

**NOTICE OF MEETING
&
MANAGEMENT INFORMATION CIRCULAR**

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on May 4, 2022



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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Shareholders of Algoma Central Corporation (the “**Company**”) will be held virtually via a live webcast available at www.virtualshareholdermeeting.com/ALC2022, on Wednesday, May 4, 2022 at the hour of 11:30 a.m. (EDT) for the following purposes:

1. to receive the annual financial statements for the year ended December 31, 2021 and the report of the auditors thereon (the “**Financial Statements**”) (see the “*Business of the Meeting – Receipt of Financial Statements and Auditor’s Report*” section in the Management Information Circular [the “**Circular**”]);
2. to elect directors (see the “*Business of the Meeting – Election of Directors*” section in the Circular);
3. to appoint an auditor and authorize the directors of the Company to fix their remuneration and the terms of their engagement (see the “*Business of the Meeting – Appointment of an Auditor*” section in the Circular); and,
4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Virtual Meeting

Our Board of Directors considers the appropriate format for our annual meeting of shareholders on an annual basis. Similar to last year, we have again taken into account the ongoing impact of COVID-19, which has heightened public health and travel concerns for in-person annual meetings. Accordingly, we are pleased to continue to embrace the latest technology to provide expanded access, improved communication, and cost savings for our shareholders and the Company. Our virtual format allows registered shareholders and duly appointed proxyholders to submit questions and comments and to vote during the meeting. We believe the virtual meeting format provides our shareholders with an equal opportunity to engage with us no matter where they live in the world, and is accessible and available on any internet-connected device, be it a phone, a tablet, or a computer. We believe the benefits of a virtual meeting allow our shareholders to have robust engagement with the Company, and is in the best interests of our shareholders.

Notice-and-Access

This year, the Company will continue its use of the “notice-and-access” mechanism of delivering materials to both registered and non-registered shareholders in connection with the Meeting. As such, the Company has posted electronic copies of the Circular and Annual Report (which comprises the Financial Statements along with the related management’s discussion and analysis) (collectively, the “**Meeting Materials**”) on the Company’s website at www.algonet.com/investor-relations/ and on the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com, instead of printing and mailing out paper copies, as permitted by the Canadian securities regulators. Notice-and-access allows issuers to post electronic versions of proxy-related materials online via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders. All shareholders may request that a paper copy of the Meeting Materials be sent to them at no cost by calling 1-905-687-7894 or 1-888-999-1883 (toll free in North America), or by sending an email to investorrelations@algonet.com. Requests may be made up to one year from the date the Meeting Materials were filed on SEDAR.

Shareholders with questions about notice-and-access can call the Company’s transfer agent, TSX Trust Company (Canada), toll free at 1-800-387-0825 (1-416-682-3860 if outside Canada and the US).

SHAREHOLDERS ARE REMINDED TO REVIEW THE MEETING MATERIALS PRIOR TO VOTING AS THE MEETING MATERIALS HAVE BEEN PREPARED TO HELP YOU MAKE AN INFORMED DECISION.

How to Vote

How to Vote

Your vote is important. As a shareholder, it is very important that you read the Meeting Materials carefully and then vote your common shares of the Company. You are eligible to vote your common shares if you were a shareholder of record of the Company at the close of business (5:00 p.m. (EDT)) on March 18, 2022. If you held common shares of the Company as of the close of business on such date, you have the right to cast one vote per common share owned on any resolution to be voted upon at the Meeting. You may vote virtually or by proxy; however, we encourage you to vote by proxy. Our goal is to secure as large a representation as possible of shareholders at the meeting. You may vote by proxy in any of the ways noted in the Circular and in your form of proxy or voting instruction form.

To participate in the virtual Meeting, shareholders will need to visit www.virtualshareholdermeeting.com/ALC2022 and log-in using the 16-digit control number included either on your proxy form (registered shareholders) or voting instruction form (non-registered shareholders), as applicable. Registered shareholders and duly appointed proxyholders will have an equal opportunity to attend, participate and vote at this virtual Meeting from any location. Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholders may also attend the Meeting virtually and ask questions but will not be able to vote. Guests will be able to attend virtually and listen to the Meeting but will not be able to vote or ask questions during the Meeting. A summary of the information shareholders will need in order to attend, participate and vote at the Meeting is provided in the *How to Vote* section of the Circular.

Whether or not they are able to attend the virtual meeting, registered shareholders and non-registered shareholders are encouraged to vote in advance of the Meeting.

Registered Shareholders: If you are a registered shareholder of the Company and you are unable to attend the Meeting virtually but wish to ensure that your shares will be voted at the Meeting, you are asked to return the accompanying form of proxy to Broadridge using one of the methods set out in the

form of proxy not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting or an adjournment or postponement thereof, to be used at the Meeting or an adjournment or postponement thereof.

Non-Registered Shareholders: If your shares are held in an account with a brokerage firm or an intermediary thereof, you are not a registered shareholder of the Company. If you have received the Meeting Materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your shares will be voted at the Meeting. To be effective, your voting instructions must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting or an adjournment or postponement thereof, to be used at the Meeting or an adjournment or postponement thereof.

Virtual Meeting and Technical Requirements

The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 11:30 a.m. (EDT) on Wednesday, May 4, 2022. Online check-in will begin starting 15 minutes prior, at 11:15 a.m. (EDT). You should allow ample time for online check-in procedures. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page. The webcast Meeting allows registered shareholders and duly appointed proxyholders to attend the Meeting live, submit questions and submit their votes while the Meeting is being held if they have not done so in advance of the Meeting. Guests will be able to attend the Meeting through the live webcast only, by joining as a guest at www.virtualshareholdermeeting.com/ALC2022. Guests will not be able to submit questions or vote.

Dated at Toronto, Ontario February 25, 2022.

On behalf of the board of directors,

A handwritten signature in black ink, appearing to read "J. Wesley Newton". The signature is cursive and somewhat stylized.

J. Wesley Newton, Secretary

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “**Circular**”) is for the Algoma Central Corporation (the “**Company**”) Annual General Meeting of Shareholders (the “**Meeting**”) to be held in a virtual-only format via a live webcast available at www.virtualshareholdermeeting.com/ALC2022 on Wednesday, May 4, 2022 at the hour of 11:30 a.m. (EDT). Provided you are a shareholder as of the Record Date (defined below) you have the right to vote your common shares of the Company (the “**Common Shares**”) for approval of the matters set forth in the Notice of Meeting.

To help you make an informed decision, please read this Circular and the Annual Report (which includes the financial statements for the year ended December 31, 2021 (the “**Financial Statements**”) with the related management’s discussion & analysis (“**MD&A**”) (together the “**Annual Report**”). This Circular gives you important information about the Company and the matters to be dealt with at the Meeting. All currency amounts referred to in this Circular are expressed in Canadian dollars, unless stated otherwise.

Our Board of Directors considers the appropriate format for our annual meeting of shareholders on an annual basis. Similar to last year, we have again taken into account the ongoing impact of COVID-19, which has heightened public health and travel concerns for in-person annual meetings. Accordingly, we are pleased to continue to embrace the latest technology to provide expanded access, improved communication, and cost savings for our shareholders and the Company. Our virtual format allows registered shareholders and duly appointed proxyholders to submit questions and comments and to vote during the meeting. We believe the virtual meeting format provides our shareholders with an equal opportunity to engage with us no matter where they live in the world, and is accessible and available on any internet-connected device, be it a phone, a tablet, or a computer. We believe the benefits of a virtual meeting allow our shareholders to have robust engagement with the Company, and is in the best interests of our shareholders.

Record Date and Quorum

The record date for determining the shareholders entitled to receive notice of and vote at the Meeting is the close of business (5:00 p.m. (EDT)) on March 18, 2022 (the “**Record Date**”). If you held Common Shares as of the close of business on the Record Date, you have the right to cast one vote per Common Share owned on any resolution to be voted upon at the Meeting.

Pursuant to the by-laws of the Company, and subject to the *Canada Business Corporations Act* (“**CBCA**”), a quorum for the transaction of business at any meeting of shareholders is two persons present or by proxy who hold or represent by proxy not less than 10% of the issued and outstanding Common Shares entitled to vote at such meeting.

PROXY RELATED MATTERS

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Company for use at the Meeting for the purposes set forth in the Notice of Meeting. It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited by telephone by employees of the Company or by persons retained by the Company for that purpose. The total cost of such solicitation will be borne by the Company.

Notice-and-Access

This year, the Company will continue its use of the “notice-and-access” mechanism of delivering materials to both registered and non-registered shareholders in connection with the Meeting. As such, the Company has posted electronic copies of the Circular and Annual Report on the Company’s website at www.algonet.com/investor-relations/ and on the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com, instead of printing and mailing out paper copies, as permitted by the Canadian securities regulators. Notice-and-access allows issuers to post electronic versions of proxy-related materials online via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders.

Shareholders with questions about notice-and-access can call the Company’s transfer agent, TSX Trust Company (Canada) (“**TSX**”), toll free at 1-800-387-0825 (1-416-682-3860 if outside Canada and the US).

The Company will pay the reasonable costs incurred by persons who are registered but not beneficial owners of Common Shares (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice of Meeting, the Circular and form of proxy to beneficial owners of such Common Shares. The Company will furnish to such persons, without cost, upon request to the Company at Suite 600, 63 Church Street, St. Catharines, ON, L2R 3C4, additional copies of the Notice of Meeting, the Circular and form of proxy for this purpose. Executed forms of proxy may be mailed to Broadridge Investor Communications Corporation, Attention: Data Processing Centre, P.O. Box 3700, STN Industrial Park, Markham, ON, L3R 9Z9 or refer to the “How to Vote” section below for alternate options.

How to Obtain Paper Copies of the Meeting Materials

All shareholders may request that a paper copy of the Circular and Annual Report (the “**Meeting Materials**”) be sent to them at no cost by contacting the Company. Requests may be made up to one year from the date the Meeting Materials were filed on SEDAR by calling 1-905-687-7894 or 1-888-999-1883 (toll free in North America), or sending an email to investorrelations@algonet.com.

A paper copy of the Meeting Materials will be mailed to you within three business days of receiving your request, if the request is made at any time prior to the Meeting. We estimate that your request for Meeting Materials will need to be received on or before April 20, 2022 in order to receive your paper copies in advance of the deadline for submission of form of proxies and/or voting instruction forms in respect of the Meeting.

How to Vote

There are two ways to vote: (1) by proxy before the Meeting; or (2) online during the Meeting. How you can vote depends on whether you are a registered or non-registered (beneficial) shareholder. More details can be found in the following tables.

IMPORTANT NOTE: If you have already voted, do not vote again online during the Meeting unless you want to change your vote. If you vote again using the online ballot, your online vote during the Meeting will revoke your previously submitted proxy.

We encourage you to vote by proxy before the Meeting. Our goal is to secure as large a representation of shareholders as possible at the Meeting.

REGISTERED SHAREHOLDERS

Registered Shareholders are encouraged to vote in advance of the Meeting using the methods described below. Even if you currently plan to participate in the virtual Meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the meeting for any reason.

By proxy prior to the Meeting



You can vote in any of the following ways:

Telephone

You may enter your voting instructions by telephone at 1-800-474-7493 (English) or 1-800-474-7501 (French). You will need your 16-digit control number located on your form of proxy.



Online

Vote at www.proxyvote.com using your computer or mobile data device with your 16-digit control number located on your form of proxy.



Mail

Complete, sign, date and return the form of proxy in the prepaid envelope provided to:

Broadridge Investor Communications Corporation
Attention: Data Processing Centre
P.O. Box 3700 STN Industrial Park
Markham, Ontario
L3R 9Z9

Broadridge must receive your proxy form on or before 11:30 a.m. (EDT) on May 2, 2022 or 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of any postponed or adjourned Meeting for identification.

By attending and voting at the virtual Meeting

To participate in the Meeting, shareholders will need to visit www.virtualshareholdermeeting.com/ALC2022 and log-in using the 16-digit control number included on your proxy form, as applicable. The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting.

The Meeting will begin promptly at 11:30 a.m. (EDT) on May 4, 2022. Online check-in will begin 15 minutes prior, at 11:15 a.m. (EDT). You should allow ample time for online check-in procedures. If you encounter any difficulties accessing the virtual Meeting during the check-in or Meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page. The Meeting allows registered shareholders and duly appointed proxyholders to attend the Meeting live, submit questions and submit your vote while the Meeting is being held if you have not done so in advance of the Meeting.

If you would like to attend the Meeting as a guest

Guests will be able to attend the Meeting through the live webcast only, by joining the webcast as a guest via www.virtualshareholdermeeting.com/ALC2022. Guests will not be able to submit questions or vote.

Appointee instructions

You are encouraged to appoint yourself or such other person (other than the named proxyholders) online at www.proxyvote.com as this will reduce the risk of any mail disruptions in the current environment and will allow you to share the Appointee Information you have created with any other person you have appointed to represent you at the Meeting more easily. If you do not designate the Appointee Information when completing your proxy form or if you do not provide the exact Appointee Identification Number and Appointee Name to any other person (other than the named proxyholders) who has been appointed to access and vote at the Meeting on your behalf, that other person will not be able to access the Meeting and vote on your behalf.

You **MUST** provide your Appointee the **EXACT NAME** and **EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER** to access the Meeting. Appointees can only be validated at the Virtual Shareholder Meeting using the **EXACT NAME** and **EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER** you enter.

IF YOU DO NOT CREATE AN EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER, YOUR APPOINTEE WILL NOT BE ABLE TO ACCESS THE VIRTUAL MEETING.

Deadline for returning your form

Registered shareholders are asked to return their accompanying form of proxy to Broadridge Investor Communications Corporation using one of the methods set out above no later than **11:30 a.m. (EDT) on May 2, 2022**, or in the case of any adjournment or postponement of the Meeting at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned or postponed Meeting.

NON-REGISTERED (BENEFICIAL) SHAREHOLDERS

You are a non-registered shareholder if your shares are registered in the name of an intermediary such as a bank, trust company, trustee, investment dealer, clearing house or other institution (intermediary).

Non-registered Shareholders are encouraged to vote in advance of the Meeting using the methods described below. Even if you currently plan to participate in the virtual Meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason.

By proxy prior to the Meeting



You can vote in any of the following ways:

Telephone

You may enter your voting instructions by telephone at 1-800-474-7493 (English) or 1-800-474-7501 (French). You will need your 16-digit control number located on your voting instruction form.



Online

Using your 16-digit control number located on your Voting Instruction Form, proceed to www.proxyvote.com or scan the QR code to access the website, and vote using your computer or mobile device.



Mail

The voting instruction form may be returned by mail using the prepaid envelope provided to:

Broadridge Investor Communications Corporation
Attention: Data Processing Centre
P.O. Box 3700 STN Industrial Park
Markham, ON L3R 9Z9

Broadridge must receive your voting instruction form from your intermediary on or before 11:30 a.m. (EDT) on May 2, 2022 or 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of any postponed or adjourned Meeting for identification.

By Attending and voting at the virtual Meeting

To participate in the Meeting, non-registered shareholders will need to visit www.virtualshareholdermeeting.com/ALC2022 and login using the 16-digit control number included on their voting instruction form. The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting.

The Meeting will begin promptly at 11:30 a.m. (EDT) on Wednesday May 4, 2022. Online check-in will begin 15 minutes prior, at 11:30 a.m. (EDT). You should allow ample time for online check-in procedures. If you encounter any difficulties accessing the virtual Meeting during the check-in or Meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page. The Meeting allows registered shareholders and duly appointed proxyholders to attend the Meeting live, submit questions and submit your vote while the Meeting is being held if you have not done so in advance of the Meeting.

If you would like to attend the Meeting as a guest

Guests will be able to attend the Meeting through the live webcast only, by joining the webcast as a guest at via www.virtualshareholdermeeting.com/ALC2022. Guests will not be able to submit questions or vote.

Appointee instructions

You are encouraged to appoint yourself or such other person (other than the named proxyholders) as proxyholder online at www.proxyvote.com as this will reduce the risk of any mail disruptions in the current environment and will allow you to share the Appointee Information you have created with any other person you have appointed to represent you at the Meeting more easily. If you do not designate the Appointee Information when completing your Voting Instruction Form or if you do not provide the exact Appointee Identification Number and Appointee Name to any other person (other than the named proxyholders) who has been appointed to access and vote at the Meeting on your behalf, that other person will not be able to access the Meeting and vote on your behalf.

You **MUST** provide your Appointee the **EXACT NAME** and **EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER** to access the Meeting. Appointees can only be validated at the Virtual Shareholder Meeting using the **EXACT NAME** and **EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER** you enter.

IF YOU DO NOT CREATE AN EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER, YOUR APPOINTEE WILL NOT BE ABLE TO ACCESS THE VIRTUAL MEETING.

Deadline for returning your form

Your intermediary must receive your voting instructions with enough time to act on your instructions. Check the form for the deadline for submitting your voting instructions. If you are mailing your voting instruction form, be sure to allow enough time for the envelope to be delivered.

For any questions regarding the Meeting or a shareholder's ability to participate or vote at the Meeting or for any technical difficulties experienced during the check-in process or during the Meeting, please contact Broadridge at proxy.request@broadridge.com.

Submitting Questions

Following the formal part of the Meeting, we will hold a live Q&A session to answer any questions submitted through the live webcast during the Meeting. All Shareholders or duly appointed proxyholders may ask questions. Guests will not be entitled to submit questions at the Meeting. To ask a question during the Meeting, you may do so in writing through the live webcast at www.virtualshareholdermeeting.com/ALC2022. After logging-in, type your question into the "Ask a Question" field and click "Submit". Guests will not be able to submit questions during the Meeting. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as in past years when the annual shareholders' meeting was held in person.

To ensure the Meeting is conducted in a manner that is fair to all shareholders, the Chair of the Meeting may exercise broad discretion in responding to the questions, including the order in which the questions are answered, the grouping or editing of the questions and the amount of time devoted to any question. In order to ensure as many questions as possible are addressed at the Meeting, shareholders and proxyholders are encouraged to be brief and concise and to address only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related may be grouped, summarized and answered together. All shareholder questions are welcome; however, we do not intend to address questions that (a) are irrelevant to the business of the Meeting or to the Company's operations; (b) are related to personal grievances; (c) are related to non-public information about the Company; (d) constitute derogatory references to individuals or that are otherwise offensive to third parties; (e) are repetitious or have already been asked by other shareholders; (f) are in furtherance of a shareholder's personal or business interest; or (g) are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment. If we cannot answer a question during the Meeting because of timing or technical limitations, Shareholders may contact the Office of the Corporate Secretary of the Company investorrelations@algonet.com.

Voting by Registered Shareholders

Voting in advance of the Meeting by proxy is the easiest way to vote. It means you are giving someone else (your proxyholder) the authority to attend the Meeting and vote for you according to your instructions. The Common Shares represented by any proxy in favour of management nominees will be voted or withheld from voting in accordance with the instruction of the shareholder and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. Where no choice is specified, the Common Shares represented by such proxy will be voted IN FAVOUR of those matters set out in the proxy and at the discretion of the proxy holder with respect to other matters that may properly come before the Meeting. As of the date of this Circular, management knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the foregoing Notice of Meeting; however, if any amendments, variations or other matters which are not known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Common Shares represented by the proxies in favour of management nominees will be voted on such amendments, variations or other matters in accordance with the best judgment of the proxy nominee.

THE PERSONS NAMED IN THE PROXY ARE MEMBERS OF THE COMPANY'S MANAGEMENT. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY) TO REPRESENT THE SHAREHOLDER AT THE MEETING MAY DO SO EITHER BY STRIKING OUT THE NAMES OF THE PERSONS SPECIFIED IN THE FORM OF PROXY AND INSERTING THE NAME OF THE PERSON TO BE APPOINTED IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.

Voting by Non-registered Shareholders

In many cases, Common Shares beneficially owned by a person (a "**non-registered shareholder**") are registered either (a) in the name of an intermediary (an "**Intermediary**") that the non-registered shareholder deals with in respect of such Common Shares (e.g., banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); or (b) in the name of a clearing agency (e.g., CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of Reporting Issuer ("NI 54-101")*, the Company is using notice-and-access to deliver this Circular to both registered and non-registered shareholders. This means that the Circular is being posted online for you to access, rather than being mailed out. A Voting Instruction Form (defined below) has been mailed to all non-registered shareholders so that such holders may instruct their intermediaries on how to vote their Common Shares. In accordance with NI 54-101, the Annual Report will be mailed to all non-registered shareholders who have either opted in to having a copy mailed to them or who have opted to have an electronic copy sent to them via e-mail. For all others, the Annual Report will be available online at algonet.com/investor-relations/.

Intermediaries are required to forward the meeting materials to non-registered shareholders unless a non-registered shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to non-registered shareholders. Generally, non-registered shareholders who have not waived the right to receive meeting materials will either:

- a. 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 and class of securities beneficially owned by the non-registered shareholder, but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered shareholder when submitting the proxy. In this case, the non-registered shareholder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "How to Vote", or
- b. be given a form of proxy which has not already been 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 voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically the non-registered shareholder will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly

constitute a Voting Instruction Form, the non-registered shareholder must remove the label from the page of instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

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

Revocation of Proxies

Any registered shareholder who has given a proxy may revoke such proxy by depositing an instrument in writing executed by such shareholder or by his or her attorney authorized in writing at the office of the Company at 63 Church Street, Suite 600, St. Catharines, Ontario, L2R 3C4, on or before the last business day preceding the day of the Meeting or any adjournment thereof or, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxy, with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law. Non-registered shareholders wishing to revoke a proxy should contact their Intermediary for instructions. Non-registered (beneficial) shareholders may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote, which has been given to an intermediary or its service company, at any time by written notice to the intermediary in accordance with the instructions received from the intermediary, except that an intermediary may not act on a revocation of a voting instruction form or a waiver of the right to receive meeting materials and to vote that is not received by the intermediary in sufficient time prior to the Meeting. Non-registered (beneficial) shareholders who have deposited a form of proxy signed by their intermediary and who wish to change their vote must contact their intermediary, since only registered shareholders may revoke a legal proxy.

Technical Requirements and Technical Support

The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plug-ins. You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 11:30 a.m. (EDT) on Wednesday, May 4, 2022. Online check-in will begin starting 15 minutes prior, at 11:15 a.m. (EDT). You should allow ample time for online check-in procedures. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page.

If you are accessing the Meeting, you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live webcast, you should consider voting your shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Outstanding Shares

The Company is authorized to issue an unlimited number of Common Shares and Preferred Shares, of which there are 37,800,943 Common Shares issued and outstanding and nil Preferred Shares issued and outstanding as at February 25, 2022. The Common Shares, which carry one vote each, may be voted at the Meeting. In accordance with the provisions of the CBCA, the Company will prepare a list of the holders of its Common Shares as of the close of business on the Record Date. A shareholder named in such list will be entitled to vote his or her Common Shares at the Meeting.

Interest of Certain Persons or Companies in Matters to be Acted Upon

As at the date hereof, to the knowledge of the directors and senior officers of the Company, none of the directors or officers of the Company who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director of the Company nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

Principal Holders of Common Shares

To the knowledge of the directors and officers of the Company, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as set out below:

Shareholder	Number of Common Shares (includes direct or indirect ownership or control)	Percentage of issued Common Shares
Amogla Holdings Limited	11,550,460	30.6%
E-L Financial Corporation Limited	10,515,220	27.8%

BUSINESS OF THE MEETING



RECEIPT OF FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Financial Statements will be placed before the Meeting. Approval of the Financial Statements by shareholders of the Company is not required.

ELECTION OF DIRECTORS

The Board of Directors of the Company (the “**Board**”) consists of such number, being not less than five or more than fifteen, as shall be determined by the directors from time to time. The Board has passed a resolution determining that the Board shall consist of nine directors until changed by the Board, and nine directors shall be elected at the Meeting. Directors elected at the Meeting will serve until the next annual meeting of shareholders or until their respective successors are elected or appointed. Management does not contemplate that any of the proposed nominees will be unable to serve as a director. If for any reason any proposed nominee is unable to serve as such, the representatives of management, if so named as proxy, reserve the right to vote for any other nominee in their sole discretion. The following information relating to the nominees as directors is based partly on the Company's records and partly on information received by the Company from such persons and is given as at February 25, 2022.

Director Nominees at a Glance

Name and Place of Residence	Main Occupation	Director Since ⁽¹⁾	Independent	Committee	Number of Common Shares ⁽²⁾
Richard B. Carty Toronto, Ontario, Canada	Vice-President, General Counsel and Corporate Secretary, E-L Financial Corporation Limited, an investment and insurance holding company.	2010	<input checked="" type="checkbox"/>		5,500
Paul Gurtler Hamilton, Bermuda	Managing Director, Interlink Maritime Corp., an international dry-bulk shipping company.	2017	<input checked="" type="checkbox"/>		nil
E.M. Blake Hutcheson Toronto, Ontario, Canada	President and Chief Pension Officer, Ontario Municipal Employees Retirement Fund, a public sector pension fund.	2003	<input checked="" type="checkbox"/>		8,945
Duncan N.R. Jackman Toronto, Ontario, Canada	Chairman, President and Chief Executive Officer, E-L Financial Corporation Limited, an investment and insurance holding company.	1997	<input checked="" type="checkbox"/>		30,000
Trinity O. Jackman Toronto, Ontario, Canada	Instructor, History Department, York University	2021	<input checked="" type="checkbox"/>		nil
Mark McQueen Toronto, Ontario, Canada	President and Executive Managing Director, CIBC Innovation Banking, a division of a Canadian chartered bank.	2015	<input checked="" type="checkbox"/>		5,000
Clive P. Rowe Gulf Stream, Florida, U.S.A	Corporate Director	1999	<input checked="" type="checkbox"/>		11,000
Harold S. Stephen Mississauga, Ontario, Canada	Chairman and Chief Executive Officer, Stephen Capital Inc., a financial advisory firm.	2002	<input checked="" type="checkbox"/>		20,000
Eric Stevenson Toronto, Ontario, Canada	Director, Perseverance Marine, an international shipping company, and Principal, Alliance Tanker Management.	2013	<input checked="" type="checkbox"/>		8,736

⁽¹⁾ Each proposed nominee who is stated to have first become a director in a specified year has served continuously as a director from the year indicated.

⁽²⁾ Represents the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised.

 Audit Committee

 Corporate Governance Committee

 Environment, Health & Safety Committee

 Executive Committee

 Investment Committee

 Special Committee

Majority Voting

The Board believes that each of its members should carry the confidence and support of the shareholders. To this end, the directors have unanimously adopted a majority voting policy. This policy requires any nominee for election to the Board for whom the number of Common Shares withheld was greater than the number of Common Shares voted in favour of the nominee to submit his or her resignation promptly after the meeting to the Corporate Governance Committee for its consideration. The Corporate Governance Committee will make a recommendation to the Board after reviewing the matter and the Board's decision to accept or reject the resignation will be publicly disclosed. The nominee will not participate in any Corporate Governance Committee or Board deliberations in considering the resignation. Future nominees for election to the Board will be asked to subscribe to this statement before their names are put forward.

APPOINTMENT OF AN AUDITOR

The Company's current auditor is Deloitte LLP. It is intended to vote proxies received by management nominees in favour of the firm Deloitte LLP as auditor of the Company for an additional one-year term. A majority of votes cast is required to re-appoint the auditor.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

COMPENSATION DISCUSSION & ANALYSIS

This section provides information regarding the compensation program in effect in 2021 for the Chief Executive Officer (the "CEO"), Chief Financial Officer (the "CFO"), and the three other most highly compensated executive officers of the Company, collectively the Named Executive Officers (each, an "NEO"s).

The Corporate Governance Committee of the Board makes recommendations to the Board regarding the compensation of directors and senior officers. The Corporate Governance Committee consists of five members, each of whom is independent. The Corporate Governance Committee for 2021 comprised Clive P. Rowe, Richard B. Carty (Chairman), Duncan N. R. Jackman, Harold S. Stephen, and Eric Stevenson.

Executive Summary

The compensation program for the senior officers of the Company comprises base salary, non-equity incentive compensation plans and an equity long-term incentive compensation plan. In establishing base salary, length of service and individual performance are both considered. The incentive compensation plans offer both short-term and longer-term incentives and are based on Company and individual performance.

Compensation Philosophy and Objectives

The compensation programs of the Company are designed to attract and retain well-qualified, experienced individuals at all levels of the organization. All shore-based employees and the captains and chief engineers of the Company's domestic vessels participate in an annual incentive compensation program designed to align their actions with results that deliver shareholder value. In addition to the annual incentive program that is open to all shore-based employees, senior management of the Company is eligible to participate in programs that are designed to also align their compensation with medium- and long-term enhancements in shareholder value.

As a rule, senior executive compensation is designed to be competitive with the compensation programs offered by companies of similar size and sharing similar business characteristics. The purpose of the programs is to attract and to retain qualified senior executives. The compensation is designed to be fair and reflective of the skills and experience that the executives bring to the Company.

The structure of the compensation program is designed to reward executives for actions that have an immediate or short-term benefit, yet also serve to enhance the value of the Company over the medium and longer term by improving the Company's competitive position in its industry, growing the business in a manner that enhances long-term shareholder value, and that do not involve excessive risk-taking.

The Company understands the importance of effective risk management and regulatory compliance, both generally and in the context of compensation policies. Risk management and regulatory compliance activities are integrated into management's decision-making processes and these activities are regularly reported to the Board or to committees of the Board. The Board does not have compensation practices which, for example, reward or incent excessive risk-taking, or in which short-term results are much more heavily weighted than longer-term results.

The Corporate Governance Committee has assessed the risks associated with the Company's compensation structure and has concluded that the compensation program does not create situations where executives would be unduly compensated for taking excessive risk. This is achieved by ensuring that the incentive compensation program is assessed and approved annually by the Corporate Governance Committee. The annual review allows a degree of discretion in favour of the Committee in the final determination of annual awards. In addition, the program is designed to include caps on the amount of incentive compensation that can be awarded in any one year.

Elements of Executive Compensation

The compensation arrangements for the Company's senior officers are composed of the following elements:

Compensation Element	Form	Performance Period	Determination
Base Salary	Cash	Annual	See note 1
Annual Incentive Program (" AIP ")	Cash	<p>For the CEO, CFO, and other senior officers, 100% of the AIP is paid out in cash annually.</p> <p>Prior to 2018, 50% of the award for senior officers other than the CEO was paid out annually, and the other 50% was deferred for three years as Performance Share Units ("PSUs") and paid in cash at the end of the vesting period.</p> <p>The deferred portion was forfeited if the executive terminated his or her employment prior to retirement. The final PSUs issued under this program were paid out on February 28, 2020.</p>	<p>Target awards are based on executive level and actual payouts are based on the achievement of corporate financial targets and individual objectives.</p> <p>See note 2.</p>
Medium-Term Non-Equity Incentive Program (" MTIP ")	Cash	MTIP awards are made annually and consist of Performance Share Units that cliff-vest and are paid in cash at the end of three years.	See note 3.
Long-Term Equity Incentive Program (" LTIP ")	Stock Options	Shareholders approved the creation of the LTIP in 2018 in which the CEO and certain other senior officers participate. Renewal of the LTIP was approved at the 2021 Annual General and Special Meeting.	See note 4.

Note 1. Base Salary

Individual salaries are based on a number of factors, including the individual's experience, level of responsibility within the Company and performance. The Board takes into account the compensation practices of other Canadian public companies so that executive compensation is competitive, both in terms of the individual components and in aggregate. Compensation surveys and management recommendations may be used by the Board as part of this process. The Board does not benchmark to any particular company or companies, but the Board may use as a resource informal compensation surveys and compensation information compiled through more formal compensation surveys performed by human resource consulting companies. The base salary of an NEO is intended to attract and retain qualified executives by providing a reasonable amount of non-contingent remuneration as part of their overall compensation package.

In addition to salary and participation in certain benefit plans that are generally available to all shore-based employees of the Company, NEOs are eligible to participate in incentive compensation programs that are considered at-risk compensation and are intended to compensate executives for actions and results that are consistent with pay for performance objectives and are to the benefit of the Company and its shareholders. The programs are designed to reward short-term (current year) as well as medium- and long-term success.

Note 2. Annual Incentive Program

The AIP for senior officers has been designed to support the achievement of key business goals and focus the Company's senior officers on the long-term success of the organization.

The AIP has been designed to:

- Attract, retain and reward senior officers and key employees in both the short- and long-term;
- Recognize senior officers for corporate, business unit and individual performance;
- Encourage senior officers and key employees to think like long-term owners and act in the long-term best interests of the Company; and
- Align the interests of senior officers and key employees with those of the Company's shareholders.

The key measures in the AIP include improving the Company's return on equity ("**ROE**") and achieving operating metrics designed to measure improvement in long-term profitability. ROE is determined by dividing the net earnings of the Company by the average of shareholders' equity at the beginning and end of the year. In setting performance goals or measuring achievement of such goals, the Corporate Governance Committee may exercise judgment from time to time to exclude or include items from both of these calculations that are determined not to be indicative of management's performance during the year.

The Company uses ROE as a measure of management's efficient and effective use of the capital resources entrusted to them, including the prudent use of debt financing. The Company's long-term target for ROE is 9.5% and the Company uses this as a benchmark in establishing return on investment objectives when assessing new capital investments and business opportunities. The target for ROE for compensation purposes is determined annually by the Corporate Governance Committee in the context of this long-term target.

The weighting of the corporate and individual components of the AIP is dependent upon the employee's level within the organization. Grants made pursuant to the MTIP and LTIP (see more below) will be at the discretion of the Board but will be made taking into consideration the corporate and individual components below.

Level	Target Award as a % of Base Salary	Corporate Component Weighting	Individual Component Weighting
Chief Executive Officer	65%	75%	25%
Chief Financial Officer	50%	75%	25%
Other NEOs	30% - 50%	75%	25%

Key performance targets are established on an annual basis by the Corporate Governance Committee. Individual performance targets for each senior officer are recommended by the CEO and approved by the Corporate Governance Committee. In the case of the CEO, individual performance targets are developed and approved by the Corporate Governance Committee. The actual incentive can vary between 0% and 108% of base salary for the CEO and between 0% and 44% to 81% for the other senior officers, depending on each individual's degree of achievement of individual targets and his or her contribution to the Company's performance targets.

Note 3. Medium-Term Non-Equity Incentive Program

In 2018, the Company created the MTIP program as an incentive program for certain members of senior management but excluding the CEO, the CFO, and the Senior Vice-President (Corporate Development) and General Counsel. The other two NEOs have participated in the MTIP since its creation. In 2020, MTIP participation was extended to include the CEO, the CFO, and the Senior Vice-President (Corporate Development) and General Counsel.

The MTIP, as it applies to the senior management team, is a discretionary plan under which the CEO, with the approval of the Corporate Governance Committee, may grant PSUs to members of management as an incentive, retention tool and mechanism to align management with the long-term success of the Company. PSUs awarded to the CEO, the CFO, and the Senior Vice-President (Corporate Development) and General Counsel under the MTIP are granted at the discretion of the Corporate Governance Committee of the Board. The PSUs vest, generally over a three-year period, and are paid out in cash upon vesting based on the share price of the Company's Common Shares at the time of vesting.

The MTIP is intended to align executive compensation with enhancements in shareholder value by tying the value of MTIP units to the medium-term changes in value in the Common Shares of the Company. The time vesting condition of the MTIP units serves to enhance executive retention, while the non-equity character of the units enables the Company to tie the value of the compensation to share values without requiring the issuance of Common Shares, reducing the dilutive impact of these units on an after-tax basis.

Note 4. Long-Term Equity Incentive Program

In 2018, shareholders of the Company approved the creation of the LTIP by passing an ordinary resolution to ratify and approve the adoption of a stock option plan. Renewal of the LTIP was approved by shareholders of the Company at the 2021 Annual General and Special Meeting. Further details of the LTIP are provided below. The LTIP serves to align the compensation of the eligible executives with longer term changes in shareholder value and enables participants in the program to acquire an equity interest in the Company. It is believed that such longer term alignment is important to ensure that senior executives create sustainable shareholder value over a long term. The Company does not have a policy of requiring executives to own equity; however, both the CEO and CFO own Common Shares of the Company.

For 2021, the CEO, CFO and Senior Vice-President (Corporate Development) and General Counsel participated in the LTIP.

Summary Compensation Table

The following table sets forth the compensation earned by the CEO, CFO and by each of the other NEOs for the years ended December 31, 2021, 2020, and 2019.

Name and Principal Position	Year	Salary	Share-based Award ⁽¹⁾	Option-based Award ⁽²⁾	Non-equity Incentive Plan Compensation		Pension Value	All Other	Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans			
Gregg A. Ruhl, President and Chief Executive Officer ⁽³⁾	2021	\$620,000	\$150,224	\$132,948	\$638,914	NIL	\$61,600	\$25,248	\$1,628,934
	2020	\$607,500	\$144,729	\$82,496	\$457,323	NIL	\$60,300	\$15,600	\$1,367,948
	2019	\$575,481	NIL	\$76,178	\$198,427	NIL	\$56,800	\$15,860	\$922,746
Peter D. Winkley, Chief Financial Officer	2021	\$356,000	\$37,556	\$33,237	\$277,142	NIL	\$29,900	\$15,600	\$749,435
	2020	\$350,000	\$42,915	\$24,461	\$186,876	NIL	\$29,400	\$15,600	\$649,252
	2019	\$350,000	NIL	\$55,402	\$86,811	NIL	\$29,700	\$15,600	\$537,513
Brad L. Tiffin, Senior Vice-President, Operations & Technical ⁽⁴⁾	2021	\$341,000	Nil	NIL	\$231,353	NIL	\$28,100	\$15,600	\$616,053
	2020	\$334,950	\$150,000	NIL	\$173,854	NIL	\$27,600	\$15,959	\$702,363
	2019	\$330,000	\$100,000	NIL	\$124,410	NIL	\$27,300	\$16,260	\$597,970
J. Wesley Newton, Senior Vice-President, Corporate Development and General Counsel	2021	\$305,000	\$37,556	\$33,237	\$237,439	NIL	\$23,800	\$15,600	\$652,632
	2020	\$292,500	\$39,440	\$22,481	\$160,180	NIL	\$22,500	\$15,600	\$552,701
	2019	\$260,000	NIL	\$48,477	\$66,968	NIL	\$18,900	\$15,600	\$409,945
Jeffrey M. DeRosario, Vice-President, Commercial ⁽⁵⁾	2021	\$212,756	\$20,000	NIL	\$91,411	NIL	\$13,900	\$14,400	\$352,467
	2020	\$181,230	\$10,000	NIL	\$41,414	NIL	\$11,930	\$14,400	\$258,974
	2019	\$163,500	\$20,000	NIL	\$28,694	NIL	\$10,843	\$17,642	\$240,679

⁽¹⁾ Represents the monetary value as of the grant date of awards under the Company's MTIP. Please refer to Medium-Term Non-Equity Incentive Program below for further details.

⁽²⁾ The value of stock options set out above is based on the Black Scholes valuation model. See table following for further details.

⁽³⁾ Mr. Ruhl was appointed President and Chief Executive Officer in February, 2019. Mr. Ruhl joined the Company as Senior Vice-President, Engineering on November 1, 2015 and was appointed Chief Operating Officer in 2017.

⁽⁴⁾ Mr. Tiffin was appointed Senior Vice-President Operations & Technical on February 7, 2019, prior to which Mr. Tiffin was Vice-President, Operations since July 2016.

⁽⁵⁾ Mr. DeRosario was appointed Vice-President, Commercial on October 1, 2020. Prior to this appointment, Mr. DeRosario was Assistant Vice-President, Marketing since January 1, 2018.

INCENTIVE PLAN AWARDS

Outstanding Option-Based and Share-Based Awards

Medium-Term Non-Equity Incentive Program

Under the Company's MTIP, certain components of executive incentive compensation are awarded in the form of PSUs. The amount of MTIP incentive compensation awarded as PSUs for senior management is at the discretion of the CEO, except for the CEO, CFO and the Senior Vice-President, Corporate Development and General Counsel, which are issued at the discretion of the Corporate Governance Committee. The number of PSUs so awarded is calculated by dividing the monetary value of the award by the average closing share price of the Company's Common Shares on the five days preceding, the day of and the four days following the grant date. The PSUs vest on the third anniversary of the date of award and are paid out in cash based on the average closing share price on the five days preceding, the day of and the four days following the vesting date. Performance of the Common Shares over the vesting period will determine the ultimate pay-out under this plan. During the period prior to vesting, the PSUs will accrue dividends in the form of additional PSUs. The number of dividend PSUs to be issued will be based on the cash dividends attributable to the number of PSUs held by the executive divided by the average closing share price of Common Shares of the Company for the five days preceding, the day of and the four days following the date of payment of the cash dividend on Common Shares.

The following table summarizes the share-based awards outstanding as a result of these grants:

Executive	PSUs Outstanding January 1, 2021	PSUs Granted in 2021	PSUs Issued in 2021 in Lieu of Dividends	PSUs Vested and Redeemed	Total Unvested PSUs	Total Value of Unvested PSUs at December 31, 2021	PSUs Vesting by Year
Gregg A. Ruhl	11,978	9,929	3,137	—	25,044	\$426,501	2023 - 14,813 2024 - 10,231
Peter D. Winkley	3,551	2,482	916	—	6,949	\$118,346	2023 - 4,392 2024 - 2,557
Brad L. Tiffin	24,746	—	5,716	(4,669)	25,793	\$439,257	2022 - 10,441 2023 - 15,352
J. Wesley Newton	3,264	2,482	848	—	6,594	\$112,301	2023 - 4,037 2024 - 2,557
Jeffrey M. DeRosario	3,292	1,310	790	(931)	4,461	\$75,977	2022 - 2,087 2023 - 1,024 2024 - 1,350
Total	46,831	16,203	11,407	(5,600)	68,841	\$1,172,382	2022 - 12,528 2023 - 39,618 2024 - 16,695

Long-Term Equity Incentive Program

The purpose of the LTIP is to advance the interests of the Company by (i) encouraging senior management and key employees to think like long-term owners and act in the long-term best interests of the Company; (ii) aligning the interests of participants with those of the Company's shareholders; and (iii) enhancing the Company's ability to attract, retain, motivate and reward senior management and key employees.

Administration and Eligibility: The LTIP is administered by the Board, which may delegate this responsibility to a committee of the Board. The Board, in its sole discretion, shall from time to time designate the executive officers or employees to whom options shall be granted under the LTIP.

Amendment: The LTIP may be amended by the Board at any time in its sole discretion subject to compliance with applicable laws and the rules of the Toronto Stock Exchange ("**TSX**") or other applicable regulatory bodies and without the consent of participants, provided that, in the case of an amendment or revision, it would not materially adversely affect the rights of any participant. Notwithstanding the foregoing sentence, subject to the rules of the TSX or other applicable regulatory bodies, the Board may, from time to time, in its absolute discretion and without shareholder approval, make the following amendments to the LTIP or any outstanding option:

- any amendment to the vesting and assignability provisions;
- any amendment regarding the effect of cessation of a participant's employment or engagement;
- any amendment which accelerates the date on which any option may be exercised under the LTIP;
- any amendment to the definition of an eligible person under the LTIP;
- any amendment to add provisions permitting a form of financial assistance and any amendment to the cash settled awards or clawback provisions which are adopted;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the LTIP or the shareholders;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of any existing provision of the LTIP, correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP, correct any grammatical or typographical errors or amend the definitions in the LTIP;
- any amendment regarding the administration of the LTIP; and
- any other amendment that does not require the approval of the shareholders pursuant to the amendment provisions of the LTIP.

Shareholder approval of amendments will be required to: i) increase the maximum number of shares that may be issuable; ii) reduce the exercise price of options except where such reductions are specifically required by the Option Plan; iii) extend the expiry date of options, unless such extension is required as a result of a black-out period; iv) increase the maximum number of shares that may be issuable to insiders; or v) amend the amendment provisions of the Option Plan.

Number of Securities Issuable and Issued: The maximum number of Common Shares issuable under the LTIP is currently 5% of the issued and outstanding Common Shares of the Company and, as such, the rules of the TSX provide that the LTIP must be approved by shareholders every three years. A total of 1,890,047 Common Shares have been reserved for issuance as at December 31, 2021. All of the Common Shares relating

to exercised, cancelled or terminated options granted under the LTIP will automatically become available for the purposes of options that may be subsequently granted under the plan. As a result, the LTIP is considered an “evergreen” plan since the Common Shares relating to options which have been exercised shall be available for subsequent grants under the plan and the number of options available to grant increases or decreases as the number of issued and outstanding Common Shares of the Company increases or decreases.

Securities Under Grant and Remaining Securities: During 2021, 112,668 stock options were issued under the Option Plan. The total number of options outstanding is 356,210, leaving 1,533,837 available to be issued as of December 31, 2021. The options outstanding are equal to 0.94% of the issued and outstanding Common Shares of the Company and the Common Shares remaining available for grant are equal to 4.06% of the issued and outstanding Common Shares of the Company.

Insider Participation Limit: The number of Common Shares issued, within any one-year period, and issuable, at any time, to insiders of the Company under all equity-based incentive compensation arrangements of the Company may not exceed 5% of the number of Common Shares in the capital of the Company that are outstanding from time to time (calculated on a non-diluted basis).

Maximum Issuable to One Person: The LTIP does not provide for a maximum number of Common Shares that may be issued to one person or entity.

Burn Rate: The Annual Burn Rate for the LTIP for the last three years was as follows:

Year	Burn Rate
2019	0.34%
2020	0.30%
2021	0.30%

Assignability: Except as specifically provided for in an option agreement approved by the Board, options granted pursuant to the LTIP are not assignable or transferable and may only be exercised during the lifetime of the participant by such participant (except that a participant may transfer options to a spouse, trustee or a company in respect of which the participant is the sole Shareholder).

Exercise Price: All options granted under the LTIP will have an exercise price determined and approved by the Board at the time of grant, which shall not be less than the market price of the Common Shares at such time. For purposes of the Option Plan, the market price of the Common Shares shall be the closing price for the Common Shares on the TSX on the last trading day before the day on which the option is granted.

Financial Assistance: The Company does not provide financial assistance to option holders in connection with their participation in the Option Plan. The Company has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by a director or officer.

Clawback: Under the Option Plan, option holders will be subject to the claw back of any options that had been issued pursuant to the Company's financial results where the Company's financial statements are restated, and the options would not have been awarded had the financial results been initially prepared in accordance with the restated statements.

Term: An option shall be exercisable during a period established by the Board which shall commence on the date of the grant and shall terminate no later than ten years after the date of the grant. The LTIP provides that the exercise period shall automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period or within nine business days after the end of a black-out period or any other trading restriction imposed by the Company (other than a cease trade order or other restriction imposed by any person other than the Company). In such cases, the extended exercise period shall terminate ten business days after the last day of the blackout period.

Vesting: Unless otherwise provided for in a participant's employment agreement or option agreement, options granted pursuant to the LTIP will cliff vest in full on the third anniversary date of the grant.

Other Material Terms: In order to facilitate the payment of the exercise price of the options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker-assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the Option Plan, including the consent of the Board, where required. Under the cashless exercise election, the option holder may elect to receive an amount in cash per option equal to the cash proceeds realized upon the sale of the Common Shares underlying the options by a securities dealer in the capital markets, minus the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer. Under the net exercise election, the participant may elect to receive, and the Company may deliver, in its sole discretion, either (i) cash in an amount equal to the amount by which the aggregate fair market value of the Common Shares issuable under the option exceeds the aggregate exercise price in respect of such option (including any withholding taxes), or (ii) such number of Common Shares having a fair market value equal to the amount by which the aggregate fair market value of the Common Shares issuable under the option exceeds the aggregate exercise price in respect of such option (including any withholding taxes).

The LTIP also provides that appropriate adjustments, if any, will be made by the Board in connection with a stock dividend or split, recapitalization, reorganization or other change of Common Shares, consolidation, distribution, merger or amalgamation or similar corporate transaction, in order to maintain the optionees' economic rights in respect of their options in connection with such change in capitalization, including adjustments to the exercise price and/or the number of Common Shares to which an optionee is entitled upon exercise of options, or permitting the immediate exercise of any outstanding options that are not otherwise exercisable.

The LTIP provides that upon certain change of control events, the vesting of all outstanding options shall automatically accelerate such that, notwithstanding the previously established vesting schedule, such outstanding options shall be fully vested and conditionally exercisable upon the completion of the change of control. The Board may in its discretion, acting in good faith, and subject to applicable regulatory provisions and shareholder approval, extend the expiration date of any option, provided that the period during which an option is exercisable does not exceed ten years from the date such option is granted.

Cessation: The following table describes the impact of certain events upon the rights of holders under the LTIP, including termination for cause, resignation, termination other than for cause, retirement, death or disability, subject to the terms of a participant's employment agreement:

Event Provisions	Provisions
Termination for cause	Forfeiture of all vested and unvested options.
Resignation	Forfeiture of all unvested options and vested options must be exercised by the earlier of the original expiry date and 90 days after resignation.
Termination other than for cause	Forfeiture of all unvested options and vested options must be exercised by the earlier of the original expiry date and 90 days after termination.
Retirement	Unvested options continue to vest in accordance with their vesting schedule and vested options must be exercised by the earlier of the original expiry date and three years after retirement.
Disability	Unvested options continue to vest in accordance with their vesting schedule and vested options remain exercisable until the original expiry date.
Death	All unvested options immediately vest and all options expire 180 days after the date of death of the participant.

Equity Compensation Plan Information:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	356,210	\$12.03	1,533,837
Equity Compensation plans not approved by securityholders	—	—	—
Total	356,210	\$12.03	1,533,837

The following table summarizes the option-based awards in 2021 as a result of LTIP grants:

Option-Based Awards in 2021				
Name	Number of Shares Underlying Unexercised Options	Option Exercise Price at Grant Date	Option Expiration Date	Value of Unexercised, in-the-Money Options
Gregg A. Ruhl 2021 LTIP Award	75,112	\$14.69	February 26, 2026	\$175,762
Peter D. Winkley 2021 LTIP Award	18,778	\$14.69	February 26, 2026	\$43,941
J. Wesley Newton 2021 LTIP Award	18,778	\$14.69	February 26, 2026	\$43,941

Incentive Plan Awards - Value Vested or Granted During 2021

Name	Option-Based Awards		Share-Based Awards		Non-Equity Annual Incentive Plan Compensation Granted
	Vested	Granted	Vested	Granted	
Gregg A. Ruhl	\$176,250	\$132,948	—	\$195,000	\$638,914
Peter D. Winkley	\$176,250	\$33,237	—	\$48,750	\$277,142
J. Wesley Newton	\$117,500	\$33,237	—	\$48,750	\$237,439
Brad L. Tiffin	—	—	—	—	\$231,353
Jeffrey M. DeRosario	—	—	—	\$20,000	\$91,411

Securities Authorized for Issuance

The table below sets out information as of the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Name	Option-Based Awards			
	Number of Shares Underlying Unexercised Options	Option Exercise Price ⁽¹⁾	Option Expiration Date	Value of Unexercised, in-the-Money Options ⁽²⁾
Gregg A. Ruhl	55,000	\$10.83	March 1, 2024	\$341,000
	72,365	\$10.75	February 27, 2025	\$454,452
	75,112	\$14.69	February 26, 2026	\$175,762
Peter D. Winkley	40,000	\$10.83	March 1, 2024	\$248,000
	21,457	\$10.75	February 27, 2025	\$134,750
	18,778	\$14.69	February 26, 2026	\$43,941
J. Wesley Newton	35,000	\$10.83	March 1, 2024	\$217,000
	19,720	\$10.75	February 27, 2025	\$123,842
	18,778	\$14.69	February 26, 2026	\$43,941

⁽¹⁾ During 2019 and 2021, the Company paid special dividends to holders of Common Shares. Under the terms of the LTIP, the exercise price of the options has been adjusted to reflect the dilutive impact of this special dividend.

⁽²⁾ Based on the difference between the market value of the Common Shares at December 31, 2021 and the exercise price of the options.

RETIREMENT BENEFIT PLANS

The CEO, CFO and the other NEOs are all members of the Company's defined contribution pension plan (the "DC Plan"). The CEO, CFO, and certain NEOs are also eligible for the Company's supplemental executive retirement plan (the "SERP").

The DC Plan currently requires employee contributions equal to 6% (integrated with Canada Pension Plan deductions) of the maximum pension adjustment amount. No contributions are required for the SERP, which is an unfunded general liability of the Company.

The table below sets out the estimated pension benefits for the CEO, CFO, and the NEOs. Remuneration covered by the two plans is based on salary only.

Defined Contribution Table - DC Plan and SERP

Name and Principal Position	Accumulated Value at Start of Year	Compensatory Change	Accumulated Value at End of Year
Gregg A. Ruhl President and Chief Executive Officer	\$314,000	\$61,600	\$445,500
Peter D. Winkley Chief Financial Officer	\$491,900	\$29,900	\$601,200
Brad L. Tiffin Senior Vice-President, Operations	\$188,600	\$28,100	\$240,000
J. Wesley Newton Senior Vice-President, Corporate Development and General Counsel	\$264,000	\$23,800	\$351,500
Jeffrey M. DeRosario Vice-President, Commercial	\$152,900	\$13,900	\$209,300

Normal Retirement Pension - Defined Contribution Members

NEOs who are members of the DC Plan accumulate a balance in their DC Plan account based on annual contributions calculated using the current defined contribution formula of 12% of their base salary up to the maximum annual limits as prescribed by Canada Revenue Agency. In addition, certain NEOs accumulate a balance in their SERP account, which is an unregistered non-contributory specified pension plan based on annual contributions equal to 12% of their base salary less amounts contributed to the DC Plan. Amounts accumulated in the SERP accrue additional entitlement annually based on the average return earned by the master fund of the Company's defined benefit pension plan.

Upon retirement, NEO's who are members of the DC Plan are entitled to a pension that can be purchased with the accumulated funds in the member's DC Plan account or to transfer an amount equal to the accumulated funds subject to the terms of applicable legislation. Amounts accumulated by the retiring member in the SERP are paid, with interest, over a period of ten years.

The defined contribution table reflects the accumulated amounts under both the registered DC Plan and the unregistered SERP, where applicable, as at December 31, 2021.

Early Retirement Pension

There is no limitation on early retirement for DC Plan members with respect to their DC Plan accumulated funds. For purposes of the SERP, a defined contribution member may take early retirement at any time having attained the minimum age of 55.

EMPLOYMENT CONTRACTS

Employment contracts are in place for all NEOs. The contracts set out the principal terms of the employment relationship with the Company, including the individual's overall role, the expectations of the Company around business practices including confidentiality, ethical behaviour and conflict of interest and the terms of compensation arrangements. In addition, the contracts detail the severance payments that will be provided on termination of employment and the consequent obligations of non-competition and non-solicitation. The contracts do not provide specific benefits associated with a change of control of the Company.

The contracts for the NEOs include termination provisions that specify the following:

- A NEO can be terminated for cause without payment of compensation.
- In the event that the Company terminates the employment of a NEO without just cause, or the NEO resigns for good reason (as defined in the contract), the NEO is entitled to:
 - Twelve month's base salary plus one additional month per year for each year of completed service after an agreed commencement date, which varies by individual. This termination compensation is subject to a maximum of 22 months in aggregate (the "**Severance Period**");
 - A payment in lieu of his or her annual incentive compensation award at target, pro-rated to the date of termination, together with a payment for the value of any previously awarded but unvested MTIP units;
 - A further payment representing the pro-rated value of the annual incentive compensation award, at target, through the Severance Period;
 - Continuation of regular contributions to maintain the NEO's participation in all medical group insurance benefit plans or programs the NEO participated in immediately prior to the termination of the NEO's employment during the Severance Period (except for short-term and long-term disability insurance, for which the period of contributions will cease on the date of termination), provided the insurer of such benefits agrees to continue coverage of the NEO; and
 - Continuation of the NEO's participation in the Company pension plan during the Severance Period.

The following table summarizes the payments which would be owed to each named executive in the event of a termination without cause or if the named executive officer resigns for good reason and assuming a termination date of December 31, 2021:

Name	Termination without cause payout (\$)
Gregg A. Ruhl	\$1,927,978
Peter D. Winkley	\$1,082,614
J. Wesley Newton	\$772,730
Brad L. Tiffin	\$1,042,107
Jeffrey M. DeRosario	\$404,308

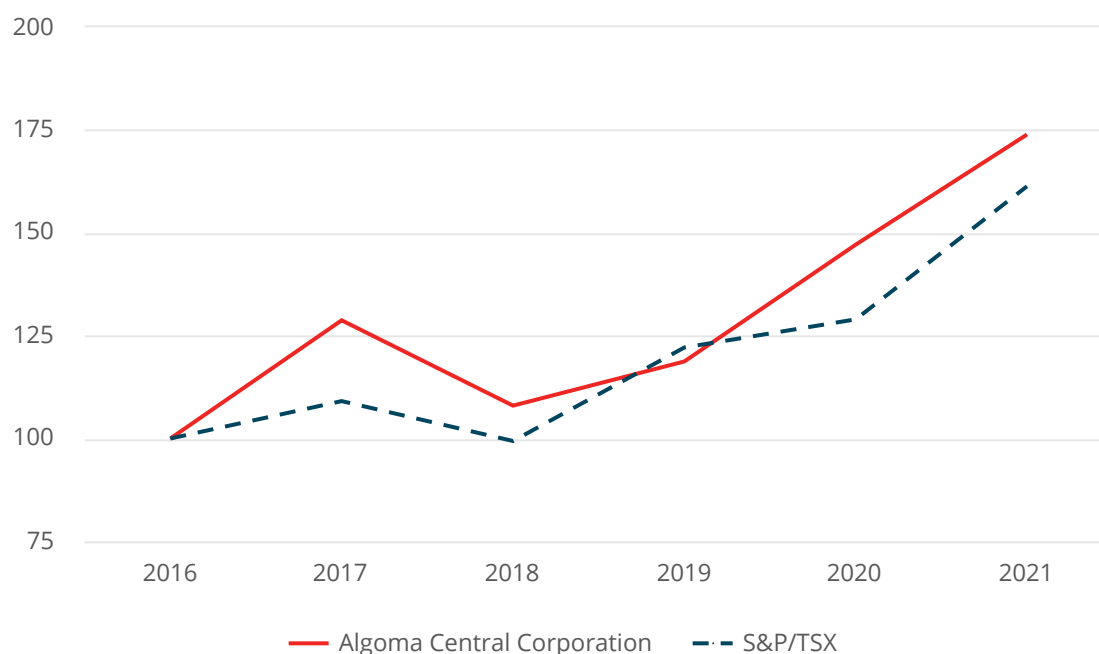
Performance Graph

The following graph compares changes over the five years ended December 31, 2021 in the value of \$100 invested at January 1, 2017 in Common Shares of the Company and in the TSX S&P Composite Index, assuming reinvestment of dividends. Over this five-year period, the total shareholder returns on the Common Shares of the Company has exceeded the total shareholder return on the S&P/TSX Composite Index.

The Company's executive and senior management participate in compensation programs that include stock options and performance share units, the value of which are ultimately based on the price of the Company's Common Shares and, in the case of PSUs, dividends paid. Grants of both stock options and PSUs are based on financial, operational, and personal performance metrics, with a heavy weighting to the return on equity of the Company. There is no linkage between share price performance and the number of stock options or PSUs granted. Stock options and PSUs accounted for 14.6% of total compensation for the five named executive officers for the year ended December 31, 2021.

During the five year period between January 1, 2017 and December 31, 2021, the total return index of the Company's Common Shares increased 74% (including re-invested dividends) while the total return index of the TSX S&P Composite Index rose 61%.

The Company has experienced generally improving financial results since 2016. Revenue has grown at an annual rate of 8.9% during the past five years and net earnings have increased at an annual rate of 19.8%. The Company performed well in the year ended December 31, 2021, with earnings growth of 79%. In December 2020, the Company declared a special dividend that was paid in January of 2021. The total return index for the Company reflects this dividend as a 2020 event.



COMPENSATION OF DIRECTORS

Members of the Board are compensated by way of an annual retainer, a fee for sitting as a member on or chair of a committee of the Board, and meeting attendance fees. The Corporate Governance Committee of the Board reviews the compensation of directors annually, recognizing the need for competitive compensation, as well as the risk, workload and time involved in being a director. Typically, these director fees will increase annually by a similar percentage to that at which general staff salary increases are set.

During 2021, each director of the Company was paid \$27,595 for serving as a director, \$7,325 for each committee of the Board on which the director served, \$6,100 to \$13,960 for each committee of the Board on which the director served as Chairman and \$2,060 per meeting of the Board or of a committee that the director attended in person or by telephone. The Chairman is paid an annual retainer of \$284,800 and is not entitled to meeting or committee fees. From time to time, the Company invites Board members to attend meetings of management for informational purposes. Members who attend such meetings are paid a fee equal to the per-meeting Board fee. Total fees for 2021 are set out below.

Name	Fees Earned	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
Richard B. Carty	\$94,430	Nil	Nil	Nil	Nil	Nil	\$94,430
Paul Gurtler ⁽¹⁾	\$60,785	Nil	Nil	Nil	Nil	\$14,418	\$75,203
E.M. Blake Hutcheson	\$56,665	Nil	Nil	Nil	Nil	Nil	\$56,665
Duncan N.R. Jackman	\$284,800	Nil	Nil	Nil	Nil	Nil	\$284,800
Trinity O. Jackman	\$28,936	Nil	Nil	Nil	Nil	Nil	\$28,936
Mark McQueen	\$67,423	Nil	Nil	Nil	Nil	Nil	\$67,423
Clive P. Rowe	\$105,643	Nil	Nil	Nil	Nil	Nil	\$105,643
Harold S. Stephen	\$94,888	Nil	Nil	Nil	Nil	Nil	\$94,888
Eric Stevenson	\$80,390	Nil	Nil	Nil	Nil	Nil	\$80,390

⁽¹⁾ At the request of the Board of Directors, Mr. Gurtler represents the Company as a director on the board of a Company investee that is domiciled in Bermuda, where Mr. Gurtler is a resident. Other Compensation above reflects fees paid to Mr. Gurtler in that capacity.

Directors' and Officers' Insurance

The Company maintains directors' and officers' liability insurance with a policy limit of \$20 million in the aggregate subject to certain exclusions and deductibles. Generally, under this insurance, the Company is reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers, and individual directors and officers are reimbursed for losses arising during the performance of their duties for which they are not indemnified by the Company. There is no deductible payable in respect of direct reimbursement of directors and officers and there is a \$100,000 deductible for each loss in respect of corporate reimbursement. The annual premium for such insurance for 2021 was \$87,500.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

The primary responsibility for managing the Company lies with the Board, although day-to-day management of the business of the Company is carried out by the Company's officers and employees. The Board sets policies and goals for management of the Company and supervises the implementation of those policies and goals. Certain duties more effectively carried out by a smaller number of directors are delegated to various committees of the Board (a "Committee"), which report to the Board with their recommendations. The Corporate Governance Committee is charged with the responsibility of at least annually assessing the effectiveness and contribution of the Board and its committees and the competencies and skills of the directors and reporting the results of that assessment to the Board. In addition, the Company's Board and its Corporate Governance Committee have carried out a study of the current corporate governance initiatives of Canadian regulators (including National Instrument 58-101 – *Disclosure of Corporate Governance Practices*) in order to ensure that the Company's approach to corporate governance is current, appropriate and effective. The Board and the Corporate Governance Committee are satisfied that the Company's corporate governance practices meet these standards.

Mandate of the Board of Directors

The mandate of the Board is to enhance shareholder value by careful management of the Company's core businesses and by continuously assessing long-range opportunities to expand these businesses.

To this end, the Board sets long-term goals and approves strategic plans, as well as policies established by senior management. At least yearly, the CEO reviews the Company's business plan and makes submissions to the Board. The Board reviews the business plan and management submissions and approves if appropriate.

As part of the annual audit process and the preparation of management's discussions and analysis of the Company's financial condition and the results of operations contained in the Annual Report to shareholders, the Audit Committee, in conjunction with management and the auditors appointed by the shareholders of the Company, reviews business risks and how the Company addresses such risks. In addition, as part of their annual audit, the auditors assess the Company's internal control systems and make recommendations to the Audit Committee for its consideration and review. No internal auditor has been appointed because the size of the Company would not justify the cost of such auditor.

Position Descriptions

The Board, relying on its various Committees, appoints and monitors senior management and determines compensation to be paid to senior management. Currently there is no written mandate for the CEO; however, the Corporate Governance Committee sets and reviews objectives relating to management of the Company, including asset management, fiscal performance and effective use of human resources with the overall objective of maximizing shareholder value. The Board approves and develops the corporate objectives that the CEO is responsible for meeting. Salaries and bonus allocations to senior management are based in large part on these deliberations.

By establishing and maintaining effective communication channels, the Company ensures that the Board, its Committees and management of the Company can carry out their respective functions. Shareholder concerns are addressed by the CEO or the appropriate person in the organization. Major corporate decisions are disclosed to the public through timely press releases. The Company has a policy on disclosure controls which is reviewed and approved annually by the Board, through the Audit Committee, to ensure compliance with regulatory requirements.

Position descriptions for the Chairman of the Board and the Chairman of each Committee have been established.

The Chairman of the Board is responsible for the administration of the Board and overall corporate governance of the Company, including providing leadership to the Board, setting the agenda and schedules for meetings, chairing Board meetings and the annual meeting of shareholders and working with the CEO to achieve the goals of the Company.

The primary responsibility of the chair of each Committee is to ensure that the Committee carries out its duties as set out in its mandate, including providing leadership to the Committee, setting the agenda and scheduling meetings, chairing Committee meetings and reporting the deliberations and recommendations of the Committee to the Board.

Ethical Business Conduct

The Board has adopted a Code of Conduct (the "**Code**") for the Company's directors, officers and employees which is publicly available on the Company's website. The Code and compliance therewith is reviewed and approved regularly by the Board through the Corporate Governance Committee. The Company also has in place a policy for employee complaints on accounting and auditing matters.

The Board monitors the ethical conduct of the Company and management and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Company abides by all legal, accounting and technical reporting standards using professionally qualified and experienced staff and employs outside consultants where additional assistance or specialized expertise is required. In addition, the Board itself must comply with the conflict of interest provisions of the CBCA, as well as relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Corporate Governance Committee serves as the Company's nominating committee. All five directors on the Corporate Governance Committee are independent. The Corporate Governance Committee is required to review at least annually the size, conduct, composition and structure of the Board and its various committees. The Corporate Governance Committee is responsible for establishing the criteria for selection of new or additional Board members and will identify and recommend potential candidates for such selection. The actual decision as to who should be nominated is the responsibility of the full Board after considering the recommendations of the Corporate Governance Committee.

Compensation

The Corporate Governance Committee serves as the Company's compensation committee. The Corporate Governance Committee reviews and makes recommendations to the Board respecting compensation of directors and senior officers. Compensation of individual directors reflects attendance at Board meetings and participation on Committees. The Board reviews from time to time the adequacy and form of compensation of directors to ensure that the compensation realistically reflects the responsibility and risk involved in being an effective director. See "*Remuneration of Directors and Executive Officers – Compensation of Directors*".

Members of the Corporate Governance Committee have broad experience in business and have dealt with compensation matters in the course of that experience. In addition, Richard B. Carty served as a vice-president of human resources in a previous role.

Composition of the Board

The Board currently consists of nine directors. Eight of nine sitting directors serve on at least one committee and all directors are able to devote as much time as a director of the Company as is necessary to fulfill the obligations as such.

The Board makes a determination of the status of each director as an independent or non-independent director. Each Board member is required to complete a questionnaire annually, which is designed to assist the Board as a whole in making this determination. A director is “independent” if he or she has no direct or indirect material relationship with the issuer. A “material relationship” is a relationship which could, in the view of an issuer’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

E-L Financial Corporation Limited (“E-L”) and companies acting in concert with it (the “**Significant Shareholder**”) control in the aggregate 29,340,740 Common Shares (77.7%). Duncan N. R. Jackman, a director of the Company, is a director of E-L and an officer of E-L and Richard B. Carty, a director of the Company, is an officer of E-L. Apart from Messrs. Jackman and Carty, none of the other directors has an interest in or relationship with either the Company or the Significant Shareholder.

Notwithstanding the foregoing, the Board and each director, having individually considered their respective interests and relationship and having received and considered professional advice, have determined that as of February 25, 2022 all directors are independent.

The independent directors do not hold regularly scheduled meetings at which any non-independent directors and members of management are not in attendance. Each regularly scheduled meeting of the Board includes an in-camera session from which all members of management are excluded.

The Board and the Corporate Governance Committee have structured the Board and its Committees to be formed with a majority of directors who do not have such interests in or relationships with the Company or the Significant Shareholder and, accordingly, the composition of the Board fairly reflects the investment in the Company by shareholders other than the Significant Shareholder.

Independence of the Board from management is achieved by separating the functions of the CEO and the Chairman of the Board. The Board has not felt it necessary to exclude the CEO from deliberation other than in respect of personal remuneration matters; however, the CEO is not a director of the Company.

Board members are selected based on the skill and experience they bring to the Company. The Company has not historically provided an orientation or education program for new directors as there is little turnover of members of the Board and eight of nine of the current directors have a history of directorship in other public corporations. Instead, the Company provides necessary education (through management and outside professional advisers) on specific issues as they arise.

Board Effectiveness and Renewal

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its Committees. The skills and needs of the Board are regularly discussed by Board members, although not as part of a formal assessment process. The Board is of the view that it is important to have experienced Directors who are familiar with the operations of the Company and its subsidiaries. While the Board welcomes fresh points of view, on balance it is felt that the Board and the Company are better served with the experience of long serving Board members and that adopting fixed term limits would result in a loss of legacy knowledge of the business and operations of the Company and its subsidiaries. Consequently, the Company has not adopted term limits for Board members; however, Board members are generally expected to retire after reaching 75 years of age.

It is expected that if an individual director is found or finds that he or she is unable to contribute due to ability, lack of time or other commitments, the individual would either resign or request not to be nominated for re-election. The Board, through regular interaction between its members, has satisfied itself that the Board, its various Committees and individual directors are performing effectively.

Board and Senior Management Diversity

The Company has a long-standing view that directors and members of senior management are best identified, nominated and/or appointed based on merit, which includes consideration of competencies, expertise, skills, background and other qualities the Company identifies from time to time as being important, regardless of whether or not the candidate is a member of a designated group. The CBCA defines “designated groups” to include women, Aboriginal peoples, persons with disabilities and members of visible minorities. While the Company respects the value of diversity, this view ensures that the Company consistently selects from the best possible candidates.

In light of the foregoing: (i) the Company does not have a written diversity policy relating to the identification and nomination of directors who are part of designated groups; (ii) the Board does not consider the level of representation of designated groups on the Board in identifying and nominating candidates for election or re-election to the Board, and the Company does not consider the same when appointing members of senior management; and (iii) the Company has not adopted a target number or percentage (or range) for members of the designated groups to hold positions on the Board or to be members of senior management by a specific date.

There is currently one woman in senior management (representing 7% of senior management), and there are nil (0%) other members of the designated groups who hold senior management positions. There is currently one woman on the Board (representing 11% of the Board), and there are nil (0%) other members of the designated groups who hold a position on the Board.

Directorships

In addition to their principal occupations, the following directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Duncan N.R. Jackman	Dream Unlimited Corp. Dream Global REIT First National Financial Corporation Labrador Iron Ore Royalty Corporation The Empire Life Insurance Company E-L Financial Corporation Limited Economic Investment Trust Limited
Harold S. Stephen	TD Asset Management Corporate Class Funds
Clive P. Rowe	E-L Financial Corporation Limited The Empire Life Insurance Company

Attendance at Board Meetings

The attendance for each director for the seven board meetings and for the Committee meetings since the beginning of the most recently completed financial year is as follows:

Name	Board Meetings Attended	Committee Meetings Held	Committee Meetings Attended
Richard B. Carty	6	9	9
Paul Gurtler	6	3	3
E.M. Blake Hutcheson	4	3	6
Duncan N.R. Jackman	6	7	7
Trinity O. Jackman ⁽¹⁾	4	—	—
Mark McQueen	6	7	7
Clive P. Rowe	6	7	7
Harold S. Stephen	6	10	10
Eric Stevenson	6	6	6

(1) Trinity O. Jackman was elected as a Director at the 2021 Annual General and Special Meeting and attended all Board meetings held during the period in which she was a Director of the Company.

Board Committees

Some duties of the Board are carried out by various Committees. This permits individual directors with specific expertise to focus their energies on the tasks that these Committees have undertaken; however, ultimate decision-making remains with the full Board on all important matters. Committees report and make recommendations to the Board. Only where the Board feels that it must defer to the special expertise of Committee members, or where required by practical considerations, will the Board delegate decision-making on specific issues to a Committee. Each Board Committee has a charter which is reviewed annually.

Executive Committee

The Executive Committee is composed of two independent directors. The Executive Committee acts as an important link between management and the Board. The main function of the Committee is to review major issues affecting the Company and recommend to the Board actions to be taken in respect to those issues. The Executive Committee decides directly on actions only with respect to issues, if any, which require immediate decision. Such decisions are reviewed at the next meeting of the Board.

Audit Committee

The Company is required to have an Audit Committee. The Audit Committee of the Board is composed of four independent directors and meets four times per year. The mandate of the Audit Committee is to do all things required by applicable securities laws of an audit committee, including the review of the audited annual financial statements of the Company and acting as liaison between the Company and the external auditors. Additional disclosure respecting the Audit Committee is included in section 14 of the annual information form (the "AIF") of the Company for the financial year ended December 31, 2021, which is incorporated by reference herein and is filed on SEDAR. Upon request, a copy of the AIF will be provided free of charge to any shareholder or other interested party.

Environmental Health and Safety Committee

The Environmental, Health and Safety Committee of the Board (the “**EH&S Committee**”) is composed of four independent directors. This EH&S Committee receives regular reports from management and meets with management twice each year to review environmental matters. This Committee also addresses health and safety issues affecting the Company’s employees.

Corporate Governance Committee

The Corporate Governance Committee is composed of five independent directors. This Committee meets at least three times per year to review corporate governance issues.

The Corporate Governance Committee reviews and makes recommendations to the Board respecting compensation of directors and senior officers, sets criteria for the selection of new directors and recommends nominees to the Board. This Committee also monitors the Company’s compliance with all regulatory requirements under applicable pension legislation.

In addition, the Corporate Governance Committee reviews at least annually the size and composition of the Board and its committees to ensure that their respective mandates can be, and are, carried out effectively.

The Corporate Governance Committee has general responsibility for developing, analyzing and reporting to the Board the Company’s approach to governance issues. This Committee works closely with the CEO of the Company to consider and develop position descriptions for directors, the Chairman, the Chair of each committee and the CEO and to define the limits of management responsibilities. The Corporate Governance Committee has been instrumental in the preparation of this statement on the system of corporate governance and will continue to monitor the effectiveness of such practices.

Investment Committee

The Investment Committee is composed of four independent directors and the CEO of the Company. The main function of the Investment Committee is to review management’s investment proposals that are either not core to the Company’s strategy or within categories of investment parameters previously delegated by the Board. The Investment Committee reviews, provides feedback and approves actions only with respect to investment proposals, if any, which require immediate decision. Such decisions are reviewed at the next meeting of the Board.

Special Committee

During 2021, the Company formed a Special Committee of the Board to provide guidance and support to management in connection with certain potential strategic transactions that were under consideration. The Special Committee is composed of the Chairman and three independent directors of the Company.

OTHER MATTERS

Normal Course Issuer Bid

On March 19, 2021, the Company renewed its normal course issuer bid with the intention to purchase, through the facilities of the TSX, up to 1,890,457 of its Common Shares representing approximately 5% of the 37,809,143 Common Shares which were issued and outstanding as at the close of business on March 4, 2020 (the “**NCIB**”).

Subject to prescribed exceptions, the Company is allowed to purchase up to 3,163 Common Shares per day, representing approximately 25% of the average daily trading volume of 12,653 Common Shares per day during the six months ending March 8, 2021. The Company is able to buy back Common Shares anytime during the 12-month period beginning on March 19, 2021 and ending on March 18, 2022, or on such earlier date as the Company may complete its purchases pursuant to the NCIB, or provide notice of termination. Share purchases under the NCIB are conducted through the facilities of the TSX and other Canadian marketplaces/alternative trading systems.

The Company purchased no shares during the period ended December 31, 2021 under the NCIB. The current NCIB expires on March 18, 2022.

The Company intends to renew its normal course issuer bid following its expiry on March 18, 2022, subject to receipt of the required approvals from regulatory authorities.

Shareholder Proposals

A registered shareholder or beneficial owner of Common Shares may (a) submit to the Company notice of any matter that the person proposes to raise at the next annual meeting of shareholders of the Company (a “**proposal**”); and (b) discuss at the meeting any matter in respect of which the person would have been entitled to submit a proposal, subject to the requirements under section 137 of the CBCA. The Company shall set out such proposal and the accompanying supporting statement, if any, in the management information circular for the next annual meeting of shareholders, provided that the proposal is submitted to the Company at least 90 days before the anniversary date of the notice of meeting that was sent to shareholders in connection with the previous annual meeting of shareholders and satisfies the other requirements of section 137 of the CBCA. No shareholder proposals were received by the Company with respect to the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com or on the Company's website. Copies of the Company's Financial Statements and accompanying management's discussion & analysis for the fiscal year ended December 31, 2021 are also available on SEDAR or at www.algonet.com/investor-relations/. Shareholders may request copies be sent to them free of charge by contacting the Secretary of the Company, Suite 600, 63 Church Street, St. Catharines, ON L2R 3C4 or by calling 905-687-7894 or 1-888-999-1883 (toll free in North America). Financial information with respect to the Company is provided in the Company's comparative financial statements and accompanying management discussion and analysis for the most recently completed financial year.

BOARD APPROVAL

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



J. Wesley Newton
Secretary
Toronto, Ontario
February 25, 2022

INFORMATION FOR SHAREHOLDERS

Head Office

ALGOMA CENTRAL CORPORATION

63 Church Street, Suite 600,
St. Catharines, Ontario L2R 3C4

Telephone: (905) 687-7888

Website: www.algonet.com

Email: investorrelations@algonet.com

Registrar and Transfer Agent

TSX Trust Company

PO Box 700, Postal Station B
Montreal, QC H3B 3K3

Telephone: 416-682-3800 (toll-free North America) or 416-682-3860 (outside North America)

Fax: 1-888- 249-6189 (North America) or 1-514-985-8843 (outside North America)

Email: shareholderinquiries@tmx.com

Website: www.tsxtrust.com