



SPIN MASTER CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 12, 2016

AND

MANAGEMENT INFORMATION CIRCULAR

Dated: March 24, 2016



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To the holders of Subordinate Voting Shares and holders of Multiple Voting Shares:

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of the Shareholders of Spin Master Corp. (the “**Company**”) will be held at the Design Exchange, 234 Bay Street, Toronto, Ontario, on Thursday, May 12, 2016 at the hour of 11:30 a.m. (Toronto time) for the following purposes:

- (a) to consider and, if deemed advisable, to pass a special resolution to amend the Articles of the Company to increase the minimum number of directors from 3 to 7;
- (b) to receive the audited consolidated annual financial statements of the Company as at and for the year ended December 31, 2015, together with the auditors’ report thereon;
- (c) to elect members of the Board of Directors of the Company;
- (d) to appoint the auditors of the Company for the ensuing year and authorize the Directors of the Company to fix such auditors’ remuneration; and
- (e) to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

The accompanying Management Information Circular provides additional information relating to proxies and the matters to be dealt with at the Meeting.

The Directors of the Company have fixed April 4, 2016 as the record date for determining those Shareholders entitled to receive notice of and vote at the Meeting. Shareholders are invited to vote, whether or not they are able to attend the Meeting personally. If you do not expect to be present at the meeting, please complete, date and sign the accompanying form of proxy or voting instruction form and return it in the envelope enclosed.

Dated at Toronto, Ontario, this 24th day of March, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Christopher Harrs*”
Executive Vice President and
General Counsel, Corporate Secretary

CIRCULAR

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Spin Master Corp. (the “Company”) for use at the annual and special meeting (the “Meeting”) of the holders of Subordinate Voting Shares and holders of Multiple Voting Shares of the Company (collectively, the “Shareholders”) to be held on May 12, 2016 and any adjournment thereof for the purposes set forth in the accompanying notice of Meeting (the “Notice”). It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or other personal contact, by regular employees of the Company, without special compensation. The Company may also engage a third party to provide proxy solicitation services on behalf of management in connection with the solicitation of proxies for the Meeting. The costs of solicitation will be borne by the Company.

The information contained herein is given as at March 24, 2016, except where otherwise indicated.

MEANING OF CERTAIN REFERENCES

The Company presents its consolidated financial statements in United States dollars. In this Circular, all references to “\$” are to United States dollars and all references to “C\$” are to Canadian dollars. The Subordinate Voting Shares and the Multiple Voting Shares of the Company are sometimes collectively referred to herein as the “**Voting Shares**”.

VOTING INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

A holder of Voting Shares is a registered Shareholder if shown on the list of Shareholders kept by Computershare Investor Services Inc. (“**Computershare**”), as registrar and transfer agent of the Company, in which case a share certificate will have been issued to the Shareholder which indicates the Shareholder’s name and the number of Voting Shares owned by the Shareholder. Registered Shareholders will receive with this Circular a form of proxy from Computershare representing the Voting Shares held by the registered Shareholder.

If a Registered Shareholder Does Not Wish to Attend the Meeting

In order to be voted at the Meeting, or any adjournment(s) thereof, proxies from registered Shareholders must be properly executed and received by or deposited with Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, **no later than 11:30 a.m. (Toronto time) on Tuesday, May 10, 2016.** If the Meeting is adjourned, Computershare must receive the form of proxy at least 48 hours, excluding Saturdays, Sundays and holidays, before the recommenced Meeting.

If a Registered Shareholder Wishes to Vote in Person at the Meeting

Registered Shareholders who wish to attend the Meeting and vote in person should not complete or return the proxy. Such registered Shareholders should register with Computershare upon arrival at the Meeting.

If a Registered Shareholder Wishes to Revoke a Proxy

A registered Shareholder who has submitted a proxy may revoke the proxy by instrument in writing executed by the registered Shareholder or his or her attorney authorized in writing or, if the registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either with Computershare or at the registered office of the Company, located at 450 Front Street West, Toronto, Ontario, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment(s) thereof, or in any other manner permitted by law, but prior to the exercise of such proxy in respect of any particular matter.

VOTING INSTRUCTIONS FOR NON-REGISTERED SHAREHOLDERS

A Shareholder is a non-registered (or beneficial) Shareholder (a “**Non-Registered Holder**”) if the Shareholder’s Voting Shares are registered either in the name of (in each case, an “**Intermediary**”):

- (a) an intermediary that the Non-Registered Holder deals with in respect of the Voting Shares, such as, among others, a bank, trust company, securities dealer or broker, director or administrator of RRSPs, RRIFs, RESPs and similar plans; or
- (b) a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with the Canadian Securities Administrators’ *National Instrument 54-101 — Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI-54-101**”), the Company is distributing copies of materials related to the Meeting to Intermediaries for distribution to non-registered Shareholders and such Intermediaries are to forward the materials related to the Meeting to each non-registered Shareholder (unless the non-registered Shareholder has declined to receive such materials). Such Intermediaries often use a service company (such as Broadridge Investor Communication Solutions in Canada (“**Broadridge**”)), to permit the non-registered Shareholder to direct the voting of the Voting Shares held by the Intermediary, on behalf of the non-registered Shareholder. The Company is paying Broadridge to deliver, on behalf of the Intermediaries, a copy of the materials related to the Meeting to each “objecting beneficial owner” and each “non-objecting beneficial owner” (as such terms are defined in NI 54-101).

If a Non-Registered Shareholder Does Not Wish to Attend the Meeting

Non-registered Shareholders who do not wish to attend the Meeting should carefully follow the instructions on the voting instruction form that they receive from their Intermediary in order to vote the Voting Shares that are held through that Intermediary. Non-registered Shareholders of the Company should submit voting instructions to Intermediaries in sufficient time to ensure that their votes are received from the Intermediaries by the Company.

If a Non-Registered Shareholder Wishes to Vote in Person at the Meeting

Since the Company generally does not have access to the names of its non-registered Shareholders, non-registered Shareholders who wish to attend the Meeting and vote in person should insert their own name in the blank space provided in the voting instruction form to appoint themselves as proxyholders and then follow their Intermediary’s instructions for returning the voting instruction form.

Non-registered Shareholders who wish to attend the Meeting and vote in person should not complete the voting section of the voting instruction form. Such non-registered Shareholders should register with Computershare upon arrival at the Meeting.

If a Non-Registered Shareholder Wishes to Revoke Voting Instructions

A non-registered Shareholder may revoke previously-given voting instructions by contacting his or her Intermediary and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke voting instructions if it receives insufficient notice of revocation.

PROXYHOLDER MATTERS

Shareholders Can Choose any Person or Company as their Proxyholder

Each of the persons named in the form of proxy as proxyholder is a representative of management of the Company and is a Director and/or officer of the Company. **Every Shareholder has the right to appoint some other person or company of their choice (who need not be a Shareholder) to attend and act on their behalf at the Meeting, or any adjournment(s) thereof, and may do so by inserting such other proxyholder’s name in the blank space provided for that purpose in the form of proxy or voting instruction form.**

How Proxyholders Will Vote

The persons designated in the form of proxy or voting instruction form will vote for, against or withhold from voting the Voting Shares represented by such form in accordance with the instructions of the Shareholder as indicated on such form on any ballot that may be called for and, if the Shareholder has specified a choice with respect to any matter to be acted on, the Voting Shares will be voted for, against, or withheld from voting, accordingly. **In the absence of such instructions, Voting Shares represented by a proxy will be voted for, against, or withheld from voting, in the discretion of the persons designated in the proxy, which in the case of the representatives of management named in the form of proxy will be as follows: FOR the Articles Amendment Resolution (as defined herein); FOR the election, as members of the Board of Directors of the Company, of all nominees listed in this Circular; and FOR the appointment of Deloitte LLP as auditors of the Company for the ensuing year and to authorize the Directors of the Company to fix such auditors' remuneration.**

Unless otherwise required by law or other provisions binding upon the Company, any matter coming before the Meeting or any adjournment(s) thereof shall be decided by the majority of the votes duly cast in respect of the matter by Shareholders entitled to vote thereon.

The form of proxy distributed with this Circular confers discretionary authority in respect of amendments to matters identified in the Notice and such other matters as may properly come before the Meeting or any adjournment(s) thereof. At the date of this Circular, the Directors and management of the Company are not aware that any such amendments or other matters are to be submitted to the Meeting.

RECORD DATE AND QUORUM

The Board has fixed April 4, 2016 as the record date (the “**Record Date**”) for the purpose of determining which Shareholders are entitled to receive the Notice and vote at the Meeting or any adjournment(s) thereof, either in person or by proxy. No person acquiring Voting Shares after that date shall, in respect of such Voting Shares, be entitled to receive the Notice and vote at the Meeting or any adjournment thereof.

A quorum for the transaction of business at the Meeting or any adjournment(s) thereof (other than an adjournment for lack of quorum) shall be two persons present and each entitled to vote at the meeting who, together, hold or represent by proxy not less than 15% of the votes attaching to the outstanding Voting Shares entitled to vote at the Meeting.

RIGHTS OF VOTING SHARES

Voting Rights

On March 24, 2016, the Company had 18,797,788 outstanding Subordinate Voting Shares, each carrying the right to one vote at the Meeting, and 79,680,812 outstanding Multiple Voting Shares, each carrying the right to 10 votes at the Meeting. Accordingly, as at March 24, 2016, holders of Subordinate Voting Shares were entitled to exercise 2.3% of all votes attached to the Voting Shares and holders of Multiple Voting Shares were entitled to exercise 97.7% of all votes attached to the Voting Shares.

Subordinate Voting Shareholder Approval Required for Certain Matters

In addition to any other voting right or power to which the holders of Subordinate Voting Shares are entitled by law or regulation or other provisions of the articles of the Company from time to time in effect, but subject to the provisions of articles of the Company, holders of Subordinate Voting Shares are entitled to vote separately as a class, in addition to any other vote of Shareholders that may be required, in respect of any alteration, repeal or amendment of the articles of the Company which would adversely affect the powers, preferences or rights of the holders of Subordinate Voting Shares, including an amendment to the terms of the articles of the Company that provide that any Multiple Voting Shares sold or transferred to a person that is not a “Permitted Holder” (as defined below) shall be automatically converted into Subordinate Voting Shares. Holders of Subordinate Voting Shares are not entitled to vote separately as a class on any matters identified in the Notice.

Take-Over Bid Protection

Under applicable Canadian law, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the Toronto Stock Exchange (the “TSX”) designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, the owners of all the outstanding Multiple Voting Shares (the “**Principal Shareholders**”, see “Principal Holders of Voting Shares” below) have entered into a customary coattail agreement with the Company and Computershare Trust Company of Canada, as trustee, dated July 30, 2015 (the “**Coattail Agreement**”). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations, designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under the take-over bid provisions of applicable Canadian securities legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares.

The undertakings in the Coattail Agreement do not apply to prevent a sale by any Principal Shareholder of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

- (a) offers a price per Subordinate Voting Share at least as high as the highest price per Voting Share paid or required to be paid pursuant to the take-over bid for the Multiple Voting Shares;
- (b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of Subordinate Voting Shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of outstanding Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);
- (c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no Voting Shares are purchased pursuant to the offer for Multiple Voting Shares; and
- (d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement will not prevent the sale or transfer of Multiple Voting Shares by any Principal Shareholder, or any Permitted Holder, to a Permitted Holder, provided such sale does not or would not constitute a take-over bid or, if so, is exempt or would be exempt from the formal bid requirements (as defined in applicable securities legislation). For purposes of the Coattail Agreement, “**Permitted Holder**” is defined as Mr. Ronnen Harary, Mr. Anton Rabie and Mr. Ben Varadi, the estates of any of the foregoing, an immediate family member of any of the foregoing, any corporation controlled by any of the foregoing, any trust of which any of the foregoing is a trustee or any trust that has been established substantially for the benefit of such person and / or one or more members of his immediate family. The conversion of Multiple Voting Shares into Subordinate Voting Shares, shall not, in of itself constitute a sale of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security and a transfer to a Permitted Holder) by a holder of Multiple Voting Shares party to the Coattail Agreement must be conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with the articles of the Company.

The Coattail Agreement may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada and (b) the approval of at least 66⅔% of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held directly or indirectly by holders of Multiple Voting Shares, their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms which would constitute a sale for purposes of the Coattail Agreement other than as permitted thereby.

A copy of the Coattail Agreement is available under the Company’s profile on SEDAR at www.sedar.com.

PRINCIPAL HOLDERS OF VOTING SHARES

As of March 24, 2016, the only persons or companies who, to the knowledge of the Company, its Directors or executive officers, beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of the voting securities of the Company are as follows:

<u>Name of Shareholder</u>	<u>Quantity of Class of Voting Shares</u>	<u>% of Quantity of Class of Voting Shares</u>	<u>% of Votes within Class of Voting Shares</u>	<u>% of Quantity of All Voting Shares</u>	<u>% of Voting Power of All Voting Shares</u>
Ronnen Harary⁽¹⁾					
Subordinate Voting Shares	—	—	—	—	—
Multiple Voting Shares . . .	33,266,739	41.75	50	33.8	48.8
Anton Rabie⁽¹⁾					
Subordinate Voting Shares	—	—	—	—	—
Multiple Voting Shares . . .	33,266,739	41.75	50	33.8	48.8
Ben Varadi⁽¹⁾					
Subordinate Voting Shares	—	—	—	—	—
Multiple Voting Shares . . .	13,147,334	16.5	0	13.4	0
Fidelity⁽²⁾⁽³⁾					
Subordinate Voting Shares	2,347,100	12.5	12.5	2.4	0.3
Multiple Voting Shares . . .	—	—	—	—	—
TIAA-CREF Investment Management LLC and Teachers Advisors, Inc.⁽⁴⁾					
Subordinate Voting Shares	1,944,621	10.3	10.3	2.0	0.2
Multiple Voting Shares . . .	—	—	—	—	—
Mackenzie Financial Corporation⁽⁵⁾					
Subordinate Voting Shares	1,928,850	10.3	10.3	2.0	0.2
Multiple Voting Shares . . .	—	—	—	—	—

(1) Under the Principal Shareholders Agreement (as defined below), the Principal Shareholders have provided Mr. Ronnen Harary and Mr. Anton Rabie (the “**Majority Principals**”) with the authority to vote their Subordinate Voting Shares, Multiple Voting Shares, any Subordinate Voting Shares into which those Multiple Voting Shares are converted, and any Multiple Voting Shares and Subordinate Voting Shares that may be subsequently acquired and held by them or any of their respective Permitted Holders. See “— Principal Shareholders Agreement”.

(2) See footnote (3). “**Fidelity**” may include the following: Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, FIL Limited, Crosby Advisors LLC and Fidelity SelectCo, LLC.

(3) All information concerning Fidelity is based on the alternative monthly report filed by Fidelity on SEDAR on August 10, 2015, reporting ownership as of July 31, 2015.

(4) All information concerning TIAA-CREF Investment Management LLC and Teachers Advisors, Inc. is based on the alternative monthly report jointly filed by them on SEDAR on March 9, 2016, reporting ownership as of February 29, 2016.

(5) All information concerning Mackenzie Financial Corporation is based on the alternative monthly report filed by Mackenzie Financial Corporation on SEDAR on December 9, 2015, reporting ownership as of November 30, 2015.

Principal Shareholders Agreement

On July 29, 2015, the Principal Shareholders and their respective affiliates that own Voting Shares, together with the Company, entered into an agreement concerning the ownership, transfer and conversion of the Multiple Voting Shares by the Principal Shareholders and their respective rights in certain governance matters (the “**Principal Shareholders Agreement**”). Certain of the provisions in the Principal Shareholders Agreement are also set out in the articles or by-laws of the Company. For the purposes of the Principal Shareholders Agreement, a “**Principal Shareholders Group**” includes the Principal Shareholder of such group and any of his

affiliates (as defined in the Principal Shareholders Agreement) and any Permitted Holders of the Principal Shareholder, that beneficially own Multiple Voting Shares from time to time.

Under the Principal Shareholders Agreement, the Principal Shareholders Groups have provided the Majority Principals with the authority to vote or tender to a formal take-over bid their Subordinate Voting Shares, Multiple Voting Shares, any Subordinate Voting Shares into which those Multiple Voting Shares are converted, and any Multiple Voting Shares and Subordinate Voting Shares that may be subsequently acquired and held by them. All matters relating to the voting (or tendering) of the Voting Shares that are subject to the Principal Shareholders Agreement are governed by the provisions of the Principal Shareholders Agreement and will be otherwise determined by Majority Principals, acting jointly. Except as otherwise provided in the Principal Shareholders Agreement, if the Majority Principals are unable to agree, the Voting Shares that are subject to the Principal Shareholders Agreement will be voted against the Company taking such action (or in the case of a take-over bid, not tendered). In the event that a Majority Principal ceases to be a Majority Principal, the remaining Majority Principal will be entitled to vote or tender all of the Shares that are subject to the Principal Shareholders Agreement.

Pursuant to the Principal Shareholders Agreement, a Majority Principal (a) will cease to be a Majority Principal upon the earlier of his death or at such time that his Principal Shareholders Group owns, directly or indirectly, Voting Shares representing less than 8% of all of the outstanding Voting Shares and (b) will not be able to act as a Majority Principal while mentally incapacitated. In the event that a Majority Principal ceases to be a Majority Principal, the remaining Majority Principal shall be vested with all of the rights and obligations of such position.

The Majority Principals may amend certain of the provisions of the Principal Shareholders Agreement which do not directly involve the Company, such as the voting and tender rights afforded the Majority Principals, without the consent of the Company.

If and when Mr. Ronnen Harary and Mr. Anton Rabie cease to qualify as Majority Principals, certain of the rights afforded the Principal Shareholders Groups, including the voting and tender rights afforded the Majority Principals on behalf of the Principal Shareholders Groups and the Majority Principal Nomination Rights (as described below) will cease to be operative and all of the Multiple Voting Shares will be automatically converted to Subordinate Voting Shares. The Majority Principals may also terminate certain of the rights under the Principal Shareholders Agreement at their discretion. The Principal Shareholders Agreement will continue in respect of all Voting Shares subject thereto notwithstanding conversions from Multiple Voting Shares to Subordinate Voting Shares, until the earliest to occur of: (a) the date that the Voting Shares subject to the Principal Shareholders Agreement constitute less than 10% of all of the outstanding Voting Shares; or (b) the dissolution or liquidation of the Company. Upon termination of the Principal Shareholders Agreement, all outstanding Multiple Voting Shares will be automatically converted to Subordinate Voting Shares.

A copy of the Principal Shareholders Agreement is available under the Company's profile on SEDAR at www.sedar.com.

AMENDMENT TO ARTICLES OF THE COMPANY

The Articles of the Company currently provide that the Board of Directors consists of not less than 3 and not more than 11 members, as determined from time to time by the Board. In connection with its initial public offering of Subordinate Voting Shares ("IPO"), the Company provided an undertaking to the underwriters of the IPO that the Company would seek approval from Shareholders at the Meeting to amend the Articles of the Company to provide that the minimum number of Directors be set at 7. The Board has carefully considered issues relating to its size and determined, on recommendation of the Governance, Nominating and Compensation Committee (the "GN&C Committee"), that it would be in the best interests of the Company if the minimum size of the Board were to be increased to 7 members.

The holders of Voting Shares will be asked at the Meeting, or any adjournment thereof, to consider, and, if deemed advisable, to adopt the following special resolution (the “**Articles Amendment Resolution**”):

“BE IT RESOLVED THAT:

1. The Articles of the Company be amended to increase the minimum number of Directors from 3 to 7.
2. Both of the Co-Chief Executive Officers or either of the Co-Chief Executive Officers together with either of the Global President and Chief Operating Officer or the Executive Vice President, General Counsel and Corporate Secretary be authorized to execute and deliver all such documents and instruments, including articles of amendment in prescribed form, and to take such other actions, as may be necessary or desirable to give effect to this resolution.”

The Board of Directors recommends that Shareholders vote FOR the Articles Amendment Resolution. **In the absence of a contrary instruction, the management representatives named as nominees in the accompanying form of proxy will vote the Voting Shares represented thereby FOR the Articles Amendment Resolution.** In order to be approved, the Articles Amendment Resolution must be passed by a majority of not less than two-thirds of the votes cast by the holders of Voting Shares present in person or represented by proxy at the Meeting.

ELECTION OF DIRECTORS

The nine individuals listed herein are being recommended for election as Directors of the Company, as the current term of office for each Director expires at the close of the Meeting. If elected, they will hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed, unless such office is earlier vacated in accordance with the Company’s by-laws. All of the proposed nominees are currently Directors of the Company. The articles of the Company currently provide for a minimum of three and a maximum of eleven Directors (see “Amendment to Articles of the Company” above). The Board of Directors has the authority to set the number of directors of the Company to be elected at the Meeting and has set that number at nine.

Except where authority to vote in respect of the matter has been withheld, the management representatives named as nominees in the accompanying form of proxy will vote the Voting Shares represented thereby FOR the election of the persons named hereunder. Management of the Company does not contemplate that any of the persons named hereunder will be unable or unwilling to serve as a Director; however, if such event should occur prior to the election, Voting Shares represented by properly executed proxies will be voted, or withheld from voting, by the persons so designated in their discretion for the election of such other qualified person as they may determine.

Principal Shareholders Nomination Rights

Pursuant to the Principal Shareholders Agreement, for so long as the Principal Shareholders Groups collectively own at least 40% of the aggregate Voting Shares held by such groups on the closing of the Company’s IPO, the Majority Principals are, subject to certain adjustments, collectively entitled to select 80% of the nominees for election as Directors by the Shareholders (the “**Majority Principal Nomination Rights**”), therefore amounting to seven nominees (each a “**Majority Principal Nominee**”) for election as Directors at the Meeting.

For so long as the Majority Principals are entitled to the Majority Principal Nomination Rights, such nominees must include: (a) the Principal Shareholders (so long as each Principal Shareholder wants to stand for election to the Board and his Principal Shareholders Group holds Voting Shares representing at least 5% of all of the outstanding Voting Shares), and (b) subject to the statements below, two Director nominees that are independent (each an “**Independent Director**”) within the meaning of Section 1.4 of the Canadian Securities Administrators’ National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”).

A copy of the Principal Shareholders Agreement is available under the Company’s profile on SEDAR at www.sedar.com and a summary of further details concerning the Majority Principal Nomination Rights has been included in the Company’s most recent Annual Information Form, which is also available under the Company’s profile on SEDAR at www.sedar.com.

Advance Notice Provisions

The Company's by-laws provide for advance notice of nominations of Directors ("**Advance Notice Provisions**") in circumstances where nominations of persons for election to the Board are made by Shareholders other than (a) pursuant to the Majority Principal Nomination Rights or (b) by or at the direction or request of one or more Shareholders pursuant to a proposal or a requisition of the Shareholders made in accordance with applicable law and the Company's by-laws.

To be an eligible Shareholder for making nominations under the Advance Notice Provisions, the nominating Shareholder must (a) comply with the notice procedures set forth in the Advance Notice Provisions, as provided for below, and (b) at the close of business on the date of the giving of the applicable notice and on the record date for notice of the applicable Shareholder meeting, be entered in the Company's register as a holder of one or more Voting Shares carrying the right to vote at such meeting or beneficially own Voting Shares that are entitled to be voted at such meeting.

The Advance Notice Provisions fix deadlines by which an eligible Shareholder must notify the Company of nominations of individuals for election to the Board as follows: such notice must be provided to the Secretary of the Company (a) in the case of an annual meeting of Shareholders, not less than 30 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") that is the earlier of the date that a notice of meeting is filed for such meeting and the date on which the first public announcement of the date of such meeting was made, notice may be given not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing Directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the Notice Date. The Advance Notice Provisions also stipulate that certain information about any proposed nominee and the nominating Shareholder be included in such a notice in order for it to be valid.

The Advance Notice Provisions are intended to: (a) facilitate orderly and efficient annual general or, where the need arises, special meetings; (b) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (c) allow Shareholders to register an informed vote.


A copy of the Company's by-laws is available on SEDAR at www.SEDAR.com and a summary of further details concerning the Advance Notice Provisions has been included in the Company's most recent Annual Information Form, which is also available under the Company's profile on SEDAR at www.sedar.com.


Majority Voting Policy

The Board has adopted a policy (the "**Majority Voting Policy**") that requires, in an "uncontested" election of directors, that Shareholders be able to vote for, or withhold from voting, separately for each Director nominee. If, with respect to any particular nominee, the number of votes withheld from voting by Shareholders exceeds the number of votes for the nominee by Shareholders, then although the Director nominee will have been successfully elected to the Board of the Company pursuant to applicable corporate laws, he or she will then be required to offer to tender his or her resignation to the Chairman of the Board promptly following the meeting of Shareholders at which the Director was so elected. The GN&C Committee will consider such offer and make a recommendation to the Board whether to accept it or not. The Board will promptly accept the resignation unless it determines, in consultation with the GN&C Committee, that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. The Board will make its decision and announce it in a press release within 90 days following the applicable meeting of Shareholders. A Director who tenders his or her resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or the GN&C Committee at which the resignation is considered.

Nominees for Election to the Board

Information regarding each nominee proposed for election as a Director by the Shareholders at the Meeting is set forth below:

		<p>John Cassaday is a corporate director. Until March 2015, he was President and Chief Executive Officer of Corus Entertainment Inc. (“Corus”), an integrated media and entertainment company, a position he held since the inception of Corus in 1999. Prior to Corus, Mr. Cassaday was Executive Vice President of Shaw Communications, President and Chief Executive Officer of CTV Television Network and President of Campbell Soup Company in Canada and the U.K. Mr. Cassaday is currently a director of Manulife Financial Corporation, Sysco Corporation, Sleep Country Canada Holdings Inc. and Gibraltar Growth Corporation. He is also active in community affairs, principally with St. Michael’s Hospital. Mr. Cassaday has a Master of Business Administration degree from the Rotman School of Management at the University of Toronto. Mr. Cassaday is a Member of the Order of Canada.</p>				
		<p>John Cassaday is an Independent Director and a Majority Principal Nominee.</p>				
<p>JOHN CASSADAY Ontario, Canada</p> <p>Director since: 2015</p> <p>Age: 62</p>		<p>Board/Committee Membership⁽¹⁾</p>			<p>Attendance⁽²⁾</p>	
		<p>Board (Lead Director)</p>			<p>2/2</p>	
		<p>Audit Committee</p>			<p>2/2</p>	
		<p>Governance, Nominating and Compensation Committee (Chair)</p>			<p>1/1</p>	
<p>Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)</p>						
Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and DSUs (#)	Total Value of Voting Shares and DSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines ⁵ (5)
25,985	—	11,012	—	36,997	628,167	Yes

		<p>Jeffrey I. Cohen is the managing partner at Torkin Manes LLP, a full service Toronto law firm, and a member of the firm’s Business Law and Corporate Finance Groups. Mr. Cohen has been a lawyer at Torkin Manes LLP since 1986. Mr. Cohen is the immediate past treasurer of UJA Federation of Greater Toronto, a Jewish charity organization, and a past member of its board of directors. He is currently a member and Interim Chair of the national board of directors of Weizmann Canada, a part of the worldwide network of supporting organizations for the Weizmann Institute of Science, one of the world’s leading multidisciplinary research institutions. Mr. Cohen earned a Bachelor of Arts degree from McGill University and a Juris Doctor from Osgoode Hall Law School.</p>				
		<p>Jeffrey I. Cohen is not considered to be an Independent Director since he is a partner of Torkin Manes LLP, which provides legal services to the Company. Mr. Cohen is a Majority Principal Nominee.</p>				
<p>JEFFREY I. COHEN Ontario, Canada</p> <p>Director since: 2015</p> <p>Age: 57</p>		<p>Board/Committee Membership⁽¹⁾</p>			<p>Attendance⁽²⁾</p>	
		<p>Board</p>			<p>1/2</p>	
		<p>Governance, Nominating and Compensation Committee</p>			<p>0/1</p>	
<p>Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)</p>						
Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and DSUs (#)	Total Value of Voting Shares and DSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines ⁵ (5)
2,775	—	3,000	—	5,775	98,053	Not applicable until 2020



BEN J. GADBOIS
Indiana, United States
Director since: 2015
Age: 44

Ben J. Gadbois joined the Company in 2012 as the Global President & Chief Operating Officer. He has over 21 years' experience in public companies, primarily in the consumer packaged goods industry. Mr. Gadbois joined the Company from Newell-Rubbermaid, a consumer and commercial products company, where his most recent role was the Global President of the Markers, Highlighters, Art and Office Essentials business. During his 13 years with Newell-Rubbermaid, Mr. Gadbois also led several other businesses such as Rubbermaid, Pyrex, Irwin Hand Tools and Graco Europe / Middle East. Prior to this, Mr. Gadbois held positions at Black and Decker and Arthur Andersen. He earned a Bachelor of Science degree in Accounting from Salem State University in Massachusetts as well as the Chartered Professional Accountant and Certified Management Accountant professional designations. Mr. Gadbois also serves on various external private company boards.

Ben J. Gadbois is not considered to be an Independent Director since he is an executive officer of the Company. Mr. Gadbois is a Majority Principal Nominee.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and PSUs (#)	Total Value of Voting Shares and PSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁶⁾
1,534,221	—	—	31,661	1,565,882	26,586,879	Yes



RONNEN HARARY
Ontario, Canada
Director since: 2015⁽⁷⁾
Age: 44

Ronnen Harary is a co-founder of the Company and is currently the Co-Chief Executive Officer. He, along with his co-founders, was a recipient of Canada's Ernst & Young's Entrepreneur of the Year in 1999 in the Emerging Entrepreneur Category and has been featured as a Top 40 under 40 executive for his achievements in Canada and the global marketplace. Since inception, Mr. Harary has played a key role in the Company's operations and product development. He plays a major role in product development, building strategic relationships and as an acting visionary for the Company. Mr. Harary currently spends the majority of his time seeking out new business opportunities.

Mr. Harary is responsible for establishing the Company as a world-class licensing partner and he continues to manage and build key relationships with the Company's licensing partners all over the world. Mr. Harary earned a Bachelor of Arts degree in Political Science from Western University in 1994. Mr. Harary is on the board of directors for Futurpreneur Canada (formerly Canadian Youth Business Foundation), a national non-profit organization that provides financing, mentoring and support tools to aspiring business owners, a member of the Young Presidents Organization, a global peer network of chief executives and business leaders, and a member of the Milken Institute Young Leaders Circle, a non-profit, non-partisan think tank.

Ronnen Harary is not considered to be an Independent Director since he is an executive officer of the Company. Mr. Harary is a Majority Principal Nominee.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)⁽⁸⁾⁽⁹⁾

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and PSUs (#)	Total Value of Voting Shares and PSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁶⁾
—	33,266,739	—	16,494	33,283,233	565,111,086	Yes



DINA R. HOWELL
Florida, United States
Director since: 2015
Age: 52

Dina R. Howell is a corporate director. She was the Chief Executive Officer of Saatchi & Saatchi X, a shopper marketing agency, from 2010 to July 2015. Previously Ms. Howell held a variety of positions during her 22 year career at Procter & Gamble, a global consumer products company, ultimately serving as Vice President Global Media and Brand Operations. She serves on the executive advisory board for the Sam M. Walton College of Business at the University of Arkansas, the executive board for the Center for Retailing Excellence at the University of Arkansas and the board of directors of Give Kids the World.

Dina R. Howell is an Independent Director.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board Governance, Nominating and Compensation Committee	2/2 1/1

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and DSUs (#)	Total Value of Voting Shares and DSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁵⁾
—	—	6,813	—	6,813	115,677	Not applicable until 2020



ANTON RABIE⁽⁹⁾
Ontario, Canada
Director since: 2015⁽⁷⁾
Age: 44

Mr. Rabie is a co-founder of the Company and is currently the Co-Chief Executive Officer. Mr. Rabie is a past member of the Supplier Council of the world's top retailers. He, along with his co-founders, was a recipient of Canada's Ernst & Young's Entrepreneur of the Year in 1999 in the Emerging Entrepreneur Category and has been featured as a Top 40 under 40 executive for his achievements in Canada and the global marketplace. Since inception, Mr. Rabie has led the Company's human resources, marketing and sales. He has been instrumental in developing the Company's European presence and has worked directly with hundreds of retailers to build the Company's North American and international sales network. Presently, Mr. Rabie plays a foundational role in the Company's acquisitions, having led the Company's acquisitions such as Tech Deck, Spy Gear, Cardinal and Meccano. Mr. Rabie earned an Honours Bachelor of Business Administration degree from the Richard Ivey School of Business at Western University in 1994. Mr. Rabie is actively involved in community organizations and sits on the board of directors for TIA CEO's roundtable council.

Anton Rabie is not considered to be an Independent Director since he is an executive officer of the Company. Mr. Rabie is a Majority Principal Nominee.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board (Chair)	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)⁽⁸⁾⁽¹⁰⁾

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and PSUs (#)	Total Value of Voting Shares and PSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁶⁾
—	33,266,739	—	16,494	33,283,233	565,111,086	Yes



TODD TAPPIN
California, United States
Director since: 2015
Age: 53

Todd Tappin is the Chief Operating Officer and Chief Financial Officer of The Rubicon Project, Inc., a publicly traded technology company, a position he has held since 2013. Previously, Mr. Tappin was the Chief Executive Officer of SocialVibe, later renamed TrueX Media, an online advertising technology company from October 2010 to February 2013 and a Managing Director of The Gores Group, a Los Angeles-based private equity firm from January 2009 to October 2010. He was the founding Chief Financial Officer of Overture, a pioneer in paid search which became a publicly traded company and was ultimately acquired by Yahoo!. Prior to Overture, Mr. Tappin spent six years as a senior executive at 21st Century Fox / News Corporation, an American multi-national mass media company, as Senior Vice President of Finance and General Manager. Mr. Tappin previously was a senior auditor at Deloitte, Haskins and Sells (now known as Deloitte LLP) and has a Bachelor of Science degree in Business Administration from the University of Colorado.

Todd Tappin is an Independent Director.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board	2/2
Audit Committee (Chair)	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and DSUs (#)	Total Value of Voting Shares and DSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁵⁾
1,800	—	6,192	—	7,992	135,695	Not applicable until 2020



BEN VARADI
Ontario, Canada
Director since: 2015
Age: 45

Mr. Varadi is a co-founder of the Company and is currently Executive Vice President and Chief Creative Officer. He, along with his co-founders, was a recipient of Canada's Ernst & Young's Entrepreneur of the Year in 1999 in the Emerging Entrepreneur Category and has been featured as a Top 40 under 40 executive for his achievements in Canada and the global marketplace. He plays an active role in product selection and development and his creative approach remains influential to the Company's product selection. Mr. Varadi earned an Honours Bachelor of Business Administration degree from the Richard Ivey School of Business at Western University in 1994.

Ben Varadi is not considered to be an Independent Director since he is an executive officer of the Company. Mr. Varadi is a Majority Principal Nominee.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)⁽¹¹⁾

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and PSUs (#)	Total Value of Voting Shares and PSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines? ⁽⁶⁾
—	13,147,334	—	16,494	13,163,828	223,506,687	Yes



CHARLES WINOGRAD
Ontario, Canada

Director since: 2015

Age: 68

Charles Winograd is the Senior Managing Partner of Elm Park Capital Management, a mid-market lending limited partnership, and is also President of Winograd Capital Inc., an external consulting and private investment firm. From 2001 to 2008, Mr. Winograd was Chairman and Chief Executive Officer of RBC Capital Markets. He was President and Chief Operating Officer of RBC Dominion Securities from 1998 to 2001 and also served as deputy chairman and a director of RBC Dominion Securities from 1996 to 1998, following its acquisition of Richardson Greenshields. From 1971, Mr. Winograd held several progressively senior positions with Richardson Greenshields and predecessor companies becoming President and Chief Executive Officer in 1987 and Chairman and Chief Executive Officer in 1991. Mr. Winograd is presently on the boards of TMX Group Ltd., James Richardson and Sons Limited and the Board of Trustees for RioCan Real Estate Investment Trust and is a Management Advisor with RP Investment Advisors. In addition, Mr. Winograd is a director of Sinai Health System, on the board of Pathways to Education and was on the federal government's Advisory Council for Promoting Women on Boards. Mr. Winograd is a past Chairman of the Investment Dealers Association of Canada. Mr. Winograd received a Bachelor of Arts in Economics from the University of Manitoba and a Master of Business Administration degree from the Richard Ivey School of Business at Western University. He earned a Chartered Financial Analyst designation in 1979.

Charles Winograd is an Independent Director and a Majority Principal Nominee.

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board	2/2
Audit Committee	2/2

Shares and Share Units of the Company beneficially owned, or controlled or directed, directly or indirectly (as at March 24, 2016)

Subordinate Voting Shares (#)	Multiple Voting Shares (#)	DSUs ⁽³⁾ (#)	PSUs (#)	Total Voting Shares and DSUs (#)	Total Value of Voting Shares and DSUs ⁽⁴⁾ (\$)	Meets Equity Ownership Guidelines ⁽⁵⁾
5,550	—	5,997	—	11,547	196,055	Not applicable until 2020

- (1) Director is currently a member of each Board committee noted.
- (2) Attendance figures reflect Board and Board committee meetings held for the period from July 30, 2015, the date the Company completed its IPO, to December 31, 2015.
- (3) Directors who are not also officers of the Company receive their annual Board retainer 50% in cash and 50% in Deferred Share Units (“DSUs”), but may elect to take up to 100% of their compensation in DSUs (prior to January 1, 2016, Directors were permitted to elect to take up to 75% of their compensation in DSUs). In addition, each such Director was provided with a one-time grant of DSUs upon appointment to the Board. Directors who are also officers of the Company receive no remuneration for serving as Directors. See “Executive Compensation — Summary Compensation Table”.
- (4) Calculated based on March 24, 2016 closing price on the TSX of C\$22.48 per Subordinate Voting Share. The value has been reported in U.S. dollars using the March 24, 2016 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.324. The value of a Multiple Voting Share has been deemed by the Company, solely for the purposes of this table, to be equivalent to the value of a Subordinate Voting Share. The value of a DSU of the Company is equal to the value of a Subordinate Voting Share. Each PSU of the Company is valued on the basis of vesting at 1x the target payout and is equal to the value of a Subordinate Voting Share.
- (5) See “Director Compensation — Share Ownership Guidelines for Directors of the Company”.
- (6) See “Executive Compensation — Executive Officer Share Ownership Guidelines”.
- (7) Messrs. Harary, Rabie and Varadi also served as directors of predecessors to the Company.
- (8) In addition, pursuant to the Principal Shareholders Agreement, Messrs. Harary and Rabie also jointly control all Voting Shares held by the Principal Shareholders. See “Principal Holders of Voting Shares”.
- (9) The security holdings of Marathon Investment Holdings Ltd. constitute at least 10% of the voting rights attached to all voting securities of the Company. Mr. Harary directly controls 400,000 Class B preferred shares, 350,000 Class C preferred shares and 100 common shares, which represent all of the outstanding voting securities of Marathon Investment Holdings Ltd.
- (10) The security holdings of Trumbanick Investments Ltd. constitute at least 10% of the voting rights attached to all voting securities of the Company. Mr. Rabie indirectly controls 400,000 Class A shares and 11,285 common shares, which represent all of the outstanding voting securities of Trumbanick Investments Ltd.
- (11) Pursuant to the Principal Shareholders Agreement, Mr. Varadi does not exercise control over the Voting Shares he beneficially owns. See “Principal Holders of Voting Shares”.

Cease Trade Orders

To the knowledge of the Company, no proposed Director (nor any personal holding company of any of such individuals) is, as of the date of this Circular, or was within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), that was issued while the individual was acting in the capacity as a director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that individual was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Company, no proposed Director (nor any personal holding company of any of such individuals): (i) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that individual was acting in that capacity, or within a year of that individual 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 (ii) has, within the ten years before the date of this 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 its assets.

Penalties or Sanctions

To the knowledge of the Company, no proposed Director (nor any personal holding company of any of such individuals) has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable holder of Voting Shares in deciding whether to vote for the proposed Director.

DIRECTOR COMPENSATION

Board and Committee Retainers

Compensation of the Company's Directors is determined by the Board, upon recommendation of the GN&C Committee. The GN&C Committee periodically reviews the design and competitiveness of Board compensation against the companies in Spin Master's executive compensation benchmarking peer groups, with a view to align the interests of Directors and shareholders, and providing market competitive compensation. Directors who are also officers of the Company receive no remuneration for serving as Directors (including serving as the Chair of the Board, or as the Chair or a member of a Board committee). The chart below outlines the Company's Directors compensation program for its Independent Directors in 2015.

2015 Director Annual Compensation Program ⁽¹⁾⁽²⁾		
	Executive Chairman	N/A
Board Retainer	Board Member	\$120,000
	Lead Director	\$40,000
Committee Retainer	Audit Committee Chair	\$15,000
	Compensation, Nominating and Governance Committee Chair	\$10,000
	Committee Membership	\$5,000
Meeting Fees	Board / Committee Meeting	No Meeting Fees

(1) Paid 50% in cash and 50% in DSUs. DSUs are not payable until the Director's departure from the Board.

(2) In 2015, Directors were permitted to elect to take up to 75% of their compensation in DSUs. Since January 1, 2016, Directors have been able to elect to take up to 100% of their compensation in DSUs.

As neither an Independent Director nor an officer of the Company, Mr. Jeffrey I. Cohen received an annual Board retainer of \$60,000, an annual committee retainer of \$2,500 for sitting on the GN&C Committee, and no Board or Board committee meeting fees in 2015. See also "Interest of Management and Others in Material Transactions".

In addition to the remuneration above, newly appointed Independent Directors in 2015 were also provided with a one-time grant of DSUs with a grant date fair value of \$60,000 (\$30,000 for Mr. Cohen). The initial DSU grant for Mr. John Cassaday, as Lead Director, in 2015 had a grant date fair value of \$120,000.

A DSU is a unit, equivalent in value to a Subordinate Voting Share, credited by means of a bookkeeping entry in the books of the Company, to an account in the name of the Director. DSUs accumulate additional DSUs at the same rate as dividends, if any, paid on the Subordinate Voting Shares. Following the end of a Director's tenure as a member of the Board, the Director will receive a payment in cash at the fair market value of the Subordinate Voting Shares represented by his or her DSUs.

Director Compensation Table

The following table sets out information concerning the 2015 compensation earned by, paid to, or awarded to each Director who is not a Named Executive Officer (as defined herein).

Name ⁽¹⁾	Fees Earned ⁽²⁾ (\$)	Share-Based Awards ⁽³⁾⁽⁴⁾ (\$)	All Other Compensation (\$)	Total Compensation ⁽⁵⁾ (\$)
John Cassaday	36,458	156,475	—	192,933
Jeffrey I. Cohen	13,021	43,058	—	56,079
Dina R. Howell	26,042	86,071	—	112,113
Todd Tappin	29,167	89,182	—	118,349
Charles Winograd	26,042	86,071	—	112,113

- (1) Compensation paid to the Named Executive Officers who served as Directors of the Company in 2015 is disclosed in the “Executive Compensation — Summary Compensation Table” below.
- (2) Of the “Fees Earned” disclosed, Dina R. Howell elected to receive \$13,021 in the form of additional DSUs (being an additional 25% of her compensation, for a total of 75% of her compensation being received in DSUs). See also note (4) below. All of the other Directors listed received their compensation as 50% cash and 50% DSUs.
- (3) Represents the dedicated portion of Director compensation that is required to be paid to Directors in DSUs, as well as the one-time grant of DSUs received by newly appointed Independent Directors in 2015.
- (4) Represents grant date fair value and corresponds to the fair value determined for accounting purposes. DSU awards are granted on the first day of each fiscal quarter and the grant date fair value of a DSU award is equal to the average closing price on the TSX of the Subordinate Voting Shares on the last five trading days of the preceding fiscal quarter.
- (5) Table does not include any amounts paid as reimbursement for expenses.

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each Director who is not also a Named Executive Officer, information concerning all option-based and share-based awards outstanding as at December 31, 2015.

Name	Option-based Awards				Share-based Awards ⁽¹⁾	
	Number of Subordinate Voting Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of DSUs (#)	Payout value of DSUs ⁽²⁾ (\$)
John Cassaday	—	—	—	—	11,012	173,932
Jeffrey I. Cohen	—	—	—	—	3,000	47,384
Dina R. Howell	—	—	—	—	6,813	107,610
Todd Tappin	—	—	—	—	6,192	97,801
Charles Winograd	—	—	—	—	5,997	94,721

- (1) DSUs are the only share-based awards held by Directors who are not also Named Executive Officers. Following the end of a Director’s tenure as a member of the Board, the Director will receive a payment in cash at the fair market value of the Subordinate Voting Shares represented by his or her DSUs.
- (2) Calculated based on the December 31, 2015 closing price of C\$21.86 per Subordinate Voting Share on the TSX and using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

Incentive Plan Awards — Value Vested or Earned During the Year

DSUs are the only share-based awards held by Directors who are not also executive officers of the Company. DSUs are fully vested upon being awarded to a Director, but are not payable until the Director’s departure from the Board.

Share Ownership Guidelines for Directors of the Company

Directors who are not also executive officers of the Company are subject to share ownership guidelines of 3x their annual retainer, to be achieved within five years of election to the Board. Directors can meet share ownership requirements through direct or beneficial ownership of securities of the Company, including DSUs.

Anti-Hedging Provision for Directors

Directors are subject to the Company's Insider Trading and Blackout Policy, which, among other things, prohibits such individuals from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by such individuals.

EXECUTIVE COMPENSATION

Compensation Governance

Role of the Governance, Nominating and Compensation Committee

The GN&C Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the Company's human resources, succession planning, and compensation policies, processes, and practices. The GN&C Committee also ensures that compensation policies and practices do not encourage undue risk.

The Board has adopted a written charter for the GN&C Committee setting out its responsibilities for compensation matters, including for:

- reviewing, and recommending to the Board for approval, the corporate goals and objectives relevant to compensation of the Co-CEOs and the Global President & Chief Operating Officer (“COO”) of the Company; evaluating the performance of the Co-CEOs and the Global President & COO in light of those corporate goals and objectives, and determining the compensation level of the Co-CEOs and Global President & COO for the Board's approval;
- reviewing and approving the corporate goals and objectives relevant to compensation for the executive officers who are direct reports to the Co-CEOs and/or Global President & COO; evaluating the performance of senior management in light of those corporate goals and objectives, and determining the compensation levels for the senior management;
- reviewing the recommendations to the Committee of the Co-CEOs respecting the appointment, compensation and other terms of employment of the Global President & COO; and reviewing the recommendations to the Committee of the Co-CEOs and/or Global President & COO respecting the appointment, compensation and other terms of employment of the senior management of the Company;
- reviewing and recommending Director remuneration for Board approval;
- reviewing and approving succession plans for the Global President & COO and the senior management of the Company;
- reviewing and recommending for Board approval, executive compensation policies and programs, including performance measures for the short-term and long-term incentive programs, equity based incentive grants, and pension and benefit plans; and
- considering the potential risks associated with the adoption of the Company's compensation policies and practices and the adoption of particular organizational and individual objectives under such policies and practices.

While most decisions with respect to compensation of the Company's executive officers and Directors for 2015 were made by the Company in connection with its IPO, prior to the current constitution of the Board and formation of the GN&C Committee, the GN&C Committee is committed to continuing to follow an objective process for determining compensation for 2016.

Composition of the GN&C Committee

The GN&C Committee is comprised of Mr. Cassaday (Chair), Ms. Howell and Mr. Cohen. As Mr. Cassaday and Ms. Howell are considered to be Independent Directors, a majority of the members of the GN&C Committee are independent. For disclosure of the skills and experience that enable the GN&C Committee to make decisions on the suitability of the Company's compensation policies and practices, as well as the direct experience that is relevant to each Committee member's responsibilities in executive compensation, see "Directors and Executive Officers — Non-Executive Directors".

Compensation Consultant

Mercer (Canada) Limited ("Mercer") was engaged by the Company to assist in the development of the compensation structure for the Company's senior executive team, other executives and Directors for 2015. Pursuant to such engagement, which commenced in 2014, Mercer has:

- assisted the Company with the development of a formal public company compensation philosophy;
- assisted with the development of the compensation structure and short- and long-term incentive plan design, in accordance with the Company's compensation philosophy;
- proposed an industry-related peer group and a broader consumer durables peer group for evaluating the competitiveness of compensation levels and practices at the Company (see "Executive Compensation — Compensation Discussion and Analysis — Benchmarking"); and
- evaluated the market competitiveness of compensation for the Company's Named Executive Officers, senior executive team and other executives.

Mercer's fees incurred during 2015 and during 2014 regarding services provided were as follows:

<u>Fiscal Year Ended</u>	<u>Executive Compensation-Related Fees</u>	<u>All Other Fees</u>
December 31, 2015 ⁽¹⁾	\$220,646	\$75,923 ⁽²⁾
December 31, 2014 ⁽³⁾	\$179,736	\$ 0

(1) Amounts have been converted to U.S. dollars using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

(2) Fees incurred for non-executive compensation benchmarking, and communications support related to the Company's IPO.

(3) Amounts have been converted to U.S. dollars using the December 31, 2014 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.1601.

The GN&C Committee is not required to pre-approve any services that Mercer or its affiliates provide to the Company at the request of management if those services deviate or exceed the scope of the mandate the GN&C Committee provides to Mercer during the relevant fiscal year.

Compensation Risk Management

The Company has structured its Named Executive Officer compensation program to employ the following procedures designed to effectively mitigate any excessive risks which may result from the implementation of its executive compensation policy and practices.

Pay Mix	The variable component of the Company’s compensation program (which includes both short-term and long-term incentives) represents a sufficient percentage of “at-risk” compensation to motivate executives and other employees of the Company to focus on both short-term and long-term results and performance criteria. Elements of compensation, together, ensure a balance in the mix of fixed and variable compensation, short-term and long-term incentives, cash versus equity, and performance-based versus time-based awards.
Capped Payouts	The maximum amount an executive can receive under the Company’s Bonus Plan (as defined below) is capped at 2x the target payout, and the maximum number of PSUs an executive can receive is capped at 2x the target number of PSUs granted.
Effective Design of Long-Term Incentive Mix	RSUs cliff-vest at the end of a three-year period based solely upon length of service and PSUs cliff-vest at the end of a three-year period based on the Company’s Free Cash Flow ⁽¹⁾ and adjusted earnings before interest, taxes, depreciation and amortization (“ adjusted EBITDA ”) ⁽²⁾ performance. Options vest in equal instalments over four years in a graduated fashion and are only valuable if the stock price appreciates from the Option grant price. A balance of time-vesting and performance-vesting long-term incentives and varied performance measures mitigate against taking short-term risks and aligns management with longer-term shareholder interests. In addition, PSUs are subject to a minimum profitability threshold (set at the time of grant) that must be achieved in order for the PSUs to pay out.
Significant portion of pay “at risk” and pay subject to performance	A significant portion of the Named Executive Officers, senior executive team and other executives’ compensation is “at-risk” which provides for a strong pay-for-performance relationship.

(1) Free Cash Flow does not have any standardized meaning prescribed by International Financial Reporting Standards (“**IFRS**”) and is therefore unlikely to be comparable to similar measures presented by other issuers. Free Cash Flow is calculated as cash from operations before changes in working capital less capital expenditures plus any cash used in brand or business acquisitions. Capital expenditures include expenditures on assets such as property, plant, equipment (primarily expenditures of tooling) and the production of television properties. Management uses the Free Cash Flow metric to analyze the cash flow being generated by the Company’s business.

(2) EBITDA and adjusted EBITDA do not have any standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA is calculated as net earnings before borrowing costs, taxes and depreciation and amortization. Adjusted EBITDA is calculated as EBITDA excluding one time or other non-recurring items that do not necessarily reflect the Company’s underlying financial performance, including foreign exchange gains or losses, restructuring costs, IPO costs and write downs, among other items. The Company uses EBITDA internally as a measure of its profitability and to benchmark the Company against key competitors. Management believes that EBITDA is an important supplemental measure of operating performance and highlights trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management believes that EBITDA also allows for assessment of the Company’s operating performance and financial condition on a basis that is more consistent and comparable between reporting periods. Adjusted EBITDA is used internally by the Company as the key benchmark for incentive compensation and by management as a measure of the Company’s profitability and its ability to fund working capital requirements, investment in property, plant and equipment, and make debt repayments.

In annually reviewing the Company’s compensation policies and practices, the GN&C Committee seeks to ensure the Named Executive Officer compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The GN&C Committee also seeks to ensure that the Company’s compensation practices do not encourage excessive risk-taking behaviour by the executive team.

All of the Company officers (including the Named Executive Officers) and employees are subject to the Company's insider trading policy, which, among other things, prohibits trading in the securities of the Company while in possession of material undisclosed information concerning the Company. Further, such individuals are prohibited from undertaking certain types of trades in securities of the Company which can raise particular concerns about potential breaches of applicable securities law or that the interests of the persons making the trade are not aligned with those of the Company, including: speculating in securities of the Company; buying the Company's securities on margin; short selling a security of the Company or any other arrangement that results in a gain only if the value of the Company's securities declines in the future; selling a call option in respect of securities of the Company; and buying a put option in respect of securities of the Company.

Anti-Hedging Policy for Officers and Employees

The Company's Insider Trading and Blackout Policy prohibits the Company officers (including the Named Executive Officers) and employees from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by such individuals.

Compensation Clawbacks

All grants under the Long-Term Incentive Plan are subject to a clawback by the Company (see "— Long-Term Incentive Plan").

Compensation Discussion and Analysis

The following section discusses the compensation structure, programs and significant elements of compensation for the Company's Named Executive Officers for 2015, being:

- Ronnen Harary, Co-Chief Executive Officer
- Anton Rabie, Co-Chief Executive Officer
- Mark Segal, Executive Vice President & Chief Financial Officer
- Ben J. Gadbois, Global President & Chief Operating Officer
- Ben Varadi, Executive Vice President & Chief Creative Officer
- Bill Hess, Executive Vice President Operations & Chief Information Officer

Approach to Compensation

The Company's compensation strategy is to attract and retain highly qualified executives while also aligning the interests of the executives with the Company's shareholders. The Company's executive compensation framework is based on the following objectives and principles:

- **Support Business Strategy** — support the achievement of the Company's short- and long-term corporate objectives, and be consistent with the Company's vision, mission and core values;
- **Market Competitive** — facilitate attraction of new talent and foster retention of existing employees by offering compensation that is competitive with other organizations;
- **Performance Focus** — reflect the Company's pay-for-performance philosophy and meet the expectation of stakeholders by delivering a meaningful proportion of total compensation using variable pay primarily tied to Company performance with some element of individual performance; and
- **Shareholder Alignment** — focus on specific performance objectives that contribute to the enhancement of shareholder value in the long-term.

The principles above guide the Company's decision making process, as the Company establishes target pay levels and pay mix, sets clear corporate goals and objectives, and evaluates performance in light of those objectives.

Benchmarking

The Company's compensation philosophy is to provide total compensation opportunities that are competitive relative to the companies in its compensation peer groups: (i) an industry-related peer group; and (ii) a broader consumer durables peer group. The peer groups for 2015 were composed of North American companies that compete with the Company for executive talent with comparable revenue and market capitalization, as follows:

- the industry-related peer group was comprised of companies in the leisure products and / or entertainment sectors, with a focus on consumer products for children including toys, gaming, and entertainment / media companies;
- the broader consumer durables peer group was comprised of companies of similar operations that can compete with the Company for executive talent;
- companies in both the industry-related and broader consumer durables peer groups were U.S.-based with the exception of two companies in each peer group based in Canada.

Industry-Related Peer Group	Consumer Durables Peer Group
Mattel Inc.	Brunswick Corp.
Activision Blizzard Inc.	BRP Inc.
Hasbro Inc.	Tupperware Corp.
Electronic Arts Inc.	Dorel Industries Inc.
Lions Gate Entertainment Corp.	Tempur Sealy International Inc.
Take-Two Interactive Software Inc.	La-Z-Boy Inc.
Madison Square Garden Co.	Helen of Troy Ltd.
Zynga Inc.	Callaway Golf Co.
DreamWorks Animation Inc.	Libbey Inc.
Jakks Pacific Inc.	Ethan Allen Interiors Inc.
Leapfrog Enterprises Inc.	Arctic Cat Inc.
World Wrestling Entertainment Inc.	Sturm Ruger & Company Inc.
Performance Sports Group Ltd.	Smith & Wesson Holding Corp.
IMAX Corp.	Universal Electronics Inc.
DHX Media Ltd.	

Components of Compensation

Overall compensation of the Named Executive Officers in 2015 included base salary, annual incentives, and long-term incentives, as well as competitive perquisites and benefits. Realized compensation was dependent on achieved Company and individual performance.

The table below describes the basic components of compensation for the Company's Named Executive Officers.

	Component	Objectives
Fixed	Base Salary	<ul style="list-style-type: none"> Attract and retain talent, as well as provide a predictable and steady income. Annual base salaries are based on market competitiveness, individual performance and internal equity considerations.
	Pension, Benefits and Perquisites	<ul style="list-style-type: none"> Provide market-competitive benefits and perquisites to attract and retain talent. Named Executive Officers participate in benefit programs (including matching certain contributions to non-company retirement plans) that are available to all employees.
Variable	Annual Incentives	<ul style="list-style-type: none"> Primarily motivate and reward achievement of annual corporate performance objectives with a focus on revenue, working capital and adjusted EBITDA⁽¹⁾. In addition, a portion of annual incentives are tied to an element of individual performance. Incentive targets are based on market competitiveness.
	Restricted Share Units	<ul style="list-style-type: none"> Attract and retain key employees. Restricted Share Units vest solely on an employee's continued employment with the Company throughout the vesting period.
	Performance Share Units	<ul style="list-style-type: none"> Motivate and align executives with long-term strategy and shareholders' interests through grants of performance share units which become payable based on meeting Free Cash Flow⁽¹⁾ and adjusted EBITDA⁽¹⁾ objectives.
	Stock Options	<ul style="list-style-type: none"> Motivate and align executives with shareholders' interests. Options may not have a term of more than 10 years and vest in equal instalments over four years.

(1) A non-IFRS measure.

Fixed Compensation

Base Salary: Base salary is provided as a fixed source of compensation for the Named Executive Officers. The 2015 base salary levels for the Named Executive Officers were determined after review of the competitive compensation practices of the peer group giving consideration to the overall level of pay competitiveness and the performance of the Named Executive Officer. Adjustments to base salaries are determined annually and may be increased based on the executive's success in meeting or exceeding individual objectives and an assessment of the competitiveness of current compensation. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope of breadth of an executive's role or responsibilities, as well as to maintain market competitiveness.

Named Executive Officer	2015 Annualized Base Salary	
	In Local Currency	In USD
Ronnen Harary, <i>Co-Chief Executive Officer</i>	C\$750,000	\$541,908 ⁽¹⁾
Anton Rabie, <i>Co-Chief Executive Officer</i>	C\$750,000	\$541,908 ⁽¹⁾
Mark Segal, <i>Executive Vice President & Chief Financial Officer</i>	C\$400,000	\$289,017 ⁽¹⁾
Ben J. Gadbois, <i>Global President & Chief Operating Officer</i>	US\$875,000	\$875,000
Ben Varadi, <i>Executive Vice President & Chief Creative Officer</i>	C\$750,000	\$541,908 ⁽¹⁾
Bill Hess, <i>Executive Vice President Operations & Chief Information Officer</i>	US\$400,000	\$400,000

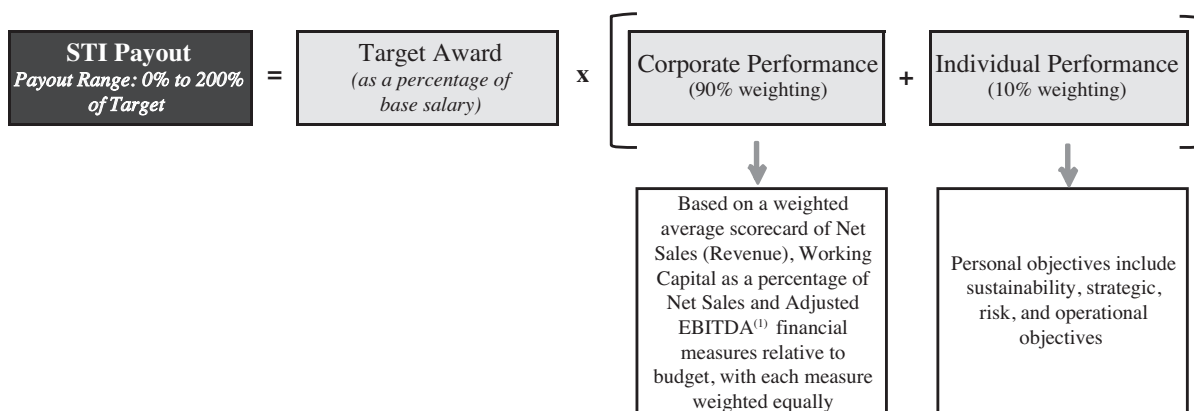
(1) Salaries have been converted to U.S. dollars using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

Pension, Benefits and Perquisites: Certain Named Executive Officers participate in benefit programs (including matching certain contributions to non-company retirement plans) that are available to all employees. However, benefits and perquisites were not a significant element of compensation for the Named Executive Officers. For 2015, the Company did not provide pension or other such deferred compensation plans for the Named Executive Officers.

Variable Compensation

Annual Incentives: The Company’s 2015 Annual Incentive Plan (“**Bonus Plan**”) was designed to motivate Named Executive Officers to achieve the Company’s short-term corporate goals, and rewards individual and overall Company performance.

- Incentives had a high degree of focus on revenue and corporate profitability as the Company believes these are primary drivers of shareholder value creation.
- Bonus targets varied by position and were reviewed periodically to ensure market competitiveness.
 - Messrs. Harary, Rabie and Varadi, as significant shareholders of the Company, determined to forego short-term incentive opportunities in 2015.
- Target incentives were awarded for fully meeting both corporate and individual objectives. Awards may vary from 0% to 200% of the target award as follows:



(1) A non-IFRS measure.

Named Executive Officer	2015 Target Award (percentage of salary)	2015 Maximum Award (percentage of salary)
Ronnen Harary, <i>Co-Chief Executive Officer</i>	0%	0%
Anton Rabie, <i>Co-Chief Executive Officer</i>	0%	0%
Mark Segal, <i>Executive Vice President & Chief Financial Officer</i>	85%	170%
Ben J. Gadbois, <i>Global President & Chief Operating Officer</i>	100%	200%
Ben Varadi, <i>Executive Vice President & Chief Creative Officer</i>	0%	0%
Bill Hess, <i>Executive Vice President Operations & Chief Information Officer</i>	60%	120%

Long-Term Incentives: The Board grants long-term incentives to the Named Executive Officers, senior executive team, and other key executives pursuant to the provisions of the Company’s Long-Term Incentive Plan (see “Executive Compensation — Long-Term Incentive Plan”). Long-term incentives may be comprised of restricted share units (“**RSUs**”), performance share units (“**PSUs**”), and stock options (“**Options**”). Together, these long-term incentive vehicles are designed to align executive long-term interests with those of the Company’s shareholders. The mix of these vehicles will vary by role to recognize the level of executive accountability for overall business performance.

- Time-vesting RSUs may be used to attract and retain executives and other key employees. Although Named Executive Officers and the senior executive team are eligible for RSUs, such awards are not expected to be typically included in their mix of long-term incentives.
- Performance-vesting PSUs may be used to encourage the Named Executive Officers, senior executive team and other executives to achieve specific corporate objectives. The GN&C Committee and the Board can apply discretion to adjust PSU awards at vesting and payout based on significant external and internal factors affecting financial results, including the possibility of a zero payout result.
- Grants of Options may be used in a targeted way, to focus the Named Executive Officers and senior executive team on activities aimed at maximizing long-term shareholder value.

	Long-Term Incentive Plan		
	Stock Options	PSUs	RSUs
Objective	Used in a targeted way to focus NEOs and senior executive team on activities aimed at maximizing long-term shareholder value	Used to encourage NEOs, senior executive team, and other executives to achieve specific corporate objectives	Used to attract and retain executives and key employees
Performance Period	Up to 10 years	3 years	3 years
Vesting	Options vest in equal instalments over a 4 year period	Vesting will occur on the 3rd anniversary of the granting of the share units	
Performance Metric	n/a	At vesting, multiplier of 0.5x to 2.0x is applied to the original grant based on the achievement of pre-established PSU performance objectives (Free Cash Flow ⁽¹⁾ and adjusted EBITDA ⁽²⁾)	RSU vesting is based solely on an executive’s continued employment with Spin Master throughout the performance period
Performance Threshold	n/a	No payout if the minimum profitability performance threshold (set at time of grant) is not achieved	n/a
Settlement	Options are exercised for subordinate voting shares	Awards are settled and paid in cash based on the number of shares vesting and the share price at the time of vesting	Awards are settled and paid in cash based on the share price at the time of vesting

(1) A non-IFRS measure.

(2) Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Adjusted EBITDA is calculated as EBITDA excluding one time or other non-recurring items that do not necessarily reflect the Company’s underlying financial performance, including foreign exchange gains or losses, restructuring costs, IPO costs and write downs, among other items. Adjusted EBITDA is used internally by the Company as the key benchmark for incentive compensation and by management as a measure of the Company’s profitability and its ability to fund working capital requirements, investment in property, plant and equipment, and make debt repayments.

Named Executive Officer	Target Award (approximate percentage of salary)	Long-Term Incentive Mix		
		RSUs	PSUs	Options
Ronnen Harary, <i>Co-Chief Executive Officer</i>	95%	—	53%	47%
Anton Rabie, <i>Co-Chief Executive Officer</i>	95%	—	53%	47%
Mark Segal, <i>Executive Vice President & Chief Financial Officer</i>	124%	—	53%	47%
Ben J. Gadbois, <i>Global President & Chief Operating Officer</i>	119%	—	53%	47%
Ben Varadi, <i>Executive Vice President & Chief Creative Officer</i>	95%	—	53%	47%
Bill Hess, <i>Executive Vice President Operations & Chief Information Officer</i>	71%	—	53%	47%

For fiscal 2015, the Company's first year as a public company, all long-term incentive awards to Named Executive Officers were granted as PSUs (i.e. no RSUs or Options were granted to Named Executive Officers in 2015). Going forward, it is expected that long-term incentive awards for Named Executive Officers will be awarded as PSUs and Options, as per the table above.

2015 Annual Incentive Plan Awards

Under the Annual Incentive Plan, our performance is measured by the results of our corporate performance scorecard, which is based on net sales (revenue), working capital as a percentage of net sales (revenue), and adjusted EBITDA. The table below summarizes our performance results for 2015.

2015 Annual Incentive Plan Results		
Measure	Weight	Performance Score
Net Sales (Revenue)	33.3%	46%
Working Capital as a percentage of Net Sales (Revenue)	33.3%	46%
Adjusted EBITDA ⁽¹⁾	33.3%	43%
Corporate Performance Multiplier	100%	135%

(1) A non-IFRS measure.

For fiscal 2015, each Named Executive Officers' annual incentive award was determined by applying the above corporate performance multiplier of 135% to target opportunities. Since the GN&C Committee did not have a full year to assess individual performance following the Company's IPO, no individual performance multiplier was used.

Summary Compensation Table

The following table sets out information concerning annualized, post-IPO compensation for the persons determined to be Named Executive Officers of the Company pursuant to applicable securities laws. This annualized compensation information has been disclosed for illustrative purposes only to assist investors in understanding the Company's compensation practices and does not reflect actual compensation earned by, paid to, or awarded to the Named Executive Officers during the year ended December 31, 2015. See also the footnotes that follow the table.

Name and Principal Position	Year ⁽¹⁾	Salary ⁽²⁾ (\$)	Share-Based Awards ⁽³⁾ (\$)	Option-Based Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁵⁾ (\$)	Long-Term Incentive Plans (\$)			
Ronnen Harary <i>Co-Chief Executive Officer</i>	2015	541,908	544,371	0	0	—	—	—	1,086,279
Anton Rabie <i>Co-Chief Executive Officer</i>	2015	541,908	544,371	0	0	—	—	—	1,086,279
Mark Segal <i>Executive Vice President & Chief Financial Officer</i>	2015	289,017	377,431	0	331,647	—	—	—	998,095
Ben J. Gadbois <i>Global President & Chief Operating Officer</i>	2015	875,000	1,045,000	0	1,181,250	—	—	55,867	3,157,117
Ben Varadi <i>Executive Vice President & Chief Creative Officer</i>	2015	541,908	544,371	0	0	—	—	—	1,086,279
Bill Hess <i>Executive Vice President Operations & Chief Information Officer</i>	2015	400,000	285,000	0	324,000	—	—	—	1,009,000

- (1) As the Company became a public reporting issuer during 2015, in accordance with applicable securities laws, compensation information has not been presented with respect to prior years.
- (2) Represents annualized U.S. dollar base salary for the period commencing upon the Company completing its IPO and ending December 31, 2015. The base salary amounts reported for Mr. Harary (C\$750,000), Mr. Rabie (C\$750,000), Mr. Varadi (C\$750,000) and Mr. Segal (C\$400,000) have been converted to U.S. dollars using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.
- (3) As a percentage of annualized base salary, represents illustrative grant date fair value of PSU awards under the Long-Term Incentive Plan at 95% for Messrs. Harary, Rabie and Varadi, 124% for Mr. Segal, 119% for Mr. Gadbois and 71% for Mr. Hess. See “— Compensation Discussion and Analysis — Components of Compensation — Variable Compensation — Long Term Incentives”. Actual PSU awards were pro-rated from the date of the grant to December 31, 2015 to reflect a partial year of long-term incentive grants, as follows: Mr. Harary (\$214,517); Mr. Rabie (\$214,517); Mr. Varadi (\$214,517); Mr. Segal (\$148,734); Mr. Gadbois (\$411,776); and Mr. Hess (\$112,305), in each case based on the closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars on the date of grant of each PSU. The grant date fair value for the actual PSU awards reflects the dollar amount of the award intended for compensation purposes, based on the market value of the underlying Subordinate Voting Shares on the grant dates based on an assumption of 100% vesting and is the same as the fair valued determined for financial statement purposes. The number of PSUs that will actually vest will vary from 0% to 200% of the target grant depending on the Company's level of achievement of pre-determined performance measure(s) as described in this Circular. See also “Long-Term Incentive Plan”.
- (4) No Options were granted to Named Executive Officers in the year ended December 31, 2015.
- (5) Annual incentive amounts are paid in cash in the year following the fiscal year in which they were earned. As a percentage of annualized base salary, the illustrative amounts shown in the table represent annual incentive plan compensation of 0% for Messrs. Harary, Rabie and Varadi, 115% for Mr. Segal, 135% for Mr. Gadbois and 81% for Mr. Hess. See “— Compensation Discussion and Analysis — Components of Compensation — Variable Compensation — Annual Incentives”. Actual awards for Messrs. Segal, Gadbois and Hess were pro-rated from the closing date of the Company's IPO to December 31, 2015 to reflect a partial year of annual incentive grants, as follows: Mr. Segal (\$138,186); Mr. Gadbois (\$492,188); and Mr. Hess (\$135,000). Mr. Segal receives

his annual incentive in Canadian dollars, so his figures have been converted to U.S. dollars using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

- (6) Except for Mr. Gadbois, none of the Named Executive Officers were entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their annualized base salary for 2015. The illustrative value included for Mr. Gadbois represents the annualized sum of his car allowance (\$24,000), executive long-term disability allowance (\$16,670), 401(k) allowance (\$13,000) and tax planning allowance (\$2,197). Messrs. Harary, Rabie, Varadi and Gadbois do not receive any additional compensation for serving as Directors of the Company.

Outstanding Option-Based and Share-Based Awards

The following table sets out for each Named Executive Officer information concerning all option-based and share-based awards outstanding as at December 31, 2015. For the year ended December 31, 2015, the Company's first year as a public reporting issuer, all long-term incentive awards to Named Executive Officers were granted as PSUs (i.e. no RSUs or Options were granted to Named Executive Officers in 2015) and such PSU awards were pro-rated to reflect approximately five months of target long-term incentive grants.

Name	Option-based Awards				Share-based Awards		
	Number of Subordinate Voting Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ronnen Harary <i>Co-Chief Executive Officer</i>	—	—	—	—	16,494 ⁽²⁾	260,519 ⁽²⁾	—
Anton Rabie <i>Co-Chief Executive Officer</i>	—	—	—	—	16,494 ⁽²⁾	260,519 ⁽²⁾	—
Mark Segal <i>Executive Vice President & Chief Financial Officer</i>	—	—	—	—	531,367 ⁽³⁾	8,392,834 ⁽³⁾	—
Ben J. Gadbois <i>Global President & Chief Operating Officer</i>	—	—	—	—	1,565,882 ⁽⁴⁾	24,732,789 ⁽⁴⁾	—
Ben Varadi <i>Executive Vice President & Chief Creative Officer</i>	—	—	—	—	16,494 ⁽²⁾	260,519 ⁽²⁾	—
Bill Hess <i>Executive Vice President Operations & Chief Information Officer</i>	—	—	—	—	281,385 ⁽⁵⁾	4,444,419 ⁽⁵⁾	—

- (1) Calculated based on the December 31, 2015 closing price of C\$21.86 per Subordinate Voting Share on the TSX and using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.
- (2) Represents PSUs awarded under the Company's Long-Term Incentive Plan. See "Executive Compensation — Long-Term Incentive Plan".
- (3) Represents 11,436 PSUs awarded under the Long-Term Incentive Plan and 519,931 of the Subordinate Voting Shares issued to Mr. Segal on closing of the IPO in connection with the satisfaction of pre-IPO equity arrangements, of which Subordinate Voting Shares Mr. Segal is entitled to sell, 157,683 Subordinate Voting Shares on the first two anniversaries of the closing date of the IPO, and approximately 51,141 Subordinate Voting Shares on each of the third, fourth, fifth and sixth anniversaries of the closing date of the IPO.
- (4) Represents 31,661 PSUs awarded under the Long-Term Incentive Plan and 1,534,221 Subordinate Voting Shares issued to Mr. Gadbois in connection with the satisfaction of pre-IPO equity arrangements, of which Subordinate Voting Shares Mr. Gadbois is entitled to sell approximately 255,703 Subordinate Voting Shares on each of the first six anniversaries of the closing date of the IPO.
- (5) Represents 8,635 PSUs awarded under the Long-Term Incentive Plan and 272,750 Subordinate Voting Shares issued to Mr. Hess in connection with the satisfaction of pre-IPO equity arrangements, of which Subordinate Voting Shares Mr. Hess is entitled to sell approximately 45,458 Subordinate Voting Shares on each of the first six anniversaries of the closing date of the IPO.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows the subordinate voting shares authorized for issuance from treasury under the Company's equity compensation plans as at December 31, 2015. The Company has no equity compensation plans that permit the issuance of subordinate voting shares that have not been previously approved by Securityholders.

Plan Category	Number of Subordinate Voting Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Subordinate Voting Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Subordinate Voting Shares Reflected in Column (A)) (C)
Equity Compensation Plans			
Approved by Securityholders	0	N/A	8,501,157
Equity Compensation Plans not			
Approved by Securityholders ⁽¹⁾ . . .	0	N/A	N/A
Total:	0	N/A	8,501,157

(1) In connection with the Company's IPO, the Company implemented the Long-Term Incentive Plan (see "— Long-Term Incentive Plan").

Long-Term Incentive Plan

The Long-Term Incentive Plan is the only equity based compensation plan providing for the issuance of securities from treasury under which grants may be made by the Company. Under the Long-Term Incentive Plan, the Board may in its discretion from time to time grant Options, share units (in the form of RSUs and PSUs), stock appreciation rights ("SARs"), restricted stock ("Restricted Stock") and any other equity-based awards, which may be based on one or more criteria determined by the Board that are consistent with the purpose of the Long-Term Incentive Plan and the interests of the Company, including, without limitation bonuses or similar compensation payable in the form of Subordinate Voting Shares, to employees and consultants of the Company and affiliated entities.

The aggregate number of Subordinate Voting Shares that may be issued pursuant to grants under the Long-Term Incentive Plan may not exceed 9,669,599, being 10% of the aggregate of the Multiple Voting Shares and the Subordinate Voting Shares issued and outstanding on closing of the IPO. As of December 31, 2015, no Subordinate Voting Shares had been issued from treasury pursuant to the Long-Term Incentive Plan, 814,528 Subordinate Voting Shares were issuable under outstanding RSUs and up to 353,914 Subordinate Voting Shares were issuable under outstanding PSUs (assuming vesting at 200%). Accordingly, as of December 31, 2015, 8,501,157 Subordinate Voting Shares (8.6% of the aggregate of the Multiple Voting Shares and the Subordinate Voting Shares issued and outstanding as of that date) were reserved for issuance from treasury for potential future grants of securities based compensation under the Long-Term Incentive Plan.

The Long-Term Incentive Plan limits the maximum number of Subordinate Voting Shares issued to insiders (as defined under TSX rules for this purpose) within any one year period, or issuable to insiders at any time, in the aggregate, under all security based compensation arrangements to 10% of the then issued and outstanding aggregate Multiple Voting Shares and Subordinate Voting Shares. The Long-Term Incentive Plan also limits the aggregate number of Subordinate Voting Shares that may be reserved for issuance to any one participant under the Long-Term Incentive Plan, together with all other share compensation arrangements of the Company, to 5% of the then issued and outstanding aggregate Multiple Voting Shares and Subordinate Voting Shares.

Options issued under the Long-Term Incentive Plan, unless otherwise designated by the Board, will vest 25% of each grant on the first four anniversaries of the date of the grant based on continued employment, and may be exercised during a period determined by the Board, which may not exceed ten years. The Long-Term Incentive Plan also provides that, subject to the terms of the applicable grant, Options will terminate immediately on a termination of employment for cause of a participant with the Company, or within specified time periods following the termination of such employment without cause or upon the resignation, death or

disability of the participant. The exercise price for Options issued under the Long-Term Incentive Plan is the closing price of a Subordinate Voting Share on the TSX on the date of grant. The exercise of Options may be subject to vesting conditions, including specific time schedules for vesting and performance based conditions. In addition, tandem SARs may be granted in connection with a grant of Options, which are subject to the same terms and conditions of the grant of Options. Tandem SARs may be exercised only if and to the extent the related Options are vested and exercisable, and on exercise of a tandem SAR, the related Option will be cancelled and the participant entitled to the amount in settlement of the tandem SARs. Upon exercise, the tandem SAR will be settled by a cash amount equal to the amount, if any, by which the market price of the Subordinate Voting Shares on the date of exercise of the tandem SAR exceeds the exercise price of the related Option at the time of the grant. The market price used for this purpose is the closing price of a Subordinate Voting Share on the TSX on the exercise date. Such amounts may also be payable by the issuance of Subordinate Voting Shares (at the discretion of the Company).

Upon a participant's termination for cause, any and all outstanding Options whether vested or unvested are forfeited immediately. Subject to the terms of the applicable grant, upon a participant's termination without cause, all vested Options are exercisable for 120 days and all unvested Options remain eligible to vest and if vested, be exercised for 120 days from the termination date. Upon a participant's resignation, subject to the terms of the applicable grant, all vested Options are exercisable for 90 days and all unvested Options are immediately forfeited. Upon a participant's death or disability, subject to the terms of the applicable grant, all unvested Options will continue to vest in accordance with their grant terms and if vested, be exercisable for 36 months and all vested Options will continue to be exercisable for 36 months from the date of death or disability. Where a participant's death or disability occurs within the first year of a grant, the number of Options that may vest and be exercised over the 36 month period following the participant's date of death or disability shall be pro-rated based on the participant's period of employment during the year of grant. In the event of a participant's resignation that is also a retirement the Company's policy is to extend the period of vesting and exercise for Options in the same manner as would apply in the event of the participant's death or disability.

Under the Long-Term Incentive Plan, eligible participants may be granted standalone SARs, being a right to receive a cash amount equal to the amount, if any, by which the market price of the Subordinate Voting Shares on the date of exercise of the SAR exceeds the market price of the Subordinated Voting Shares at the time of the grant. The market price used for this purpose is the closing price of a Subordinate Voting Share on the TSX on the date of grant. Such amounts may also be payable by the issuance of Subordinate Voting Shares (at the discretion of the Company). The exercise of SARs may also be subject to conditions similar to those which may be imposed on the exercise of Options. Subject to the terms of the applicable grant, upon a participant's termination, all SARs outstanding are immediately forfeited. To date, the Company has not granted any SARs under the Long-Term Incentive Plan.

Under the Long-Term Incentive Plan, eligible participants may be allocated share units in the form of PSUs or RSUs, which represent the right to receive an equivalent number of Subordinate Voting Shares or the market price, being the closing price of a Subordinate Voting Share on the TSX on the date of vesting. The issuance of such Subordinate Voting Shares may be subject to vesting requirements similar to those described above with respect to the exercisability of Options and SARs, including such time or performance based conditions as may be determined from time to time by the Board in its discretion. The Long-Term Incentive Plan provides for the express designation of share units as either RSUs, which have time-based vesting conditions or PSUs, which have performance-based vesting conditions over a specified period.

Upon a participant's termination for cause, all unvested share units are forfeited immediately. Subject to the terms of the applicable grant or as determined by the Board, upon a participant's termination without cause the number of share units that may vest is subject to pro-ration over the performance or vesting period. Subject to the terms of the applicable grant or as determined by the Board, upon a participant's resignation all unvested PSUs and RSUs are forfeited immediately. Upon a participant's death or disability, subject to the terms of the applicable grant, all unvested share units will vest in accordance with their grant and in the case of PSUs that are subject to performance-based conditions, subject to achieving the applicable performance-based conditions, will vest as if the participant had remained in their position with the Company. Where a participant's death or disability occurs within the first year of a grant, the number of share units that may vest over the performance or vesting period for such grant shall be pro-rated based on the participant's period of employment during the year

of grant. In the event of a participant's resignation that is also a retirement the Company's policy is to permit share units to continue to vest over the applicable performance or vesting period to the same extent as would apply in the event of the participant's death or disability.

Under the Long-Term Incentive Plan, eligible participants may be granted Restricted Stock, being Subordinate Voting Shares that are subject to a restriction on the participant's free enjoyment of the Subordinate Voting Shares, which restrictions may be based on the passage of time or the satisfaction of performance-based conditions or the occurrence of one or more events or conditions as the Board may determine. Restricted Stock cannot be sold, transferred or assigned while the restrictions remain in effect, although the participant may vote the Restricted Stock, subject to the provisions of the Principal Shareholders Agreement in the case of the Principal Shareholders, and receive any dividends paid on the Restricted Stock during such period. Restricted Stock is forfeited if the applicable restriction does not lapse prior to the date or the occurrence of the specified event or the satisfaction of the criteria in the grant agreement. In the event a holder of Restricted Stock is terminated, unless the grant agreement provides otherwise or as otherwise determined by the Board, all Restricted Stock is forfeited immediately.

The interest of any participant under the Long-Term Incentive Plan is generally not transferable or assignable, other than by testamentary disposition by the participant or the laws of intestate succession. However, the Long-Term Incentive Plan does provide that a participant, who is not a U.S. taxpayer, may assign his or her rights (a) in the case of a transfer without the payment of any consideration to the participant's spouse, former spouse, children, stepchildren, grandchildren, parent, stepparent, grandparent, sibling, persons having one of the foregoing types of relationship with the participant due to adoption and any entity in which these persons (or the participant) own more than 50% of the voting interests and (b) to an entity in which more than 50% of the voting interests are owned by these persons (or the participant) in exchange for an interest in that entity.

All grants under the Long-Term Incentive Plan are subject to a clawback by the Company, as determined by the Board, in its sole discretion, in the event the participant: (a) fails to comply with any restrictive covenants; (b) is terminated for cause, or the Board reasonably determines after termination that the participant could have been terminated for cause; (c) the Board reasonably determines that the participant engaged in conduct that caused material financial or reputational harm to the Company or engaged in gross negligence, willful misconduct or fraud in the performance of their duties; or (d) the Company's financial statements are required to be restated and such restatement discloses materially worse financial results in the opinion of the Board.

The following types of amendments to the Long-Term Incentive Plan or the entitlements granted under it require the approval of the Shareholders in accordance with the requirements of the TSX: (a) increasing the maximum number of Subordinate Voting Shares that may be issued under the Long-Term Incentive Plan; (b) reducing the exercise price of an outstanding Option (including cancelling and, in conjunction therewith, re-granting within six months an Option at a reduced exercise price); (c) extending the term of any grant; (d) amending the assignment rights of participants currently contemplated by the Long-Term Incentive Plan; (e) permitting a non-employee director to be eligible for grants under the Long-Term Incentive Plan; (f) increasing the percentage limit on Subordinate Voting Shares issuable or issued to insiders under the Long-Term Incentive Plan; (g) amending the Long-Term Incentive Plan to provide for other types of equity compensation through equity issuance; (h) amending the Long-Term Incentive Plan, the effect of which would cause Options held by U.S. taxpayers to no longer receive specific tax treatment under the US Internal Revenue Code; and (i) amending the amendment provision or granting additional powers to the Board to amend the Long-Term Incentive Plan or grants without Shareholder approval.

The Board may approve amendments to the Long-Term Incentive Plan or the entitlements granted under it without Shareholder approval, other than those specified above as requiring approval of the Shareholders, subject to any regulatory approvals including, where required, the approval of the TSX, including: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of any grants; (c) a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant; or (d) amendments to the provisions relating to a change in control.

On March 24, 2016, the Board, on recommendation of the GN&C Committee, approved certain housekeeping amendments to the Long-Term Incentive Plan to provide that the market price for various

determinations under the Long-Term Incentive Plan be calculated in the same manner for all individuals, being the closing price of a Subordinate Voting Share on the TSX on the date as of which the determination is made. Previously, the market price was calculated as the volume weighted average trading price for Subordinate Voting Shares during the five trading days preceding the date of the determination on the TSX, except in respect of Options and SARs granted to individuals who are subject to tax under the United States *Internal Revenue Code*, in which case the market price was calculated as the closing price of a Subordinate Voting Share on the TSX on the date as of which the determination was made.

Satisfaction of Pre-IPO Equity Participation Arrangements

Prior to completion of the IPO, the Company had equity participation arrangements with certain executive officers, employees and former employees which served to reward such individuals for their past service and to encourage the retention of the participants who were then-employed by the Company. In satisfaction of such pre-IPO equity arrangements, immediately prior to the closing of the IPO, participants were provided with cash payments and Subordinate Voting Shares, of which an aggregate of 3,741,793 Subordinate Voting Shares are subject to contractual restrictions on their sale as of January 31, 2016.

In aggregate, the participants shall be entitled to sell a portion of the outstanding Subordinate Voting Shares that are subject to contractual restrictions on their sale, on each anniversary of the issuance of the Subordinate Voting Shares, being July 30, 2015, as follows (the “**Restriction Period**”): 19% on the first anniversary; 19% on the second anniversary; 16% on the third anniversary; 16% on the fourth anniversary; 16% on the fifth anniversary; and 12% on the sixth anniversary, in each case assuming no forfeiture of shares due to resignation or termination of employment and no accelerated release due to death, disability or termination without cause.

No further Subordinate Voting Shares are issuable pursuant to the equity participation arrangements.

Employment Agreements, Termination and Change of Control Benefits

Mr. Harary, Mr. Rabie and Mr. Varadi are significant shareholders of the Company and do not have employment agreements with the Company.

The employment agreements of Mr. Gadbois, Mr. Segal and Mr. Hess include provisions regarding base salary, annual bonuses, eligibility for long-term incentives, benefits, confidentiality, non-solicitation and non-competition covenants, and ownership of intellectual property, among other things. The non-competition covenants under such agreements survive for 12 months following termination of employment.

In the case of termination of employment without cause (as defined in the employment agreement), Mr. Gadbois, Mr. Segal and Mr. Hess will be entitled to: (i) the continuance of base salary (which is in effect at the time the notice of termination is delivered) for the length of the notice period; plus (ii) the average bonus paid to Mr. Gadbois, Mr. Segal or Mr. Hess, as applicable under the Bonus Plan for the previous two years, or if less than two years but more than one year has passed since the completion of the IPO then the amount, if any, paid to such applicable persons for said prior year under the Bonus Plan; provided that if Mr. Gadbois, Mr. Segal or Mr. Hess are terminated prior to the completion of the first year of the Bonus Plan then they will not be entitled to any additional payment under the Bonus Plan except as set out in the following sentence. In addition, Mr. Gadbois, Mr. Segal, and Mr. Hess will also be entitled to a pro-rated portion of the amount that would be payable to them, if any, under the Bonus Plan for the year in which the termination occurs, based on the number of months served in that calendar year. The notice period is 12 months, plus one additional month for each full year of service up to a maximum of 18 months for Mr. Gadbois and Mr. Hess (for 2015, Mr. Gadbois would be entitled to a notice period of 15 months if terminated without cause and Mr. Hess would be entitled to a notice period of 14 months). For Mr. Segal, the notice period is 15 months, plus one additional month for each full year of service up to a maximum of 18 months. Additionally, Mr. Gadbois, Mr. Segal and Mr. Hess are entitled to the continuance of benefits for the notice period, excluding short-term disability, long-term disability, accidental death and dismemberment and life insurance. In the event that Mr. Gadbois, Mr. Segal or Mr. Hess commences employment or a consulting arrangement with another party during his notice period, such executive will only be entitled to 50% of the remaining portion of the entitlements payable during the remainder of the notice period.

Under the Company's Long-Term Incentive Plan, upon termination without cause, all vested Options are exercisable for 120 days and all unvested Options remain eligible to vest and be exercised during, and for, such 120 day period. In the event of a change of control, all outstanding Options, PSUs and RSUs will immediately vest should the executive be terminated without cause within 12 months following the change of control. Under any other termination scenario including termination with cause, resignation, retirement, and death, the executive would not be entitled to continuance of base salary or the immediate vesting of Options, PSUs or RSUs.

The terms of the arrangements with Messrs. Gadbois, Segal and Hess (each a "**Participant**") concerning the satisfaction of their pre-IPO equity arrangements (see "**—Satisfaction of Pre-IPO Equity Participation Arrangements**") contemplate various outcomes with respect to the Subordinate Voting Shares they are prohibited from selling from time-to-time pursuant to the terms of such arrangements, based on different termination scenarios.

- For Mr. Gadbois and Mr. Hess, during the Restriction Period, each Participant will forfeit all of his Subordinate Voting Shares that are subject to the Restriction Period if he resigns from his employment or his employment is terminated for cause prior to the expiration of the Restriction Period. If the Company terminates a Participant's employment without cause prior to the expiration of the Restriction Period, he will be entitled to retain 50% of his Subordinate Voting Shares that would have been released at the expiration of the Restriction Period and such Subordinate Voting Shares will be released immediately. The Company will pay the tax owing by the Participant in respect of the 50% of Subordinate Voting Shares that are forfeited on termination without cause. If a Participant dies or becomes permanently disabled during the Restriction Period, the Restriction Period for that Participant's Subordinate Voting Shares will expire on the date of death or disability and the Subordinate Voting Shares that would have been released at the end of the Restriction Period will be released immediately.
- Mr. Segal's pre-IPO equity arrangements were satisfied with two different terms of arrangements. (i) Under one arrangement, during the Restriction Period, Mr. Segal will forfeit all of his Subordinate Voting Shares that are subject to the Restriction Period if he resigns from his employment or his employment is terminated for cause prior to the expiration of the Restriction Period. If the Company terminates Mr. Segal's employment without cause, then his Restricted Shares shall remain subject to the Restriction Period in the normal course. If Mr. Segal dies or becomes permanently disabled during the Restriction Period, the Restriction Period for his Subordinate Voting Shares will expire on the date of death or disability and the Subordinate Voting Shares that would have been released at the end of the Restriction Period will be released immediately. (ii) Under the second arrangement, if Mr. Segal's employment is terminated by the Company during the Restriction Period, then his Restricted Shares shall remain subject to the Restriction Period in the normal course. If Mr. Segal dies or becomes permanently disabled during the Restriction Period, the Restriction Period for his Subordinate Voting Shares will expire on the date of death or disability and the Subordinate Voting Shares that would have been released at the end of the Restriction Period will be released immediately.

Under Mr. Gadbois' employment agreement, if there is a change of control transaction and during the period between the 6th and 12th month anniversary of the transaction Mr. Gadbois terminates his employment with the Company for "Good Reason" (as defined in his employment agreement), then his resignation will be treated as a termination without cause.

The table below shows the incremental payments that would be made to the Company's Named Executive Officers upon the occurrence of certain events, if such events were to have occurred on December 31, 2015.

<u>Name</u>	<u>Event</u>	<u>Severance⁽¹⁾</u>	<u>PSUs⁽²⁾</u>	<u>Options</u>	<u>Other Payments</u>	<u>Total</u>
Ronnen Harary <i>Co-Chief Executive Officer</i>	Termination without Cause within 12 months from a Change of Control	—	\$260,520	—	—	\$ 260,520
Anton Rabie <i>Co-Chief Executive Officer</i>	Termination without Cause within 12 months from a Change of Control	—	\$260,520	—	—	\$ 260,520
Mark Segal <i>Executive Vice President & Chief Financial Officer</i>	Termination without Cause Termination without Cause within 12 months from a Change of Control	\$ 499,458 \$ 499,458	— \$180,629	— —	— —	\$ 499,458 \$ 680,087
Ben J. Gadbois <i>Global President & Chief Operating Officer</i>	Termination without Cause Termination without Cause within 12 months from a Change of Control Resigns for "Good Reason" within 6 to 12 months from a Change of Control	\$1,585,938 \$1,585,938 \$1,093,750	— \$500,079 \$500,080	— — —	— — —	\$1,585,938 \$2,086,017 \$1,593,830
Ben Varadi <i>Executive Vice President & Chief Creative Officer</i>	Termination without Cause within 12 months from a Change of Control	—	\$260,520	—	—	\$ 260,520
Bill Hess <i>Executive Vice President Operations & Chief Information Officer</i>	Termination without Cause Termination without Cause within 12 months from a Change of Control	\$ 601,667 \$ 601,667	— \$136,388	— —	— —	\$ 601,667 \$ 738,055

(1) Severance payments are calculated based on actual salary in effect as the end of fiscal 2015, and pro-rated annual bonus amounts. The severance amounts reported in the above table for Mr. Harary, Mr. Rabie, Mr. Varadi and Mr. Segal have been converted to U.S. dollars using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

(2) The value of PSUs are based on the December 31, 2015 closing price of C\$21.86 per Subordinate Voting Share on the TSX and using the December 31, 2015 closing rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars of \$1.00 equals C\$1.3840.

Executive Officer Share Ownership Guidelines

The Company strongly supports share ownership by its Co-Chief Executive Officers and senior executive team and, accordingly, has minimum share ownership guidelines. Co-Chief Executive Officers and senior executive team can meet share ownership requirements through direct or beneficial ownership of the Company securities, including PSUs and RSUs granted under the Company's Long-Term Incentive Plan. Employees who are promoted or appointed into a position that is subject to these requirements have five years to meet the minimum requirement.

The ownership requirements as a multiple of annual base salary are set forth in the table below:

<u>Position</u>	<u>Multiple of Base Salary</u>
Co-Chief Executive Officers	4 ×
Senior Executive Team	2 ×

Each of the Co-Chief Executive Officers and members of the senior executive team meet the applicable ownership requirements pursuant to the foregoing guidelines.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No Directors, executive officers or proposed nominees for election as Directors (or any associates thereof) are indebted to the Company and the Company has not guaranteed or otherwise agreed to provide assistance in the maintenance or servicing of any indebtedness of any Director, executive officer or proposed nominee for election as a Director (or any associates thereof).

CORPORATE GOVERNANCE

Director Independence

Currently, the Board is comprised of nine Directors, four of which are considered to be independent within the meaning of Section 1.4 of the NI 52-110, being Messrs. Cassaday, Tappin and Winograd and Ms. Howell. Messrs. Harary, Rabie, Varadi and Gadbois are not considered to be Independent Directors since they serve as executive officers of the Company. Mr. Cohen is not considered to be an Independent Director since he is a partner of Torkin Manes LLP, which provides legal services to the Company.

As a majority of the Board is not considered to be Independent Directors, the Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Company. In particular, as Mr. Rabie, a non-Independent Director, is the Chair of the Board, Mr. Cassaday, an Independent Director, acts as the Lead Director (see “— Position Descriptions”). Further, the Audit Committee is comprised entirely of Independent Directors, while a majority of the GN&C Committee is Independent Directors. The Board has also adopted a policy that the Independent Directors will hold *in camera* sessions at each meeting of the Board and its committees, at which management and non-Independent Directors are not to be present. The Independent Directors also have the opportunity, at their discretion, to hold *ad hoc* meetings that are not attended by management and non-Independent Directors. During 2015, the Independent Directors held *in camera* or *ad hoc* meetings that were not attended by management and non-Independent Directors as follows: two Board meetings; and two Audit Committee meetings.

Board Mandate

The Board operates under the Mandate of the Board of Directors set out at Appendix A hereto, pursuant to which it provides governance and stewardship to the Company and its business. The Mandate also describes the Board’s responsibility for, among other things: participating in the development of and adopting a strategic plan for the Company; supervising the activities and managing the affairs of the Company; defining the roles and responsibilities of management and delegating management authority to the Co-CEOs; reviewing and approving the business and investment objectives to be met by management; assessing the performance of and overseeing management; identifying and managing risk exposure; ensuring the integrity and adequacy of the Company’s internal controls and management information systems; succession planning; establishing committees of the Board, where required or prudent, and defining their mandate; ensuring effective and adequate communication with shareholders, other stakeholders and the public; determining the amount and timing of dividends, if any, to shareholders; and monitoring the social responsibility, integrity and ethics of the Company.

Board Committees

Audit Committee

The Audit Committee consists of Mr. Tappin (Chair), Mr. Winograd and Mr. Cassaday, each of whom is considered “independent” for purposes of audit committees and “financially literate” within the meaning of NI 52-110. The Audit Committee operates under the Charter of the Audit Committee, pursuant to which the Committee assists the Board in fulfilling its oversight responsibilities with respect to: financial reporting and disclosure; ensuring that an effective risk management and financial control framework has been designed, implemented and tested by management of the Company; external audit processes; helping Directors meet their responsibilities; providing better communication between Directors and external auditors; enhancing the independence of the external auditors; increasing the credibility and objectivity of financial reports; and strengthening the role of Directors by facilitating in-depth discussions among Directors, management and the external auditors regarding significant issues involving judgment and impacting quality controls and reporting.

In accordance with NI 52-110, Shareholders may obtain further information concerning the Company’s Audit Committee in the Company’s most recent Annual Information Form, which is available under the Company’s profile on SEDAR at www.sedar.com.

Governance, Nominating and Compensation Committee

The GN&C Committee consists of Mr. Cassaday (Chair), Ms. Howell and Mr. Cohen, a majority of whom are Independent Directors. The Board has adopted a written charter for the GN&C Committee setting out its responsibilities for compensation matters, as described at “Executive Compensation — Compensation Governance — Role of the Governance, Nominating and Compensation Committee”.

The written charter for the GN&C Committee also sets out its responsibilities for nomination and governance matters, as described below at “— Nomination and Election of Directors”, “— Orientation and Continuing Education” and “— Assessments”.

Position Descriptions

As a controlled corporation, the Company believes it is appropriate for the positions of Chair of the Board and Co-CEO to overlap and for such individual to be one of the Company’s controlling shareholders.

The Board has adopted a written position description for the Chair of the Board, which sets out the Chair’s key responsibilities, including for: providing leadership to enhance the effectiveness of the Board; leading the activities and meetings of the Board; chairing Board and Shareholder meetings; fostering ethical and responsible decision making and a healthy governance culture; supporting orientation of new, and the continued education of, incumbent Directors; serving as a liaison between the Board and management of the Company and acting as an advisor to and sounding board for the Co-CEOs; representing the Company to shareholders and external stakeholders; and providing additional services required by the Board.

The Board has also adopted a written position description for the Lead Director. As long as the Chair of the Board is not an Independent Director, there will be a Lead Director. The Lead Director’s key responsibilities include: providing leadership to ensure the Board works in an independent, cohesive fashion; working with the Chair of the Board, Co-CEOs and Corporate Secretary to set the agenda for Board meetings; chairing meetings of Independent Directors without management present; acting as a liaison between the Independent Directors and the Chair of the Board; and providing additional services required by the Board.

The Board has also adopted a written position description for each of the Board committee Chairs which sets out each of the Board committee Chair’s key responsibilities, including duties relating to: providing leadership to foster the effectiveness of the Board committee; ensuring there is an effective relationship between the Board and the Board committee, including by providing a report to the Board on material matters; preparing the agenda for each meeting of the Board committee; chairing Board committee meetings; and providing additional services required by the Board and the Board committee.

The Board has also adopted a position description for the Co-CEOs which sets out the key responsibilities of the Co-CEOs including for: developing and recommending to the Board a long-term strategy and vision for the Company that is consistent with creating Shareholder value; providing leadership and vision, maintaining a high level of employee morale and motivation, with a view to ensuring the implementation of the Company’s strategy; fostering a corporate culture that promotes integrity and ethical values throughout the organization; developing and motivating executive officers, and providing overall management to ensure the effectiveness of the leadership team; developing and recommending to the Board annual business plans and budgets that support the Company’s long-term strategy; ensuring that succession plans are in place for the Company; and serving as the Company’s chief spokespersons.

Nomination and Election of Directors

The Principal Shareholders Agreement provides that the Majority Principals are entitled to select 80% of the Director nominees for election (currently, seven of nine Directors) and that two of the Directors nominated by the Majority Principals shall be Independent Directors. Accordingly, the GN&C Committee is currently responsible for identifying two candidates for election to the Board. The selection of Director nominees by the GN&C Committee is done in consultation with the Majority Principals. The requirement to nominate Independent Directors must first be satisfied by the nominees of the GN&C Committee and, if not sufficient, by the Majority Principal Nomination Rights. For further information regarding the Director nomination

procedures under the Principal Shareholders Agreement and the Company's Advance Notice Provisions see "Election of Directors".

Subject to the terms of the Principal Shareholders Agreement, as applicable, the GN&C Committee is responsible for periodically reviewing the size of the Board, with a view to determining the impact of the number of directors on the effectiveness of the Board, and identifying potential nominees to the Board, reviewing their qualifications and experience, determining their independence as required under all applicable corporate and securities laws, and recommending to the Board the nominees for consideration by, and presentation to, the shareholders at the Company's next annual meeting. In making its recommendations, the Committee considers the competencies and skills that the Board considers to be necessary for the Board as a whole to possess, the competencies and skills that the Board considers each existing Director to possess, as well as the competencies and skills each new nominee will bring to the boardroom. The Committee also considers the amount of time and resources that nominees have available to fulfill their duties as Board members or committee members, as applicable.

Owing to the brief period of time since the Company's IPO, the newly-constituted Board has not adopted a written policy concerning Board diversity. The Board intends to consider the adoption of such a policy during 2016. The Board believes that diversity is important to ensure that Board members provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship of the Corporation. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the important contributions that women can make to the diversity of perspective in the boardroom. The Company has not adopted a target regarding women on the Board as the Board believes that arbitrary targets are not in the best interests of the Company. The Board is committed to nominating the best individuals to be elected as Directors of the Company. Pursuant to the Principal Shareholders Agreement, the Majority Principals are entitled to select 80% of the Director nominees for election to the Board at each meeting of Shareholders and, as such, the Board is not in a position to have an impact on the diversity of such candidates.

Upon completion of the IPO, there was one woman on the Board, representing 11% of the Directors of the Company. There is currently one woman on the Board, representing 11% of the Directors. As the Majority Principals are entitled to select seven of the nine Director nominees for election, the Corporation is not in a position to impact the diversity of such candidates. Of the two candidates for election to the Board that the GN&C Committee is responsible for identifying, one is a woman (representing 50% of such candidates).

The GN&C Committee is also responsible for periodically examining and making recommendations to the Board in relation to mechanisms of Board renewal. The Company currently does not have any policies imposing a term or retirement age limit in connection with individuals nominated for election as Directors, as the GN&C Committee and the Board believe that such arbitrary limits are not in the best interests of the Company. In connection with its IPO, the Board was constituted with a number of new Directors and it is the Board's intention going-forward to strive to achieve a balance between the desirability to have a depth of institutional experience from its members on the one hand, and the need for renewal and new perspectives on the other hand.

Orientation and Continuing Education

Pursuant to the orientation program put in place by the GN&C Committee, each new Director attended a comprehensive orientation session during which they were provided with product demonstrations and an education as to the nature and operation of the Company and its business, and members of senior management from each functional area within the Company presented on wide-ranging topics concerning the Company, including regarding its corporate structure and financial and legal matters. New Directors were also apprised of the Company's current executive compensation arrangements by Mercer, as well as the decision-making process underlying such arrangements. The GN&C Committee is responsible for coordinating the continuing education program for Directors in order to maintain or enhance their skills and abilities as Directors, as well as ensuring that their knowledge and understanding of the Company and its business remains current.

Assessments

The GN&C Committee, in consultation with the Chair of the Board, is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board, the Board committees and individual Directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working effectively together as a unit. During 2016, the GN&C Committee will consider the implementation of a formal process to facilitate such assessments. The GN&C Committee currently informally monitors Director performance throughout the year (noting particularly any Directors who have had a change in their primary job responsibilities or who have assumed additional directorships since their last assessment) to ensure that the Board, the Board committees and individual Directors are performing effectively.

Ethical Business Conduct and Compliance

The Board has adopted a Code of Ethics and Business Conduct (the “Code”) applicable to each Director, officer, employee and representative of the Company and its subsidiaries. The Code provides a set of ethical standards for conducting the business and affairs of the Company with honesty, integrity and in accordance with high ethical and legal standards. The Code is available from the Executive Vice President and General Counsel, Corporate Secretary of the Company at 450 Front Street West, Toronto, Ontario, M5V 1B6.

As part of the Code, a member of the Board who has a material interest in a matter before the Board or any Board committee on which he or she serves is required to disclose such interest as soon as the member of the Board becomes aware of it. In situations where a member of the Board has a material interest in a matter to be considered by the Board or a Board committee, such member of the Board must disclose such interest to the Board and may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place.

The GN&C Committee is responsible for reviewing and evaluating the Code from time to time and making recommendations for any necessary or appropriate changes to the Board. The GN&C Committee also assists the Board with the monitoring of compliance with the Code, and the Board is responsible for considering any waivers of the Code. Each person to which the Code applies is required to certify his or her acknowledgement and acceptance of it upon, and periodically during, his or her employment or engagement.

Succession Planning

The Board is responsible for overseeing the succession planning processes of the Company with respect to senior management positions. The Company’s succession planning process, which is tailored to its particular circumstances as a controlled company with the founding controlling shareholders as members of management team, includes the identification and consideration of suitable short — and long-term candidates to hold the applicable roles, on both an interim and permanent basis. Candidates are considered based on various factors, including (where relevant) executive experience, market and industry expertise, familiarity with the Company’s business, past performance with the Company, as well as past successes in achieving particular corporate goals.

Executive Officer Diversity

The Company is committed to selecting highly-qualified individuals to fulfill management roles and considers the qualities and experiences of candidates, including their educational background, business experience, expertise and integrity, in the selection and recruitment of its executive officers. The Company believes the presence of qualified and diverse individuals in executive positions is important to ensure that management provides the necessary range of perspectives, experience and expertise. The Company also recognizes the significant contributions that women with appropriate and relevant skills and experience can make to the diversity of perspective in executive management roles, but has not established targets for this purpose as the Board believes that arbitrary targets are not in the best interests of the Company.

Owing to the brief period of time since the Company’s IPO, the newly-constituted Board has not adopted a written policy concerning its approach to diversity, including on its executive management team. The Company is currently developing such a policy, which is anticipated to be put in place during 2016. There is currently one woman who occupies an executive officer position within the Company, but with respect to its senior employees,

29% of the Company's employees with a Vice-President title are women and 44% of the Company's employees with a Director title are women.

DIRECTOR AND OFFICER INSURANCE

The Company's current directors' and officers' insurance policies provide for aggregate coverage of \$50 million. The policies protect the Company's directors and officers against liability incurred by them while acting in their capacities as directors and officers of the Company and its subsidiaries. The Company's cost for these policies is approximately \$110,000 annually. Limits available under the policies are subject to a self-retention of \$100,000 for each loss or claim depending on the type of claim.

In addition to the aforementioned directors' and officers' insurance policies, the Company maintains policies of public offering of securities insurance relating specifically to claims arising from or related to its IPO. These policies, which are in effect until July 30, 2021, provide for aggregate coverage of \$50 million and protect the Company, its directors and officers, the directors and officers of the Company's subsidiaries, and those entities considered to be promoters in connection with the IPO. This coverage was acquired for a one-time premium payment of approximately \$160,000 and is subject to a deductible of \$100,000 for each loss, depending on the type of claim.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as noted below, no Director or executive officer of the Company, person or company that beneficially owns, or controls or directs, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares, or associate or affiliate of any of the foregoing persons or companies, has or had a material interest, direct or indirect, in any transaction occurring on or since July 30, 2015, the date the Company completed its IPO, or in any proposed transaction that has materially affected or will materially affect the Company:

- transactions effected in connection with the IPO, pursuant to which the Company and the Principal Shareholders, indirectly through their personal holding companies: (i) created the Company by an amalgamation of its predecessor corporations, (ii) transferred non-business-related assets to the Principal Shareholders, (iii) paid dividends in the aggregate amount of approximately \$235.1 million to the Principal Shareholders, (iv) satisfied the Company's pre-IPO equity participation arrangements with certain employees, (v) issued RSUs to employees and (vi) terminated certain profit sharing arrangements between the Company and certain employee, all as further described in the Company's supplemented PREP prospectus dated July 22, 2015; and
- the provision of legal services to the Company and its subsidiaries by Torkin Manes LLP, of which Mr. Jeffrey I. Cohen is a partner, pursuant to which the Company incurred fees of approximately C\$2.5 million in 2015.

APPOINTMENT OF AUDITORS

Deloitte LLP, Chartered Professional Accountants, Chartered Accountants Licensed Public Accountants, located in Toronto, Ontario are currently the auditors of the Company and have been the auditors of the Company (including its predecessors) for the past 16 years. The Directors recommend that Deloitte LLP be re-appointed as auditors of the Company, to hold office until the close of the next annual meeting of Shareholders or until a successor is appointed, and that the Directors of the Company be authorized to fix Deloitte LLP's remuneration as the auditors of the Company.

In accordance with NI 52-110, Shareholders may obtain further information concerning the fees paid to the auditors of the Company in the Company's most recent Annual Information Form, which is available under the Company's profile on SEDAR at www.sedar.com.

Except where authority to vote in respect of the matter has been withheld, the representatives of management named in the form of proxy will vote the Voting Shares represented thereby FOR the re-appointment of Deloitte LLP as the auditors of the Company and to authorize the Directors of the Company to fix the remuneration of Deloitte LLP as the auditors of the Company.

SHAREHOLDER PROPOSALS

The final date by which the Company must receive a proposal for any matter that a Shareholder proposes to raise at the annual meeting of Shareholders to be held in 2017 is March 13, 2017.

ADDITIONAL INFORMATION

Additional information relating to the Company (including, without limitation, its Annual Information Form) can be found under the Company's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the Company's most recently completed financial year. Copies of this Circular, the Annual Information Form and audited consolidated annual financial statements of the Company as at and for the year ended December 31, 2015, and related management's discussion and analysis, may be obtained without charge by writing to the Executive Vice President & Chief Financial Officer of the Company at 450 Front Street West, Toronto, Ontario, M5V 1B6.

APPROVAL OF THE DIRECTORS

The contents of this Circular and the sending thereof to the shareholders of the Company have been approved by the Board of Directors.

Toronto, Ontario, March 24, 2016.

By Order of the Board of Directors

(signed) "*Christopher Harrs*"
Executive Vice President and
General Counsel, Corporate Secretary

APPENDIX A
SPIN MASTER CORP.
MANDATE OF THE BOARD OF DIRECTORS

Effective Date: November 10th, 2015

1. Statement of Purpose

The Board of Directors (the “**Board**”) is responsible for the stewardship of Spin Master Corp. (the “**Company**”) and for supervising the management of the business and affairs of the Company. Accordingly, the Board acts as the ultimate decision-making body of the Company, except with respect to those matters that must be approved by the shareholders. The Board has the power to delegate its authority and duties to Board committees or individual members and to senior management as it determines appropriate, subject to any applicable law. The Board explicitly delegates to senior management responsibility for the day-to-day operations of the Company, including for all matters not specifically assigned to the Board or to any committee of the Board. Where a committee of the Board or senior management is responsible for making recommendations to the Board, the Board will carefully consider those recommendations.

Certain aspects of the composition and organization of the Board (including: the number, qualifications and remuneration of directors; the number of Board meetings; Canadian residency requirements; quorum requirements; and meeting procedures and notices of meetings) are prescribed by the *Business Corporations Act* (Ontario), the *Securities Act* (Ontario), the Company’s articles and by-laws, subject to any exemptions or relief that may be granted from such requirements, and applicable Company agreements, including the Principal Shareholders Agreement (as defined in the Company’s supplemented PREP prospectus dated July 22, 2015). In addition, certain of the provisions of this Mandate may be affected or superseded by the provisions of the Principal Shareholders Agreement. In the event of a conflict between the provisions of this Mandate and the provisions of the Principal Shareholders Agreement, the provisions of the Principal Shareholders Agreement shall prevail.

2. Board Mandate

The directors’ primary responsibility is to act in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of the Company. In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- participating in the development of the Company’s strategic planning process and adopting a long-term strategic plan for the Company;
- determining, from time to time, the appropriate criteria against which to evaluate performance and set strategic goals and objectives;
- monitoring performance against both strategic goals and objectives of the Company and satisfying itself that the Company is pursuing a sound strategic direction in accordance with such goals and objectives;
- reviewing, and if advisable, approving management’s annual fiscal plan;
- reviewing operating and financial performance results relative to established corporate goals and objectives;
- reviewing reports provided by management regarding the principal risks associated with the Company’s business and operations, reviewing the implementation by management of appropriate systems to manage these risks, and reviewing reports by management relating to the operation of, and any material deficiencies in, these systems;
- overseeing the Company’s compliance with applicable audit, accounting and financial and non-financial reporting requirements and confirming that management has established adequate internal control and management information systems, including in the areas of internal control over financial reporting and disclosure controls and procedures;

- adopting a communications policy for the Company (including ensuring the timeliness and integrity of communications to shareholders, other stakeholders and the public and establishing suitable mechanisms to receive shareholder views);
- reviewing and approving the Company’s annual and interim financial statements and related management’s discussion and analysis, annual information form, annual report (if any) and management proxy circular;
- determining the amount and timing of dividends to shareholders, if any, and approving any securities issuances and repurchases by the Company;
- on an annual basis, determining which of its directors is independent based on the rules of applicable stock exchanges and securities regulatory authorities;
- establishing committees of the Board, where required or prudent;
- approving the charters of the Board committees, the appointment of directors to Board committees and the appointment of the chairs of those committees;
- reviewing reports of the Governance, Nominating and Compensation Committee concerning the Company’s approach to human resources management and executive compensation;
- reviewing and approving the business and investment objectives to be met by management and ensuring they are consistent with the Company’s long-term goals;
- appointing the Chief Executive Officer (the “CEO”) or, if more than one, Co-CEOs and other corporate officers (it being recognized that the Company currently has two Co-CEOs — references to “Co-CEOs” herein shall be to “CEO” should there only be one CEO at a future date);
- delegating to the Co-CEOs the authority to manage and supervise the business of the Company, including making any decisions regarding the Company’s ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority;
- determining what, if any, executive limitations may be required in the exercise of the authority delegated to management;
- monitoring the social responsibility, integrity and ethics of the Company, including, on an ongoing basis, satisfying itself as to the integrity of the Co-CEOs and other executive officers and that the Co-CEOs and the other executive officers create a culture of integrity throughout the Company;
- monitoring and evaluating the performance of the Co-CEOs and the other executive officers against the corporate goals and objectives;
- satisfying itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management;
- reviewing reports of the Governance, Nominating and Compensation Committee concerning the Company’s approach to corporate governance;
- adopting a Code of Ethics and Business Conduct (the “Code”) applicable to all directors, officers and employees of the Company and its subsidiaries, and approving any waiver of the Code for directors or executive officers; and
- approving position descriptions for the Chair of the Board, the Lead Director (if applicable), the chair of each Board committee and the Co-CEOs, and periodically reviewing such position descriptions.

3. Independence of Directors

If the Chair of the Board is not independent, the directors shall select from among the independent directors, an individual who will act as “Lead Director” and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board.

The Board will consider, on an ongoing basis, whether additional structures or processes are required to permit it to function independently of management of the Company.

The Board believes that its members should be permitted to serve on the boards of other public entities so long as these commitments do not materially interfere with and are not incompatible with their ability to fulfill their duties as a member of the Board.

4. Committees

The Board has established the following committees: the Audit Committee and the Governance, Nominating and Compensation Committee. Circumstances may warrant the establishment of new Board committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees.

The authority and responsibilities of each Board committee shall be set out in a written charter that has been approved by the Board. At least annually, each Board committee charter shall be reviewed and, on the recommendation of the Governance, Nominating and Compensation Committee, any advisable amendments thereto shall be approved by the Board.

Each Board committee chair shall provide a report to the Board on material matters considered by the committee at the next regular Board meeting following such committee's meeting.

5. Board Meetings

5.1 *Agenda*

The Chair is responsible for establishing the agenda for each Board meeting.

5.2 *Frequency of Meetings*

The Board will meet as often as the Board considers appropriate to fulfill its duties, but in any event at least once per quarter.

5.3 *Responsibilities of Directors with Respect to Meetings*

Each director is expected to attend all meetings of the Board and any Board committee of which he or she is a member. Directors are expected to have read and considered, in advance of each meeting, the materials sent to them and to actively participate in the meetings.

5.4 *Minutes*

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary in sufficient detail to convey the substance of all discussions held and shall be, on a timely basis, subsequently presented to the Board for approval.

5.5 *Attendance at Meetings*

The Board (or any Board committee) may invite, at its discretion, non-directors to attend a meeting. Any member of management will attend a meeting if invited by the directors. The Chair of the Board may attend any Board committee meeting.

5.6 *Meetings of Independent Directors*

At the conclusion of each meeting of the Board, the independent directors shall hold an in-camera session, at which management and non-independent directors are not present, and the agenda for each Board meeting will afford an opportunity for such a session. The independent directors may also, at their discretion, hold ad hoc meetings that are not attended by management and non-independent directors.

6. Communications with Shareholders and Others

Shareholders and others may contact the Board with any questions or concerns, including complaints with respect to accounting, internal accounting controls, or auditing matters, by contacting the Chief Financial Officer of the Company at 450 Front St W, Toronto, ON M5V 1B6.

7. Access to Management and Outside Advisors

The Board shall have unrestricted access to the Company's management and employees. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

8. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the Company's affairs. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles and by-laws, and the Principal Shareholders Agreement, it is not intended to establish any legally binding obligations.

9. Mandate Review

Periodically, the Board shall review and assess the adequacy of this Mandate to ensure compliance with any rules or regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

