

**Constellation Software Inc.**  
**Notice of Annual Meeting of Shareholders**  
**To Be Held On May 8, 2020**

Notice is hereby given that the annual meeting (the “Meeting”) of the holders of common shares (“Common Shares”) of Constellation Software Inc. (“CSI” or the “Corporation”) will be conducted as a virtual meeting to be held via live audio webcast online at: <https://web.lumiagm.com/284151016> on May 8, 2020 at 8:00 a.m. (Eastern Time) for the following purposes:

- (a) to receive the financial statements for the year ended December 31, 2019 and the auditors’ report thereon;
- (b) to elect directors;
- (c) to re-appoint KPMG LLP as auditors for the ensuing year and to authorize the directors to fix their remuneration;
- (d) to consider and vote on an advisory resolution on CSI’s approach to executive compensation, and;
- (e) to transact such other business as may properly come before the meeting or any adjournment thereof.

Accompanying this Notice is a copy of a Management Information Circular, a form of proxy, and a financial statement request form. A holder of Common Shares of record at the close of business on April 1, 2020 will be entitled to vote at the Meeting.

**To mitigate risks related to the rapidly evolving global COVID-19 (coronavirus) public health emergency to the Corporation’s shareholders, employees, communities and other stakeholders and based on government recommendations to avoid large gatherings, the Meeting will be conducted in a virtual only format, which will be conducted via live audio webcast. The live audio webcast will allow shareholders to have an equal opportunity to participate at the Meeting regardless of their geographic location or particular circumstances they may be facing as a result of COVID-19. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting online is provided in the Management Information Circular.**

Registered shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in the Circular. Non-registered shareholders who have not duly appointed themselves as a proxyholder will be able to attend the Meeting as guests and ask questions, but guests will not be able to vote at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered shareholder who wishes to appoint themselves to attend) must carefully follow the instructions in the Management Information Circular and on their form of proxy or voting instruction form. **These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Investor Services Inc., after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with our transfer agent will result in the**

**proxyholder not receiving a username to vote in the Meeting and only being able to attend as a guest.**

If unable to attend the Meeting, a registered shareholder may submit his or her proxy by mail, by facsimile, by telephone or over the Internet in accordance with the instructions below.

A non-registered shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary.

Voting by Mail Before the Meeting. A registered shareholder may submit his or her proxy by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile Before the Meeting. A registered shareholder may submit his or her proxy by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. at (416) 263-9524 or toll free (within North America) at (866) 249-7775.

Voting by Telephone Before the Meeting. A registered shareholder may vote by telephone by calling toll free 1-866-732-VOTE (8683) or from outside of North America by calling (312) 588-4290 and following the instructions provided. Shareholders will require the 15 digit control number (located on the front of the proxy) to identify themselves to the system.

Voting by Internet Before the Meeting. A registered shareholder may vote over the Internet by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions. Such shareholder will require the 15 digit control number (located on the front of the proxy) to identify themselves to the system.

To be effective, a proxy must be received by Computershare Investor Services Inc. no later than 8:00 a.m. (Eastern Time) on May 6, 2020 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting.

DATED March 30, 2020

By Order of the Board

A handwritten signature in blue ink, appearing to read 'M. Leonard', written in a cursive style.

Mark Leonard  
Chairman and President

# CONSTELLATION SOFTWARE INC.

## MANAGEMENT INFORMATION CIRCULAR FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 8, 2020

### SOLICITATION OF PROXIES

This management information circular (the “Circular”) dated as of March 30, 2020 and accompanying form of proxy are furnished in connection with the solicitation, by management of Constellation Software Inc. (the “Corporation”), of proxies to be used at the annual meeting of shareholders of the Corporation (the “Meeting”) referred to in the accompanying Notice of the Annual Meeting of Shareholders (the “Notice”) to be held on May 8, 2020, at the time and place and for the purposes set forth in the Notice. The solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone by directors and/or officers of the Corporation, or by the Corporation’s transfer agent, Computershare Investor Services Inc. (“Computershare”), at nominal cost. The cost of solicitation by management will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the common shares of the Corporation (“Common Shares”). The cost of any such solicitation will be borne by the Corporation.

### MEETING INFORMATION

**To mitigate risks related to the rapidly evolving global COVID-19 (coronavirus) public health emergency to the Corporation’s shareholders, employees, communities and other stakeholders and based on government recommendations to avoid large gatherings, the Meeting will be conducted in a virtual only format, which will be conducted via live audio webcast. The live audio webcast will allow shareholders to have an equal opportunity to participate at the Meeting regardless of their geographic location or particular circumstances they may be facing as a result of COVID-19. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting online is provided below. See “Voting at the Meeting” below.**

The Meeting will be held on May 8, 2020 at 8:00 a.m. (Eastern Time) virtually via live audio webcast online at: <https://web.lumiagm.com/284151016>.

Registered shareholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out below under “Voting at the Meeting”. Non-registered holders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting and ask questions but will not be able to vote at the Meeting. See “Voting at the Meeting” below.

## VOTING BEFORE THE MEETING

### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **Each shareholder has the right to appoint a person, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof.** Such right may be exercised by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy. **The additional registration step outlined below under “Voting at the Meeting – Appointment of a Third Party as Proxy” must also be followed.** All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. A registered shareholder may submit his or her proxy by mail, by facsimile, by telephone or over the Internet in accordance with the instructions below.

A non-registered shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary (as defined below).

Voting by Mail Before the Meeting. A registered shareholder may submit his or her proxy by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile Before the Meeting. A registered shareholder may submit his or her proxy by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. at (416) 263-9524 or toll free (within North America) at (866) 249-7775.

Voting by Telephone Before the Meeting. A registered shareholder may vote by telephone by calling toll free 1-866-732-VOTE (8683) or from outside of North America by calling (312) 588-4290 and following the instructions provided (located on the front of the proxy) to identify themselves to the system.

Voting by Internet Before the Meeting. A registered shareholder may vote over the Internet by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions. Such shareholder will require a control number (located on the front of the proxy) to identify themselves to the system.

To be effective, a proxy must be received by Computershare no later than 8:00 a.m. (Eastern Time) on May 6, 2020 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either: (1) by delivering another properly executed form of proxy bearing a later date and depositing it as described above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder with Computershare at any time up to and including 8:00 a.m. (Eastern Time) on the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (3) in any other manner permitted by law.

**If you are using a 15-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.**

### **Non-Registered Holders**

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (A) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans; or
- (B) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”)) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Circular and the accompanying Notice, form of proxy, and supplemental mailing card (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders of Common Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will generally use service companies (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, **in addition, if applicable, to the procedures set out below under “Voting at the Meeting – Appointment of a Third Party as Proxy”**, depending on the type of form they receive:

- 1) **Voting Instruction Form.** In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the holder’s behalf), but wishes to direct the voting of the Common Shares they beneficially own, the voting instruction form must be submitted by mail, facsimile, telephone or over the Internet in accordance with the directions on the form. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder; or
- 2) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of common

shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. If the Non-Registered Holder does not wish to attend and vote at the Meeting (or have another person attend and vote on the Non-Registered Holder's behalf), but wishes to direct the voting of the Common Shares they beneficially own, the Non-Registered Holder must complete the form of proxy and submit it to Computershare as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting (or have another person attend and vote on the holder's behalf), the Non-Registered Holder must strike out the persons named in the proxy and insert the Non-Registered Holder (or such other person's) name in the blank space provided.

**In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered. In addition, if applicable, Non-Registered Holders should follow the procedures set out below under "Voting at the Meeting – Appointment of a Third Party as Proxy".**

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

#### **Exercise of Discretion by Proxies**

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy will be voted on any ballot that may be called for and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, the shares will be voted or withheld from voting in accordance with the specifications so made. **Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### **VOTING AT THE MEETING**

#### **General**

Registered Shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below under "How do I Attend and Participate at the Meeting?".

Non-Registered Holders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest and ask questions. This is because the Company and Computershare, do not have a record of the Non-Registered Holders, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder.

**If you are a Non-Registered Holder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your Intermediary. See “Appointment of a Third Party as Proxy” and “How do I Attend and Participate at the Meeting?” below.**

**If you are a U.S. beneficial shareholder, to attend and vote at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting.** Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed by mail to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1 or by email at [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com). Requests for registration must be labeled as “Legal Proxy” and be received no later than May 6, 2020 by 8:00 a.m. (Eastern Time). You will receive a confirmation of your registration by email after Computershare receives your registration materials. Please note that you are required to register your appointment at <http://www.computershare.com/ONLQ>.

### **Appointment of a Third Party as Proxy**

The following applies to Shareholders who wish to appoint someone as their proxyholder other than the management nominees named in the form of proxy or voting instruction form. This includes Non-Registered Holders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint someone other than the management nominees as their proxyholder to attend and participate at the Meeting as their proxy and vote their Common Shares **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder **AND register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a username to vote in the Meeting and only being able to attend as a guest.**

**Step 1: Submit your form of proxy or voting instruction form:** To appoint someone other than the management nominees as proxyholder, insert that person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

**If you are a Non-Registered Holder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described below.** By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions below under the heading “How do I Attend and Participate at the Meeting?”.

**Step 2: Register your proxyholder:** To register a third party proxyholder, Shareholders must visit <http://www.computershare.com/ONLQ> by 8:00 a.m. (Eastern Time) on May 6, 2020 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a username via email to participate in the Meeting. **Without a username, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.**

### **How do I Attend and Participate at the Meeting?**

The Company is holding the Meeting in a virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including Non-Registered Holders who have duly appointed themselves as proxyholder, to vote at the Meeting and ask questions at the appropriate times during the Meeting, all in real time.

Guests, including Non-Registered Holders who have not duly appointed themselves as proxyholder, can login to the Meeting as set out below. Guests can listen to the Meeting and ask questions but are not able to vote.

**Log in online at: <https://web.lumiagm.com/284151016> on your smartphone, tablet or computer. You will need the latest version of Chrome, Safari, Internet Explorer 11, Edge or Firefox. We recommend that you log in at least one hour before the Meeting starts.**

**If you are a registered shareholder click “I have a login” and then enter your 15-digit control number as the username, which is the control number located on your form of proxy or in the email notification you received from Computershare and “csoftware2020” (case sensitive) as the password.**

**OR**

**If you are a duly appointed proxyholder click “I have a login” and then enter the username that was provided to you by Computershare after the voting deadline passed and “csoftware2020” (case sensitive) as the password.** In order to be a duly appointed proxyholder the proxyholder must be registered as described in “Appointment of a Third Party as Proxy” above.

**OR**

**If you are a Non-Registered Shareholder that has not appointed yourself as a proxyholder click “Guest” and then complete the online form.**

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures outlined above.

**If you are using a 15-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters**

**put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.**

## **INTERPRETATION**

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars. All references to “\$” are to U.S. dollars and all references to “C\$” are to Canadian dollars. The information contained herein is provided as of March 30, 2020, unless indicated otherwise.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation has fixed April 1, 2020 as the record date (the “Record Date”) for the persons entitled to receive notice of the Meeting. The Corporation shall prepare a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each holder on such date. Each holder of Common Shares is entitled to be present at the Meeting and to one vote for each Common Share registered in the name of such holder in respect of each matter to be voted upon at the Meeting. As at April 1, 2020, there were 21,191,530 Common Shares outstanding.

A quorum for the transaction of business at the Meeting is the presence of two shareholders of the Corporation holding Common Shares, present in person or by telephonic or electronic means and holding or representing by proxy not less than 15% of the votes entitled to be cast at the Meeting.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns, or exercises control or direction over, directly or indirectly more than 10% of the outstanding Common Shares.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### **Objectives of the Corporation’s Executive Compensation Program**

The primary objective of the Corporation's executive compensation program is to attract and retain highly skilled executives required for the success of the Corporation and to reward and retain executives who create long-term value for our shareholders. The Compensation, Nominating and Human Resources (“CNHR”) Committee is responsible for making recommendations to the Board of Directors of the Corporation (the “Board” or the “Board of Directors”) with respect to the establishment of a compensation plan for the Corporation's executive officers, including the Named Executive Officers (as defined below).

The Corporation’s executive compensation program consists of base salary and annual incentive compensation. The annual incentive compensation is paid by way of a cash bonus, although a portion of the bonus is usually required to be used to purchase Common Shares.

Total compensation for each executive officer is designed to be competitive. The CNHR Committee periodically reviews and compares both base salary and total compensation against compensation data of Canadian, U.S. and European public companies with annual revenues, types of business and market capitalizations similar to ours (“peer group”) for reasonableness. The peer group consists of 100+ U.S., Canadian, and European software companies. The CNHR Committee

uses this information to assist in establishing base salary and total compensation for all executive officers, including the Named Executive Officers (“NEO”).

### **Base salary**

Providing a market competitive base salary is necessary to attract new talent as required, and it assists in retaining skilled executive talent. Base salaries for the Operating Group executive officers and other Named Executive Officers are set by the CNHR Committee taking into account the executive’s responsibilities, skills, and in the case of the Operating Group executive officers, the size of the Operating Group in which they are employed. All executive salaries are reviewed annually by the CNHR Committee on the basis of the above criteria and adjusted accordingly.

### **Annual incentive bonus**

The objective of our annual incentive bonus is to reward employees for working towards our goal of increasing shareholder value. We believe that shareholder value is created by managing two financial components over the long term: profitability and growth. As such, our corporate bonus plan, which compensates employees at all levels of our organization, is based upon return on invested capital (“ROIC”) and net revenue growth (ROIC is calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period.). “Average Invested Equity Capital” represents the average equity capital of Constellation, and is based on the Corporation’s estimate of the amount of money that our common shareholders have invested in Constellation. Subsequent to that estimate, the Corporation keeps a running tally and adds net income for bonus purposes, subtracting any dividends, adding any amounts related to share issuances and makes some minor adjustments, including adjustments relating to our use of certain incentive programs and the impairment of intangible assets. Neither net income for bonus purposes nor Average Invested Equity Capital are measures defined by International Financial Reporting Standards. Net income for bonus purposes is calculated by making a number of adjustments to net income per the annual consolidated financial statements. The principal adjustments to net income include adjustment for the impact of deferred income taxes, unrealized foreign exchange gains/losses, bargain purchase gains, reductions due to ownership interests in subsidiaries and amortization of intangibles.

An individual’s annual incentive bonus is calculated as follows:

Base salary x Company performance factor x Individual factor

Individual factors for the Operating Group executive officers and other Named Executive Officers are set by the CNHR Committee taking into account the executive’s responsibilities, skills, and in the case of the Operating Group executive officers, the size of the Operating Group in which they are employed.

The company performance factor for Operating Group executive officers is based upon the performance of their respective Operating Group. The President, CFO, and other head office employees’ company performance factor is based upon the performance of the Corporation as a whole.

The company performance factor is determined by reference to net revenue growth and ROIC. ROIC is calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period. A ‘risk free’ rate of return established by the board (currently 5%) is netted from the ROIC. If the ROIC does not exceed the risk-free rate of return, then the

manager of the business receives no bonus. The Corporation measures growth by looking at the year-over-year increase in net revenues for the particular Operating Group. Net Revenue is not a measure defined by International Financial Reporting Standards. It is calculated based on revenue as reported in the Corporation's consolidated financial statements prepared in accordance with International Financial Reporting Standards less any third party and flow-through expenses.

The Corporation's Average Invested Equity Capital during the year ended December 31, 2019 that was used to calculate bonuses was approximately \$2,260 million. The net income for bonus calculation purposes was approximately \$643 million. Net revenues for bonus calculation purposes in fiscal 2019 and 2018 was approximately \$2,931 million and \$2,552 million, respectively. Measured in this fashion, the Corporation's ROIC (calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period) in 2019 was approximately 28% and the Corporation's net revenue growth was approximately 15%.

In considering the implications of the risks associated with the Corporation's annual incentive bonus structure, the CNHR Committee was satisfied that the counterbalance between ROIC (calculated by dividing net income for bonus purposes for the year by the Average Invested Equity Capital for the period) and net revenue growth and the requirement to invest 75% of their after-tax incentive bonus into Common Shares mitigates the risk that a Named Executive Officer would take inappropriate or excessive risks in respect of the Corporation's operations.

Although the Board may, at its discretion, increase or decrease the amount of annual incentive bonus awarded to a Named Executive Officer in a given year, it did not exercise such discretion in respect of the most recently completed fiscal year.

#### **Investment of annual incentive bonus in Constellation shares**

Executive officers are required to invest 75% of their after-tax incentive bonus into Common Shares. The shares are held in escrow for a minimum average period of four years. Once in every five-year period, executive officers may choose to receive their bonus entirely in cash. As of the date hereof, the Company does not have a formal policy that restricts the purchase by its Named Executive Officers, directors or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer, director or employee.

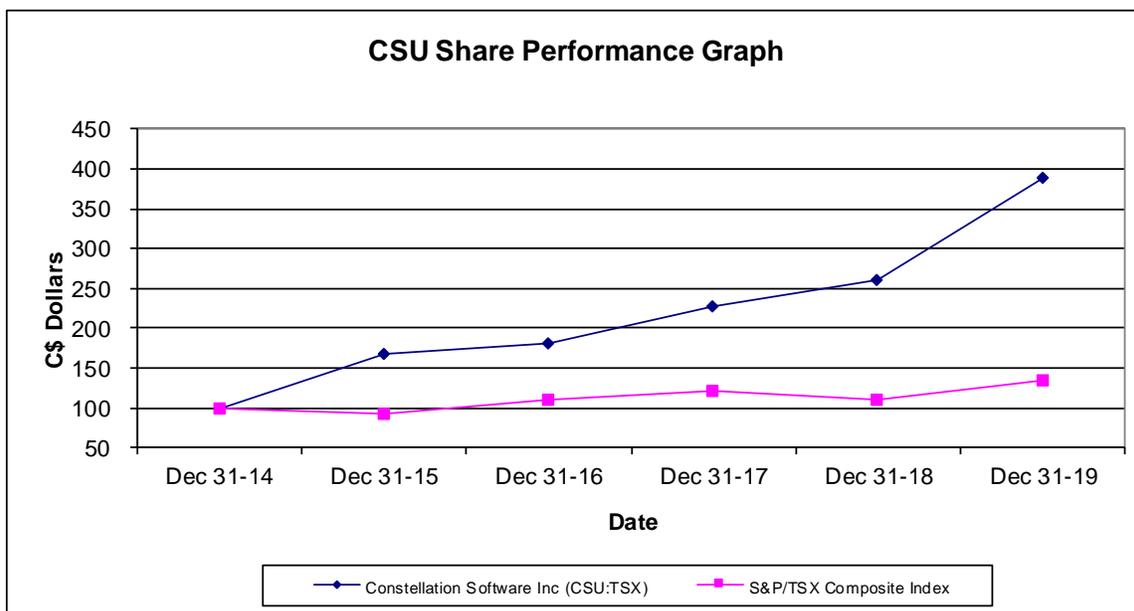
#### **Mark Leonard's compensation**

Mr. Leonard's compensation for acting as President of the Corporation during fiscal 2019 was determined by the CNHR Committee. The President's performance is reviewed on an annual basis, and changes to his base salary and/or the basis used for calculating incentive compensation in the coming year are made at that time. Mr. Leonard's and head office employees' incentive bonus entitlement is calculated in the same manner as the other executive officers as described above. In 2017, 2018 and 2019, Mr. Leonard voluntarily waived his entitlement to receive a salary and a bonus. Additional information regarding Mr. Leonard's compensation was included in a Letter to Shareholders filed on SEDAR on April 6, 2015.

## Share Performance Graph

The following graph compares the total cumulative shareholder return over the five most recently completed financial years for C\$100 invested in Common Shares on such date with the total cumulative return of the S&P/TSX Composite Index on an annual basis.

	Dec 31/14	Dec 31/15	Dec 31/16	Dec 31/17	Dec 31/18	Dec 31/19
<b>Constellation Software Inc. (CSU: TSX)</b>	100	169	180	227	261	388
<b>S&amp;P/TSX Composite Index</b>	100	92	111	121	110	136



The Corporation's total shareholder return increased by 288% since December 31, 2014, while the S&P/TSX composite index increased by 36% over the same period. Named Executive Officer compensation from 2014 to 2019, decreased by 18%, compared to the 288% increase in cumulative shareholder return over the same period. The decline in executive compensation is primarily the result of Mark Leonard voluntarily waiving his salary and bonus in 2019. Excluding the impact of this factor, Named Executive Officer compensation increased by 8% from 2014 to 2019. The bonuses of the Named Executive Officers, except for the President and Chief Financial Officer of the Corporation, are tied to the returns on invested capital of the Operating Group for which they are directly responsible, rather than the returns on the capital of the Corporation as a whole.

## Summary Compensation Table

The following table provides a summary of the compensation earned during 2017, 2018 and 2019 by the President, the Chief Financial Officer and the Corporation's other three most highly compensated officers based on total compensation for the fiscal year ended December 31, 2019 (collectively, the "Named Executive Officers").

Name and Principal Position	Fiscal Year	Annual Compensation <sup>(1)</sup>							
		Annual Incentive Plan Compensation (\$) <sup>(2)</sup>					Total Bonus (\$)	Other Annual Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Portion of Bonus Withheld at Source for Tax Purposes (\$)	Portion of Bonus Paid in Cash (\$)	Portion of Bonus to be Used to Purchase Common Shares (\$)				
Mark Leonard President	2019 2018 2017	-(3) -(3) -(3)	- - -	- - -	- - -	-(3) -(3) -(3)	NIL NIL NIL	- - -	
Jamal Baksh Chief Financial Officer	2019 2018 2017	222,075 222,894 211,832	233,869 250,124 258,553	58,053 62,089 197,676	207,460 221,873 58,553	499,382 534,086 514,782	NIL NIL NIL	721,457 756,980 726,614	
Jeff Bender Chief Executive Officer, Harris Operating Group	2019 2018 2017	409,947 396,544 354,337	447,130 754,588 413,126	122,311 655,858 113,101	483,371 - 446,688	1,052,812 1,410,446 972,915	NIL NIL NIL	1,462,759 1,806,990 1,327,252	
Robin Van Poelje President, Chief Executive Officer, Total Specific Solutions	2019 2018 2017	367,137 370,493 316,337	609,165 696,139 586,251	155,367 121,891 135,559	466,103 527,169 406,679	1,230,635 1,345,199 1,128,489	NIL NIL NIL	1,597,772 1,715,692 1,444,826	
John Billowits Chief Executive Officer, Vela Operating Group	2019 2018 2017	369,254 344,276 278,848	772,083 1,213,393 574,473	211,201 1,054,632 157,240	834,660 - 620,882	1,817,944 2,268,025 1,352,595	NIL NIL NIL	2,187,198 2,612,301 1,631,443	

Notes:

- (1) The compensation data presented for Robin Van Poelje was paid in euros and for the remaining individuals was paid in Canadian dollars. Euro salary amounts have been converted to U.S. dollars using the average annual exchange rate of \$1.1193 for 2019 (2018 - \$1.1801; 2017 - \$1.1271). 2019 euro bonus amounts have been converted to U.S. dollars using the exchange rate prevailing at December 31, 2019 of \$1.1215 (2018 - \$1.1444; 2017 - \$1.1979). Canadian dollar salary amounts have been converted to U.S. dollars using the average annual exchange rate of \$0.7536 for 2019 (2018- \$0.7715; 2017 - \$0.7703). 2019 Canadian dollar bonus amounts have been converted to U.S. dollars using the exchange rate prevailing at December 31, 2019 of \$0.7682 (2018 - \$0.7336; 2017- \$0.7966).
- (2) Annual incentive compensation is paid by way of a cash bonus, although a portion of such bonus is required to be used to purchase Common Shares on the open market. See "Compensation Discussion and Analysis" for a description of the annual incentive bonus.
- (3) Mr. Leonard voluntarily waived his entitlement to receive a salary or a bonus in 2017, 2018 and 2019.

## Employment Agreements

Each of the Named Executive Officers has an employment contract which provides for, among other things, certain covenants in favour of the Corporation or, in respect of a Named Executive Officer employed by one of our subsidiaries, that subsidiary. Each employment agreement provides that the Named Executive Officer will not, during the period of his employment or for a period of at least one year thereafter, be involved in any business that develops or markets competitive software or consulting, maintenance, support or training services in any jurisdiction where we market our products or services. The Named Executive Officer will not, without the prior written approval of the board of directors of his employer, employ any employee or consultant of

CSI, in the case of the President and Chief Financial Officer, and, in the case of the other Named Executive Officers, of the applicable operating group each is responsible for, in each case for a period of at least 12 months after the termination of his employment. Each Named Executive Officer will not, during his employment or for a period of at least 12 months thereafter, contract or solicit any clients (including persons who become clients within six months of the termination of his employment) for the purposes of the selling or supplying software products or services competitive to those offered by the Corporation, in the case of the President and the Chief Financial Officer, and, in the case of the other Named Executive Officers, those offered by the applicable Operating Group he is responsible for. If terminated for other than just cause, Mr. Bender is entitled to either 12 months prior written notice or payment in an amount equal to 12 months' salary at the rate in effect at the time of his termination. If Mr. Leonard is terminated for other than just cause, he is entitled to an amount equal to 12 months' salary, less required deductions. Mr. Baksh and Mr. Billowits are not entitled to any termination payments or prior notice pursuant to the terms of their employment contracts. Mr. van Poelje is entitled to two months' prior notice of any termination and is not entitled to any termination payments pursuant to the terms of his employment contract.

### Compensation of Directors

The following table provides a summary of the compensation received by each of the independent directors during the fiscal year ended December 31, 2019. Independent directors are paid \$60,000 per annum, plus \$20,000 per annum for each committee of the Board ("Committee") of which they are a member. The Vice-Chairman of the Board is paid an additional \$40,000. The fees are payable in cash; however, the after-tax portion of such fees must be used by the directors to purchase Common Shares on the open market. The Common Shares are required to be held in escrow for a minimum average period of four years. The independent directors will also be reimbursed for all out-of-pocket expenses incurred in their capacities as members of the Board. During the fiscal year ended December 31, 2019, the directors rendered no additional professional services, directly or indirectly, to the Corporation.

Name	Annual Compensation				
	Fees Earned (\$)			All Other Compensation (\$)	Total Compensation (\$)
	Fees paid in cash (\$)	Fees used to purchase common shares (\$)	Total fees earned (\$)		
Lori O'Neill	16,245	43,755	60,000	NIL	60,000
Stephen R. Scotchmer <sup>(1)</sup>	18,461	61,539	80,000	NIL	80,000
Meredith (Sam) Hayes	18,461	61,539	80,000	NIL	80,000
Robert Kittel	25,461	74,539	100,000	NIL	100,000
Lawrence Cunningham	27,000	63,000	90,000	NIL	90,000
Paul McFeeters	20,886	59,114	80,000	NIL	80,000
Susan Gayner	4,500	10,500	15,000	NIL	15,000

Notes:

(1) Mr. Scotchmer is also a director of Manitou Capital Corporation, a shareholder of the Corporation.

### Directors' and Officers' Liability Insurance

We currently maintain directors' and officers' liability insurance coverage with a C\$10 million per occurrence limit and a C\$10 million limit in aggregate. Coverage includes errors,

omissions or breach of fiduciary duty by the directors and officers during the discharge of their legal duties. The annual premium paid by the Corporation for this coverage is C\$180,500.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Our Board of Directors is responsible for developing our approach to corporate governance issues and is committed to ensuring that a healthy governance culture exists at the Corporation. The directors periodically review the size, composition and compensation of the Board of Directors, the effectiveness of the Board and its individual members, and appropriate committee structures, mandates, composition, membership and effectiveness. To the extent that a conflict of interest arises from time to time, a conflicted director is required to excuse himself or herself from the applicable portion of any meeting at which such matter is to be discussed or decided.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Corporation is required to disclose on an annual basis its approach to corporate governance. The Corporation’s approach to significant issues of corporate governance is designed to ensure that the business and affairs of the Corporation are effectively managed to enhance shareholder value. The Corporation’s corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. Where the Corporation does not comply with recommended guidelines, it believes non-compliance is justifiable and its reasoning is provided. The Board has approved the description of the Corporation’s approach to corporate governance as outlined in Schedule “A” to this Circular. Corporate governance guidelines change from time to time. The Board monitors pending regulatory initiatives and developments in the corporate governance area and will address them as appropriate.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of March 30, 2020, no current or former directors, executive officers or employees of the Corporation, or any of its subsidiaries, has any indebtedness to the Corporation or any of its subsidiaries.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Appointment of Auditors

At the Meeting, shareholders will be requested to re-appoint KPMG LLP as auditors of the Corporation, to hold office until the next annual meeting of shareholders, and to authorize the Board of Directors to fix the auditors' remuneration. KPMG LLP have been the auditors of the Corporation since the fiscal year ended December 31, 1995.

**Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the enclosed form of proxy intend to vote for the reappointment of KPMG LLP as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.**

### 2. Election of Directors

The number of directors to be elected at the Meeting is eleven. Directors of the Corporation are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders.

#### *Majority Director Election Policy*

In 2009, the Board of Directors adopted a majority director election policy (the "Policy"). The Policy requires that the form of proxy for the vote at a shareholder meeting where directors are to be elected will provide for separate voting for each director nominee. The Policy requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election must immediately resign from the Board following the shareholders meeting.

The Board of Directors will consider relevant circumstances surrounding a nominee's failure to obtain a majority vote and will, in the absence of compelling circumstances, accept the resignation as soon as appropriate, consistent with an orderly transition. The Board will disclose the decision, via press release, announcing the resignation of the director or explaining the reasons justifying the decision not to accept the resignation. It is expected any resignation will be accepted by the Board within 90 days of the meeting at which such director was found not to have the confidence of the shareholders. Subject to applicable law, if a resignation is accepted, the Board may (i) leave the vacancy unfilled until the next annual general meeting of shareholders; (ii) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of shareholders; (iii) call a special meeting of shareholders at which there will be presented a management slate to fill the vacant position or positions; or (iv) reduce the size of the Board.

**Unless the shareholder directs that his or her Common Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed form of proxy will vote for the election of the eleven (11) nominees whose names are set forth below.** Management does not contemplate that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting or any adjournment thereof, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of business of the first annual meeting of shareholders of the Corporation following his or her election

unless his or her office is earlier vacated in accordance with the Corporation’s by-laws, the Policy, and the *Business Corporations Act* (Ontario) (“OBCA”).

The following table sets out, for each person proposed to be nominated for election as a director, the person’s name, municipality of residence, position(s) with CSI, principal occupation, the year in which the person became a director, and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction, either directly or indirectly as of March 27, 2020.

<b>Name and Place of Residence</b>	<b>Position(s) with CSI</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Common Shares Beneficially Held or Over Which Control is Exercised</b>
Paul McFeeters <sup>(1)</sup> Milford, Ontario, Canada	Director	Consultant	2014	515
Lawrence Cunningham New York, NY, USA	Director and Vice- Chairman of the Board	Professor	2017	893
Jeff Bender Ottawa, Ontario, Canada	Director and Chief Executive Officer, Harris Operating Group	Chief Executive Officer, Harris Operating Group	2013	77,341
Mark Leonard Toronto, Ontario, Canada	President and Chairman of the Board	President and Chairman of the Board of CSI	1995	432,625 <sup>(5)</sup>
Lori O’Neill <sup>(1)(2)</sup> Ottawa, Ontario, Canada	Director	Consultant	2018	85
Mark Miller Oakville, Ontario, Canada	Director and Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group	Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group	2013	279,641
Stephen R. Scotchmer <sup>(3)(4)</sup> Oakville, Ontario, Canada	Director and Lead Independent Director	Private Investor	2000	72,172
Dexter Salna, Toronto, Ontario	Director and President, Perseus Operating Group	President, Perseus Operating Group	2019	251,106
Robert Kittel <sup>(1)(3)</sup> , Toronto, Ontario, Canada	Director	Chief Operating Officer of The Westaim Corporation	2013	1,013
Robin Van Poelje Blaricum, The Netherlands	Director and Chief Executive Officer, Total Specific Solutions	Chief Executive Officer, Total Specific Solutions	2018	3,139

Name and Place of Residence	Position(s) with CSI	Principal Occupation	Director Since	Common Shares Beneficially Held or Over Which Control is Exercised
Susan Gayner, Richmond, VA, USA	Director	President and CEO of ParkLand Ventures, Inc.	2019	60

Notes:

- (1) Member of Audit Committee.
- (2) Ms. O'Neill was a director of DragonWave Inc. from June 13, 2013 to July 31, 2017. Following Ms. O'Neill's resignation on July 31, 2017, the Ontario Superior Court of Justice appointed a receiver over the business and assets of DragonWave Inc., following an application of Comerica Bank as Agent for DragonWave Inc.'s senior lenders, pursuant to the *Bankruptcy and Insolvency Act* (Canada). On July 20, 2017, the shares of DragonWave Inc. were halted from trading on the TSX by the Investment Industry Regulatory Organization of Canada. The shares of DragonWave Inc. were delisted from the TSX and the NASDAQ on August 30, 2017 and August 2, 2017, respectively.
- (3) Member of Compensation, Nominating and Human Resources Committee.
- (4) Mr. Scotchmer is also a director of Manitou Capital Corporation, a shareholder of the Corporation.
- (5) On August 5, 2015, the Company announced that L6 Holdings Inc. (formerly known as 1388369 Ontario Inc.), an Ontario corporation ("L6") which as of August 5, 2015 owned 1,000,000 Common Shares (representing approximately 4.7% of the issued and outstanding Common Shares of CSI) and which was previously controlled by Mr. Leonard, President and Chairman of the Board, is now controlled exclusively by the adult children of Mr. Leonard. Following the change in control of L6, the Corporation and L6 entered into an agreement whereby L6 will provide notice to the Corporation within five days of any sale, transfer, or assignment by L6 of its Common Shares. This agreement expires on August 5, 2020.

The following are brief profiles of each person proposed to be nominated for election as a director, including a description of each individual's principal occupation within the past five years.

*Paul McFeeters — Director*

Mr. McFeeters joined the Board in October 2014. Mr. McFeeters retired from OpenText where he served as the Chief Financial Officer from June 2006. Mr. McFeeters has more than thirty years of business experience, including previous employment as Chief Financial Officer of Platform Computing Inc., a grid computing software vendor from 2003 to 2006, and of Kintana Inc., a privately-held IT governance software provider, from 2000 to 2003. Mr. McFeeters also held President and CEO positions at MD Private Trust from 1997 to 2000. Between 1981 and 1996 Mr. McFeeters worked at Municipal Financial Corporation and held various progressive positions there including CFO, COO, President and CEO. From 2015 to 2019, Mr. McFeeters was a Board Advisor for Hootsuite, a social media management company. From 2007 to January 2016, Mr. McFeeters was a member of the board of Blueprint Software Systems Inc., an enterprise requirements software solutions provider. Mr. McFeeters is currently a member of the board and chair of the Audit Committee of Lightspeed POS Inc. Mr. McFeeters holds a B.B.A (Honours) from Wilfrid Laurier University and an MBA from Schulich School of Business at York University and is a Chartered Professional Accountant.

*Lawrence Cunningham — Director*

Mr. Cunningham joined the Board in August 2017. Mr. Cunningham is the Tucker Professor at The George Washington University. He has served on numerous public and private boards. He is a Trustee of the Museum of American Finance and a member of the Dean's Council of Lerner College of Business of the University of Delaware. Previous positions include practicing corporate law with Cravath, Swaine & Moore; Academic Dean of Boston College Law School; and Director of the Heyman Center on Corporate Governance at Cardozo Law School. Prof. Cunningham holds a bachelor's degree in economics (with honors) from the University of Delaware and a juris doctor (law) degree from Cardozo (magna cum laude).

*Jeff Bender — Director and Chief Executive Officer, Harris Operating Group*

Mr. Bender joined CSI in 1999 after spending 7 years at Deloitte LLP. Mr. Bender has been the Chief Executive Officer for Constellation's Harris Operating Group since 2002. Mr. Bender is a Chartered Professional Accountant and holds a BCom from Carleton University.

*Dexter Salna — Director, President, Perseus Operating Group*

Mr. Salna joined CSI in 1995 and is currently the President of Perseus Operating Group. Prior to his current role, Mr. Salna held various senior executive positions with our Volaris Operating Group since 1995. From January 2000 to March 2001, Mr. Salna took a leave of absence from Volaris to pursue other business opportunities. Mr. Salna received a B.A.Sc. in Civil Engineering from the University of Toronto, an M.S. in Construction Management and Engineering from Stanford University and an M.B.A. from Harvard Business School.

*Robert Kittel - Director*

Mr. Kittel joined the Board in 2013. Mr. Kittel has been the Chief Operating Officer of The Westaim Corporation since January 2013. The Westaim Corporation is a Canadian-based publicly traded financial and investment holding company. Previously he was a Partner and Portfolio Manager at Goodwood Inc., an investment management firm that he joined in 2002. From 2000 through 2002, he was Vice President and Analyst of a Canadian-based hedge fund investment firm. From 1997 through 2000, Mr. Kittel was employed by the Cadillac Fairview Corporation, a commercial real estate development company in the investments area. Prior to 1997, Mr. Kittel was a staff accountant at KPMG LLP. Mr. Kittel has served as a director on several public boards, both in Canada and the United States. Mr. Kittel holds a BBA Honours (Gold Medalist) from Wilfrid Laurier University and is a Chartered Professional Accountant and a Chartered Financial Analyst.

*Mark Leonard — President and Chairman of the Board*

Mr. Leonard founded CSI in 1995. Prior to founding CSI, Mr. Leonard worked in the venture capital business for eleven years. Mr. Leonard holds a BSc. from the University of Guelph, and a MBA from the University of Western Ontario.

*Lori O'Neill — Director*

Ms. O'Neill joined the Board in March 2018. Ms. O'Neill is a FCPA, FCA, corporate director and independent financial and governance consultant. She provides governance and financial consulting services to growth companies, after serving over 24 years with Deloitte LLP. As a partner at Deloitte LLP with various National and Industry leadership roles, she focused on advising growth companies from start-up to multinationals, supporting complex transactions, private and public equity offerings, mergers and acquisitions in Canada and the U.S. She serves as board member and chair of the audit committee for the Ontario Lottery and Gaming Corporation, University of Ottawa Heart Institute, Hydro Ottawa, and Pythian Group, and is chair of the board of Ashbury College and is a board member of Sierra Wireless. Ms. O'Neill graduated from Carleton University with a Bachelor of Commerce Highest Honors in 1988, achieved her CPA, CA designation in 1990, her U.S. CPA designation in 2003, and completed the ICD Director Education Program attaining the ICD.D.

*Mark Miller – Director, Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group*

Mr. Miller has been with CSI, holding positions with us and our subsidiaries for well over 20 years. Mr. Miller currently spends the majority of his time as the Chief Executive Officer of Volaris Operating Group and Trapeze Operating Group, but also acts as our Chief Operating Officer. Mr. Miller received a B.Sc. in Statistics and a B.Sc. in Mathematics from McMaster University in Hamilton, Ontario. In addition, Mr. Miller has attended the Executive Marketing Program at the

Ivey Business School at the University of Western Ontario. Mr. Miller is also on the Board of Directors of Medgate Inc. and pVelocity Inc., two private software companies both headquartered in Toronto, Ontario. Mr. Miller is also on the board of Computer Modelling Group Ltd.

*Stephen R. Scotchmer — Director and Lead Independent Director*

Mr. Scotchmer has been a member of the Board since 2000. He is currently a director of Manitou Investment Management Ltd., which he co-founded in 1999. From 1982 until 1987, he served as President of Bay Mills Ltd., a TSX listed company in the business of manufacturing engineered materials. Mr. Scotchmer is an engineering graduate of Queen's University.

*Robin Van Poelje — Director, Chief Executive Officer, Total Specific Solutions ("TSS") Operating Group*

Mr. Van Poelje has been with CSI since January 2014 when CSI acquired TSS. From January 2010 to now, Mr. Van Poelje has been the Chief Executive Officer of TSS, based in the Netherlands. Mr. Van Poelje holds a Msc. in Economics from the University of Groningen, the Netherlands and is a post graduate in Marketing and Strategy from École Supérieure de Commerce de Montpellier, France.

*Susan Gayner — Director*

Ms. Gayner joined our Board in 2019. Ms. Gayner is President and CEO of ParkLand Ventures, Inc., an owner-operator of multifamily housing communities in the US. She is a Chemical Engineer by training and prior to her tenure with ParkLand served in various capacities with both the DuPont Company and Hercules, Inc. She currently serves on the board of directors of Synalloy Corporation, where she is chair of the Governance Committee. She holds a BA (Chemistry) and an ME (Chemical Engineering), both from the University of Virginia.

### **3. Approach to Executive Compensation**

The primary objective of the Corporation's executive compensation program is to attract and retain highly skilled executives required for the success of the Corporation and to reward and retain executives who create long-term value for our shareholders. See "Compensation Discussion and Analysis" for detailed disclosure of CSI's executive compensation program. The Board has adopted a policy to hold a non-binding advisory vote on the approach to executive compensation as disclosed in the management information circular at each annual meeting. At the Meeting, Shareholders will have an opportunity to vote on CSI's approach to executive compensation through consideration of the following advisory resolution:

*Be it resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors of CSI, that the approach to executive compensation disclosed in the management information circular of CSI dated March 30, 2020 is accepted.*

As the vote is advisory, it will not be binding upon the Board; however, the CNHR Committee will take into account the results of the vote when considering future executive compensation arrangements.

The Board recommends that Shareholders vote IN FAVOUR of the above resolution.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matters which are not now known

to management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **ADDITIONAL INFORMATION**

A copy of this Circular has been sent to each director of the Corporation, to the applicable regulatory authorities, to each shareholder entitled to notice of the Meeting and to the auditors of the Corporation. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). A comprehensive description of the Corporation and its business as well as a summary of the risk factors applicable to the Corporation are set out in the Corporation's Annual Information Form ("AIF"). Financial information is provided in the Corporation's annual consolidated financial statements and accompanying management's discussion and analysis for the fiscal year ended December 31, 2019, both of which are available at [www.sedar.com](http://www.sedar.com). Copies of the Corporation's AIF, together with any documents incorporated by reference therein; the Corporation's most recently filed annual consolidated financial statements, together with the accompanying report of the independent auditor, and any of the Corporation's condensed consolidated interim financial statements that have been filed for any period after the end of the Corporation's most recently completed financial year; annual and interim management's discussion and analysis and this Circular are available without charge to shareholders of the Corporation, upon request, from the Corporation at:

Constellation Software Inc.  
20 Adelaide Street East  
Suite 1200  
Toronto, Ontario  
M5C 2T6  
Telephone: (416) 861-2279  
Facsimile: (416) 861-2287  
Email: [info@csisoftware.com](mailto:info@csisoftware.com)

For certain information with respect to the Corporation's Audit Committee, including its charter and composition, the relevant education and experience of its members, and services fees paid to the Corporation's external auditors, please refer to the section entitled "Committees of the Board of Directors" in the Corporation's AIF dated March 27, 2020.

**DIRECTORS' APPROVAL**

The contents of this Circular and the delivery thereof to the shareholders of the Corporation has been approved by the Board of Directors.

**DATED** the 30<sup>th</sup> day of March, 2020.

**ON BEHALF OF THE BOARD OF DIRECTORS**

A handwritten signature in black ink, appearing to read 'M. Leonard', written in a cursive style.

Mark Leonard  
Chairman and President

## SCHEDULE "A"

### NATIONAL INSTRUMENT 58-101 DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

#### 1. Board of Directors

The board of directors of the Corporation (the "Board of Directors" or the "Board") is currently composed of twelve members, provided that Meredith (Sam) Hayes is not standing for re-election and therefore the Board will be composed of eleven members after the next annual general meeting. All Board members, with the exception of Mark Leonard, Jeff Bender, Dexter Salna, Robin Van Poelje and Mark Miller are independent according to the definition of "independence" set out in NI 58-101 as it applies to the Board of Directors. Mark Leonard, Jeff Bender, Dexter Salna, Robin Van Poelje and Mark Miller are not independent because they are senior officers of the Corporation. As seven of the twelve existing directors are independent, the Corporation has deemed the majority of the Board to be independent, provided that six of the eleven directors will be independent after the next annual general meeting as Meredith (Sam) Hayes is not standing for re-election which is still a majority of the Board.

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name	Director of Other Issuer
Lori O'Neill	Sierra Wireless, Inc.
Susan Gayner	Synalloy Corporation
Paul McFeeters	Lightspeed POS Inc.
Mark Miller	Computer Modelling Group Ltd.

At regularly scheduled meetings of the Board of Directors, the independent directors hold *in camera* sessions while members of management are not in attendance. The Board held four *in camera* sessions during fiscal 2019. The Audit Committee holds *in camera* sessions with only the external auditors present. The Compensation, Nominating and Human Resources ("CNHR") Committee consists only of independent directors with management attending only by invitation.

Meetings of the Board of Directors are currently chaired by the President of the Corporation, Mr. Mark Leonard, who is not an independent director. The Board of Directors believes that the President is best suited to establish the agenda and ensure that relevant information is made available to the Board of Directors due to his intimate knowledge of the Corporation and its operating businesses. The Board's non-management or outside directors have unrestricted and direct access to management and the external auditors of the Corporation and meet independently with the auditors at least four times a year through the *in camera* sessions as noted above. The Board of Directors has appointed Stephen R. Scotchmer, an independent director, as a lead director. As lead director, his role is to chair the *in camera* sessions held without management in attendance, and communicate the results of those sessions to management.

Since the beginning of the fiscal year ended December 31, 2019, the Board of Directors held 12 meetings. The attendance of the individual directors was as follows:

<b>Director</b>	<b>Number of Meetings Attended</b>
Mark Leonard	12/12
Paul McFeeters	11/12
Stephen R. Scotchmer	12/12
Meredith (Sam) Hayes	11/12
Robert Kittel	12/12
Jeff Bender	11/12
Mark Miller	12/12
Lawrence Cunningham	12/12
Robin Van Poelje	12/12
Lori O'Neill	12/12
Dexter Salna*	3/3
Susan Gayner*	3/3
*Dexter Salna and Susan Gayner were appointed to the Board of Directors on September 20, 2019.	

Since the beginning of the fiscal year ended December 31, 2019, the Audit Committee held four meetings. The attendance of the individual directors was as follows:

<b>Director</b>	<b>Number of Meetings Attended</b>
Paul McFeeters	4/4
Meredith (Sam) Hayes	4/4
Robert Kittel	4/4

Since the beginning of the fiscal year ended December 31, 2019, the CNHR Committee held four meetings. The attendance of the individual directors was as follows:

<b>Director</b>	<b>Number of Meetings Attended</b>
Stephen R. Scotchmer	4/4
Robert Kittel	4/4

## 2. Board Mandate

The Board of Directors is responsible for the stewardship of the Corporation, ensuring that long-term value is being created for its shareholders. The Board has adopted a written charter to formalize their responsibilities, a copy of which is attached as Annex I hereto.

## 3. Position Descriptions

There are no specific written position descriptions for the Chairman of the Board, the Chairs of the various Board Committees or the President. The Board and each Committee has a written mandate pursuant to which its members and Chairs can be assessed. The President's role and responsibilities are assessed periodically by the Board. The role of the Chairman of the Board is to set agendas, ensure that the Board functions effectively, act as a liaison between management and the Board, and coordinate the activities of the committees with the work of the Board. The role of the chair of each committee is to set agendas, ensure that the committee functions effectively and report to the Board on committee business.

#### **4. Orientation and Continuing Education**

While the Corporation does not have a formal orientation program for new members of the Board, the President and other members of senior management are and will continue to be available to Board members to discuss the Corporation's business and assist in the orientation and education of Board members as required. As part of the orientation process, new Board members are provided with copies of the Corporation's relevant financial data and have the opportunity to attend management meetings.

The Board does not formally provide continuing education to its directors; however, the directors are experienced members, the majority of whom are or have been directors on boards of other companies. The Board of Directors relies on professional assistance when considered necessary in order to be educated or updated on a particular topic.

#### **5. Ethical Business Conduct**

The Corporation has not adopted a written code of conduct and ethics. The Board's mandate requires that business be conducted ethically and in compliance with applicable laws and regulations. In addition, most employees and officers of the Corporation have signed employment contracts that require that ethical and lawful behaviour must be exhibited at all times. In addition, most of the subsidiaries of the Corporation have codes of conduct in place and available to their employees which further outline what behaviour is/is not tolerated. Lastly, the Corporation has established a whistleblower policy which outlines the procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters as well as other issues.

Under the OBCA, to which the Corporation is subject, a director or officer of the Corporation must disclose to the Corporation, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer: (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Subject to limited exceptions set out in the OBCA, the director cannot vote on any resolution to approve the contract or transaction and must recuse himself or herself from the decision-making process pertaining to a contract or transaction in which he or she has an interest.

#### **6. Nomination of Directors**

The Board of Directors has delegated to the CNHR Committee the responsibility for identifying new candidates for Board nomination and proposing such nominees to the Board. Board members or management may suggest candidates for consideration by the Committee. Prospective candidates are interviewed by the President and by other Board members on an *ad hoc* basis.

All of the members of the CNHR Committee are independent according to the definition of "independence" set out in NI 58-101. The powers and responsibilities of the CNHR Committee are set out in the CNHR Committee's written mandate, a copy of which is attached as Annex II hereto.

## **7. Compensation**

The Board periodically reviews the remuneration of directors and makes adjustments where considered necessary. The CNHR Committee considers responsibilities, skills and competitive compensation in determining remuneration. With respect to the compensation of the Corporation's officers, see "Compensation Discussion and Analysis" above.

The Board of Directors has established the CNHR Committee whose primary role and responsibility concerns human resources and compensation policies and processes, including:

- Ensuring that the Corporation's compensation programs balance the needs of shareholders and employees;
- Reviewing and approving total remuneration of the President and other senior executives and the total allowance for increases to other employees;
- Monitoring the Corporation's succession plans; and
- As required, recommending candidates for the Corporation's Board of Directors.

The following sets out the relevant education and experience of each director relevant to the performance of his duties as a member of the CNHR Committee:

Mr. Scotchmer has been a director and/or officer of both private and public companies, and has served on the compensation committee of several companies.

Mr. Kittel is the Chief Operating Officer of The Westaim Corporation since January 2013. He also served as a director on several public boards, both in Canada and the United States. Mr. Kittel holds a BBA Honours (Gold Medalist) from Wilfrid Laurier University and is a Chartered Professional Accountant and a Chartered Financial Analyst.

Corporate objectives are established periodically by the Board of Directors. Executive performance is assessed at least annually by the CNHR Committee against those objectives. No compensation consultant or advisor was retained by the Corporation during the fiscal year ended December 31, 2019.

## **8. Other Board Committees**

Other than the Audit Committee and CNHR Committee, the Board does not have any other committees in place.

## **9. Assessments**

Each Committee reviews and assesses the adequacy of its Committee mandate on a periodic basis and recommends any proposed changes to the Board for approval. The Board in conjunction with the President periodically reviews and assesses the effectiveness of the Board as a whole, the membership of the Board committees, the mandates and activities of each committee and the contribution of individual directors. Feedback is obtained from members of the Board and the various Committees on an informal basis, which the Board believes is sufficient to address any changes that may be necessary or desirable.

## **10. Term Limits**

CSI does not have term limits for directors. While there is benefit to adding new perspectives to the Board from time to time, there are also benefits to be achieved by continuity and directors having in-depth knowledge of CSI's businesses. CSI's Board believes that the key to effective leadership is to choose directors and officers that, having regard to a wide array of factors, possess the range of necessary skills, experience, commitment and qualifications that are best suited to fostering effective leadership and decision-making at the Corporation.

## **11. Representation of Women on the Board and in Executive Officer Positions**

CSI currently has two female directors (17% of total), Lori O'Neill and Susan Gayner, on the Board and no women (0%) in executive officer (as defined in National Instrument 58-101) positions. CSI does not have a formal written policy on the representation of women on the Board or in senior management and has not adopted any targets with respect to such representation, as the Board does not believe that quotas or strict rules result in the identification or selection of the best candidates. The CNHR Committee will, as required, recommend candidates for the Board of Directors, based on, among other things, their wisdom, long-term orientation, shareholder alignment, belief in the motivational power of autonomy and decentralisation, experience with successful capital allocation, diversity, age, and track record of exercising sound judgment.

## **ANNEX I**

### **BOARD MANDATE**

#### **CONSTELLATION SOFTWARE INC.**

#### **CORPORATE GOVERNANCE BOARD OF DIRECTORS**

##### **MANDATE**

The Board of Directors is responsible for the stewardship of the Corporation, ensuring that long-term value is being created for its shareholders.

##### **BOARD COMPOSITION**

The Board of Directors of the Corporation is currently comprised of twelve Directors and is comprised of a majority of independent Directors, provided that Meredith (Sam) Hayes is not standing for re-election and therefore the Board will be composed of eleven members after the next annual general meeting.

The number of Directors may be set from time to time by the Board within the minimum and maximum numbers approved by the shareholders.

The Directors shall be elected by the shareholders, except as permitted by the Ontario Business Corporations Act. Where a vacancy arises the Compensation, Nominating and Human Resources (“CNHR”) Committee will recommend an appropriate person to fill such vacancy, at the Board’s discretion, or the Board may decide to reduce the size of the Board. The Board will appoint a Chairman and a Corporate Secretary. The Chairman shall be designated from among the members of the Board. A lead Director will be chosen each year to act as Chairman in instances when the Board meets without the Chairman being present.

##### **MEETINGS AND BOARD PROCESS**

The Board shall meet at least five times per year, once after each quarter, and once when the drafts of the Annual Information Circular, Annual Report, and Proxy have been prepared. The Board will meet more frequently if circumstances dictate.

Board meetings will allow for input from all Board members. Any Director may request that the lead Director co-ordinate a meeting of the non-management members of the Board. Board and Board Committee liaison with the Corporation will be principally through the President. The Board may, from time to time, assign specific duties and tasks to individuals or committees.

Audit and CNHR Committees have been established. Each of the Committees shall operate under a written Mandate document approved by the Board. The two standing Committees of the Board shall be comprised entirely of non-management Directors. The Board receives regular reports from the Committees.

Periodically, the Board will evaluate the effectiveness of the Board as a whole and ensure that appropriate succession plans are in place. This may include: Reviewing the process for nominating,

orienting, and remunerating Board members, determining the committees required, and changing the mandates for the committees.

The Board has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The Board has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

## **RESPONSIBILITIES**

The Board members shall ensure that:

- All Board members understand the business of the Corporation;
- Processes are in place to effectively plan, monitor and manage the long-term viability of the Corporation;
- There is a balance between long and short-term goals and risks;
- Management's performance is adequate and that an adequate management succession plan is in place;
- Communication with shareholders and other stakeholders is timely and effective;
- Business is conducted ethically and in compliance with applicable laws and regulations;
- and
- All matters requiring shareholder approval are referred to them.

## **OPERATIONAL MATTERS**

In the process of executing its responsibilities the Board will:

- Review corporate performance on a quarterly basis;
- Periodically adjust hurdle rates used to assess acquisitions;
- Review and approve all business acquisitions over certain thresholds (the Board of Directors may change the threshold requiring approval);
- Review and approve divestitures;
- Review and approve dividend payments;
- Ensure that management compensation is appropriate;
- Review and approve company banking and borrowing resolutions;
- Review and approve any changes in the issued shares;
- Review accounting policies, internal control and audit procedures;
- Review and approve the annual information circular and proxy for the annual meeting of shareholders;
- Review and approve the annual financial statements and the interim consolidated quarterly results;
- Recommend to the shareholders the appointment of auditors and their remuneration; and
- Provide advice to management.

## ANNEX II

### **COMPENSATION, NOMINATION AND HUMAN RESOURCE (“CNHR”) COMMITTEE MANDATE**

The purpose of the CNHR Committee is to assist, and where appropriate, make recommendations to the Board of Directors and President concerning matters relating to the Corporation’s employees and directors.

The Committee exists at the pleasure of the Board, and its Mandate may be changed by the Board at any time.

#### **Responsibilities**

The CNHR Committee’s duties and responsibilities are to:

- Ensure the Corporation’s compensation programs balance the needs of shareholders and employees;
- Review and approve total remuneration of the President and other senior executives;
- Review the Corporation’s succession plans;
- Develop a pool of potential director candidates for consideration in the event of a vacancy on the Board, and as part of such development efforts, identify highly qualified women and highly qualified individuals from minority groups to include in the pool of candidates;
- As required, recommend candidates for the Corporation’s Board of Directors, based on, among other things, their wisdom, long-term orientation, shareholder alignment, belief in the motivational power of autonomy and decentralisation, experience with successful capital allocation, diversity, age, and track record of exercising sound judgment; and
- Consider matters of corporate governance and periodically review the Corporation’s corporate governance policies and guidelines and recommend to the Board modifications to such policies and guidelines as appropriate.

#### **Composition**

The CNHR Committee shall be comprised of two or more directors, at least two of whom will be independent, as determined and appointed by the Board.

The Committee may elect its own chairman and secretary. The secretary to the Committee need not be a member of the Committee.

#### **Meetings**

The Committee shall meet at least twice per year and more frequently if circumstances dictate. The Chairman shall report on the Committee’s activities and make recommendations to the Board for approval.

Committee liaison with the Corporation will be principally through the President.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and has direct access to the books, records, facilities and personnel of the organization. The CNHR Committee has the ability to retain, at the Corporation’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.