

Constellation Software Inc.
Notice of Annual and Special Meeting of Shareholders
To Be Held On April 28, 2016

Notice is hereby given that the annual and special meeting (the “Meeting”) of the holders of common shares (“Common Shares”) of Constellation Software Inc. (“CSI” or the “Corporation”) will be held at the offices of McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, 66 Wellington Street West, Toronto, Ontario on April 28, 2016 at 10:30 a.m. (Eastern Standard Time) for the following purposes:

- (a) to receive the financial statements for the year ended December 31, 2015 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 if thought appropriate, adopt a special resolution (the full text of which is reproduced in Schedule “B”), authorizing and approving the amendment to the articles of the Corporation in order to (i) create a new class of common shares (the “DE Common Shares”), to be issuable at any time or from time to time at the discretion of the Board of Directors of the Corporation (the “Board”), (ii) amend and restate the rights, privileges, restrictions and conditions attaching to the Common Shares, as applicable, to reflect the creation of the DE Common Shares, and (iii) change the basis upon which the maximum number of Class A Preferred Shares (“Preferred Shares”) which may be issued by the Corporation is calculated to reflect the number of issued and outstanding Common Shares on a fully diluted basis; 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.

Shareholders are invited to attend the Meeting. A holder of Common Shares of record at the close of business on March 24, 2016 will be entitled to vote at the Meeting.

If unable to attend the Meeting in person, 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. 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, 9th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile. 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. 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 a control number (located on the front of the proxy) to identify themselves to the system.

Voting by Internet. A registered shareholder may vote over the Internet by going to 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 Investor Services Inc. no later than 10:30 a.m. (Eastern Standard Time) on April 26, 2016 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting or delivered to the Chairman on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof.

DATED March 24, 2016

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 AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 28, 2016

SOLICITATION OF PROXIES

This management information circular (the "Circular") dated as of March 24, 2016 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 and special meeting of shareholders of the Corporation (the "Meeting") referred to in the accompanying Notice of the Annual and Special Meeting of Shareholders (the "Notice") to be held on April 28, 2016, 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., 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.

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. 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. 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, 9th Floor, North Tower, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile. 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. 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. A registered shareholder may vote over the Internet by going to 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 Investor Services Inc. no later than 10:30 a.m. (Eastern Standard Time) on April 26, 2016 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding the Meeting or delivered to the Chairman on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof.

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 him or her: (a) with Computershare Investor Services Inc. at any time up to and including 10:30 a.m. (Toronto 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 (b) with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof; or (3) in any other manner permitted by law.

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, 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 in person (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 in person (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 in person (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 Investor Services Inc. as described above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (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.

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.

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 24, 2016, unless indicated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed March 24, 2016 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 March 24, 2016, 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 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”). The peer group consists of approximately 132 U.S., Canadian, and European software companies. The companies in the peer group have average revenues of \$449 million and range in revenue from \$8 million to over \$3

billion. 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”). We generally aim to compensate our executive officers in each Operating Group within the second quartile of total compensation paid by similar sized companies included in the peer group. For executive officers whose Operating Group has demonstrated above average performance, we aim to compensate them within the third (2nd highest), or in some cases the fourth (highest) quartile of total compensation paid by similar sized companies in the peer group.

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 performance and 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.

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 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. Average invested equity capital is the Corporation’s estimate of the amount of money that our shareholders have invested in CSI. It represents equity capital invested in CSI, plus adjusted net income, less any dividends paid, and some other minor adjustments. Neither net

income for bonus purposes nor invested equity capital nor net revenues 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. Adjusted net income approximates net income for bonus purposes. The principal adjustments to net income include adjustment for the impact of deferred income taxes, unrealized foreign exchange gains/losses, and amortization of intangibles.

The Corporation's average invested equity capital during the year ended December 31, 2015 that was used to calculate bonuses was approximately \$965 million. The net income for bonus calculation purposes was approximately \$346 million. Net revenues in fiscal 2015 and 2014 were approximately \$1,496 million and \$1,349 million, respectively. Measured in this fashion, the Corporation's ROIC in 2015 was approximately 36% and the Corporation's growth was approximately 11%.

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 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 an average period of four years. Once in every five-year period, executive officers may choose to receive their bonus entirely in cash if they place the number of shares that equates to the same value of freely tradable shares in escrow under the same conditions as shares purchased as part of the bonus plan.

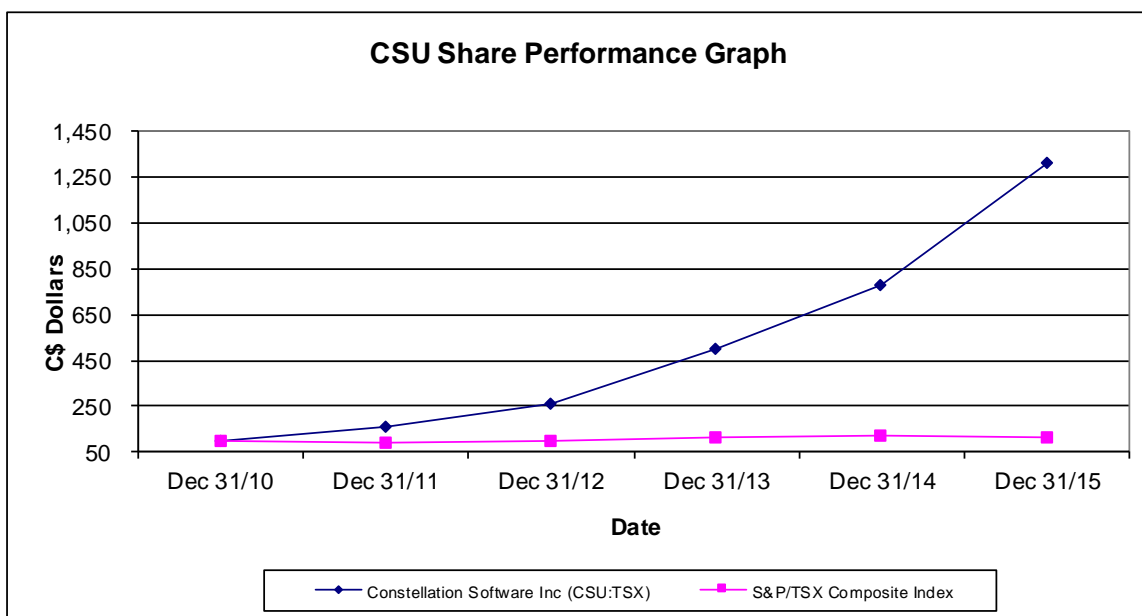
Mark Leonard's compensation

Mr. Leonard's compensation for acting as President of the Corporation during fiscal 2015 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 2014, Mr. Leonard voluntarily waived his entitlement to receive a salary and in 2015, 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 31/10	Dec 31/11	Dec 31/12	Dec 31/13	Dec 31/14	Dec 31/15
Constellation Software Inc. (CSU: TSX)	100	159	259	499	779	1,313
S&P/TSX Composite Index	100	91	98	111	122	112



The Corporation's total shareholder return increased by 1,213% since December 31, 2010, while the S&P/TSX composite index increased by 12% over the same period. Named Executive Officer compensation from 2010 to 2015, decreased by 64%, compared to the 1,213% increase in cumulative shareholder return over the same period. The decline in executive compensation is primarily the result of three factors. First, there has been a decline of the Canadian dollar relative to the US dollar over this period. Second, the bonuses paid in 2010 within one of the Operating Groups was significantly higher in 2010 as compared to 2015. Third, Mark Leonard voluntarily waived his salary and bonus in 2015. Although total Named Executive Officer compensation declined on an absolute basis over the period, the salaries and the formula used to calculate Named Executive Officer bonuses have not changed significantly during this time. The bonuses of the Named Executive Officers, except for the President and Chief Financial Officer of the Corporation, are tied to the returns on 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 2013, 2014 and 2015 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, 2015 (collectively, the "Named Executive Officers").

Name and Principal Position	Fiscal Year	Annual Compensation ⁽¹⁾							
		Annual incentive plan compensation (\$) ⁽²⁾					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	2015 2014 2013	1 ⁽³⁾ 1 ⁽³⁾ 488,413	- 674,908 1,074,524	- 249,452 268,727	- 878,549 886,211	- ⁽³⁾ 1,802,909 2,229,462	NIL NIL NIL	1 1,802,910 2,717,875	
Jamal Baksh Chief Financial Officer	2015 2014 2013	195,603 212,910 217,666	145,462 210,799 219,951	38,166 61,997 62,008	143,671 218,554 186,023	327,299 491,350 467,982	NIL NIL NIL	522,902 704,260 685,648	
Mark Miller Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group	2015 2014 2013	344,261 398,640 427,240	506,398 537,006 1,007,718	138,524 175,204 1,031,080	547,442 676,365 NIL	1,192,364 1,388,575 2,038,798	NIL NIL NIL	1,536,625 1,787,215 2,466,038	
Dexter Salna President, Perseus Operating Group	2015 2014 2013	273,844 317,100 330,140	492,118 392,276 839,510	136,357 129,436 213,956	535,479 497,042 641,870	1,163,954 1,018,754 1,695,336	NIL NIL NIL	1,437,798 1,335,854 2,025,476	
John Billowits Chief Executive Officer, Vela Operating Group	2015 2014 2013	273,844 317,100 339,850	421,860 332,991 489,353	115,297 108,700 551,824	455,960 419,801 NIL	993,117 861,492 1,041,177	NIL NIL NIL	1,266,961 1,178,592 1,381,027	

Notes:

- (1) The majority of the compensation data presented was paid in Canadian dollars. Salary amounts have been converted to U.S. dollars using the average annual exchange rate of \$0.7824 for 2015 (2014 – \$0.9060; 2013 – \$0.9710). Bonus amounts have been converted to U.S. dollars using the exchange rate prevailing at the time of payment, which was \$0.7388 and \$0.75 respectively for 2015 (2014 – \$0.7992, and \$0.7868; 2013 – \$0.9024 and \$0.9043). For unpaid bonuses in 2015, an exchange rate of \$0.7388 (2014 - \$0.7868; 2013 - \$0.9043) was used.
- (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 in 2014 and voluntarily waived his entitlement to receive a salary or a bonus in 2015.

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 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 12 months (or six months in the case of Mr. Miller) after the termination of his employment. Each Named Executive Officer will not, during his employment or for a period of 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, each of Mr. Miller and Mr. Salna is entitled to either 12 months prior written notice or payment in an amount equal to 12 months salary (or in the case of Mr. Miller, 12 months pay) 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.

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, 2015. 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 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 an 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, 2015, 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 (\$)		
Ian McKinnon	18,000	42,000	60,000	NIL	60,000
Stephen R. Scotchmer ⁽¹⁾	24,000	56,000	80,000	NIL	80,000
Meredith (Sam) Hall Hayes	24,000	56,000	80,000	NIL	80,000
Robert Kittel	30,000	70,000	100,000	NIL	100,000
Paul McFeeters	24,000	56,000	80,000	NIL	80,000

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\$127,960 plus tax.

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 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 24, 2016, 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 eight. 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 offer to 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 within 90 days. 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 eight (8) 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 election

unless his 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.

Name and Place of Residence	Position(s) with CSI	Principal Occupation	Director Since	Common Shares Beneficially Held or Over Which Control is Exercised
Paul McFeeters ⁽¹⁾ Milford, Ontario, Canada	Director	Consultant	2014	173
Jeff Bender Ottawa, Ontario, Canada	Chief Executive Officer, Harris Operating Group	Chief Executive Officer, Harris Operating Group	2013	75,346
Mark Leonard Toronto, Ontario, Canada	President and Chairman of the Board	President and Chairman of the Board of CSI	1995	438,655 ⁽⁵⁾
Ian McKinnon ⁽⁴⁾ Toronto, Ontario, Canada	Director	Consultant	2006	1,934
Mark Miller Oakville, Ontario, Canada	Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group	Chief Operating Officer, CSI and Chief Executive Officer, Volaris Operating Group	2013	306,835
Stephen R. Scotchmer ^{(2) (3)} Oakville, Ontario, Canada	Director and Lead Independent Director	Private Investor	2000	71,226
Meredith (Sam) Hall Hayes ⁽¹⁾ Pointe Claire, Quebec, Canada	Director	Consultant	2013	2,415
Robert Kittel ^{(1) (2)} , Toronto, Ontario, Canada	Director	Chief Operating Officer of The Westaim Corporation	2013	573

Notes:

- (1) Member of Audit Committee.
- (2) Member of Compensation, Nominating and Human Resources Committee.
- (3) Mr. Scotchmer is also a director of Manitou Capital Corporation, a shareholder of the Corporation.
- (4) Mr. McKinnon was a director of Empirical Inc., a TSX Venture Exchange listed company, from December 2007 until 2008. In January 2009, Empirical announced that it had entered into a standstill agreement with its creditors. The company's assets were sold in February 2009, following which its shares were suspended from trading on the TSX Venture Exchange. Mr. McKinnon was a director and Chair of the board of Adeptron Technologies Corporation, a TSX Venture listed company, from August 2011 to March 2012. In October 2011, Adeptron announced that it had entered into a business combination with Artaflex Inc. Following this announcement, the TSX Venture Exchange halted trading of Adeptron's shares pending receipt and review of acceptable documentation from Adeptron in respect of the transaction. Trading of Adeptron's shares resumed in February 2012.
- (5) On August 5, 2015, the Corporation announced that 1388369 Ontario Inc., an Ontario corporation ("1388") 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 of Directors of the Corporation, is now controlled exclusively by the adult children of Mr. Leonard. Following the change in control of 1388, the Corporation and 1388 entered into an agreement whereby 1388 will provide notice to the Corporation within five days of any sale, transfer, or assignment by 1388 of its Common Shares.

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 our 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. Since 2015, Mr. McFeeters has been 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 holds a B.B.A (Honours) from Wilfrid Laurier University and a MBA from Schulich School of Business at York University and is a Chartered Professional Accountant.

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.

Meredith (Sam) Hall Hayes – Director

Mr. Hayes joined The CSL Group Inc. in 1981. He served as President and CEO from 1995 until his retirement in 2008. Mr. Hayes served as Executive Vice President and CFO from 1992 to 1995 and also served as a Vice President and Treasurer from 1989 to 1992. Prior to that, Mr. Hayes was The CSL Group Inc.'s Director of Finance. He currently holds a director or advisory position at a number of organizations including The CSL Group Inc., CSL Pension Fund Society, Horizon Capital Holdings Inc., Canadian Executive Service Organization, and Cape Breton University's Shannon School of Business. Mr. Hayes holds a BA (honors) from Bishop's University in Quebec and attended the Western Executive Program at the University of Western Ontario.

Robert Kittel - Director

Mr. Kittel joined our 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.

Ian McKinnon — Director

Mr. McKinnon joined our board in March 2006. Between 1995 and 2007 he held the position of Chief Executive Officer for TSX listed Promis Systems and Certicom. Mr. McKinnon is currently a board member of TSX and Nasdaq listed SMART Technologies Inc. and 1 privately held software company. He holds an Honours BA from McMaster University and attended the INSEAD Advanced Management Program.

Mark Miller – 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.

Stephen R. Scotchmer — Director and Lead Independent Director

Mr. Scotchmer has been a member of our 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.

3. Amendment of Corporation's Articles

Shareholders are being asked to consider and, if thought appropriate, adopt a special resolution (the "Articles of Amendment Resolution") authorizing the filing of articles of amendment to: (i) create a new class of common shares (the "DE Common Shares"), to be issuable at any time or from time to time at the discretion of the Board, (ii) amend and restate the rights, privileges, restrictions and conditions attaching to the Common Shares, as applicable, to reflect the creation of the DE Common Shares, and (iii) change the basis upon which the maximum number of Class A Preferred Shares ("Preferred Shares") which may be issued by the Corporation is calculated to reflect the number of issued and outstanding Common Shares on a fully diluted basis. A "special resolution" means a resolution that is passed by at least two-thirds of the votes cast at the Meeting by the shareholders entitled to vote in person or by proxy on the resolution.

The text of the special resolution authorizing the amendment to the Corporation's articles as described above is attached to this Circular as Schedule "B". This proposed amendment to the articles will become effective upon the filing of Articles of Amendment reflecting the amendment pursuant to the OBCA, however, the Corporation does not intend to proceed with the filing of the Articles of Amendment unless, and until such time as, the tax ruling referred to under "Certain Canadian Federal Income Tax Considerations" below has been obtained by the Corporation. See

“Certain Canadian Federal Income Tax Considerations”.

(i) *Creation of DE Common Shares*

The Corporation is proposing to create the DE Common Shares to maximize and enhance shareholder value by making the share capital of the Corporation a more attractive investment for its existing shareholders and future investors, which is expected to enhance the Corporation’s ability to raise capital more efficiently.

The terms of the DE Common Shares will be substantially similar to the Common Shares, except that (i) regular dividends are not expected to be paid on the DE Common Shares, (ii) the DE Common Shares will not be listed on any stock exchange, and (iii) the DE Common Shares will be subject to a hold period of one year from the date of issuance.

As described below, the DE Common Shares and the Common Shares will be interconvertible, initially on a one-for-one basis. Subsequently, the conversion ratio applicable to the conversion from one class to the other will be adjusted each time a dividend is paid on the Common Shares (and/or the DE Common Shares, if applicable). The conversion ratio adjustment mechanism has been structured to ensure that the fair market value of a Common Share is approximately equivalent to the fair market value of a DE Common Share at all relevant times. Providing holders of Common Shares with the option to convert to DE Common Shares will permit existing and new shareholders to choose to hold either a more focused yield investment in the form of the Common Shares, or to hold a capital appreciation focused investment in the form of the DE Common Shares. Shareholders who choose to hold DE Common Shares instead of Common Shares will be able to effectively reinvest dividends in the Corporation in a more tax efficient manner than under the Corporation’s current dividend reinvestment plan (the “DRIP”). Offering the DE Common Shares therefore will effectively encourage reinvestment by shareholders in the Corporation and allow the Corporation to preserve cash that will be used by the Corporation in its ongoing business operations.

In an effort to encourage investment in the DE Common Shares by long-term shareholders, and to prevent holders of DE Common Shares from converting back and forth from DE Common Shares on a short-term basis, each DE Common Share will be subject to a hold period of one year from the date of its issue (a “Hold Period”). As described below, the DE Common Shares will not be convertible into Common Shares during the Hold Period (except in certain limited circumstances, such as in the case of the calling of a special shareholder meeting of the Corporation or the launch of a takeover bid).

Rights, Privileges, Restrictions and Conditions of the DE Common Shares

The DE Common Shares will be issuable at any time and from time to time at the discretion of the Board. A summary of the terms of the DE Common Shares is included below. Note that the following is a summary only and reference should be made to the full text of the terms and conditions attaching to the DE Common Shares as set out in the special resolution in Schedule “B” hereto.

Dividends. The holders of DE Common Shares will be entitled to receive dividends as and when declared by the Board. As described above, however, the Board does not intend to declare or pay regular dividends on the DE Common Shares and will adopt a dividend policy to this effect, which policy may only be amended by a unanimous vote of the Board.

Voting. Subject to the rights of the holders of any other class, or of any series of any other class of shares of the Corporation entitled to vote separately as a class or series, each holder of DE Common Shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote at all such meetings in respect of each DE Common Share held at all such meetings.

Conversion into Common Shares at the Option of the Holder. Each DE Common Share may, at any time following the applicable Hold Period, and upon at least five business days' notice to the Corporation, be converted, at the option of the holder, into the number of Common Shares determined on the basis of the Conversion Ratio.

The "**Conversion Ratio**" at any time and in respect of each DE Common Share to be converted, will be equal to 1.0 as at the date of filing the Articles of Amendment, and thereafter will be (A) increased on each date on which the Corporation pays a dividend on the Common Shares by an amount, rounded to the nearest four decimal places, equal to (x) the amount of the dividend per Common Share (in Canadian dollars), divided by (y) the market price of the Common Shares on the dividend payment date (based on the volume weighted average trading price of the Common Shares traded on the Toronto Stock Exchange for the seven trading days immediately preceding the dividend payment date), and (B) decreased on each date on which the Corporation pays a dividend on the DE Common Shares (if applicable) by an amount, rounded to the nearest four decimal places, equal to (x) the amount of the dividend per DE Common Share (in Canadian dollars), divided by (y) the market price of the Common Shares on the dividend payment date (based on the volume weighted average trading price of the Common Shares traded on the Toronto Stock Exchange for the seven trading days immediately preceding the dividend payment date).

Notwithstanding the existence of any applicable Hold Period, each issued DE Common Share may, at any time following (i) the delivery to holders of notice of a special meeting of shareholders of the Corporation until the date of the special meeting; or (ii) the making of an Offer to Acquire Common Shares until the last date upon which holders of Common Shares may accept such offer; be converted, at the option of the holder, into the number of Common Shares determined on the basis of the Conversion Ratio.

An "**Offer to Acquire Common Shares**" means an offer to acquire outstanding Common Shares where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20% or more of the outstanding Common Shares, calculated on a fully diluted basis, at the date of the offer to acquire, which offer is made or which must, by reason of applicable securities legislation or the by-laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to all holders of Common Shares who are in a jurisdiction of Canada to which the requirement applies.

Dissolution. In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Common Shares and the DE Common Shares will rank equally as to priority of distribution and the holders of the DE Common Shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the DE Common Shares, be entitled to participate concurrently with the holders of the Common Shares in the distribution.

Such distribution will be made in equal amounts per share on all the Common Shares and

DE Common Shares at the time outstanding without preference or distinction, provided that for purposes of determining the number of Common Shares and DE Common Shares outstanding at such time, all of the outstanding DE Common Shares will be deemed to have been converted into Common Shares immediately prior to such distribution on the basis of the Conversion Ratio.

Subdivision and Consolidation. The Common Shares will not be subdivided or consolidated unless contemporaneously therewith the DE Common Shares are subdivided or consolidated in the same proportion and in the same manner.

Additional Issue. The Corporation will not grant rights to holders of Common Shares to acquire additional shares or other securities or property of the Corporation unless the same or equivalent rights are concurrently given to holders of DE Common Shares as though such DE Common Shares had been converted to Common Shares on the basis of the Conversion Ratio.

(ii) *Changes to Rights, Privileges, Restrictions and Conditions of Common Shares*

As described in this Circular, in connection with the creation of the DE Common Shares, certain amendments must also be made to the terms of the Common Shares, in particular to account for the issuance of the DE Common Shares and to facilitate the inter-convertibility of the two classes of shares. The material terms of the Common Shares will remain unchanged, including the existing dividend and voting rights. In addition, the Common Shares will continue to be listed on the Toronto Stock Exchange under the symbol “CSU” and holders of Common Shares will continue to have the option to reinvest dividends paid on the Common Shares by participating in the DRIP. For a summary of the cash dividends declared on the Common Shares for each of the last three years and for a summary of the DRIP, see “Dividends” in the Corporation’s most recently filed Annual Information Form (“AIF”).

The Common Shares will continue to be issuable at any time and from time to time at the discretion of the Board. A summary of the material changes to the terms of the Common Shares is included below. Note that the following is a summary only of the material changes to be made to the terms of the Common Shares, therefore reference should be made to the full text of the terms and conditions attaching to the Common Shares as set out in the special resolution in Schedule “B” hereto.

Conversion into DE Common Shares at the Option of the Holder. Each Common Share may, on the last day of each calendar quarter (a “Quarterly Conversion Date”), and upon at least five business days’ notice to the Corporation, be converted into the number of DE Common Shares determined on the basis of the Common Conversion Ratio.

The “**Common Conversion Ratio**” at any time and in respect of each Common Share to be converted, will be a number, rounded to the nearest four decimal places, equal to 1.0 divided by the Conversion Ratio.

Notwithstanding the foregoing, if on a Quarterly Conversion Date (i) a dividend has been declared by the Corporation on the Common Shares but remains unpaid, and (ii) the record date for such dividend has not yet occurred, then the subject conversion will occur on the business day immediately following the relevant payment date for such dividend, rather than on the applicable Quarterly Conversion Date.

In addition, each issued Common Share may, at any time following the making of an Offer to Acquire DE Common Shares until the last date upon which holders of DE Common Shares may accept such offer, be converted, at the option of the holder, into the number of DE

Common Shares determined on the basis of the Common Conversion Ratio.

An “**Offer to Acquire DE Common Shares**” means an offer to acquire outstanding DE Common Shares where the securities subject to the offer to acquire, together with the offeror’s securities, constitute in the aggregate 20% or more of the outstanding DE Common Shares, calculated on a fully diluted basis, at the date of the offer to acquire, which offer is made or which must, by reason of applicable securities legislation or the by-laws, regulations or policies of a relevant stock exchange be made to all holders of DE Common Shares who are in a jurisdiction of Canada to which the requirement applies.

Dissolution. In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Common Shares and the DE Common Shares will rank equally as to priority of distribution and the holders of the Common Shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the Common Shares, be entitled to participate concurrently with the holders of the DE Common Shares in the distribution.

Such distribution will be made in equal amounts per share on all the Common Shares and DE Common Shares at the time outstanding without preference or distinction, provided that for purposes of determining the number of Common Shares and DE Common Shares outstanding at such time, all of the outstanding DE Common Shares will be deemed to have been converted into Common Shares immediately prior to such distribution on the basis of the Conversion Ratio.

Subdivision and Consolidation. The DE Common Shares will not be subdivided or consolidated unless contemporaneously therewith the Common Shares are subdivided or consolidated in the same proportion and in the same manner.

Additional Issue. The Corporation will not grant rights to holders of DE Common Shares to acquire additional shares or other securities or property of the Corporation unless the same or equivalent rights are concurrently given to holders of Common Shares as though such Common Shares had been converted to DE Common Shares on the basis of the Common Conversion Ratio.

(iii) *Change to Basis for Determining Maximum Number of Preferred Shares Issuable*

The terms of the Preferred Shares currently provide that the number of Preferred Shares which may be issued and outstanding at any time will be limited to a number equal to not more than 20% of the number of issued and outstanding Common Shares at the time of issuance of any Preferred Shares. In order to give effect to the creation of the DE Common Shares, the Corporation is proposing to change the basis upon which the maximum number of Preferred Shares which may be issued by the Corporation is calculated to reflect the number of issued and outstanding Common Shares on a fully diluted basis.

If the Articles of Amendment Resolution is approved, the only change that will be made to the terms of the Preferred Shares is that the number of Preferred Shares which may be issued and outstanding at any time will be capped at a number equal to not more than 20% of the number of issued and outstanding Common Shares, calculated on a fully diluted basis, of the Corporation at the time of issuance of any such Preferred Shares. Currently, there are no Preferred Shares issued or outstanding.

The text of the special resolution authorizing the amendment to the Corporation's articles as described above is attached to this Circular as Schedule "B".

Recommendation of the Board

The Board recommends that shareholders vote FOR the Articles of Amendment Resolution. Unless the shareholder directs that his or her Common Shares be otherwise voted, the persons named in the enclosed form of proxy will vote FOR the Articles of Amendment Resolution.

The Board can revoke the Articles of Amendment Resolution before it is acted on, even if it is passed by shareholders, in its sole discretion and without further notice to or approval of shareholders.

Certain Canadian Federal Income Tax Considerations

The following is a general summary, as of the date hereof, of certain Canadian federal income tax considerations relevant to a holder of Common Shares in relation to the matters contemplated by the Articles of Amendment Resolution.

This summary is only applicable to a holder (a "Shareholder") of Common Shares who, for purposes of the Income Tax Act (Canada) and the regulations thereunder (the "Tax Act") and at all relevant times, is (or is deemed to be) a resident of Canada, holds their Common Shares (and any DE Common Shares) as capital property, and deals at arm's length with, and is not affiliated with, the Corporation. This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and the current administrative policies and assessing practices of the Canada Revenue Agency ("CRA") published in writing by it prior to the date hereof.

This summary is not applicable to a Shareholder: (i) that is a "financial institution" for purposes of the mark to market rules; (ii) an interest in which would be a "tax shelter investment"; (iii) that is a "specified financial institution"; (iv) who makes or has made a "functional currency" reporting election; or (v) that enters into a "derivative forward agreement" with respect to Common Shares or DE Common Shares, as each term is defined in the Tax Act. Any such Shareholders should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any Shareholder. Shareholders should consult their own tax advisors with respect to their particular circumstances and with respect to Canadian tax and non-Canadian tax considerations that may be relevant to them.

Amendment of the Common Share Terms

The implementation of the Articles of Amendment Resolution is not expected to result in a disposition for purposes of the Tax Act by any Shareholder of their Common Shares.

Conversion of Common Shares into DE Common Shares

The conversion of Common Shares by a Shareholder into DE Common Shares in accordance with the terms of the Common Shares (as amended pursuant to the Articles of Amendment Resolution) is not expected to result in a disposition by such Shareholder of their

Common Shares for purposes of the Tax Act. Such a Shareholder is expected to acquire the resulting DE Common Shares with a tax cost equal to the adjusted cost base of the converted Common Shares as determined immediately prior to the conversion.

Conversion of DE Common Shares into Common Shares

The conversion of DE Common Shares by a holder into Common Shares in accordance with the terms of the DE Common Shares is not expected to result in a disposition by such holder of their DE Common Shares for purposes of the Tax Act. Such a holder is expected to acquire the resulting Common Shares with a tax cost equal to the adjusted cost base of the converted DE Common Shares as determined immediately prior to the conversion.

Tax Ruling

The Corporation has applied to the CRA for an advance income tax ruling (the “Tax Ruling”) to confirm the foregoing tax treatment and certain other income tax issues. Receipt of a favourable Tax Ruling in form and substance acceptable to the Board is a precondition to proceeding to implement the Articles of Amendment Resolution. There can be no assurance that the CRA will issue a Tax Ruling or that such a Tax Ruling will be in a form acceptable to the Corporation.

Dissenting Shareholders’ Rights

Pursuant to section 185(2) of the OBCA, a shareholder is entitled to dissent in respect of any Common Shares held and be paid the fair value of such shares if the shareholder objects to the Articles of Amendment Resolution and the Articles of Amendment Resolution is approved (a “Dissenting Shareholder”).

In order to dissent, a shareholder must (a) send to the registered office of the Corporation at 20 Adelaide Street East, Suite 1200, Toronto, Ontario, M5C 2T6 before the Meeting or deliver to the Corporation at the Meeting, a written objection (a “Dissent Notice”) to the Articles of Amendment Resolution from which the shareholder dissents (a proxy to vote against such resolution does not constitute a written objection thereto); (b) within 20 days after receipt from the Corporation of notice that the Articles of Amendment Resolution has been adopted or, if he or she does not receive such notice, within 20 days after he or she learns that the Articles of Amendment Resolution has been adopted, send to the Corporation a written notice containing: (i) his or her name and address, (ii) the number of shares in respect of which he or she dissents, (iii) a demand for payment of the fair value of such shares (the “Demand for Payment”); and (c) within 30 days thereafter, send to the Corporation the certificates representing such shares. A Dissenting Shareholder, on sending the notice containing the Demand for Payment, ceases to have any rights as a holder of such shares, other than the right to be paid the fair value of the shares, except where the Dissenting Shareholder withdraws such notice before the Corporation makes an offer to pay for such shares, or the Corporation fails to make such an offer to pay for such shares and the Dissenting Shareholder withdraws his or her notice, or the directors revoke the Articles of Amendment Resolution from which such Shareholder dissents, in any of such cases the Dissenting Shareholder’s rights as a holder of such shares are reinstated as of the day on which he or she sent the notice containing the Demand For Payment. A Dissenting Shareholder who fails to forward his or her Dissent Notice, Demand For Payment or share certificates within the times required loses any right to make a claim for payment of the fair value of his or her shares.

The Corporation is required, within 10 days after the Articles of Amendment Resolution is adopted, to send to each holder of shares who has filed a Dissent Notice, a notice that the Articles of Amendment Resolution has been adopted. The Corporation is not required to send such notice to any holder of shares who voted for the Articles of Amendment Resolution or who has withdrawn his objection. The Corporation is also required to send an offer to the Dissenting Shareholder to pay for his shares in an amount considered by the Board to be the fair market value thereof, not more than seven days after the later of the completion of the transaction (the “Dissent Effective Date”) and the date of receipt of the Dissenting Shareholder’s Demand for Payment. If such offer is accepted by the Dissenting Shareholder, payment is required to be made within 10 days of acceptance. Any such offer lapses if not accepted within 30 days after it is made. If the Corporation fails to make such an offer, or if the Dissenting Shareholder fails to accept the offer, the Corporation may, within 50 days after the Dissent Effective Date or such further period as a court may allow, apply to a court to fix a fair value for the shares of the Dissenting Shareholder. If the Corporation fails to make such application, the Dissenting Shareholder may make a similar application within a further period of 20 days or such further period as the court may allow.

A Shareholder who complies with each of the steps required to dissent is entitled to be paid the fair value of the shares held by him in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the day before the Articles of Amendment Resolution is adopted. Shareholders considering exercising their dissent rights should consult their own tax advisors concerning the tax consequences to them of exercising such rights.

Notwithstanding the foregoing, the Corporation is not permitted to make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that: (a) the Corporation is or would after the payment be unable to pay its liabilities as they become due; or (b) the realizable value of the Corporation’s assets would thereby be less than the aggregate of its liabilities.

A Shareholder may only exercise the right to dissent under section 185 of the OBCA in respect of shares which are registered in that Shareholder’s name. Failure by a Dissenting Shareholder to adhere strictly to the requirements of section 185 of the OBCA may result in the loss of such Dissenting Shareholder’s rights under that section. Beneficial Shareholders (for example, those persons who hold their shares through a broker, custodian, nominee or other intermediary) who wish to exercise dissent rights should be aware that only Registered Shareholders are entitled to dissent. A Beneficial Shareholder should ensure that his shares are registered in his name prior to the Meeting in order for his dissent to be properly made. A Registered Shareholder, such as a broker, who holds shares as nominee for several Beneficial Shareholders, some of whom wish to dissent, must ensure that such shares are validly registered in the names of such dissenting persons prior to the Meeting in order to ensure that dissent rights are not lost.

The foregoing is only a summary of section 185 of the OBCA, the full text of which is attached hereto as Schedule “C”. Shareholders considering exercising such right of dissent should specifically refer to section 185 of the OBCA. As failure to comply strictly with the provisions of the statute may prejudice the shareholder’s right of dissent, it is suggested that any shareholder seeking to exercise such right obtain his own legal advice as to the manner and the implications of exercising such right.

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. 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 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, 2015, both of which are available at 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@csissoftware.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 29, 2016.

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 24th day of March, 2016.

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 eight members. All Board members, with the exception of Mark Leonard, Jeff Bender 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 and Mark Miller are not independent because they are senior officers of the Corporation. As five of the eight existing directors are independent, the Corporation has deemed the majority of the Board to be independent.

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
Ian McKinnon	SMART Technologies Inc.

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 2015. 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, 2015, the Board of Directors held nine meetings. The attendance of the individual directors was as follows:

Director	Number of Meetings Attended
Mark Leonard	9/9
Ian McKinnon	9/9
Paul McFeeters	9/9
Stephen R. Scotchmer	9/9
Meredith (Sam) Hayes	9/9
Robert Kittel	9/9
Jeff Bender	9/9
Mark Miller	9/9

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 Chair 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.

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 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, 2015.

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 does not currently have any female directors on the Board or in executive officer positions. CSI does not have a 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. Rather selection is made as per the criteria described above and elsewhere in this Circular (such as merit, skills, qualifications, needs of the Corporation at the time, etc.).

ANNEX I

BOARD MANDATE

CONSTELLATION SOFTWARE INC.

CORPORATE GOVERNANCE **BOARD OF DIRECTORS**

MANDATE

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

BOARD COMPOSITION

The Board of Directors of the Company is currently comprised of eight Directors and is comprised of a majority of independent Directors.

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 Company 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 Company'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 Company;
- Processes are in place to effectively plan, monitor and manage the long-term viability of the Company;
- 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 in existing verticals and all acquisitions in new verticals (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 Company’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 Company’s compensation programs balance the needs of shareholders and employees;
- Review and approve total remuneration of the President and other senior executives;
- Review the Company’s succession plans; and
- As required, recommend candidates for the Company’s Board of Directors.

Composition

The CNHR Committee shall be comprised of two or more independent directors 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 Company 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 Company’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

SCHEDULE “B”

**SPECIAL RESOLUTION AUTHORIZING
AN AMENDMENT TO THE CORPORATION’S ARTICLES TO CREATE
THE DE COMMON SHARES,
AMEND AND RESTATE THE TERMS OF THE COMMON SHARES
AND CHANGE THE BASIS FOR DETERMINING THE MAXIMUM NUMBER OF
CLASS A PREFERRED SHARES ISSUABLE**

BE IT RESOLVED THAT:

1. the Corporation amend its articles substantially as set out in the draft articles of amendment in the form attached hereto as Schedule “B-1”, which articles of amendment are hereby approved;
2. any officer or director of the Corporation be, and is hereby authorized, for and on behalf of the Corporation, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of articles of amendment under the *Business Corporations Act* (Ontario), such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such actions; and
3. the directors of the Corporation are hereby authorized to revoke this special resolution in whole or in part without further approval of the shareholders at any time prior to the endorsement by the Director under the *Business Corporations Act* (Ontario) of a certificate of amendment in respect of the Articles of Amendment.

SCHEDULE "B-1"

DRAFT ARTICLES OF AMENDMENT

5. The articles of the corporation are amended as follows:

- (a) to amend and restate the rights, privileges, restrictions and conditions attaching to the Common Shares in the capital of the Corporation as set out on Schedule "1" hereto;
- (b) to create a new class of common shares designated as "DE Common Shares", in an unlimited number, such DE Common Shares having attached thereto the rights, privileges, restrictions and conditions set out on Schedule "1" hereto;
- (c) to change the maximum number of Class A Preferred Shares which may be issued by the Corporation to a number equal to not more than 20% of the issued and outstanding Common Shares (calculated on a fully diluted basis) of the Corporation at the time of issuance of any such Class A Preferred Shares; and
- (d) to declare that the authorized capital of the Corporation, after giving effect to the foregoing, consists solely of:
 - (i) an unlimited number of Common Shares;
 - (ii) an unlimited number of DE Common Shares; and
 - (iii) a number of Class A Preferred Shares which will be limited to the number equal to not more than 20% of the issued and outstanding Common Shares (calculated on a fully diluted basis) of the Corporation at the time of issuance of any such Class A Preferred Shares.

Schedule “1”

The rights, privileges, restrictions and conditions attaching to the Common Shares and the DE Common Shares are as follows:

1. INTERPRETATION

For purposes hereof:

- (i) “**Business Day**” means any day other than Saturday or Sunday or any date on which the Toronto Stock Exchange is closed or on which banks in Toronto, Ontario are closed;
- (ii) “**Common Conversion Ratio**” at any time and in respect of each Common Share to be converted, will be a number, rounded to the nearest four decimal places, equal to 1.0 divided by the Conversion Ratio;
- (iii) “**Conversion Ratio**” at any time and in respect of each DE Common Share to be converted, will be equal to 1.0 as at the Effective Date, and thereafter will be (A) increased on each date on which the Corporation pays a dividend on the Common Shares by an amount, rounded to the nearest four decimal places, equal to (x) the amount of the dividend per Common Share (in Canadian dollars), divided by (y) the market price of the Common Shares on the dividend payment date (based on the volume weighted average trading price of the Common Shares traded on the Toronto Stock Exchange for the seven trading days immediately preceding the dividend payment date), and (B) decreased on each date on which the Corporation pays a dividend on the DE Common Shares by an amount, rounded to the nearest four decimal places, equal to (x) the amount of the dividend per DE Common Share (in Canadian dollars), divided by (y) the market price of the Common Shares on the dividend payment date (based on the volume weighted average trading price of the Common Shares traded on the Toronto Stock Exchange for the seven trading days immediately preceding the dividend payment date);
- (iv) “**Effective Date**” means ●; [NOTE: This will be the date on which the articles of amendment creating the DE Common Shares are filed.]
- (v) “**Expiry Date**” with respect to an Offer to Acquire Common Shares, means the last date upon which holders of Common Shares may accept the Offer to Acquire Common Shares, and with respect to an Offer to Acquire DE Common Shares, means the last date upon which holders of DE Common Shares may accept the Offer to Acquire DE Common Shares;
- (vi) “**Hold Period**” means, for a DE Common Share, the period beginning on the date of issue of the DE Common Share and ending on the date that is 365 days following such date of issue;
- (vii) “**Offer to Acquire Common Shares**” means an offer to acquire outstanding Common Shares where the securities subject to the offer to acquire, together with the offeror’s securities, constitute in the aggregate 20% or more of the outstanding Common Shares, calculated on a fully diluted basis, at the date of the

offer to acquire, which offer is made or which must, by reason of applicable securities legislation or the by-laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to all holders of Common Shares who are in a jurisdiction of Canada to which the requirement applies;

- (viii) **“Offer to Acquire DE Common Shares”** means an offer to acquire outstanding DE Common Shares where the securities subject to the offer to acquire, together with the offeror’s securities, constitute in the aggregate 20% or more of the outstanding DE Common Shares, calculated on a fully diluted basis, at the date of the offer to acquire, which offer is made or which must, by reason of applicable securities legislation or the by-laws, regulations or policies of a relevant stock exchange, be made to all holders of DE Common Shares who are in a jurisdiction of Canada to which the requirement applies; and
- (ix) **“Quarterly Conversion Date”** means the last day (or subsequent Business Day if such date is not a Business Day) of each calendar quarter.

2. COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

(a) Dividends

The holders of Common Shares will be entitled to receive and the Corporation will pay thereon, if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Common Shares, the board of directors may in its sole discretion declare dividends on the Common Shares to the exclusion of any other class of shares of the Corporation.

(b) Dissolution

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Common Shares and the DE Common Shares will rank equally as to priority of distribution and the holders of the Common Shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the Common Shares, be entitled to participate concurrently with the holders of the DE Common Shares in the distribution.

Such distribution will be made in equal amounts per share on all the Common Shares and DE Common Shares at the time outstanding without preference or distinction, provided that for purposes of determining the number of Common Shares and DE Common Shares outstanding at such time, all of the outstanding DE Common Shares will be deemed to have been converted into Common Shares immediately prior to such distribution on the basis of the Conversion Ratio.

(c) Voting

Subject to the rights of the holders of any other class, or of any series of any other class of shares of the Corporation entitled to vote separately as a class or series, each holder of Common Shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote at all such meetings in respect of each Common Share held at all such meetings.

(d) Conversion at the Option of the Holder

- (i) Each issued Common Share may, on a Quarterly Conversion Date, be converted, at the option of the holder, into the number of DE Common Shares determined on the basis of the Common Conversion Ratio. The conversion privilege herein provided for may be exercised by notice in writing given to the Corporation at least five Business Days prior to the applicable Quarterly Conversion Date accompanied by a certificate or certificates representing the Common Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice will be signed by the holder of the Common Shares in respect of which such right is being exercised and will specify the number of Common Shares which the holder desires to have converted.
- (ii) Notwithstanding clause 2(d)(i) hereof, if on a Quarterly Conversion Date (A) a dividend has been declared by the Corporation on the Common Shares but remains unpaid, and (B) the record date for such dividend has not yet occurred, then the subject conversion will occur on the Business Day immediately following the relevant payment date for such dividend, rather than on the applicable Quarterly Conversion Date.
- (iii) Each issued Common Share may, at any time following the making of an Offer to Acquire DE Common Shares until the Expiry Date, be converted, at the option of the holder, into the number of DE Common Shares determined on the basis of the Common Conversion Ratio. The conversion privilege herein provided for may be exercised by notice in writing given to the Corporation accompanied by a certificate or certificates representing the Common Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice will be signed by the holder of the Common Shares in respect of which such right is being exercised and will specify the number of Common Shares which the holder desires to have converted.
- (iv) Upon receipt of a notice pursuant to clause 2(d)(i) or 2(d)(iii) above, the Corporation will issue certificates representing fully paid DE Common Shares upon the basis above prescribed in accordance with the provisions hereto to the holder of the Common Shares represented by the certificate or certificates accompanying such notice. If less than all of the Common Shares represented by any certificate are to be converted, the holder will be entitled to receive a new certificate for the Common Shares representing the shares comprised in the original certificate which are not to be converted. The holder will also pay any governmental or other tax imposed in respect of such transaction.
- (v) All shares resulting from any conversion of issued and fully paid Common Shares into DE Common Shares pursuant to clause 2(d)(i) or 2(d)(iii) hereof will be deemed to be fully paid and non-assessable.

(e) Subdivision and Consolidation

The DE Common Shares shall not be increased in number by reason of being subdivided, nor decreased in number by reason of being consolidated, unless contemporaneously therewith the Common Shares are subdivided or consolidated in the same proportion and in the same manner.

(f) Additional Issue

The Corporation shall not grant rights to holders of DE Common Shares to acquire additional shares or other securities or property of the Corporation unless the same or equivalent rights are concurrently given to holders of Common Shares as though such Common Shares had been converted to DE Common Shares on the basis of the Common Conversion Ratio.

3. DE COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the DE Common Shares are as follows:

(a) Dividends

The holders of DE Common Shares will be entitled to receive and the Corporation will pay thereon, if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends, dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the DE Common Shares, the board of directors may in its sole discretion declare dividends on the DE Common Shares to the exclusion of any other class of shares of the Corporation.

(b) Dissolution.

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the DE Common Shares and the Common Shares will rank equally as to priority of distribution and the holders of the DE Common Shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the DE Common Shares, be entitled to participate concurrently with the holders of the Common Shares in the distribution.

Such distribution will be made in equal amounts per share on all the Common Shares and DE Common Shares at the time outstanding without preference or distinction, provided that for purposes of determining the number of Common Shares and DE Common Shares outstanding at such time, all of the outstanding DE Common Shares will be deemed to have been converted into Common Shares immediately prior to such distribution on the basis of the Conversion Ratio.

(c) Voting

Subject to the rights of the holders of any other class, or of any series of any other class of shares of the Corporation entitled to vote separately as a class or series, each holder of

DE Common Shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote at all such meetings in respect of each DE Common Share held at all such meetings.

(d) Conversion at the Option of the Holder

- (i) Each issued DE Common Share may, at any time following the expiration of the Hold Period applicable to such DE Common Share, be converted, at the option of the holder, into the number of Common Shares determined on the basis of the Conversion Ratio. The conversion privilege herein provided for may be exercised by notice in writing given to the Corporation at least five Business Days prior to the date of conversion accompanied by a certificate or certificates representing the DE Common Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice will be signed by the holder of the DE Common Shares in respect of which such right is being exercised and will specify the number of DE Common Shares which the holder desires to have converted.
- (ii) Notwithstanding the existence of any applicable Hold Period, each issued DE Common Share may, at any time following the delivery to holders of notice of a special meeting of shareholders of the Corporation until the date of the special meeting, be converted, at the option of the holder, into the number of Common Shares determined on the basis of the Conversion Ratio. The conversion privilege herein provided for may be exercised in accordance with the provisions of clause 3(d)(i) hereof.
- (iii) Notwithstanding the existence of any applicable Hold Period, each issued DE Common Share may, at any time following the making of an Offer to Acquire Common Shares until the Expiry Date, be converted, at the option of the holder, into the number of Common Shares determined on the basis of the Conversion Ratio. The conversion privilege herein provided for may be exercised by notice in writing given to the Corporation accompanied by a certificate or certificates representing the DE Common Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice will be signed by the holder of the DE Common Shares in respect of which such right is being exercised and will specify the number of DE Common Shares which the holder desires to have converted.
- (iv) Upon receipt of a notice pursuant to clause 3(d)(i), 3(d)(ii) or 3(d)(iii) above, the Corporation will issue certificates representing fully paid Common Shares upon the basis above prescribed in accordance with the provisions hereto to the holder of the DE Common Shares represented by the certificate or certificates accompanying such notice. If less than all of the DE Common Shares represented by any certificate are to be converted, the holder will be entitled to receive a new certificate for the DE Common Shares representing the shares comprised in the original certificate which are not to be converted. The holder will also pay any governmental or other tax imposed in respect of such transaction.
- (v) All shares resulting from any conversion of issued and fully paid DE Common Shares into Common Shares pursuant to clause 3(d)(i), 3(d)(ii) or 3(d)(iii) hereof will be deemed to be fully paid and non-assessable.

(e) Subdivision and Consolidation

The Common Shares shall not be increased in number by reason of being subdivided, nor decreased in number by reason of being consolidated, unless contemporaneously therewith the DE Common Shares are subdivided or consolidated in the same proportion and in the same manner.

(f) Additional Issue

The Corporation shall not grant rights to holders of Common Shares to acquire additional shares or other securities or property of the Corporation unless the same or equivalent rights are concurrently given to holders of DE Common Shares as though such DE Common Shares had been converted to Common Shares on the basis of the Conversion Ratio.

SCHEDULE “C”

SECTION 185 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

185. (1) Rights of dissenting shareholders — Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184(3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

(2) *Idem* — If a corporation resolves to amend its articles in a manner referred to in subsection 170(1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170(1)(a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170(5) or (6).

(2.1) One class of shares — The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) Exception — A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

(4) Shareholder’s right to be paid fair value — In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

(5) No partial dissent — A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) Objection — A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

(7) Idem — The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

(8) Notice of adoption of resolution — The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

(9) Idem — A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

(10) Demand for payment of fair value — A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(11) Certificates to be sent in — Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(12) Idem — A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

(13) Endorsement on certificate — A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

(14) Rights of dissenting shareholder — On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168(3), terminate an amalgamation agreement under subsection 176(5) or an application for continuance under subsection 181(5), or abandon a sale, lease or exchange under subsection 184(8),

in which case the dissenting shareholders rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

(15) Offer to pay — A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(16) Idem — Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

(17) Idem — Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(18) Application to court to fix fair value — Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(19) Idem — If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(20) Idem — A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

(21) Costs — If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

(22) Notice to shareholders — Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

(23) Parties joined — All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

(24) Idem — Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

(25) Appraisers — The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(26) Final order — The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

(27) Interest — The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(28) Where corporation unable to pay — Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that is unable lawfully to pay dissenting shareholders for their shares.

(29) Idem — Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(30) Idem — A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

(31) Court order — Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

(32) Commission may appear — The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.