KP TISSUE INC.

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 23, 2025

AND

MANAGEMENT INFORMATION CIRCULAR

APRIL 30, 2025

Questions or requests for voting assistance may also be directed to KP Tissue's proxy solicitation agent:

Laurel Hill Advisory Group
North America Toll Free:
1-877-452-7184
Collect Calls Outside North America:
1-416-304-0211
Email:
assistance@laurelhill.com

KP TISSUE INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of KP Tissue Inc. (the "Corporation") will be held at 2:00 p.m. (Eastern Time) on June 23, 2025 in a virtual-only format via live webcast online at https://virtual-meetings.tsxtrust.com/en/1792 for the following purposes:

(1) to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2024, together with the auditors' report thereon;

(2) to elect the directors of the Corporation who will serve until the next annual shareholders meeting or until their successors are appointed;

(3) to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration; and

(4) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Our Management Information Circular (the "Circular") which accompanies this notice is your guide to the business to be considered at the Meeting. You should review the information in the Circular before voting.

The Corporation's Board of Directors has fixed the close of business on May 2, 2025 as the record date for determining Shareholders entitled to receive notice of, and to vote at, the Meeting and any postponement or adjournment of the Meeting. No Shareholders becoming Shareholders of record after that time will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Whether or not you expect to attend the Meeting, please exercise your right to vote.

Registered Shareholders (as this expression is defined in the Circular) are requested to complete, date, sign and return the form of proxy they receive. To be valid, the form of proxy must be signed and received by the proxy department of the Corporation's transfer agent, TSX Trust Company, electronically at www.voteproxyonline.com, by facsimile at 1-416-595-9593, or by mail at 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, not later than 2:00 p.m**.** (Eastern Time) on June 19, 2025, or if the Meeting is adjourned or postponed, no later than 48 hours prior to the adjourned or postponed Meeting. Failure to properly complete or deposit a proxy may result in its invalidation.

Non-Registered Shareholders (as this expression is defined in the Circular) are requested to complete the voting instruction form provided by their broker or intermediary in accordance with the instructions provided by their broker or intermediary. Please read the instructions regarding how to vote at, or attend, the virtual Meeting under "General Proxy Matters — Non-Registered Shareholders" in the Circular.

As described in the notice-and-access notification mailed to Shareholders, this Notice of Meeting and the Circular have been prepared and delivered to beneficial shareholders under the notice-and-access rules under National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 — *Continuous Disclosure Obligations*. Accordingly, this Notice of Meeting and Circular have been posted online for our Shareholders to view on our website at www.KPTissueinc.com and on the website of our transfer agent, TSX Trust Company, at https://docs.tsxtrust.com/2012. They are also available on SEDAR+ at www.sedarplus.ca under the Corporation's issuer profile. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs.

Shareholders who wish to receive paper copies of the Notice of Meeting and Circular may request copies from TSX Trust Company by calling toll-free at 1-866-600-5869. A Notice of Meeting and Circular will be sent to such Shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting. To ensure you will receive paper copies in advance of the deadline to submit your vote, we estimate that your request must be received by 5:00 p.m. (Eastern Time) on May 27, 2025. If your request is made after the Meeting and within one year of the Circular being filed, the Corporation will mail the Circular to you within 10 calendar days of the request.

If you have further questions or require assistance with voting your shares, please contact the Corporation's proxy solicitation agent, Laurel Hill Advisory Group, by phone at 1-877-452-7184 North America Toll Free, or 1-416-304-0211 (outside of North America), or by email at assistance@laurelhill.com.

Dated at Mississauga, this 30th day of April 2025.

By order of the Board of Directors,

(Signed) François Paroyan
General Counsel and Corporate Secretary

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KP TISSUE INC. MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "Circular") is furnished by management of KP Tissue Inc. (the "Corporation") in connection with the solicitation of proxies for use at the annual meeting of shareholders (the "Meeting") to be held on June 23, 2025 at 2:00 p.m. (Eastern Time) as a virtual-only meeting, or any postponements(s) or adjournment(s) thereof, for the purposes set forth in the notice of meeting (the "Notice of Meeting").

Capitalized terms used in this Circular have the respective meanings set out in the "Glossary of Terms" which is attached as Appendix "A" to this Circular. Information in this Circular is given as at April 30, 2025 unless otherwise indicated.

No person has been authorized to give any information or to make any representation in connection with any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

ABOUT THE CORPORATION AND KRUGER PRODUCTS INC.

The Corporation's business is limited to holding an equity interest in Kruger Products Inc. ("Kruger Products" or "KPI"). The Corporation currently holds a 12.33% interest in Kruger Products. Kruger Products is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. Kruger Products serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties®, and Bonterra™. In the U.S., Kruger Products manufactures the White Cloud® brand, as well as many private label products. The Away-From-Home division, now known as Kruger PRO division, manufactures and distributes high-quality, cost- effective product solutions to a wide range of commercial and public entities. Kruger PRO brands include Esteem®, White Swan®, Embassy®, and Chalet®.

Unless otherwise indicated or the context otherwise requires, "Kruger Products" or "KPI" refers to Kruger Products Inc. and its subsidiaries and their respective predecessors, including Kruger Products L.P., the Québec limited partnership which sold and assigned all of its properties, operations, assets and liabilities to Kruger Products on January 1, 2023 pursuant to a reorganization.

Kruger Products is headquartered in Mississauga, Ontario and has approximately 2,800 employees and operates ten FSC® COC-certified (FSC® C-104904) production facilities in North America.

GENERAL PROXY MATTERS

As a Shareholder, it is very important that you read this information carefully and then vote your common shares of the Corporation (the "Common Shares"), either by proxy or voting instruction form or by attending the virtual Meeting.

Date, Time and Place of Meeting

The Meeting is scheduled to be held on June 23, 2025 at 2:00 p.m. (Eastern Time) as a virtual-only meeting for the purposes set forth in the Notice of Meeting. The Corporation reserves the right to postpone the Meeting if considered appropriate by the Board of Directors of the Corporation (the "Board of Directors").

Record Date

The Board of Directors has established the record date for the Meeting as May 2, 2025 (the "Record Date"). Only Shareholders of record at the close of business on the Record Date will be entitled to notice of the Meeting or any adjournment or postponement thereof, and to vote at the Meeting. No Shareholders becoming Shareholders of record after that time will be entitled to vote at the Meeting, or any adjournment or postponement thereof.

Quorum

A quorum of Shareholders is present at a meeting of Shareholders if the holders of not less than 10% of the Common Shares entitled to vote at the Meeting are present at the virtual Meeting or represented by proxy, and at least two persons entitled to vote at the Meeting are actually present at the virtual Meeting.

Solicitation of Proxies

The information contained in this Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation to be used at the Meeting and for the purposes set forth in the Notice of Meeting. The Corporation will use the "notice and access" delivery model ("Notice and Access") to conduct the solicitation of proxies in connection with this Meeting. Proxies may also be solicited personally, by telephone or other electronic means by management of the Corporation, including its directors and officers and by representatives of Laurel Hill Advisory Group ("Laurel Hill"), which is acting as the Corporation's proxy solicitation agent for the Meeting. KPI, which bears all of the ordinary course expenses of the Corporation pursuant to the Administration Agreement (as defined below), will bear the costs of the solicitation, including a fee of $32,500 to Laurel Hill in addition to reasonable out-of-pocket expenses.

If you have any questions or need assistance with the completion and delivery of your proxy or voting instruction form please contact the Corporation's proxy solicitation agent, Laurel Hill, by telephone at 1-877-452-7184 toll-free in North America or 1-416-304-0211 (collect call outside North America) or by email at assistance@laurelhill.com.

Notice-and-Access

"Notice-and-access" provisions have been adopted by the Canadian Securities Administrators under National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 51-102 — *Continuous Disclosure Obligations* to permit issuers to post proxy-related materials on an easily-accessible website, rather than mailing copies to security holders.

The Corporation has elected to use notice-and-access and will be delivering the Circular to Shareholders by posting it on the website of our transfer agent, TSX Trust Company, at https://docs.tsxtrust.com/2012 and on the Corporation's website at http://www.KPTissueinc.com. The Circular will also be available on SEDAR+ at www.sedarplus.ca under the Corporation's issuer profile. The Corporation has sent a notice-and-access notification and either a form of proxy for Registered Shareholders or a voting instruction form for Non-Registered Shareholders (collectively, the "Notice Package") to all Shareholders informing them that the Circular is available online, how it may be accessed and how to request a paper copy at no charge. The Corporation has received an exemption under the *Canada Business Corporations Act* (the "Act") permitting it to use notice-and-access with respect to the delivery of the Circular.

The Corporation has elected to use notice-and-access as this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs.

Registered Shareholders

You are a registered shareholder (a "Registered Shareholder") if your name appears on your share certificate. Each Registered Shareholder is entitled to one vote for each Common Share registered in his or her name as of the Record Date. You can vote your proxy by (i) on the Internet, (ii) by facsimile, (iii) by mail or (iv) by courier as follows:

On the Internet

You can vote on the Internet (www.voteproxyonline.com) by following the instructions on the screen. You will need your 12-digit control number which is noted on your form of proxy.

By Facsimile

You can complete, sign and date your form of proxy and return it by facsimile to TSX Trust Company at: (416) 595-9593.

By Mail and Courier Delivery

You can complete, sign and date your form of proxy and return it in the envelope provided to the offices of

TSX Trust Company at:
TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario M5H 4H1
Canada
Attention: Proxy Department

If you are a Registered Shareholder, you can vote by proxy or online at the virtual Meeting. Voting by proxy means that you are giving the person or people named on your proxy form (your proxyholder) the authority to vote your Common Shares for you online at the virtual Meeting or any adjournment or postponement thereof.

If your Common Shares are registered in the name of an Intermediary (as hereinafter defined) or in the name of a depositary (such as CDS), refer to "Non-Registered Shareholders" below.

How to Attend and Vote at the Virtual Meeting

The Corporation has decided to hold the Meeting in a virtual-only format which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting online enables registered shareholders and duly appointed proxyholders to participate at the Meeting and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in https://virtual-meetings.tsxtrust.com/en/1792 on your browser at least 15 minutes before the Meeting starts.

2. Click on "I have a control number/ meeting access number".

3. Enter your 12 digit control number (on your proxy form) as your Username.

4. Enter the password: **kptissue2025** (case sensitive).

5. When the polls are opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF.

2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.

3. Obtain a control number from TSX Trust Company by completing the electronic form available at https://www.tsxtrust.com/resource/en/75.

4. Type in https://virtual-meetings.tsxtrust.com/en/1792 on your browser at least 15 minutes before the Meeting starts.

5. Click on "I have a control number/Meeting access number".

6. Enter your 12 digit control number received from TSX Trust Company.

7. Enter the password: **kptissue2025** (case sensitive).

8. When the polls are opened, click on the "Voting" icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominee) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. **You or your appointee must then register with TSX Trust Company by completing the electronic form available at https://www.tsxtrust.com/resource/en/75 by 10:00 a.m. (Eastern Standard Time) on June 18, 2025 so that TSX Trust Company may provide such proxyholder with a proxyholder control number via email.**

If you are a non-registered shareholder and want to vote online at the Meeting, you must first appoint yourself as proxyholder and then register with TSX Trust Company **by completing the electronic form available at** https://www.tsxtrust.com/resource/en/75 **by 10:00 a.m. (Eastern Standard Time) on June 18, 2025 so that TSX Trust Company may provide you with a proxyholder control number via email.**

Guests can also listen to the Meeting by following the steps below:

1. Type in https://virtual-meetings.tsxtrust.com/en/1792 on your browser at least 15 minutes before the Meeting starts.

2. Click on "**I am a Guest**".

If you have any questions or require further information with regard to voting your Shares, please contact:

Laurel Hill by calling toll-free 1-877- 452-7184 if you are in North America, or 1-416-304-0211 if you are outside North America, or by emailing at assistance@laurelhill.com If you attend the Meeting online and have logged in with a control number, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. We encourage you to log-in to the Meeting at least 15 minutes before the start of the Meeting to check your connectivity and audio settings. You will need the latest version of Chrome, Safari, Edge or Firefox. If you encounter any difficulties accessing the virtual Meeting during the check-in or Meeting time, please consult the TSX Trust virtual meeting guide ("Meeting Guide").

If you intend to be present and vote online at the virtual Meeting, you do not need to complete or return your proxy form.

How to Vote by Proxy

In the Notice Package is the form of proxy that you may use to authorize another person to vote on your behalf at the online Meeting.

Your proxyholder is the person you appoint to cast your votes at the Meeting on your behalf. You may choose Dino Bianco or Michael Keays or any other person that you want to be your proxyholder. Each Shareholder is entitled to appoint a person other than the individuals named in the form of proxy enclosed in the Notice Package to represent such Shareholder at the Meeting. Your proxyholder is not required to be another Shareholder. If you want to authorize Dino Bianco or Michael Keays as your proxyholder, please leave the line near the top of the form of proxy blank as Dino Bianco and Michael Keays' names are already pre-printed on the form. If you want to authorize another person as your proxyholder, fill in that person's name in the blank space located near the top of the form of proxy. If you appoint a proxyholder to attend and act on your behalf at the Meeting other than Dino Bianco or Michael Keays, you will need to contact TSX Trust Company, no later than June 18**,** 2025 at 10:00 a.m. (Eastern Time), to obtain a control number which will permit your proxyholder to vote at the virtual Meeting.

Your proxy authorizes the proxyholder to vote or otherwise act for you at the Meeting. If you return the attached form of proxy and have left the line for the proxyholder's name blank, then Dino Bianco or Michael Keays will automatically become your proxyholder.

To be valid, the form of proxy must be filled out, signed and returned to TSX Trust Company, electronically at www.voteproxyonline.com, by facsimile at 1-416-595-9593, or by mail at 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1, not later than 2:00 p.m. (Eastern Time) on June 19, 2025, or, if the Meeting is adjourned or postponed, prior to 2:00 p.m. (Eastern Time) on the second business day preceding the day of the Meeting. Failure to properly complete or deposit a proxy may result in its invalidation.

You may instruct your proxyholder how you want to vote on the matters listed in the Notice of Meeting by checking the appropriate boxes on the form of proxy. If you have specified on the form of proxy how you want to vote on a particular issue, then your proxyholder must cast your votes as instructed.

If you have not specified how to vote on a particular matter, your proxyholder is entitled to vote your Common Shares as he or she sees fit. Please note that if your form of proxy does not specify how to vote on any particular matter and if you have authorized Dino Bianco or Michael Keays to act as your proxyholder (by leaving the line for the proxyholder's name blank on the form of proxy), your Common Shares will be voted at the Meeting as follows:

- FOR the election of each of management's nominees as directors of the Corporation; and
- FOR the appointment of PricewaterhouseCoopers LLP as auditor and the authorization of the Board of Directors to fix their remuneration.

For more information on these matters, please see the section entitled "Business of the Meeting" below.

How to Change your Vote

A Registered Shareholder executing the form of proxy enclosed in the Notice Package may revoke it at any time before it has been exercised by:

- completing a proxy form that is dated later than the proxy form you are revoking and mailing it to TSX Trust Company so that it is received before 2:00 p.m. (Eastern Time) on June19, 2025; or
- sending a revocation notice in writing to the Corporate Secretary of the Corporation at its registered office so that it is received at any time up to and including the last business day before the date of the Meeting. The notice can be from the Shareholder or the authorized attorney of such Shareholder.

If you have any questions or require further information with regard to voting your Shares, please contact: Laurel Hill by calling toll-free 1-877-452-7184 if you are in North America, or 1-416-304-0211 if you are outside North America, or by emailing at assistance@laurelhill.com.

Non-Registered Shareholders

Information set forth in this section is very important to persons who hold their Common Shares otherwise than in their own name.

Only Registered Shareholders at the close of business on the Record Date, and duly appointed proxyholders, are permitted to vote online at the virtual Meeting.

In many cases, Common Shares that are beneficially owned by a person who is a "Non-Registered Shareholder" (or "Beneficial Shareholder") are registered (i) in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares, such as a securities broker, bank, trust company or trustee or administrator of a self- administered RRSP, RRIF, RESP or similar plans (an "Intermediary"), or (ii) in the name of a clearing agency, such as CDS, in which the Intermediary is a participant. Non-Registered Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the Registered Shareholders can

be recognized and acted upon at the Meeting. Without specific instructions, Intermediaries and their agents or nominees are prohibited from voting Common Shares for their clients.

Additionally, there are two kinds of Non-Registered Shareholders (or Beneficial Shareholders): (a) those who object to their name being made known to the issuers of securities which they own, known as Objecting Beneficial Owners ("**OBOs**"); and (b) those who do not object to their name being made known to the issuers of securities which they own, known as Non-Objecting Beneficial Owners ("**NOBOs**"). The Corporation intends to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*

If you are not sure whether you are a Registered Shareholder or a Non-Registered Shareholder, please contact the Corporation's transfer agent, TSX Trust Company at 100 Adelaide West, Suite 301, Toronto, Ontario M5H 4H1 or by e-mail at tsxtis@tmx.com.

How to Vote by Voting Instruction Form

Applicable regulations in Canada require Intermediaries to seek voting instructions from Non-Registered Shareholders in advance of the Meeting. Accordingly, Non-Registered Shareholders will receive or have already received from their Intermediary a voting instruction form for the number of Common Shares they hold. Every Intermediary has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions ("Broadridge"). Broadridge typically prepares a voting instruction form that it mails to Non-Registered Shareholders and asks them to return the voting instruction form directly to Broadridge. For your Common Shares to be voted, you must follow the instructions on the VIF that is provided to you. You can complete the VIF by: (i) using the internet at www.proxyvote.com; (ii) calling the phone number listed thereon; (iii) mailing the completed VIF in the envelope provided. Additionally, the Corporation, through Laurel Hill may utilize Broadridge's QuickVote™ service to assist eligible Non-Registered Shareholders with voting their shares directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares represented at the Meeting. A Non-Registered Shareholder receiving a voting instruction form cannot use that voting instruction form to vote his or her shares directly online at the virtual Meeting. The voting instruction form must be returned to Broadridge or the Intermediary, if the latter has not delegated this responsibility to Broadridge, well in advance of the Meeting to have the Common Shares voted.

Brokers and intermediaries typically establish internal deadlines to vote ahead of the Meeting voting deadline. Non-Registered Shareholders are therefore urged to vote according to the instructions provided in or with such form, sufficiently in advance of the deadline specified, to ensure that such brokers or intermediaries are able to provide voting instructions on your behalf in advance of the Meeting voting deadline at 2:00 p.m. (Eastern Time) on June 19, 2025.

If you have any questions or require further information with regard to voting your Shares, please contact: Laurel Hill by calling toll-free 1-877- 452-7184 if you are in North America, or 1-416 304-0211 if you are outside North America, or by emailing at assistance@laurelhill.com.

<u>How to Vote at the Virtual Meeting</u>

If Non-Registered Shareholders wish to vote online at the Meeting or have a representative (other than Dino Bianco or Michael Keays) attend and vote their Common Share online as their proxyholder, they are required to (i) insert their name or the name of their representative, as applicable in the blank space provided on the voting instruction form provided by the Intermediary and return the VIF in accordance with the instructions of their Intermediary, and (ii) register themselves or the representative as a proxyholder, by contacting TSX Trust Company, no later than June 18, 2025 at 10:00 a.m. (Eastern Time), to obtain a control number which will permit the Non-Registered Shareholder to vote as a proxyholder online at the Meeting. Instructions on how to log-in and vote at the online Meeting are set out above under Registered Shareholders – How to Attend and Vote at the Virtual Meeting.

Exercise of Discretion by Proxyholders

The form of proxy enclosed in the Notice Package and any voting instructions submitted confer discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof and with respect to amendments to or variations of matters identified in the Notice of Meeting. As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended that the persons appointed as proxy will vote on such other business in such manner as such persons then consider to be proper.

Submitting Questions at the Virtual Meeting

It is recommended to shareholders and proxyholders to submit their questions as soon as possible during the Meeting so they can be addressed at the right time. The chairman and other members of management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed by them at the end of the Meeting during the question period. Only Registered Shareholders and duly appointed proxyholders may submit questions during the Meeting. To ask a question during the Meeting, please click on the "Ask A Question" button at the top left side of the screen, type in the question and then submit. Guests will not be able to submit questions during the Meeting.

All shareholder and proxyholder questions are welcome. However, the Corporation does not intend to address questions that:

- are irrelevant to the Corporation's operations or to the business of the Meeting;
- are related to non-public information about the Corporation;
- are related to personal grievances; or
- are out of order or not otherwise appropriate as determined by the chairman of the Meeting in his reasonable judgement.

So that as many questions as possible are answered, shareholders and proxyholders are asked to be brief and concise. Questions from multiple shareholders or proxyholders on the same topic or that are otherwise related will be grouped, summarized and answered together.

COMMON SHARES AND PRINCIPAL SHAREHOLDERS

The Corporation's authorized share capital consists of an unlimited number of Common Shares. As of the Record Date, the Corporation had 10,000,916 issued and outstanding Common Shares.

Voting Rights

The Common Shares carry one vote per share for all matters coming before Shareholders.

Unless a different majority is required by law or our Articles, resolutions to be approved by holders of Common Shares require approval by a simple majority of the total number of votes of all Common Shares cast at a meeting of Shareholders at which a quorum is present with holders of Common Shares entitled to one vote per share held as of the Record Date.

The holders of Common Shares are entitled to receive notice of any meeting of Shareholders of the Corporation, and to attend and vote at those meetings, except those meetings at which holders of a specific class of shares are entitled to vote separately as a class under the Act. As of the date of this Circular, there were no classes of shares in the Corporation's authorized capital other than the Common Shares.

Ownership of Common Shares of the Corporation

As at the Record Date, no person or company owned of record or, to the Corporation's knowledge, beneficially owned, directly or indirectly, or controlled or directed more than 10% of the Common Shares of the issued and outstanding Common Shares, other than Kruger Inc. which, if it were to exchange the common shares of KPI that it holds for Common Shares pursuant to the exchange agreement among Kruger, the Corporation and KPI, would hold approximately 87.66% of the issued and outstanding Common Shares following such conversion.

BUSINESS OF THE MEETING

Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2024, together with the auditors' report thereon (the "Corporation Financial Statements"), will be submitted at the Meeting, but no vote thereon is required. The Corporation Financial Statements, together with the management's discussion and analysis, are available on the SEDAR+ website at www.sedarplus.ca.

Election of Directors

The Corporation's Articles state that its Board of Directors shall have a minimum of four and a maximum of nine directors. The Board of Directors is currently comprised of four directors (a size which accommodates three independent directors, including the non-executive Chair, on the board of directors of KPI) (the "KPI Board") and a board member nominated by Kruger pursuant to the Shareholders' Agreement (as defined below). Since the Corporation's business is limited to its investment in KPI and related activities, the Corporation Board does not currently believe that a Corporation board of a size greater than four directors is necessary or appropriate. KPI, the operating entity in which the Corporation holds an interest, has a more typical board size of nine members. See "Corporate Governance of the Corporation" and "Corporate Governance of KPI".

At the meeting, the four individuals identified in the section "Nominees for Election to the Board of Directors" will be nominated for election as directors. Each director will hold office until the next annual meeting of Shareholders, unless the director resigns or the director's office becomes vacant for any reason. The directors are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Shareholders, provided their successors have then been elected.

Unless a proxy specifies that the Common Shares it represents should be voted “against” in respect of the election of directors, the persons named in the form of proxy enclosed in the Notice Package intend to vote FOR the election of the nominees listed in this Circular.

As of the date hereof, management of the Corporation does not expect that any of the nominees will be unable to serve as a director. However, if, for any reason, at the time of the Meeting any of the nominees are unable to serve and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote in their discretion for a substitute nominee or nominees.

Majority Voting

The Act requires that, for elections at which there is only one candidate nominated for each position available on the Board, shareholders vote “for” or “against” individual directors (rather than “for” or “withhold”) and each candidate is elected only if they receive a majority of votes cast in their favour. The Act provides that if an incumbent director is not elected in those circumstances, the director may continue in office until the earlier of (i) the 90th day after the day of the election, and (ii) the day on which their successor is appointed or elected.

Appointment of Auditor

At the Meeting, Shareholders will be asked to appoint PricewaterhouseCoopers LLP (“PwC”) to hold office as the Corporation’s auditors until the close of the next annual meeting of Shareholders and to authorize the Board of Directors to fix their remuneration.

PwC has served as auditors of the Corporation since its incorporation in 2012 and has advised the Corporation that it is independent of each of the Corporation and KPI in accordance with all relevant professional and regulatory standards.

Unless a proxy specifies that the Common Shares it represents should be withheld from voting in respect of the appointment of auditors, the persons named in the form of proxy enclosed in the Notice Package intend to vote FOR the appointment of PwC as auditors of the Corporation and the authorization of the directors of the Corporation to fix their remuneration.

Additional details with respect to external auditor fees charged to the Corporation and KPI for past services can be found in the section “Audit Committee Information regarding the Corporation” and “Audit Committee Information regarding Kruger Products” of the Annual Information Form, which can be viewed on the SEDAR+ website at www.sedarplus.ca.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Description of Proposed Director Nominees

Four directors are to be elected at the Meeting, each of whom is to hold office until the end of the next annual meeting of Shareholders or until their successors are elected or appointed.

All nominees have established their eligibility and willingness to serve as directors.

The following table sets out, for each of the nominees, the person’s name, province or state and country of residence, positions with the Corporation, as applicable, principal occupation during the five preceding years and the date on which the person became a director.

Name and Province or State and County of Residence	Position(s) Title(s)	Since	Voting securities beneficially Owned, Controlled or Directed by Director	Deferred share units owned by Director	Principal Occupation for Past Five Years
François Vimard(1)(3)(4) Ontario, Canada	Independent Director (Chair)	October 2020	0	19,229	Independent Corporate Director, Interim President and CEO of Empire Company Limited & Sobeys Inc. (July 2016 to December 2016); Chief Financial Officer at Empire Company Limited & Sobeys Inc. (June 2007 to June 2016)
James Hardy(1)(3)(4) Ontario, Canada	Independent Director	June 2014	400	17,323	Corporate Director (December 2021 – present); Chief Corporate Development Officer and CFO, Revera Inc. (July 2020 – December 2021); Chief Investment Officer and CFO, Revera Inc. (April 2015 – June 2020)
Sarah Kruger Québec, Canada	Director	March 2024	2500	N/A	Co-President, Kruger (November 2024 to present); Vice President of Kruger Inc. (February 2023 – November 2024); Board Member of Kruger (2008-present)
John ('Jay') Wright(1)(2)(3) Ontario, Canada	Independent Director	March 2023	0	6,479	Independent Corporate Director, President & CEO at Arterra Wines Canada (December 2016 - March 2022)

(1) Member of the Corporation Audit Committee and the KPI Audit Committee.
(2) Member of the KPI Human Resources and Compensation Committee.
(3) Member of the Corporation Nominating and Governance Committee.
(4) Member of the KPI Governance Committee.

Biographies

François Vimard (Independent Director)

François Vimard is currently a member of the Board of Directors of Giant Tiger Ltd. and a member of the Board of Directors and a member of the Audit Committee of Jamieson Wellness Inc. Mr. Vimard previously served on the board for GS1 Canada, a not -for-profit company that manages global barcode standards, and Andrew Peller Ltd., a Canadian based winery company. He previously served on the board for Goodfood Market Corp. and was also a trustee of Crombie REIT from 2014 to 2017.

Mr. Vimard has more than 30 years of experience in food retailing. He spent more than 22 years at Empire Company Limited/Sobeys Inc. which is the second largest food retailer in Canada. Mr. Vimard was Interim President and CEO at Empire and Sobeys from July 2016 to December 2016 and was previously the Chief Financial Officer from June 2007 to June 2016.

Mr. Vimard has a deep understanding of the retail business, having been responsible for the technology and supply chain departments during his tenure at Sobeys. He was also responsible for the National ERP implementation and overall business process optimization as well as the implementation of a state-of-the-art automated warehousing technology.

Mr. Vimard is a Chartered Professional Accountant. He earned his Bachelor of Business Administration degree and License in Accounting Sciences from the University of Laval. He also earned a certificate at the executive program in Strategic Retail Management at Babson College in Boston, Massachusetts. Mr. Vimard is also a member and graduate of the Institute of Corporate Directors.

Mr. Vimard is the Chairman of the Corporation's Board and sits on the Corporation's Audit Committee, and the Corporation's Nominating and Governance Committee, the KPI Audit Committee and the KPI Governance Committee.

James Hardy (Independent Director)

James Hardy is a retired executive from Revera Inc., a leading owner, manager and developer of seniors residences in Canada, the United States and the U.K., where from 2013 to 2021 he held the positions of Chief Investment Officer, Chief Corporate Development Officer and Chief Financial Officer. During his time with Revera, Mr. Hardy oversaw the expansion of Revera into the US and U.K. via the acquisitions of Sunrise Senior Living and Signature Senior Lifestyles as well as numerous developments of new properties under leading senior living brands. From 2014 to 2021 Mr. Hardy was a Board Member and Audit Committee Chair for Sunrise Senior Living and from 2019 to 2023 a Board Member of Signature Senior Lifestyles. Prior to joining Revera, Mr. Hardy was Chief Financial Officer of Public Mobile Inc from 2009 to 2012 and from 2001 to 2008, Mr. Hardy was Managing Director of Telecom, Media and Technology Investment Banking at National Bank Financial. Mr. Hardy has more than 40 years' experience as a corporate executive, investment banker and entrepreneur.

Mr. Hardy holds an ICD.D designation from the University of Toronto (2010), a Master of Business Administration (with distinction) from the Ivey School of Business at Western University (1988) and holds a Bachelor of Applied Science in Electrical Engineering from the University of British Columbia (1982).

Mr. Hardy is the Chair of the Corporation's Audit Committee, a member of the Corporation's Nominating and Governance Committee, the Chair of the KPI Audit Committee and a member of the KPI Governance Committee.

Sarah Kruger (Director)

Sarah Kruger was appointed Co-President of Kruger Inc. in November 2024. She has been a member of the Board of Directors for Kruger Inc. since 2008, and co-chairs the Human Resources committee for Kruger. Sarah also sits on Kruger Leadership committees across all of the organizations' business segments.

Prior to joining Kruger, Sarah worked and then consulted for BMO Harris Private Banking. In this capacity, Sarah worked with the succession planning team on knowledge-building and other resources for business owners. Notably, Sarah co-authored a number of books on succession planning for family business owners. Sarah's ongoing interest in succession planning led to her co-authoring "The 50 Biggest Estate Planning Mistakes and How to Avoid Them" for Wiley publishing in 2011.

Sarah obtained her Bachelors of Arts in Psychology from Newbury College and a Masters of Arts in Teaching from Regis College.

John ("Jay") Wright (Independent Director)

Jay Wright is a retired leader of global Fortune 500 consumer goods companies in Canada & the U.S. He brings broad C-level experience and expertise to purposeful and exciting business missions. Mr. Wright leads strategic evolution of long-term value creation for customer centric companies seeking outstanding and sustained growth and performance. He is also recognized for his ability to build powerful brands to drive top-quartile results and engagement and create highly optimized cost structures. Mr. Wright is also adept in overseeing digital innovation.

He is currently a member of the Board of Directors and Executive Committee of Upper Canada Forest Products, Advisor Board Chair of the Smith School of Business at Queen's University and a member of the Board of Directors of the TD Toronto Jazz Festival. Mr. Wright obtained a Bachelor of Commerce (Honours) from Queen's University.

Mr. Wright is a member of the Corporation's Audit Committee, Chair of the Corporation's Nominating and Governance Committee, a member of the KPI Audit Committee as well as the KPI Human Resources and Compensation Committee.

Cease Trade Orders or Bankruptcies

To the knowledge of the Corporation and based on the information provided by the proposed directors, none of the proposed directors:

(a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, CEO or CFO of any company (including The Corporation) that,

  (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

  (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as a director, CEO or CFO;

(b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date of Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of the paragraphs above, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Penalties or Sanctions

To the knowledge of the Corporation and based on the information provided by the proposed directors, and other than as described below, none of the proposed directors has (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Nomination Right Under Shareholders' Agreement

Pursuant to a unanimous shareholders' agreement dated January 1, 2023 between KPI, KPGP Inc., Kruger Inc., 13582141 Canada Inc. and the Corporation (the Shareholders' Agreement), for so long as the Kruger Aggregate Ownership Interest (as such term is defined in the Shareholder Agreement) is equal to or greater than 20%, Kruger Inc. shall be entitled to require that the Corporation propose in the proxy materials to be sent by the Corporation to the holders of Common Shares one nominee designated by Kruger Inc. within the slate of directors for election at each annual general meeting of Shareholders or at any other meeting of Shareholders convened, *inter alia*, for the purpose of electing directors. Provided the person proposed by Kruger Inc. for inclusion in the slate of directors of the Corporation meets the qualification criteria under the Act and complies with other legal requirements, including the applicable rules of any stock exchange on which the Corporation is listed, the Corporation shall include such person's name in its proxy materials and recommend that shareholders entitled to vote so vote in favour of such person. Sarah Kruger is the nominee director proposed by Kruger Inc. for election at the Meeting.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS INTRODUCTION

Introduction

The Corporation does not employ any remunerated officers and does not have any employees. Mr. Dino Bianco, Chief Executive Officer of KPI, Mr. Michael Keays, Chief Financial Officer of KPI and Mr. François Paroyan, Senior Vice President General Counsel and Corporate Affairs and Corporate Secretary of KPI, have been appointed, respectively, as Chief Executive Officer, Chief Financial Officer and General Counsel and Corporate Secretary of the Corporation. They are not compensated by the Corporation for these services.

An amended and restated administration agreement dated January 1, 2023 between KPI, as administrator, and the Corporation (the "Administration Agreement") governs the administration of the ongoing operations and affairs of the Corporation. Under the Administration Agreement, KPI, as administrator, agreed to provide management services to the Corporation to support its operation as a public company. The responsibilities of KPI, as administrator, are such that the Corporation does not require its own management or hire any employees. Pursuant to the Administration Agreement, KPI, as administrator, directly bears and pays for all the Corporation's normal operating expenses incurred in connection with the ordinary course operation of a company that is a reporting issuer. The Corporation does not remunerate KPI or any officer or director of KPI for services provided pursuant to the Administration Agreement.

Pursuant to an undertaking provided by the Corporation to the securities regulatory authorities in Canada, the Corporation has undertaken that, subject to certain exceptions, in complying with its continuous disclosure obligations as a reporting issuer, it will treat KPI as a subsidiary. On this basis, certain officers of KPI are "named executive officers" of the Corporation for the purposes of its required disclosure under Form 51-102F6 — *Statement of Executive Compensation*.

The following discussion describes the significant elements of Kruger Products' executive compensation program, with particular emphasis on the process for determining compensation payable to the chief executive officer (the "CEO"), the chief financial officer (the "CFO") and, other than the CEO and the CFO, each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 (collectively, the "Named Executive Officers" or "NEOs"). The NEOs are:

- Dino Bianco, CEO;
- Michael Keays, CFO;
- Michel Manseau, Senior Vice President and General Manager, Consumer Business Canada;
- Gordon Goss, Senior Vice President and General Manager, Consumer Business USA and Mexico; and
- Robert Patrick Martin, Senior Vice President, Operations.

Overview

The compensation of the executive officers of KPI is paid by KPI and, as described below, is determined on the basis of KPI's financial performance and in accordance with the objectives and performance indicators set by KPI and approved by the KPI Board after consultation with the KPI Compensation Committee. See "Compensation Committee", below. Mr. Wright, an independent director of the Corporation, serves as a member of the KPI Compensation Committee.

The KPI Board makes decisions regarding salaries, annual bonuses and other compensation for the CEO and establishes guidelines for the compensation of the other executive officers of KPI based on recommendations made by the KPI Compensation Committee. The compensation of KPI executive officers (other than the CEO) is determined by the CEO of KPI based upon the guidelines established by the KPI Board.

Compensation Components

KPI's executive compensation consists primarily of three elements: base salary, a short-term cash incentive plan and a long-term incentive plan. Each element of compensation is described in more detail below.

Base Salary

Base salaries for KPI's executive officers are established based on the scope of their responsibilities and their prior relevant experience, taking into account competitive market compensation for similar positions and the overall market demand for such executives at the time of hire. An executive officer's base salary is also determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with KPI's overall compensation philosophy.

Base salaries are reviewed annually at which time, in addition to the above, an individual's performance and level of contribution are assessed. Additionally, KPI adjusts base salaries as warranted throughout the year for promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

Annual Bonus

KPI has a short-term cash incentive plan (the "STCIP"), the purpose of which is to provide eligible employees (including the NEOs) a bonus payment tied to corporate and individual performance. For executive management the STCIP is weighted as follows: (a) 30% based on corporate financial performance measured by KPI's Adjusted EBITDA less interest paid (b) 35% based on team objectives which may include strategic initiatives, health and safety, and revenue, measured against annual targets, and (c) 35% based on individual objectives. Each participant is provided with an individual bonus target for a given fiscal year, established as a percentage of such participant's base salary (100% for Dino Bianco and 40% to 45% for the other NEOs) (the "Target Bonus"). For each component of the STCIP, upon the achievement by KPI of the assigned target in respect of that component for the then current fiscal year, the participant may receive 100% of the bonus in respect of that component. For each component of the STCIP, if KPI's performance is below or exceeds the relevant target, the participant's bonus is established on a sliding scale for a payment varying between 0% and 150% of the bonus for that component. Aggregate annual bonus payouts are capped at a certain percentage of the Corporation's Adjusted EBITDA for the relevant year (the "Bonus Cap"), with a proportionate reduction applied if the Bonus Cap would otherwise be exceeded by application of the performance criteria. In Fiscal 2024, the percentage used for the corporate financial performance component of the STCIP for KPI's NEOs was 121.1% and the percentage used for the team objectives for KPI's NEOs was 106.4%. The total amount awarded to each NEO under the STCIP is reflected in the Summary Compensation Table below.

Long-Term Incentive Plan

KPI has adopted a long-term incentive plan (the "LTIP") for the CEO, CFO, Senior Vice Presidents and Corporate Vice-Presidents and other designated senior executives. The goals of the LTIP are to:

- attract qualified candidates
- retain the participating members of senior management
- encourage the executives in executing the strategic plan of KPI
- provide the executives with an incentive to create economic value for the shareholders of KPI and the Corporation
- align the interests of senior management with those of the shareholders

The LTIP is administered by the KPI Compensation Committee. The plan is reviewed annually for alignment with market trends and the strategic objectives of KPI.

For LTIP awards made during the Corporation's financial year ended December 31, 2021, the plan was based on the equal-weighted issuance of Performance Share Units (PSUs) and Restricted Share Units (RSUs). The PSUs represent notional or phantom shares, and the value of the PSUs track the Corporation's stock price over a three-year period. The PSUs are subject to the following performance measures: Adjusted EBITDA Return on Capital Employed ("ROCE") and Total Shareholder Return ("TSR"). Weightings are applied to the granted PSUs as follows: ROCE PSUs: 75%, TSR PSUs: 25%. The RSUs represent notional or phantom shares, and the value of the RSUs is linked to the Corporation's stock price at time of payment.

Payouts under the LTIP for ROCE PSUs are subject to KPI meeting an established ROCE target based on a three-year rolling average and are also impacted by the Corporation's stock price change. Payouts for TSR performance are determined based on the Corporation's stock price change and dividend yield (combined measure to reflect Total Shareholder Return) ranked against a set of five direct competitors in the market over the same three-year period.

The PSUs vest to the Participant on the third anniversary of the award in May, subject to meeting certain objectives. Each performance component of the LTIP vests according to the degree of attainment of the objectives on the results date (being the date at which the last financial results of KPI that will serve to establish the degree of attainment of the objectives are approved by the KPI Board). The performance objectives are measured using a range of minimum, target and exceptional performance levels from 0% to 150% of target, to determine a performance vesting factor for ROCE and for TSR PSUs. These factors are then multiplied by the number of ROCE and TSR PSUs granted to determine the number of PSUs that will vest to the Participant. Under the LTIP, PSUs are also credited to a participant at the time of vesting of the relevant PSUs based on dividends declared on Common Shares and the number of PSUs determined to have been vested. The final payout to the participant is therefore determined using the following formula: (total PSU's vested + PSUs credited as dividend equivalents) x share price at vesting date = payout. The share price at vesting date is the average of the weighted average closing price of the Common Shares on the TSX for the 20 days that precede the date on which the PSUs vest.

Payout of vested PSUs amounts is made in cash in May of the third year following the reference year. For example, the vesting and payout of PSUs granted in 2021 will be in May 2024, provided the participant is still in the employ of KPI or Kruger Inc. and that the relevant performance criteria are met. If the employment of the eligible participant is terminated for cause or he or she resigns, all amounts allocated to such participant under the LTIP are forfeited. If the employment of the eligible participant is terminated without cause or in the case of retirement, all previously allocated amounts continue to vest and become payable in their normal course. Upon the death of a participant, all previously allocated amounts vest immediately, and are paid at target.

The RSUs vest partially in May of each year over a 3-year period (one third of RSUs granted vests each year). Payout of the partially vested RSUs is made at time of vesting. Payout of RSUs includes a proportionate vesting of dividend equivalent units based on dividends declared on Common Shares and the number of RSUs determined to have been vested.

Revisions to LTIP

In Fiscal 2022, the KPI Compensation Committee requested that the design of the LTIP be revised based on the following principles:

- greater emphasis on shareholders' interest
- equitable and fair treatment of employees
- reinforce key behaviors including a long-term view
- whenever possible reward employees on performance factors within their control

The LTIP revision was completed and approved by the Board on November 7, 2023. Under the revised LTIP plan, there is a single performance target, namely "LTIP Cashflow", which is calculated as the three year average of

EBITDA for a given performance period, less cash interest paid, lease payments and excess pension payments. The target value of LTIP awards is based on the participant's LTIP target percentage of base salary, which is set using the approved and/or estimated budget for each year. The annual budgets are averaged over 3 years to determine the LTIP Cashflow target for the applicable performance period. For 2024, an approved budget was used while 2025 and 2026 were estimated budgets.

Each annual award is subject to a three-year performance period ending at the end of the second fiscal year following the first year in which the award is granted. The payment scale can range from 50-150% depending upon performance against the target. A minimum guaranteed threshold payment will be paid to participants in 25% installments in or about May of each of the two fiscal years following the fiscal year in which the award is granted. At the end of the three year performance period, the Corporation's average LTIP Cashflow performance is measured against the performance target to determine whether any additional amount is payable pursuant to the performance scale.

Kruger Products does not publicly disclose the specific LTIP Cashflow, Adjusted EBITDA or team targets set under the STCIP or the ROCE or TSR targets for the LTIP, because disclosure of such information could result in competitive harm. Kruger Products' corporate objectives are designed to drive sustainable growth and performance on an individual basis. The targets are set such that they are challenging to meet but realistically attainable with significant effort and strong corporate performance. It is possible that payments under the STCIP will be made at less than 100% of the Target Bonus and that LTIP PSUs granted will not vest and there will be no payment in respect thereof.

Compensation Risk

The current structure of KPI's executive compensation arrangements are inherently designed not to encourage executive officers to expose KPI to inappropriate or excessive risks. The following elements of KPI's executive compensation arrangements correlate to the long-term performance of the Corporation:

- compensation with a well-balanced mix of salary, STCIP and LTIP;
- the use of performance metrics, such as Adjusted EBITDA, ROCE and LTIP Cashflow, that are aligned with KPI's business growth strategy;
- the use of a sliding scale to grant annual cash bonuses (as opposed to an all-or-nothing proposition);
- policies and practices that are generally applied on a consistent basis to all executive officers;
- the fact that the Insider Trading Policy of the Corporation and KPI prohibits insiders (which include, among others, the Corporation's directors and KPI's directors and executive officers) from engaging in short sales of the Corporation's securities, investing in Corporation-based derivative securities or purchasing securities of the Corporation on margin; and
- the fact that employment agreements of executive officers do not provide excessive severance in the case of termination.

Compensation Committee

The KPI Board has a human resources and compensation committee (the "KPI Compensation Committee") which is composed of three directors, namely Joseph Kruger II (Chair), David Angel and Jay Wright. Jay Wright is an independent director and a member of the Corporation Board. The Shareholders' Agreement provides that the KPI Compensation Committee shall be a three-member committee composed of at least one Corporation Nominee who is independent of KPI.

The biography of Jay Wright is set out above under "Nominees for Election to the Board of Directors — Biographies" and the biography of each Joseph Kruger II and David Angel is set out in the section "Directors and

Executive Officers of KPI" in the Annual Information Form, which section is incorporated by reference herein (and available on the SEDAR+ website at www.sedarplus.ca.

The KPI Compensation Committee undertakes a variety of responsibilities relating to compensation, including, but not limited to, the following:

- assess annually the performance of the CEO against the specific performance criteria, goals and objectives determined by the KPI Board and such other factors as the Compensation Committee deems appropriate and in the best interest of the Corporation, and establishing the CEO's compensation;

- review with the CEO the annual performance assessment of all other senior executives and to report annually to the KPI Board on all of the foregoing;

- review and make recommendations regarding' KPI's overall compensation philosophy and strategy to ensure that compensation policies and/or practices followed by KPI are designed to recognize and reward performance and establish a compensation framework, which is industry competitive and which results in the creation of shareholder value over the long-term (i.e. management and KPI Board incentives are aligned with shareholders' interests);

- identify, assess and mitigate applicable risks associated with KPI's compensation policies and practices; and

- design, establish and oversee' KPI's executive compensation policy, including annual and long-term incentive compensation programs, which includes:

    - considering compensation principles and objectives for total compensation that reflect desired competitive positioning and comparator groups such that they are in line with recruitment and retention objectives of KPI;

    - oversee the design, implementation and administration (with the assistance of third party plan administrators) of any executive or employee incentive compensation or benefits programs; and

    - recommend for approval by the KPI Board all forms of compensation for the CEO and other senior executives taking reasonable measures to ensure that an appropriate portion of such compensation is tied to both the short and longer-term performance of KPI.

Compensation of Named Executive Officers

Summary Compensation Table

The following table presents information regarding compensation earned in Fiscal 2024 as well as Fiscal 2023 and Fiscal 2022 for the Chief Executive Officer of KPI, the Chief Financial Officer of KPI and the other three most highly compensated executive officers of KPI as of December 31, 2024 (the "Named Executive Officers" or "NEOs").

			Non-equity Incentive Plan Compensation				
	Salary	Unit-based Award	($)	($)	Pension Value	All Other[3][4][5] Compensation	Total Compensation
YEAR	($)	($)	STCIP[1]	LTIP[2]	($)	($)	($)
Dino Bianco							
Chief Executive Officer							
2024	622,542	0	791,342	523,708	139,670		2,077,262
2023	600,785	0	799,098	144,072	134,885	189,535	1,868,375
2022	579,730	0	157,946	277,061	130,310		1,145,047

Michael Keays							
Chief Financial Officer							
2024	380,009	0	156,526	121,600	62,142		720,277
Michel Manseau							
Senior Vice President and General Manager; Canadian Consumer Business Canada							
2024	458,094	0	225,655	284,256	64,200		1,032,205
2023	442,344	0	264,606	78,116	57,900	62,912	905,878
2022	426,857	0	52,427	150,585	72,400		702,269
Gord Goss(6)							
Senior Vice President and General Manager; Consumer Business USA/Mexico							
2024	572,496		290,845	306,133	50,300		1,219,774
2023	546,962	0	289,974	82,548	41,100	74,161	1,034,745
2022	515,104	0	47,680	155,292	113,100		831,176
Robert Patrick Martin(6)							
Senior Vice President, Operations							
2024	495,294	0	243,979	171,875	83,459	157,341	1,151,948

(1) Represents amounts earned under KPI's short term cash incentive plan (STCIP). See "Compensation Components -Annual Bonus

(2) Represents amounts earned under the cash-based LTIP plans, including retroactive amounts earned related to the 2022 and 2023 plans. Performance based portions of the TTIP plans for 2023 and 2024 have not been included as the amount cannot be determined at this time. See "Compensation Components – Long-Term Incentive Plan", above.

(3) Perquisites or other personal benefits which, in the aggregate, are worth $50,000 or over.

(4) Special make-whole/retention bonus paid in 2023.

(5) Robert Patrick Martin received a make-whole payment of $157,341 in 2024.

(6) All amounts are earned in USD and translated to CAD at the average exchange rate for the year: 1,36818 for 2024, 1.3497 for 2023 and 1.3013 for 2022.

Equity Based Incentive Plan Awards

There are no outstanding PSUs or RSUs as at December 31, 2024.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table summarizes, for each of the Named Executive Officers, the value of options, PSUs and RSUs vested during Fiscal 2024 and the value of executive performance bonus earned during Fiscal 2024

Name	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)(1)
Dino Bianco	n/a	124,238	1,315,050
Michael Keays	n/a	21,731	278,126
Michel Manseau	n/a	67,038	509,911
Gordon Goss(2)	n/a	73,573	816,773

Robert Patrick Martin[(2)]	n/a	0	568,963

(1) All amounts earned pursuant to KPLP's STCIP. See "Compensation Components – Annual Bonus", above, and "Compensation Components – Long Term Incentive Plan", above.
(2) Amounts are earned in USD and translated to CAD at the average exchange rate of 1.36818.

Pension Benefits

Defined Benefit Pension Plan

The following table presents a summary of the eligible years of service and estimated annual retirement benefits payable at age 65, accrued as of December 31, 2024, under the defined benefit ("DB") registered pension plans in which the NEOs participate combined, when applicable, with supplementary retirement arrangements. The table also sets forth the changes in the accrued pension obligation (for accounting purposes) from December 31, 2023 to December 31, 2024, including the annual cost attributable to compensatory items for the financial year ended December 31, 2024. The method of evaluation and assumptions used to determine the accrued pension obligation at year end are the same as the ones presented in Kruger Product's financial statements for the financial year ended December 31, 2024.

NAME	NUMBER OF YEARS CREDITED SERVICE #	ANNUAL BENEFIT AT DECEMBER 31, 2024 $	PAYABLE AT AGE 65 $	ACCRUED OBLIGATION AT START OF YEAR $	COMPENSATORY CHANGE $	NON-COMPENSATORY CHANGE $	ACCRUED OBLIGATION AT YEAR END $
Michel Manseau	36.2	130,600	175,000	2,499,700	64,200	109,400	2,673,300
Gordon Goss	33.2	88,500	150,200	1,019,800	50,300	42,700	1,112,800
Michael Keays	2.8	9,900	22,100	109,600	-300	4,500	113,800

Gordon Goss participates in a non-contributory DB registered pension plan and a separate arrangement was made to recognize his service while outside Canada. Pension accruals are based on final average earnings. Michel Manseau participates in a DB registered pension plan and in a supplementary retirement arrangement and is eligible to receive, at the age of 60, a total pension of $175,000. This amount is inclusive of the amount payable to him under the DB registered pension plan. Michael Keays has accrued benefits under a defined benefit plan and is now participating in the Defined Contribution Plan.

Defined Contribution Pension Arrangements

Dino Bianco and Michael Keays participate in KPI's defined contribution pension plan. The following table presents a summary of the estimated total benefits under KPI's defined contribution pension plan. Under such plan, KPI contributes 20% of Mr. Bianco's base salary and 15% of Mr. Keays's base salary. For Dino Bianco and Michael Keays, the amount in excess of the amount allowed under the defined contribution pension plan is allocated to a supplementary retirement arrangement ("SERP-DC").

Robert Patrick Martin participates in a 401(k) plan, under the plan the Corporation matches the employee's deferral up to the maximum permitted by legislation.

NAME	ACCRUED OBLIGATION AT START OF YEAR $	COMPENSATORY CHANGE $	ACCRUED OBLIGATION AT YEAR END $
Dino Bianco	846,877	139,670	1,078,156
Michael Keays	216,018	62,442	344,161
Robert Patrick Martin	107,064	83,459	217,434

Director Compensation of the Corporation

Each director of the Corporation receives from KPI, on behalf of the Corporation, an annual retainer fee of $25,000. The Chair of the Board of the Corporation receives from KPI, on behalf of the Corporation, an additional annual retainer fee of $15,000. In addition, each independent director serving on the Nominating and Governance Committee receives a fee of $1,250 per committee meeting attended. The independent directors of the Corporation also serve and are further compensated as independent directors of KPI. See "Director Compensation of KPI" below.

Director Compensation of KPI

The independent directors of KPI each receive an annual cash retainer of $25,000 and an additional fee of $2,500 per KPI Board meeting attended. In addition, the Chair of the KPI Audit Committee receives an additional annual cash retainer fee of $15,000. The members of the KPI Audit Committee also receive a fee of $1,750 per committee meeting attended and the members of the KPI Compensation Committee and KPI Governance Committee receive a fee of $1,250 per committee meeting attended. All directors are entitled to be reimbursed for out-of-pocket expenses incurred by them in their capacity as directors.

The following table sets out information concerning the Fiscal 2024 cash compensation earned by each of the directors listed below (including those acting in their capacity as directors of the Corporation).

Name	Fees Earned[1]	All Other Compensation	Total
François Vimard	$86,250	---	$86,250
James Hardy	$88,250	---	$88,250
Louise Wendling[2]	$11,566	---	$11,566
John 'Jay' Wright	$72,500	---	$72,500
Joseph Kruger II	---	---	N/A
David Angel	---	---	N/A
Dino Bianco	---	---	N/A
Gene Kruger	---	---	N/A
Sarah Kruger	---	---	N/A
David Spraley	---	---	N/A

(1) Represents the director's retainer, any chair and committee membership fees and meeting attendance fees using the fee schedule.
(2) On March 6, 2024 Louise Wendling resigned from the Board.

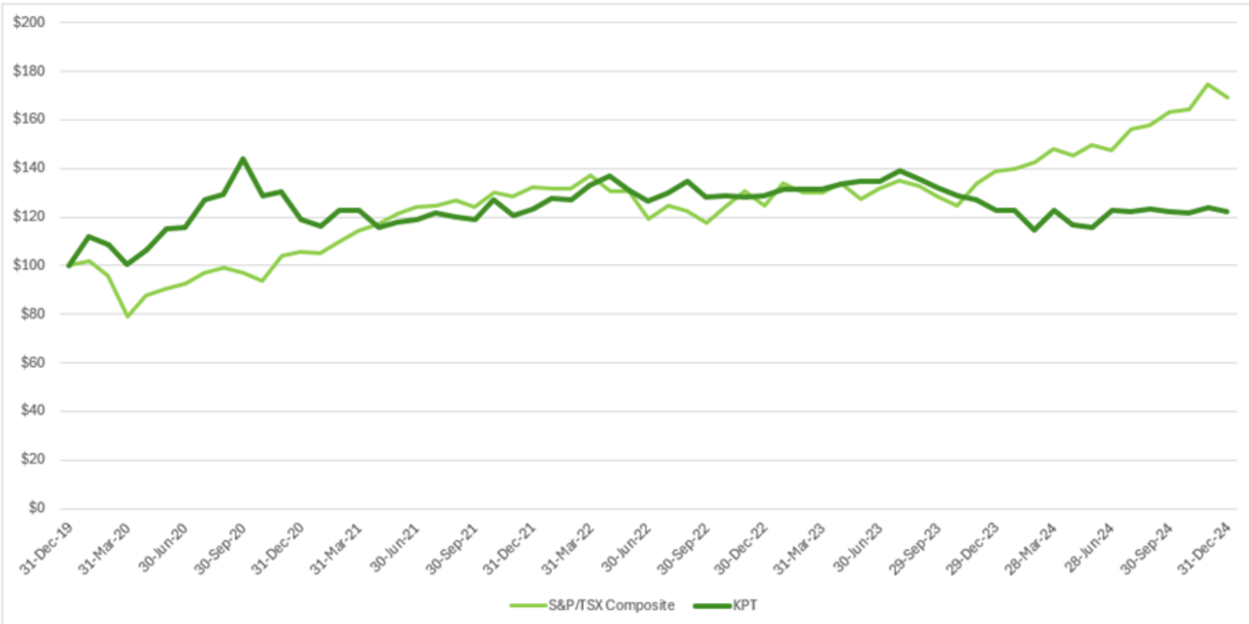
Minimum Shareholding Requirement for Directors

The Corporation Board has adopted a policy that requires that each director own a minimum of 5,000 common shares and/or share equivalents in the form of deferred share units ("DSUs") of the Corporation. The Corporation Board has adopted a deferred share unit plan ("Plan") which allows independent directors and Louise Wendling to receive all or part of their director retainer fees in the form of DSUs. The Plan allows for the issuance of additional units as dividend equivalents when the Corporation declares and issues a dividend to shareholders. Upon the individual ceasing to be a director, the DSUs will be paid out in cash.

If a director does not own such minimum amount of shares or DSUs, he or she shall, over a three-year period starting from the later of his or her appointment, acquire such number of shares or receive Board retainer fees in the form of DSUs to reach the minimum 5,000 common shares and/or DSUs by the end of such three-year period, with a minimum of 1,667 shares and/or DSUs being held after year 1; 3,334 shares and/or DSUs being held after year 2; and a minimum of 5,000 shares and/or DSUs being held after year 3. The Directors have all met the minimum shareholding requirement for Fiscal 2024.

Performance Graph

The following graph shows, as at December 31, 2024, the cumulative total shareholder return on a $100 investment as at January 1, 2019 (assuming reinvestment of dividends at a price determined in accordance with KPT's dividend reinvestment plan) compared with the cumulative total return of the S&P/TSX Composite Index for such period**.**



The compensation of executive officers is determined in accordance with the principles and components set forth above. The short-term and long-term compensation incentives of the executive officers are principally based on financial measures and are only partially tied to the performance of the KPT common shares on the TSX. For this reason, there is no direct relation between the evolution of the total compensation of the executive officers and the evolution of the price of the common shares of KPT.

Employment Agreements, Termination Benefits and Change of Control Benefits

KPI has entered into an employment agreement with Mr. Dino Bianco with respect to his employment as CEO. Mr. Bianco's employment agreement provides that, in the event of a change of control of KPI, as defined in the agreement, he will receive a retention bonus equivalent to 12 months base salary no later than six months following the change of control, which shall also be payable if Mr. Bianco's employment is terminated without cause within the 6 month period following the change of control. The employment agreement further provides that, in the event that KPI terminates Mr. Bianco's employment without cause, as defined in the agreement, he will be entitled to the following termination package: (i) to be paid in equal installments over a period of 12 months in accordance with KPI's normal payroll schedule: (A) the base salary that would have been payable to him had his employment with KPI continued after the date of termination; (B) a pro rata portion of the STCIP incentive payment that would have been payable to him, calculated on the basis of a Target Bonus of 100% of his base salary; and (C) an LTIP incentive payment as per the terms of the LTIP or a pro rata portion of the LTIP incentive payment that would have been payable; (ii) continued participation in the applicable benefit plans for 12 months; and (iii) continued participation in the DC SERP for 12 months.

KPI has also entered into employment agreements with both Messrs. Keays and Martin with respect to their employment as CFO and SVP, Operations, respectively. In the event that KPI terminates their employment without cause, they will be entitled to the following termination package: (i) a lump sum payment equivalent to 12 months' of their annual base salary; (ii) the STCIP incentive payment that would have been payable to them for 12 months in accordance with the terms of the plan; (iii) all previously allocated amounts und the LTIP continue to vest and become payable in their normal course; (iv) continued participation in the applicable benefit plans for 12 months or such shorter period until they obtain alternate employment or become self-employed; and (vi) continued participation in the DC SERP or 401K plan, as applicable, for 12 months or such shorter period until they obtain alternate employment or become self-employed.

KPI has not entered into written employment agreements with any of its other NEOs that provide for a plan or mechanism for payments in favour of the other NEOs in the event of termination of duties, whether voluntary or not, or of constructive dismissal, resignation, retirement, change in responsibilities or change of control of KPI. However, under the LTIP, upon termination without cause and upon retirement, all previous awards granted under the plan continue to vest and become payable in their normal course. Upon the death of a participant, all previously allocated amounts vest immediately, and are paid at target.

The following table shows estimated incremental payments, payables and benefits to Dino Bianco, Michael Keays and Robert Martin that would be triggered by: (i) a termination of employment without cause; and (ii) in Mr. Bianco's case, a change of control, in each case as if the triggering event had occurred on December 31, 2024. No incremental payments, payables or benefits would be triggered for the other NEOs in such circumstances.

Name	Salary ($)	STCIP ($)	LTIP ($)(1)	Total at Termination ($)	Change of Control(2) ($)
Dino Bianco	$627,850	$627,850	N/A	$1,255,700	$627,850
Michael Keays	$360,525	$144,210	N/A	$504,735	N/A
Robert Martin	$499,517	$224,782	N/A	$724,299	N/A

(1) All previous LTIP awards granted continue to vest and are payable in their normal course as per the terms of the plan.
(2) Payable as a retention bonus no later than six months following the change of control, which shall also be payable if Mr. Bianco's employment is terminated without cause within the 6 month period following the change of control

Pursuant to his employment agreement, Mr. Bianco is subject to a 12 month non-solicitation covenant as well as confidentiality obligations. Messrs. Keays and Martin have also agreed as part of their employment agreement to non-competition and non-solicitation covenants for a period of 12 months following their termination.

Indemnification and Insurance

The Corporation and KPI have jointly subscribed for a directors' and officers' insurance policy. In addition, the Corporation and KPI have entered into indemnification agreements with each of the Corporation's directors and officers and KPI has entered into indemnification agreements with each of KPI's directors and officers. The indemnification agreements generally require that the Corporation and/or KPI, as applicable, indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation, or KPI as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in or not opposed to the relevant entity's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation or KPI, as applicable, to the extent permitted by applicable law.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors or officers is indebted to the Corporation (other than "routine indebtedness" under Canadian securities laws).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below, no director or executive officer of the Corporation or KPI or any proposed director of the Corporation has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or KPI or any of its subsidiaries.

CORPORATE GOVERNANCE OF THE CORPORATION

Size of the Corporation Board

The Corporation Board is comprised of four directors, being a size which accommodates three independent directors on the KPI Board and a board member nominated by Kruger pursuant to the Shareholders' Agreement. Since the Corporation's business is limited to its investment in KPI and related activities, the Corporation's Board does not currently believe that a Corporation board size greater than four directors is necessary or appropriate. KPI, the operating entity in which the Corporation holds an interest, has a more typical board size of nine members. See "Corporate Governance of KPI".

Independence of the Corporation Board

In the view of the Corporation Board, three of the Corporation's Board members, namely James Hardy, François Vimard and Jay Wright, are considered "independent" as defined in National Instrument 52-110 — *Audit Committees*, as amended from time to time ("NI 52-110"). Under NI 52-110, an "independent" director is one who is free from any direct or indirect relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with a director's independent judgment. Sarah Kruger is deemed not to be independent because she is a member of the board of directors of Kruger. The independent directors hold in camera sessions without management present at meetings of the Corporation Board, as considered necessary.

Certain members of the Corporation's Board are also members of the board of other public companies. See "Nominees for Election to the Board of Directors - Biographies", above.

Mandate of the Corporation Board of Directors

The Corporation Board is responsible for managing the Corporation, including overseeing the performance of the services provided under the Administration Agreement. Each director has a duty to act with a view to the best interests of the Corporation. The Corporation Board meets four times (or more, as necessary) annually.

The Corporation Board fulfills its duties by acting honestly and in good faith with a view to the best interests of the Corporation and by making decisions that set the tone, character and strategic direction for the Corporation. It also ensures that KPI carries out its responsibilities under the Administration Agreement.

Despite the role played by KPI as administrator under the Administration Agreement, the directors of the Corporation Board remain responsible for the performance of certain functions, subject to any approval or other rights set out in the Shareholders' Agreement. The mandate of the Corporation Board is attached hereto as Appendix "B".

In light of the Corporation's structure, the role and functions of KPI as administrator and the fact that the Corporation does not remunerate any senior executives or officers and does not have any employees, the Corporation does not currently have nor does it intend to establish a compensation committee. There is, however, a compensation committee at the level of the KPI Board. See "Corporate Governance of KPI — Compensation Committee" and "Corporate Governance of KPI — Corporate Governance Committee", below.

Despite the limited nature and scope of the Corporation's operations, individual directors are assessed with respect to their effectiveness and contribution in a process overseen by the Chair of the Corporation Board. In addition to formal director assessment, the Corporation relies on the individual experience, competence and expertise, and informal assessments in gauging a director's effectiveness and contribution in light of the needs of the Corporation Board and the Corporation.

Position Descriptions

The Chair of the Corporation Board

The Chair of the Corporation Board is François Vimard, who is an independent director. The Chair of the Board assumes principal responsibility for the operation and functioning of the Board. The Corporation Board has adopted a written position description for the Chair of the Board which sets out the Chair's key responsibilities, including consulting with the Board to set board agendas; chairing Board meetings; ensuring compliance with the governance policies of the Board regarding conduct of Board meetings; facilitating and encouraging open and effective communication and relationships between (i) the management of the Corporation and the Board, and (ii) the Corporation and shareholders, stakeholders and the general public; and reviewing and evaluating the performance of the Board as a whole at least annually.

The CEO

The vast majority of tasks and responsibilities ordinarily carried out by a chief executive officer are in fact carried out for the Corporation by Kruger Products, as the administrator under the Administration Agreement. Dino Bianco is the CEO of the Corporation and Kruger Products.

Orientation and Continuing Education

The Corporation Board ensures that prospective candidates for Corporation Board membership understand the roles of the Corporation Board and Corporation Board committees and the contribution that individual directors are expected to make.

The directors receive a comprehensive package of documentation several days in advance in preparation for Corporation Board and Corporation Board committees' meetings, regular updates between Corporation Board meetings on matters that affect its business and reports from the Corporation Audit Committee on their work at their previous committee meeting. The directors are also engaged in a review of the annual operating and capital plan of Kruger Products, as well as its long-term strategic plan.

Code of Ethics

The Corporation Board has adopted a Code of Business Conduct and Ethics, applicable to all directors, officers and employees of the Corporation. The Corporation's Code of Business Conduct and Ethics is available on the Corporation's website at https://www.kptissueinc.com/investor-relations/corporate-governance and on the SEDAR+ website at www.sedarplus.ca

Term Limits

The Corporation does not set specific term limits or a mandatory retirement age for its Board members. The Corporation believes that the Board does not lack fresh perspectives, as its members have served on the Board for an average of approximately 4 years. The Corporation will monitor the need for adopting such policies going forward, but does not believe that imposing term limits or a mandatory retirement age on its members is currently necessary or appropriate.

Diversity at the Level of Executive Officers

As the Corporation does not employ any remunerated officers and does not have any employees, it does not believe that it is relevant for it to consider the level of representation of women, visible minorities, Indigenous peoples or persons with disabilities in executive officer positions when making executive officer appointments and has not adopted a target regarding women, visible minorities, Indigenous peoples or persons with disabilities in executive officer positions. None of the individuals appointed as executive officers of the Corporation (who are appointed as a result of their corresponding positions as executive officers of KPI) are women, visible minorities, Indigenous peoples or persons with disabilities.

Board and Attendance

The Corporation Board met four (4) times in Fiscal 2024 and each Corporation Board director was in attendance at each meeting, with the exception of Sarah Kruger at the Q4 meeting due to extenuating circumstances.

Audit Committee

NI 52-110 sets out requirements concerning the composition and responsibilities of an issuer's audit committee, and concerning an issuer's reporting obligations with respect to audit related matters. The Corporation's audit committee (the "Corporation Audit Committee") is composed of its three independent directors, James Hardy (as Chair), François Vimard and Jay Wright, each of whom is also a member of the KPI Audit Committee. See "Corporate Governance of — Audit Committee." Each of François Vimard, James Hardy and Jay Wright is financially literate and independent within the meaning of NI 52-110. See "Nominees for Election to the Board of Directors — Biographies" for a brief summary of the education and experience of each Corporation Audit Committee member and proposed Corporation Audit Committee member that is relevant to his performance as a member of the Corporation Audit Committee. The Corporation Audit Committee met four (4) times in Fiscal 2024 and each member of the Audit Committee was in attendance at each meeting.

The Corporation Board has adopted a written charter for the Corporation Audit Committee (the "Charter of the Corporation Audit Committee") which sets out the Corporation Audit Committee's responsibility in reviewing the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the Corporation Board, ensuring that adequate procedures are in place for the review of Corporation's public disclosure documents that contain financial information, overseeing the work and review the independence of the external auditors and reviewing, evaluating and approving the Corporation's internal control procedures. The Charter of the Audit Committee can be viewed in the Corporation's Annual Information Form dated March 5, 2025, available on the SEDAR+ website at www.sedarplus.ca.

Auditors' Fees

Details with respect to external auditor fees for past services can be found in the section "Audit Committee Information Regarding the Corporation" of the Annual Information Form for Fiscal 2024 dated March 5, 2025, which can be viewed on the SEDAR+ website at www.sedarplus.ca.

Nominating and Governance Committee and Board Diversity Policy

The Corporation Board has a nominating and governance committee (the "Nominating and Governance Committee") comprised of Jay Wright, James Hardy and François Vimard. The Chair of the Nominating and Governance Committee is Jay Wright. Each of Jay Wright, François Vimard and James Hardy is independent within the meaning of NI 52-110 and National Instrument 58-101 — *Disclosure of Corporate Governance Practices* ("NI 58-101") . The principal role of the Nominating and Governance Committee is to identify individuals qualified to become members of the Corporation Board and Corporation Board committees and recommend that the Corporation Board select such persons as nominees for election or appointment to the Corporation Board. In fulfilling its responsibilities to identify individuals qualified to become members of the Corporation Board, the committee considers: (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) the skill set of each nominee relative to the balance of skills required by the Corporation Board and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Corporation Board or the Nominating and Governance Committee from time to time.

The Nominating and Governance Committee and the Board also consider the level of representation of women, visible minorities, Indigenous Peoples and persons with disabilities on the Board in identifying and nominating candidates for election or re-election to the Board to meet the objectives of the Board Diversity Policy, as described below. On March 22, 2019, the Corporation Board adopted a written policy, as amended in 2020 (the "Board Diversity Policy"), which confirms the commitment of the Corporation to diversity and sets out the process the Board of Directors uses to identify and nominate candidates for director. The Board Diversity Policy states that:

(a) the Corporation is committed to putting in place a diverse and inclusive culture at the Board level;

(b) when identifying suitable candidates for appointment to the Corporation Board, the Nominating and Governance Committee will consider candidates based on merit, using objective criteria, including skills, expertise and experience, with due regard to the benefits of diversity, including criteria such as gender, age ethnicity and physical disability; and

(c) the Nominating and Governance Committee will, as part of its identification and nomination process, include gender, visible minorities, Indigenous peoples and persons with disabilities as important diversity criteria for identifying suitable candidates for director.

Due to the small size of the Corporation Board, the Corporation has not set a specific target number or percentage of women, visible minorities, Indigenous peoples and persons with disabilities to serve on the Corporation Board.

The Nominating and Governance Committee is responsible for annually reviewing the Board Diversity Policy and assessing its effectiveness in promoting a diverse Board of Directors. In measuring the effectiveness of the Board Diversity Policy, the Nominating and Governance Committee will consider its identification and consideration of any individuals to become Board members in the previous year and whether and how the policy influenced such identification and consideration.

Currently, one member of the Corporation Board is a woman and none is a visible minority, Indigenous person or person with a disability.

The Nominating and Governance Committee is also responsible for ensuring that the Corporation develops and implements an effective approach to corporate governance that reflects the somewhat unique nature of the Corporation's business and relationship with KPI, including monitoring by the Corporation Board of the Corporation's rights in respect of KPI.

CORPORATE GOVERNANCE OF KPI

The Corporation's business is limited to its investment in KPI and related activities. 13582141 Canada Inc. as holder of 87.66% of the outstanding shares of KPI, controls KPI. As a minority shareholder, the Corporation's rights in respect of KPI are limited and are derived entirely from the Shareholders' Agreement. Decisions regarding KPI's business outside of the ordinary course, including related party transactions that would reasonably be expected to transfer value to Kruger or its affiliates, are subject to the approval of the Corporation. These veto and other rights of the Corporation under the Shareholder Agreement are exercised by the Corporation Board, which is composed of a majority of independent directors.

The Corporation's rights in respect of KPI are described in the summary of the Shareholders' Agreement under the section "Material Contracts — Material Contracts of the Corporation — Shareholders' Agreement" of the Corporation's Annual Information Form for Fiscal 2024 dated March 5, 2025, which section is incorporated by reference herein (and available on the SEDAR+ website at www.sedarplus.ca).

Independence of KPI Board

The KPI Board is comprised of nine directors. In the KPI Board's view, the following three directors, namely François Vimard, James Hardy and Jay Wright who are also directors of the Corporation, are independent directors within the meaning of NI 52-110. The remaining directors of KPI, namely Joseph Kruger II, David Angel, Dino Bianco, Gene Kruger, Sarah Kruger, and David Spraley, are not independent within the meaning of NI 52-110 and NI

58-101 because each of them is or has been an employee of Kruger (or, in the case of Dino Bianco, an employee of KPI) (collectively, the "Non-Independent Directors").

Where conflicts of interest may arise as a result of the association of the Non-Independent Directors (other than Dino Bianco) with Kruger (i.e. where KPI is considering entering into a related-party transaction (within the meaning of *Regulation 61-101 Respecting the Protection of Minority Security Holders in Special Transactions*) that would reasonably be expected to transfer value to Kruger or its affiliates), the Shareholders' Agreement requires that the Corporation's approval of the entering into of such transaction be obtained.

Pursuant to the Shareholders' Agreement, Kruger undertook to exercise the votes attached to all shares of KPI held by it from time to time in favour of the election as directors of KPI such individuals as the Corporation is entitled to designate ("Corporation Nominees"). The number of Corporation Nominees on the KPI Board is currently three (consisting of François Vimard, James Hardy and Jay Wright) but will vary depending on the Corporation's proportionate share in KPI at the time of designation. Pursuant to the Shareholders' Agreement, the Corporation will only designate individuals who are independent within the meaning of applicable securities law and stock exchange rules and who are directors of the Corporation (unless all directors of the Corporation have already been nominated, in which case other individuals may be nominated).

The independent directors will hold in camera sessions without management present at meetings of the KPI Board, if considered necessary. Furthermore, pursuant to the Shareholders' Agreement, certain decisions in respect of Kruger Products require the approval of the Corporation. Such approval would require a decision of the Corporation Board, on which the independent directors form a majority. At the KPI committee level, three independent directors serve as members of the KPI Audit Committee, one independent director serves as a member of the KPI Compensation Committee and two independent directors serve as members (and constitute a majority) of the KPI Governance Committee.

For the biographies of each of the directors of KPI, including a list of each directors reporting issuer board memberships, if applicable, reference is made to the section "Directors and Executive Officers of KPI" in the Annual Information Form, which section is incorporated by reference herein (and available on the SEDAR+ website at www.sedarplus.ca).

Mandate of KPI Board

The KPI Board is responsible for managing the business of KPI. The KPI Board is expected to meet no less than four times annually.

The KPI Board's mandate includes specific duties and key responsibilities such as:

- adopting a strategic planning process and periodically approve a strategic plan;
- formulating the KPI Board's expectations of KPI management;
- identifying and monitoring the main risks faced by KPI and ensuring appropriate measures and systems are implemented for managing such risks;
- defining the responsibilities of the senior executives and their authority to bind KPI ;
- ensuring the integrity of KPI's internal control and management information systems;
- developing KPI's approach to corporate governance, including the preparation of a specific set of principles and guidelines;
- considering recommendations of the KPI Governance Committee regarding, and if appropriate adopt, any revisions corporate policy it considers appropriate and ensuring it is followed;

- identifying decisions that require the pre-approval of the KPI Board and establishing approval and authorization policies for decisions and contracts binding KPI;

- preparing and adopting a Code of Business Conduct and Ethics for the directors and officers of KPI and employees of KPI, ensuring it is updated regularly and followed, including monitoring and approval of all exemptions, where applicable;

- preparing and approving position descriptions for the Chairman of the KPI Board and the Chair of each Committee;

- on the recommendation of the KPI Compensation Committee, establishing and approving a position description for the Chief Executive Officer;

- creating committees of the KPI Board, establishing their mandate and appointing their members;

- appointing the Chairman of the KPI Board and the Chairs of each committee of the KPI Board;

- on a recommendation of the KPI Compensation Committee, establishing and approving the compensation policies and programs for management, evaluating the performance of the CEO based on the objectives set, and establishing his/her compensation;

- with the assistance of the KPI Audit Committee, ensuring compliance with accounting standards, as well as the integrity and adequacy of financial reporting;

- on a recommendation of the KPI Audit Committee, approving the financial results of KPI;

- determining the appropriateness of declaring, and declare, where applicable, the payment of distributions to the shareholders;

- approving the charters and by-laws as well as any amendments to these documents;

- approving operating and capital budgets of KPI;

- approving the acquisition or sale of major assets and any other important transaction involving KPI, its property and its rights or its obligations;

- approving any major reorganization or downsizing of KPI;

- approving the purchase, redemption or any other form of acquisition of the securities of KPI and approving the related reporting process; and

- approving the form and content of the certificates evidencing the securities of KPI.

ESG Governance

The KPI Board has oversight of KPI’s Environmental, Social and Governance (ESG) strategy, disclosure and ESG risks (including risks relating to climate change). The KPI Governance Committee is responsible for reviewing KPI’s ESG risk assessments and performance against objectives and providing related reports and recommendations, where appropriate to the KPI Board. KPI’s CEO and Leadership Team have responsibility for execution of KPI’s ESG strategy. KPI’s Vice President of Sustainability leads the development of the strategy to reduce KPI’s environmental footprint supported by cross-functional teams across the organization.

Position Descriptions

The Chair of the Board of Directors

The Chairman of the KPI Board is David Spraley, who is not an independent director within the meaning of NI 52-110. The Chairman of the Board assumes principal responsibility for the operation and functioning of the Board. The KPI Board has adopted a written position description for the Chair of the Board which sets out the Chair's key responsibilities, including consulting with the KPI Board to set board agendas; chairing KPI Board meetings; ensuring compliance with the governance policies of the KPI Board regarding conduct of KPI Board meetings; facilitating and encouraging open and effective communication and relationships between (i) the management of KPI and the KPI Board, and (ii) KPI and shareholders, stakeholders and the general public; and reviewing and evaluating the performance of the KPI Board as a whole at least annually.

The CEO

Dino Bianco is KPI's CEO. The primary functions of the chief executive officer are to lead the management of KPI's business and affairs and to lead the implementation of the resolutions and the policies of the KPI Board. The KPI Board has developed a written position description for the CEO which sets out the CEO's key responsibilities, including duties relating to leadership, community, sustainable business practices; social responsibility; ethics and integrity; health, safety and environment; governance; disclosure; strategic planning; business management; risk management; organizational effectiveness/succession; and CEO performance. The CEO mandate will be considered by the KPI Board annually.

Orientation and Continuing Education

The KPI Board ensures that prospective candidates for KPI Board membership understand the roles of the KPI Board and KPI Board committees and the contribution that individual directors are expected to make.

Nomination of Directors of KPI

As the Corporation nominates the independent directors of the KPI Board pursuant to the Shareholders' Agreement, KPI does not have a nominating committee. There is, however, a nominating committee at the Corporation level. See "Corporate Governance of the Corporation — Nominating and Governance Committee".

Diversity

KPI will generally consider gender diversity on the board as one factor amongst many in identifying appropriate nominees. The KPI Board has not adopted a board diversity policy or adopted a target for the representation of women, visible minorities, Indigenous peoples or persons with disabilities on the KPI Board because it believes that appointments to the board should be made, and be perceived as being made, on the basis of the merits of the individual and the skills and experience he or she will bring to the Board. Currently there is one woman on the Board. In 2019, KPI developed its Diversity and Inclusion strategy and rolled out a Diversity & Inclusion awareness program to all salaried employees called the Power of Differences.

Term Limits

KPI does not set specific term limits or a mandatory retirement age for KPI Board members. The current composition of the board balances a depth of institutional experience and fresh perspectives. KPI believes that the ability to find this appropriate balance could be undermined if a mandatory retirement age was imposed. The Corporation will monitor the need for adopting such policies going forward, but does not believe that imposing term limits or a mandatory retirement age on its members is currently necessary or appropriate.

Diversity at the Level of Executive Officers

KPI recognizes the importance of having a diversity of skills and experience amongst executive officers. KPI will generally consider gender diversity at the executive officer level as one factor amongst many in identifying appropriate candidates. KPI has not adopted specific targets regarding women, visible minorities, Indigenous peoples or persons with disabilities in executive officer positions because it believes that appointments should be made, and be perceived as being made, on the basis of the merits of the individual and the skills and experience he or she will bring to KPI. 18% (two out of eleven) of KPI's executive officers are women.

Audit Committee

The KPI audit committee (the "KPI Audit Committee") is comprised of James Hardy (Chair), Jay Wright and François Vimard. Each of Jay Wright, François Vimard, and James Hardy is financially literate and independent within the meaning of NI 52-110. See "Nominees for Election to the Board of Directors — Biographies" for a brief summary of the education and experience of KPI Audit Committee member that is relevant to his performance as a member of the KPI Audit Committee.

The KPI Board has adopted a written charter for the KPI Audit Committee (the "Charter of the KPI Audit Committee") which sets out the KPI Audit Committee's responsibility in reviewing the financial statements of KPI and reporting on such review to the KPI Board, overseeing the work and review the independence of the external auditors and reviewing, evaluating and approving the Corporation's internal control procedures. The Charter of the KPI Audit Committee is substantially the same as the Charter of the Corporation Audit Committee, which can be viewed in the Corporation's Annual Information Form, available on the SEDAR+ website at www.sedarplus.ca. The KPI Audit Committee meets at least four times annually to fulfill its mandate. The KPI Audit Committee met four (4) times in Fiscal 2024 and each KPI Audit Committee member was in attendance at each meeting.

Auditors' Fees

Details with respect to external auditor fees for past services can be found in the section "Audit Committee Information Regarding Kruger Products" of the Annual Information Form for Fiscal 2024 dated March 5, 2025, which can be viewed on the SEDAR+ website at www.sedarplus.ca .

Compensation Committee

Information relating to the KPI Compensation Committee can be found in the Section above entitled "Executive Compensation Discussion and Analysis — Compensation Committee".

Corporate Governance Committee

The corporate governance committee of KPI (the "KPI Governance Committee") is composed of Gene Kruger (Chair), James Hardy and François Vimard. Each of James Hardy and François Vimard is an independent director. The Shareholders' Agreement provides that the KPI Governance Committee shall be a three member committee composed of at least two independent directors including at least one Corporation Nominee.

The KPI Governance Committee ensures that KPI develops and implements an effective and efficient approach to corporate governance that enables the business and affairs of KPI to be carried out, directed and managed with the objective of enhancing shareholder value. Its mandate includes the development of the KPI Code of Conduct and monitoring compliance with the KPI Code of Conduct. The KPI Governance Committee has adopted a written charter describing the mandate of such committee.

Board Attendance

The KPI Board met four times in Fiscal 2024 and each KPI director was in attendance at each meeting, with the exception of Sarah Kruger at the Q4 meeting due to extenuating circumstances.

OTHER BUSINESS

Management is not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.

SHAREHOLDER PROPOSALS

The Corporation must receive proposals for any matter that a shareholder proposes to raise at the annual meeting of the shareholders of the Corporation to be held in 2026 during the period beginning on January 24, 2026 and ending on March 25, 2026.

ADDITIONAL INFORMATION

If you have any questions that are not answered by this Circular, or would like additional information, you should contact your professional advisors. You can also contact TSX Trust Company Transfer, the Corporation's transfer agent, at 100 Adelaide West, Toronto, Ontario M5H 4H1 or by e-mail at tsxtis@tmx.com should you have any questions regarding voting of your Shares.

The Corporation Financial Statements, the audited consolidated financial statements of Kruger Products, together with the auditors' report thereon, as well as any interim financial statements of the Corporation and Kruger Products for periods subsequent to the end of Fiscal 2024, the Annual Information Form, the MD&A and this Circular are available free of charge on the SEDAR+ website at www.sedarplus.ca and may also be obtained upon request made to the Corporate Secretary of the Corporation, François Paroyan, at the Corporation's head office: 2 Prologis Blvd, Suite 500, Mississauga, Ontario L5W 0G8.

APPROVAL BY DIRECTORS

The content and the sending to the Shareholders of this Circular have been approved by the Board of Directors.

Dated at Mississauga, this 30th day of April, 2025

(Signed) François Paroyan
General Counsel and Corporate Secretary

APPENDIX "A"

GLOSSARY OF TERMS

"**Act**" means the *Canada Business Corporations Act*.

"**Adjusted EBITDA**" is calculated by Kruger Products as net income (loss) before (i) interest expense and other finance costs, (ii) income taxes, (iii) depreciation, (iv) amortization, (v) loss (gain) on disposal of property, plant and equipment, (vi) foreign exchange loss (gain), (vii) costs related to restructuring activities, (viii) changes in amortized cost of Partnership units liability, (ix) consulting costs related to operational transformation initiatives and (x) corporate development related costs.

"**Administration Agreement**" has the meaning set out under "Executive Compensation Discussion and Analysis - Introduction".

"**Annual Information Form**" means the annual information form of the Corporation dated March 5, 2025.

"**Articles**" means the articles of incorporation of the Corporation, including any amendment thereof.

"**Board**", "**Board of Directors**" or "**Corporation Board**" means the board of directors of the Corporation.

"**Board Diversity Policy**" has the meaning set out under the heading "Nominating and Governance Committee and Board Diversity Policy".

"**Bonus Cap**" has the meaning set out under the heading "Executive Compensation Discussion and Analysis – Compensation Components – Annual Bonus".

"**Broadridge**" means Broadridge Financial Solutions.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Charter of the Corporation Audit Committee**" has the meaning set out under the heading "Corporate Governance of the Corporation — Audit Committee".

"**Charter of the KPI Audit Committee**" has the meaning set out under the heading "Corporate Governance of KPI — Audit Committee".

"**Circular**" means this management information circular.

"**Common Shares**" means the common shares of the Corporation.

"**Corporation**" means KP Tissue Inc.

"**Corporation Audit Committee**" means the audit committee of the Corporation.

"**Corporation Financial Statements**" has the meaning set out under "Business of the Meeting — Financial Statements".

"**Corporation Nominee**" has the meaning set out under the heading "Corporate Governance of KPI — Independence of KPI Board".

“**Director Nomination Right**” has the meaning attributed to it under “Material Contracts — Material Contracts of the Corporation — Shareholders’ Agreement — Kruger’s right to nominate a director of the Corporation”.

“**Fiscal 2024**” means the fiscal year ended December 31, 2024.

“**Intermediary**” has the meaning set out under “General Proxy Matters — Non-Registered Shareholders”.

“**KPI**” means Kruger Products Inc.

“**KPI Audit Committee**” means the audit committee of Kruger Products Inc.

“**KPI Board**” means the board of directors of Kruger Products Inc.

“**KPI Compensation Committee**” means the human resources and compensation committee of Kruger Products Inc.

“**KPI Governance Committee**” has the meaning set out under the heading “Corporate Governance of Kruger Products Inc. — Corporate Governance Committee”.

“**KPLP**” means Kruger Products L.P.

“**KPT**” means KP Tissue Inc.

“**Kruger**” means Kruger Inc.

“**Kruger Products**” means Kruger Products Inc.

“Laurel Hill” means Laurel Hill Advisory Group

“**LTIP**” means KPIs long-term incentive plan.

“**MD&A**” means the Management’s Discussion and Analysis for the Corporation and KPI for Fiscal 2024.

“**Meeting**” means the annual meeting of Shareholders to be held on June 23, 2025 and any postponement or adjournment thereof.

“**Named Executive Officers**” or “**NEOs**” has the meaning set out under the heading “Executive Compensation Discussion and Analysis - Introduction”.

“**NI 52-110**” means National Instrument 52-110 — *Audit Committees*.

“**NI 54-101**” means National Instrument 54-101 — *Communications with Beneficial Owners of Securities of a Reporting Issuer*.

“**Nominating and Governance Committee**” has the meaning set out under the heading “Corporate Governance of the Corporation — Nominating and Governance Committee and Board Diversity Policy”.

“**Non-Registered Shareholder**” has the meaning set out under “General Proxy Matters — Non-Registered Shareholders”.

“**Notice Package**” has the meaning set out under the heading “General Proxy Matters — Notice-and-Access”.

“**PSUs**” means Performance Share Units under the LTIP.

“**PwC**” means PricewaterhouseCoopers LLP.

“**Record Date**” means May 2, 2025.

“**Registered Shareholder**” means a person registered as a Shareholder in the records of the Corporation immediately prior to the Record Date.

ROCE” means KPI’s Adjusted EBITDA Return On Capital Employed.

“**RSUs**” means Restricted Share Units under the LTIP.

“**SEDAR+**” means System for Electronic Document Analysis and Retrieval.

“**Shareholders**” means the holders of the Common Shares.

“**Shareholders Agreement”** has the meaning set out under the heading “Nominees for Election to the Board of Directors — Nomination Right Under Shareholder’s Agreement”

“**STCIP**” means KPI’s short-term cash incentive plan.

“**Target Bonus**” has the meaning set out under the heading “Executive Compensation Discussion and Analysis — Compensation Components”.

“**TSR**” means Total Shareholder Return as set out under the heading “Executive Compensation Discussion and Analysis – Compensation Components - Long Term Incentive Plan”.

APPENDIX "B"

MANDATE OF THE BOARD

KP TISSUE INC.

MANDATE OF THE BOARD OF DIRECTORS

1. DEFINITIONS

1.1 In this mandate:

"**Administration Agreement**" means the amended and restated administration agreement dated January 1, 2023 between KPI, as administrator, and the Corporation, setting out the services to be provided by KPI to support the business of the Corporation in relation to its investment in KPI and its operation as a public company;

"**Board**" means the board of directors of the Corporation;

"**Corporation**" means KP Tissue Inc.; and

"**KPI**" means Kruger Products Inc.

2. PURPOSE

The members of the Board have a duty to supervise the management and affairs of the Corporation, including overseeing the performance of the services provided under the Administration Agreement. The Board, directly and through its committees, and through its oversight of the performance of the Administration Agreement, shall pursue the best interests of the Corporation.

3. DUTIES AND RESPONSIBILITIES

3.1 The Board fulfills its duties by acting honestly and in good faith with a view to the best interests of the Corporation and by making decisions that set the tone, character and strategic direction for the Corporation. It also ensures that KPI carries out its responsibilities under the Administration Agreement.

3.2 Despite the role played by KPI as administrator of the Corporation under the Administration Agreement, the members of the Board will retain performance of certain responsibilities. More specifically, the Board shall, among other things, directly or through its committees:

(a) adopt a strategic planning process and periodically approve a strategic plan;

(b) identify and monitor the main risks faced by the Corporation and ensure appropriate measures and systems are implemented for managing such risks;

(c) ensure the integrity of the Corporation's internal control and management information systems;

(d) establish measures for receiving reactions and comments from the shareholders of the Corporation;

(e) submit to the shareholders a question or matter requiring the approval of shareholders;

(f) on the recommendation of the Nominating Committee, fill any vacancy in a Board directorship until the next annual meeting of the shareholder;

(g) prepare and adopt a Code of Business Conduct and Ethics for the directors of the Corporation, ensure it is updated regularly and followed, including monitoring and approval of all exemptions, where applicable;

(h) create committees of the Board, establish their mandate and appoint their members;

(i) prepare and approve position descriptions for the Chairman of the Board and the Chair of each Committee;

(j) prepare and approve a position description for the Chief Executive Officer;

(k) appoint the Chairman of the Board and the Chairs of each committee of the Board;

(l) with the assistance of the Audit Committee, ensure compliance with accounting standards, as well as the integrity and adequacy of financial reporting;

(m) on a recommendation of the Audit Committee, approve the financial results of the Corporation;

(n) determine the appropriateness of declaring, and declare, where applicable, the payment of dividends to the shareholders of the Corporation;

(o) on a recommendation from the Audit Committee, recommend the choice of the external auditors to the shareholders of the Corporation;

(p) approve the interim and annual reports (Report to Shareholder and Management's Discussion and Analysis) and the Annual Information Forms;

(q) approve the management proxy circular and any take-over bid circular or director's circular of the Corporation;

(r) approve the charters and by-laws as well as any amendments to these documents;

(s) approve important regulatory matters;

(t) approve the purchase, redemption or any other form of acquisition of the securities of the Corporation and approve the related reporting process; and

(u) approve the form and content of the certificates evidencing the securities of the Corporation.

(v) annual review of pension performance.

4. FUNCTIONING

4.1 To effectively discharge its responsibilities, the Board shall meet four times annually. To assist it in discharging its responsibilities, the Board has formed the following standing committees – Audit Committee and Nominating Committee. In addition, the Board has appointed a Chief Executive Officer.

However, the vast majority of tasks and responsibilities ordinarily carried out by a chief executive officer will in fact be carried out by KPI as the administrator under the Administration Agreement.

4.2 Furthermore, in the performance of its mandate, the Board can retain the services of external advisors.

4.3 The Chairman of the Board shall be responsible in particular for managing the affairs of the Board and monitoring its effectiveness, setting the agenda for Board meetings and relations with the Corporate Secretary with respect to the affairs of the Board and its Committees. He/she shall also ensure that any important strategic matters or issues are communicated to the Board for approval and that the Board receives the information, reports, documents and opinions required so that the members of the Board can fulfil their role. He/she shall ensure the decisions made by the Board are implemented. The Chairman of the Board shall ensure all interested parties are informed about the Board's policies with respect to compliance with the by- laws and the Code of Business Conduct and Ethics of the Corporation.

4.4 Specific responsibilities of the Chairman of the Board shall be:

(a) to ensure harmonious relations between the shareholders, the Board and management;

(b) to inform the shareholders of the recommendations for new directors based on the report of the Nominating Committee;

(c) at his/her discretion, to sit on other Board committees; and

(d) to inform management about his/her evaluation of the information provided to the Board.

5. CORPORATE SECRETARY

5.1 The Board and the President and Chief Executive Officer have given the Corporate Secretary the responsibility for organizing all meetings of the Board and its committees. He/she shall also:

(a) prepare information provided by management and distribute it to the Board in a form that will facilitate an understanding thereof and decision-making;

(b) ensure a follow-up of Board and committee decisions;

(c) ensure a corporate file is maintained;

(d) advise the Board as to procedures and liability, in particular with respect to corporate governance;

(e) keep corporate by-laws, policies and procedures of the Corporation up-to-date; and

(f) provide the Board with the necessary information about the Corporation so it can discharge its responsibilities with prudence and diligence.

6. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

6.1 The Board is responsible for directing management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.

6.2 Directors are under a fiduciary duty to the Corporation to carry out the duties of their office:

(a) honestly and in good faith;

(b) with a view to the best interests of the Corporation; and

(c) with the care, diligence and skill of a reasonably prudent person.

QUESTIONS MAY BE DIRECTED TO THE

PROXY SOLICITATION AGENT

LAUREL HILL

North America Toll Free:
1-877-452-7184

Collect Calls Outside North America:
1-416-304-0211

Email:
assistance@laurelhill.com