board; or
- any other transaction that is deemed to be a “Change in Control” for the purposes of the LTIP by our Board of Directors in its sole and absolute discretion.

### Summary of Incremental Termination and Change of Control Payments

The following table describes the estimated incremental payments, payables and other benefits that would have been received by Mr. Cochrane or Mr. Lorimer if there had been a change of control of the Corporation or Mr. Cochrane’s or Mr. Lorimer’s employment with the Corporation had been involuntarily terminated as of December 31, 2020.

<u>Name</u>	<u>Voluntary Termination Following a Change of Control<sup>(1)</sup></u>	<u>Involuntary Termination of Employment<sup>(1)</sup></u>	<u>Voluntary Termination of Employment<sup>(1)</sup></u>
	(\$)	(\$)	(\$)
Gregory J. Cochrane	992,874	992,874	28,846
James E. Lorimer	792,133	792,133	13,462

Note:

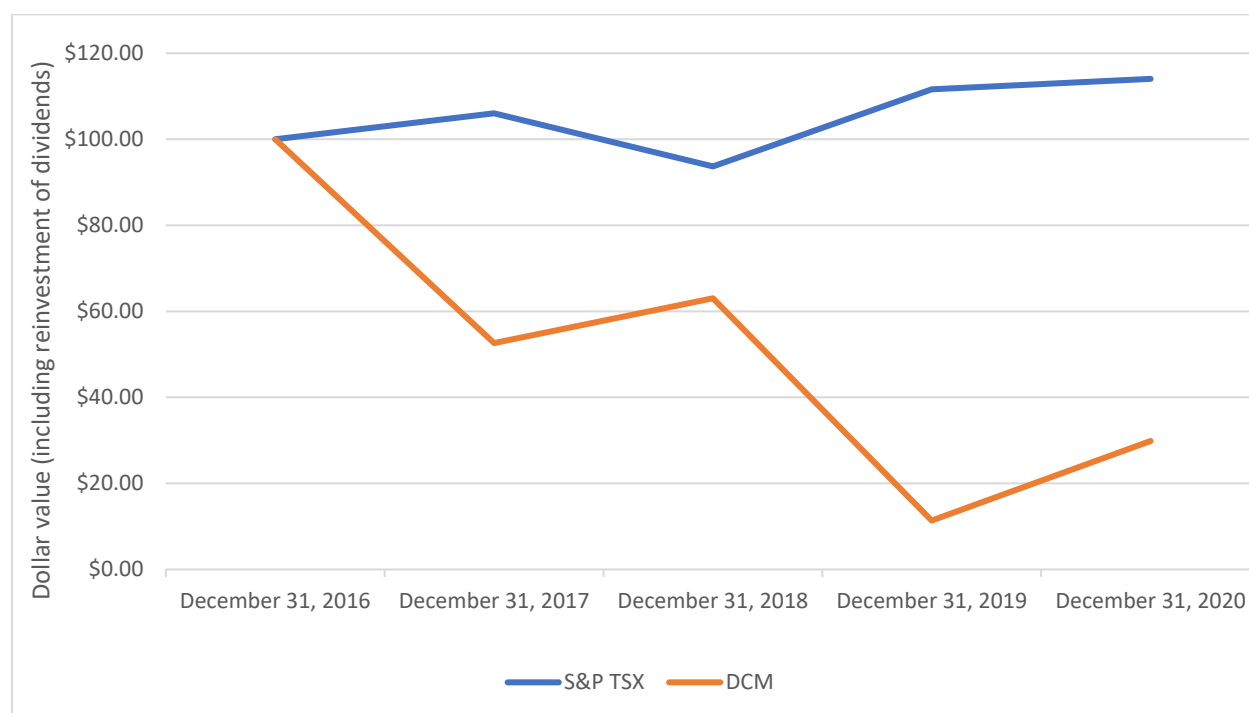
- (1) Includes lump sum payment or continuance of salary, performance bonus, LTIP payments, perquisites, and provision of benefits. Amounts calculated with respect to performance bonuses and LTIP payments include actual bonuses.

### Performance Graph

The following graph compares the percentage change in the cumulative or shareholder return on the Common Shares compared to the cumulative total return of the S&P/TSX Composite Index for the period commencing December 31, 2016 to December 31, 2020 based on the price of the Common Shares, as applicable, assuming a \$100 investment on December 31, 2015 and reinvestment of distributions or dividends, as applicable.

During 2017, the performance of the Common Shares declined relative to 2016, decreasing approximately 47% over that period. We believe that the depreciation in the value of the Common Shares was largely attributable to weaker financial results in the last two quarters of 2016, which continued with weaker financial results in the first quarter of 2017. In addition, the Corporation completed a rights offering at \$1.40 per Common Share, which contributed to a lower share price in mid 2017, which, together with the proceeds from additional debt and equity financings, enabled the Corporation to repay the remainder of its outstanding 6.00% convertible unsecured subordinated Debentures. As of December 29, 2017, base salary paid to our Named Executive Officers at that time increased on average by 7.3% to reflect the rate of inflation and maintain competitive salary levels. Total compensation (excluding severance related payments) paid to the Named Executive Officers at that time increased by 2.3% since 2016. The increase primarily related to incremental compensation associated with the separation of the CEO and President’s responsibilities into two separate positions and certain changes in senior personnel included in the calculation. As of December 29, 2018, base salary paid to our Named Executive Officers at that time increased on average by 30.4% and total compensation paid to the Named Executive Officers at that time increased by 31.4% since 2017 to reflect the additional roles added to the executive management team and was partially offset by the consolidation of the CEO and President’s responsibilities into one position in 2018. The increase in total compensation also included options to purchase Common Shares awarded to the Corporation’s executive management team in recognition of their contributions over the prior year. As of December 31, 2019, base salary paid to our Named Executive Officers at that time decreased on average by 18.4% and total compensation paid to the Named Executive Officers at that time decreased by 32.1% since 2018, reflecting the elections by Messrs Cochrane and Coté to reduce each of their respective annual base salaries by \$100,000 per annum in 2019. In addition, no performance-based bonus awards were paid in 2020 to the Named Executive Officers, which was partially offset by incremental payments to a former executive officer of the Corporation in connection with the termination of his employment with the Corporation during 2019. As of December 31, 2020, base salary paid to our Named Executive Officers at that time increased on average by 23.2% and total

compensation paid to the Named Executive Officers at that time increased on average by 14.8% since 2019, due in part to the inclusion of an additional Named Executive Officer in 2020.



Cumulative Value of \$100 Investment in the Common Shares<sup>(1)</sup> and the S&P/TSX Composite Index.

	<u>Dec. 31/2016</u>	<u>Dec. 31/2017</u>	<u>Dec. 31/2018</u>	<u>Dec. 31/2019</u>	<u>Dec. 31/2020</u>
<b>Nominal Data:</b>					
Common Shares	\$100	\$52.61	\$63.03	\$11.37	\$29.86
S&P/TSX Composite Index	\$100	\$106.03	\$93.69	\$111.62	\$114.04

## DIRECTOR COMPENSATION

The Corporate Governance Committee, which consists solely of independent directors, has the primary responsibility for reviewing and considering any revisions to director compensation.

Compensation of the Corporation's directors consists of the following elements:

- annual retainer of \$60,000 (other than the Chair of the Board of Directors), with half payable in cash and half payable in DSUs;
- annual retainer fee of \$90,000 for the Chair of the Board of Directors, with half payable in cash and half payable in DSUs;
- Audit Committee chair annual fee of \$15,000 and per member fees of \$5,000;
- Corporate Governance Committee chair annual fee of \$7,000 and per member fees of \$3,000;

- Human Resources and Compensation Committee chair annual fee of \$10,000 and per member fees of \$3,000; and
- each independent director must achieve, within three years of his or her election to the Board, or, if currently serving as a director, within three years of March 21, 2019, holdings of Common Shares and/or DSUs equal in value to three times the total value of his or her annual retainer amounts received for Board and committee service.

Each director is required to receive at least half of his or her annual retainer in DSUs and has the option to elect to receive all or part of his or her other compensation in DSUs.

The directors are entitled to receive reimbursement of reasonable out-of-pocket expenses incurred by them to attend Board of Directors meetings.

Directors continue to be offered the option to elect to receive all or part of their cash compensation in DSUs and any such DSUs will count towards achievement of their share ownership guidelines.

During 2020 and 2019, a total of 1,435,828 DSUs and 389,941 DSUs, respectively, were issued to directors. The number of DSUs issued to directors in 2019 were adjusted to 425,039, as a result of the rights offering completed by the Corporation in December 2019.

### Summary of Director Compensation

The following table below sets forth information concerning compensation paid to our directors in the fiscal year ended December 31, 2020, other than our former Chief Executive Officer, Gregory J. Cochrane, who received no compensation for his services as a director of the Corporation.

<u>Name</u>	<u>Fees earned</u>	<u>Share-based awards</u>	<u>Option-based awards</u>	<u>Non-equity incentive plan compensation</u>	<u>Pension value</u>	<u>All other compensation</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
William M. Albino	41,000	30,000	-	-	-	-	71,000
Merri L. Jones	38,000	30,000	-	-	-	-	68,000
James J. Murray	33,000	30,000	-	-	-	-	63,000
Michael G. Sifton	45,000	30,000	-	-	-	-	75,000
J.R. Kingsley Ward <sup>(1)</sup>	-	175,000	-	-	-	-	175,000
Derek Watchorn	-	72,000	-	-	-	-	72,000

Note:

(1) Includes an additional special dispensation fee of \$75,000.

## Incentive Plan Awards

### *Outstanding Share-based Awards and Option-based Awards*

The following table sets forth information regarding option-based awards and share-based awards to our directors that were outstanding at December 31, 2020, other than our former Chief Executive Officer, Gregory J. Cochrane, who received no compensation for his services as a director of the Corporation. All values shown in the table are based upon the closing price of the Common Shares of \$0.63 per share on December 31, 2020 (the last trading day on the TSX in 2020).

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not been vested <sup>(4)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
William M. Albino	43,600 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	165,052	103,989	-
Merri L. Jones	43,600 <sup>(3)</sup>	1.29 <sup>(3)</sup>	March 28, 2026	-	165,052	103,989	-
James J. Murray	43,600 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	189,695	119,508	-
Michael G. Sifton	544,321 <sup>(1)</sup> 43,600 <sup>(2)</sup>	1.38 <sup>(1)</sup> 1.29 <sup>(2)</sup>	June 23, 2023 March 14, 2025	- -	239,044 <sup>(5)</sup>	150,598	35,860
J.R. Kingsley Ward	43,600 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	840,491	529,509	-
Derek Watchorn	43,600 <sup>(2)</sup>	1.29 <sup>(2)</sup>	March 14, 2025	-	430,242	271,052	-

#### Notes:

- (1) The options held by Mr. Sifton at December 31, 2020 vested on the date of grant and were issued to Mr. Sifton when he served as the Chief Executive Officer of the Corporation. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2016 with an exercise price of \$1.50 per share was subsequently adjusted to an exercise price of \$1.38 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09 as a result of the rights offering completed by the Corporation in December 2019.
- (2) The options held by the director at December 31, 2020 vest over a three-year period from the date of grant at the rate of 1/36<sup>th</sup> per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2018 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09 as a result of the rights offering completed by the Corporation in December 2019.
- (3) The options held by the director at December 31, 2020 vest over a three-year period from the date of grant at the rate of 1/36<sup>th</sup> per month. Pursuant to the anti-dilution terms of the LTIP, the exercise price of these stock options granted in 2019 with an exercise price of \$1.41 per share was subsequently adjusted to an exercise price of \$1.29 per share, in connection with the rights offering completed by the Corporation in December 2019. In addition, the number of options outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09 as a result of the rights offering completed by the Corporation in December 2019.
- (4) Pursuant to the anti-dilution terms of the LTIP, the number of RSUs and DSUs outstanding at December 31, 2020 have been adjusted by a factor of 1:1.09, as a result of the rights offering completed by the Corporation in December 2019.
- (5) At December 31, 2020, there were 165,062 DSUs and 73,982 RSUs issued and unvested to Mr. Sifton. The RSUs were issued to Mr. Sifton when he served as the Chief Executive Officer of the Corporation.

### *Value Vested or Earned During the Year*

The following table discloses the aggregate dollar value that would have been realized if the options granted to our directors, other than our Chief Executive Officer, had been exercised on the applicable vesting date and the aggregate value realized upon vesting of share-based awards, in each case during the year ended December 31, 2020. Our former

Chief Executive Officer, Gregory J. Cochrane, received no compensation for his services as a director of the Corporation.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)
William M. Albino	9,010	-
Merri L. Jones	7,557	-
James J. Murray	9,010	-
Michael G. Sifton	9,010	35,860 <sup>(1)</sup>
J.R. Kingsley Ward	9,010	-
Derek Watchorn	9,010	-

Note:

(1) The value of RSUs vested during the year relate to awards granted to Mr. Sifton when he served as the Chief Executive Officer of the Corporation.

### EMPLOYEE SHARE OWNERSHIP INCENTIVE PLAN

The Board of Directors and senior executives of the Corporation believe that share ownership is a fundamental element of aligning the interests of our senior executives and other employees with the interest of our shareholders as a whole. The Board of Directors approved an employee share ownership plan, or ESOP, on March 21, 2019 and the plan was launched to all employees across all business units of the Corporation in May 2019.

The ESOP is available to all full-time employees and has been designed to encourage all employees to become shareholders, providing them the opportunity to enhance their earnings potential and build long-term wealth. We believe our ESOP is an innovative form of long-term incentive compensation plan for our employees and that it represents a compelling means of also attracting, motivating and retaining talent. The same terms of participation are offered to all employees irrespective of their position.

Under the terms of the ESOP, upon the earlier of commencement of the plan, or upon joining the Corporation, all full-time employees may contribute up to a maximum of ten per cent, and a minimum of one per cent, of their base salary through regular payroll deductions to acquire Common Shares at the then-current market value. Employee contributions are matched by the Corporation with a 25% matching contribution, up to a maximum of a \$1,000 (an increase from \$750 in 2019 and 2020) contribution by the Corporation per employee per year. The Corporation's matching contributions vest immediately, and Common Shares held in the ESOP are not subject to any contractual trading restrictions or other vesting requirements. Employees may contribute to any or all of an RRSP, TFSA or individual account, and may make changes in their contribution rates at any time. Employees may transfer, withdraw, or sell Common Shares at any time, subject to certain limitations applicable to designated insiders during trading blackouts under the Corporation's insider trading policy. Common Shares acquired by ESOP participants are held in trust accounts administered by our third party ESOP service provider until such time as an Employee wishes to transfer or sell his or her Common Shares.

Under the terms of the ESOP, Common Shares are acquired on behalf of employees through open market purchases as soon as reasonably practicable. Common Shares are not issued from treasury under the ESOP.

Upon ceasing employment for any reason, employees are entitled to sell or transfer all of their acquired Common Shares under the ESOP, but will cease to be eligible to continue their participation in the ESOP.

During 2020, a total of 1,808,718 Common Shares were purchased by employees pursuant to the ESOP and the Corporation, through its matching contributions, purchased a total of 1,272,851 Common Shares on behalf of its employees. As at April 30, 2021, a total of 2,474,936 Common Shares were held in the ESOP on behalf of employees, including the Named Executive Officers.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information<sup>(2)</sup>

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u> (a)	<u>Weighted-average exercise price of outstanding options, warrants and rights</u> (b)	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</u> (c)
Equity compensation plans approved by securityholders <sup>(1)</sup>	4,087,486	0.94	1,185,131 <sup>(3)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil

Notes:

- (1) Under the terms of the LTIP, the number of Common Shares available for issuance under the LTIP is equal to 10% of the Common Shares outstanding from time to time. See “Long-Term Incentive Compensation - LTIP”.
- (2) The information in this table is given as at April 30, 2021.
- (3) Notwithstanding the terms of the LTIP referred to in note (1) above, 878,769 of these securities are options which do not comprise the 10% of the Common Shares made available for issuance under the LTIP.

### Burn Rate and Alignment of our Executive Officers and Directors with Shareholders

Stock options and other forms of equity-based compensation are an integral component of DCM’s LTIP and its executive compensation program, which enhances our ability to attract, retain and appropriately motivate the Company’s key employees who drive long-term shareholder value creation. The Human Resources and Compensation Committee and the Board of Directors take into consideration the Corporation’s effective management of share usage under the LTIP to avoid excessive shareholder dilution. In 2020, no stock options were granted under the LTIP, which resulted in a burn rate of 0%. In 2019, stock options to acquire up to 40,000 Common Shares were granted under the LTIP, which resulted in a burn rate of 0.2%. In 2018, stock options to acquire up to 1,200,000 Common Shares were granted under the LTIP, which resulted in a burn rate of 6%. These stock option grants represent an average burn rate for the three-year period from 2018 to 2020 of 2.0%. In addition, all RSUs granted under the LTIP during 2018, 2019 and 2020 are intended to be cash settled upon vesting and, as such, are non-dilutive to shareholders. In addition, all DSUs granted under the LTIP during 2020 are intended to be cash settled upon vesting and, as such, are non-dilutive to shareholders.

Based on our historically judicious use of available shares under the LTIP and the fact that continuing to offer equity-based awards is important to our ability to continue to attract, retain and motivate talented executive officers and employees, the Human Resources and Compensation Committee has determined that the number of stock options awarded under the LTIP is reasonable and appropriate.

The Human Resources and Compensation Committee and Board of Directors also believe that share ownership by directors and senior officers, as well as all employees, is a critical element to align the management and direction of DCM with shareholders’ long-term objectives. To our knowledge, as at May 17, 2021, our directors and officers beneficially owned, or exercised control or direction over, directly or indirectly, a total of 11,690,767 Common Shares, representing 26.6% of our outstanding Common Shares before giving effect to the exercise of any options and warrants held by such individuals.



## INDEBTEDNESS OF DIRECTORS AND OFFICERS

Except as set out below, none of our directors, officers or employees, any proposed nominee for election as a director of the Corporation, nor any associate of any such person, is indebted to the Corporation or any of its subsidiaries.

### AGGREGATE INDEBTEDNESS (\$)

<u>Purpose</u>	<u>To the Corporation or its subsidiaries</u>	<u>To another entity</u>
(a)	(b)	(c)
Share Purchases	111,034	-
Other	-	-

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No proposed director of the Corporation, or any associate or affiliate of any such person, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation (other than voting securities held by such person or company as underwriter in the course of a distribution), other than Michael G. Sifton (see “General Proxy Matters, Principal Shareholders”). Nor does any associate or affiliate of any such person, have any material interest, direct or indirect, in any transaction since January 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

We maintain a policy of insurance for our directors and officers. The aggregate limit of liability applicable to all insureds under the policy is \$25 million, inclusive of defence costs, with an additional \$5 million through an Excess Side A “Difference in Condition” coverage policy. The aggregate limit of liability insures the directors and officers, the Corporation and any subsidiaries. The policy also includes securities claims coverage for DCM, insuring against any legal obligation to pay on account of any securities claims brought against DCM. Coverage under the policy is subject to a deductible of \$100,000 for each loss where the Corporation provides indemnification.

## ADDITIONAL INFORMATION

Copies of the following documents are available upon written request to the Secretary of the Corporation, 9195 Torbram Road, Brampton, Ontario, Canada L6S 6H2 or by calling 905-791-3151 or by emailing [ir@datacm.com](mailto:ir@datacm.com).

- (i) our most recent annual report to shareholders containing the audited consolidated financial statements together with the accompanying auditor’s report;
- (ii) our most recent interim consolidated financial statements;
- (iii) our most recent annual management’s discussion and analysis;
- (iv) this Circular; and
- (v) our annual information form.

Additional information relating to the Corporation can be found at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation is provided in our comparative financial statements and management's discussion and analysis of financial conditions and results of operations.

Our auditors are PricewaterhouseCoopers LLP. Our most recent annual consolidated financial statements have been filed under National Instrument 51-102 – *Continuous Disclosure Obligations* in reliance on the report of PricewaterhouseCoopers LLP, given on their authority as experts in auditing and accounting. PricewaterhouseCoopers LLP has confirmed to us that it is independent within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

## **DIRECTORS' APPROVAL**

The contents and the sending of this management information circular dated May 17, 2021 have been approved by our board of directors.

Dated as of May 17, 2021.

A handwritten signature in black ink, appearing to read "J.R. Kingsley Ward".

J.R. Kingsley Ward  
Chair of the Board of Directors  
DATA Communications Management Corp.

## APPENDIX "A"

### DATA COMMUNICATIONS MANAGEMENT CORP.

#### BOARD OF DIRECTORS

#### CHARTER

WHEREAS the board of directors (the "**Board**") of DATA Communications Management Corp. (the "**Corporation**") has determined that it would be appropriate for the Board to adopt a written mandate in the form of a charter ("**Charter**") describing its responsibilities and duties in relation to oversight of the business and affairs of the Corporation and committees of the Board;

AND WHEREAS the Board is appointed by and represents the shareholders of the Corporation and is obligated to act in the best interests of the Corporation;

#### PROCEDURAL MATTERS

Members of the Board will serve at the pleasure of the shareholders of the Corporation and the shareholders of the Corporation will elect the Board annually.

The Board may appoint such committees from time to time as it considers appropriate in compliance with applicable laws to act on behalf of the Board or make recommendations to the Board with respect to matters to be decided by the Board. If such committees are intended as permanent committees, they will have a charter that defines their responsibilities in relation to the Board and the extent of delegated powers to such committees. The functions of the Board, subject to applicable laws, may be delegated to its committees except where provided otherwise herein.

At least a majority in number of the directors will be independent. The Corporate Governance Committee of the Board will make recommendations from time to time to the Board as to an appropriate determination of what constitutes an independent director and the Board will annually determine the independent status of each director.

The Board will choose a director annually to act as Chair of the Board (the "**Chair**") who will qualify as an independent director. The Board will provide the Chair with a written mandate.

Members of the Board will be entitled to receive such remuneration for acting as members of the Board as may be determined from time to time by the Board on the recommendations of the Corporate Governance Committee of the Board.

The Board will, from time to time, evaluate its effectiveness and the effectiveness of its committees with respect to its (and their) contribution to the Corporation and the Board's representation of the Corporation's shareholders. The Board will meet *in camera* at each regularly scheduled meeting of the Board and at such other times as the Board may determine for such purpose and for such other purposes as the Board may determine.

The Board will consider from time to time its resources, including the adequacy of the information provided to it with respect to oversight of the management of the Corporation and will confer with management with respect to its findings.

The functions referred to in sections B1(a), (b), (d), (e), (g), (i), 2 and 3(a) and (b) below will not be delegated.

## FUNCTIONS

### **General Responsibilities**

The primary responsibility of the directors is to exercise their business judgment to act in a manner they reasonably believe is in the best interests of the Corporation and in a manner consistent with their fiduciary duties. In fulfilling that responsibility, directors may ask such questions and conduct such investigations as they deem appropriate, and may reasonably rely on the information provided to them by the Corporation's management and outside advisors and auditors.

The Board provides oversight, counseling and direction to the management of the Corporation in the best interests of the Corporation.

In doing so, the Board will establish a productive working relationship with the Chief Executive Officer and other officers of the Corporation. On advice from the Corporate Governance Committee of the Board, the Board will approve the appointment of any person who is to hold an officer position of the Corporation. The Board will receive regular reports from the Chief Executive Officer and Chief Financial Officer of the Corporation on the Corporation's financial performance.

The officers of the Corporation, headed by the Chief Executive Officer, will be responsible for general day to day management of the Corporation and for making recommendations to the Board with respect to long term strategic, financial, organizational and related objectives.

The detailed responsibilities of the Board are intended to primarily focus on the formulation of long-term strategic, financial and organizational goals for the Corporation. Without limitation, the Board will (i) review and approve the Corporation's financial objectives, annual strategic plan and short and long-term financial plans and monitor performance in accordance with such plans, (ii) assess the principal risks of the Corporation's investments and ensure appropriate systems are in place to manage such risks, (iii) oversee the communications policies of the Corporation and (iv) monitor the effectiveness of the Corporation's internal control and management information systems to safeguard the Corporation's assets.

The Board will also approve:

- dividends for each dividend period in accordance with applicable laws;
- significant capital allocations and expenditures;
- review and approve all material transactions; and
- all matters that would reasonably be expected to have a material impact on shareholders, creditors or employees of the Corporation.

The Board will oversee ethical behaviour and compliance with applicable laws (which includes overseeing the choice of critical accounting principles on recommendations from the Audit Committee of the Board).

With respect to significant risks and opportunities affecting the Corporation, the Board may impose such limits on the investment activity of the Corporation as may be in the interests of the Corporation and its shareholders.

The Board will annually consider what additional skills and competencies would be helpful to the Board. The identification of specific candidates for consideration will be the responsibility of the Corporate Governance Committee of the Board which will be guided by the findings of the Board in relation to competencies and skills. The Board will approve any proposed changes in compensation to be paid to members of the Board on the recommendation of the Corporate Governance Committee of the Board.

The Board will monitor the effectiveness of the Corporation's corporate governance practices and approve any necessary changes, taking into account the recommendations of the Corporate Governance Committee of the Board.

The Board will perform such other functions as are prescribed by applicable law and as it may from time to time determine in accordance with the plenary powers of the Board.

### **Relationship with Committees**

The Board will assess the charters of its committees every two years.

The Board will annually appoint a member of each committee to act as chair of the committee on the advice of the chair and the Corporate Governance Committee of the Board.

The Board will receive periodic reports from its committees following committee meetings and, annually, a report from each committee as to the work undertaken by the committee and the committee's recommendations, if any, for change with respect to its responsibilities and effectiveness.

### **Financial Reporting and Significant Disclosure Documents**

The Board will review on an ongoing basis the financial and underlying operational performance of the Corporation.

The Board will review and approve the Corporation's annual information form, any annual report and annual related financial statements and annual management discussion and analysis disclosure. In doing so, the Board will consider the quality and usefulness of the information from the perspective of its shareholders.

The Board has responsibility for reviewing and approving for release quarterly financial statements and related management discussion and analysis disclosure.

The Board will periodically review the means by which shareholders can communicate with the Corporation including the opportunity to do so at the Corporation's annual meeting of shareholders, communications interfaces through the Corporation's website and the adequacy of resources available within the Corporation to respond to shareholders.

### **RESOURCES, MEETINGS AND REPORTS**

The Board will have adequate resources to discharge its responsibilities. Management of the Corporation is responsible for ensuring that directors receive the right information to perform their duties on a timely basis. The Chair has the authority to retain, at the Corporation's expense, and terminate independent legal, financial, consulting and other advisors, consultants and expert to advise the Chair and, or, the Board with respect to his, her or its duties and responsibilities, including the authority to retain and to approve any such firm's fees and other retention terms, without prior approval of the Board.

The Board will meet not less than four times per year. The Board and its committees may, at their election, meet independently of management of the Corporation at any time. The meetings of the Board will ordinarily include the Chief Executive Officer (if he or she is not a director) and the Secretary and will periodically include other senior officers of the Corporation as may be appropriate and as may be desirable to enable the Board to become familiar with the Corporation's management team.

Information that is important to the Board's understanding of the business of a meeting of the Board and the meeting agenda items should be distributed to the Board sufficiently in advance of such meetings in order that directors may properly inform themselves on matters to be acted upon before the Board meets. Supplemental materials will be provided to the Board on a periodic basis and at any time upon request of Board members.

The Secretary will keep minutes of its meetings in which will be recorded all actions taken by the Board. Such minutes will be made available to Board members at their request and all such minutes will be approved by the Board for entry in the records of the Corporation.

Members of the Board will have the right, for the purposes of discharging their respective duties and responsibilities, to inspect any relevant records of the Corporation and its subsidiaries.

Members of the Board, subject to approval of the chair of the Corporate Governance Committee of the Board, may retain, at the expense of the Corporation, separate independent counsel to deal with issues relating to their duties and responsibilities as members of the Board.

