



NFI GROUP INC.

**NOTICE OF ANNUAL MEETING
AND MANAGEMENT INFORMATION
CIRCULAR**

**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 5, 2022**

March 22, 2022

NFI GROUP INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND AVAILABILITY OF INVESTOR MATERIALS

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the shareholders of NFI Group Inc. (“**NFI**”) will be held on Thursday May 5, 2022 at 12:00 pm (Winnipeg time). Due to the public health impact of the coronavirus pandemic (COVID-19) and in consideration of the health and safety of our shareholders, team members and the broader community, the Meeting will be held in a virtual meeting format only, by way of a live audio-only webcast at <https://meetnow.global/MSGRA9U>, for the following purposes:

1. **TO RECEIVE** the consolidated financial statements of NFI for the fiscal year ended January 2, 2022, together with the report of the auditors thereon (see section Matters To Be Considered At The Meeting – Financial Statements in the Management Information Circular (the “**Information Circular**”));
2. **TO APPOINT** the auditors and authorize the board of directors of NFI to fix the remuneration of the auditors (see section Matters To Be Considered At The Meeting – Appointment of Auditors in the Information Circular);
3. **TO ELECT** ten members of the board of directors of NFI (see section Matters To Be Considered At The Meeting – Election of Directors in the Information Circular);
4. **TO CONSIDER** and, if deemed appropriate, **TO PASS** an advisory resolution in the form set in Schedule “A” to the Information Circular on the approach to executive compensation (“**Say on Pay Resolution**”) (see section Matters To Be Considered At The Meeting – Advisory Resolution on Approach to Executive Compensation in the Information Circular); and
5. **TO TRANSACT** such other business as may properly come before the meeting or any adjournment thereof.

The Information Circular relating to the Meeting provides additional information relating to the matters to be dealt with at the Meeting as well as how to participate and vote at the virtual Meeting.

You have the right to receive notice of, and to vote at, the annual meeting if you were a shareholder of NFI at 5:00 p.m. (Toronto time) on Monday, March 7, 2022.

Notice and Access

NFI is using the notice and access procedure (Notice and Access) adopted by the Canadian Securities Administrators for the delivery of the Information Circular, the consolidated financial statements of NFI for the fiscal year ended January 2, 2022 and related management’s discussion and analysis (collectively, the “**Meeting Materials**”). Under Notice and Access, you are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote at the Meeting. However, instead of receiving paper copies of the Meeting Materials, shareholders receive this notice of meeting which contains information about how to access the Meeting Materials electronically. The principal benefit of Notice and Access is to reduce costs and the environmental impact of producing and distributing large quantities of paper documents. Shareholders who have consented to electronic delivery of materials may receive this notice of meeting in an electronic format.

The Information Circular and form of proxy (or voting instruction form) provide additional information concerning the matters to be dealt with at the meeting. **Shareholders are reminded to review all information contained in the Meeting Materials prior to voting.**

For more information about Notice and Access procedures, please call Broadridge Investor Communications Corporation (“**Broadridge**”) toll-free at 1-844-916-0609 (English) or 1-844-973-0593 (French).

Websites Where Meeting Materials Are Posted

The Meeting Materials are available on NFI’s website, www.nfigroup.com and under NFI’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

How to Obtain Paper Copies of Meeting Materials

All shareholders may request that paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date that the Meeting Materials are posted on NFI’s website, and such requests may be made by calling Broadridge toll-free at 1-877-907-7643 or requesting materials online at www.proxyvote.com. You will need the 16-digit control number on the voting instruction form.

Requests must be received by 12:00 pm (Winnipeg time) on Thursday, April 21, 2022 if you would like to receive the Meeting Materials in advance of the voting deadline and date of the Meeting.

Voting

Shareholders who are beneficial owners of common shares of NFI (“**Beneficial Owners**”) will receive a voting instruction form with their Meeting Materials. The purpose of this form is to permit Beneficial Owners to direct the voting of the shares they own. As a Beneficial Owner, a shareholder should do the following:

If You Do Not Wish to Vote at the Meeting.

If, as a Beneficial Owner, you do not wish to participate and vote at the Meeting (or have another person participate and vote on your behalf), complete and sign the voting instruction form and return it in accordance with the instructions on the form. Voting instruction forms sent by Broadridge also permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com.

If You Wish to Vote at the Meeting (or Have Someone You Choose Vote for You).

If, as a Beneficial Owner, you wish to participate and vote at the Meeting (or have another person, who need not be a shareholder, participate and vote on your behalf), you must follow the instructions on the voting instruction form that you receive or seek a form of proxy from your intermediary. Duly appointed proxyholders who log in to the Meeting online will be able to listen, ask questions and securely vote through a web-based platform, provided that they are connected to the internet and follow the instructions set out in this Information Circular. Beneficial Owners who wish to appoint a proxyholder to represent them at the Meeting must submit their duly completed proxy or voting instruction form AND register the proxyholder with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. Registering the proxyholder is an additional step once the Beneficial Owner has submitted their proxy/voting instruction form. Failure to register the proxyholder (the person you have designated to attend the Meeting, who could be yourself or another person) with Computershare will result in that proxyholder not receiving an invite code to participate in the Meeting.

To register a proxyholder, a Beneficial Owner MUST visit <https://www.computershare.com/NFIGroup> by no later than 12:00 pm (Winnipeg time) on May 3, 2022 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an invite code via email after the deadline for depositing proxies has passed.

Beneficial Owners who have not duly appointed a proxyholder will be able to attend the Meeting as guests and ask questions, provided that they are connected to the internet, but will not be able to vote. **As a Beneficial Owner, you should follow the instructions on the voting instruction form you receive. If you are not sure what to do, you should immediately contact your intermediary in respect of your common shares.**

DATED at Toronto, Ontario this 22nd day of March, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

By: “The Honourable Brian Tobin”

The Honourable Brian Tobin
Chairperson of the Board of Directors

NFI GROUP INC.

INFORMATION CIRCULAR

This Information Circular is provided in connection with the solicitation of proxies by or on behalf of management of NFI Group Inc. (“NFI” and, together with its subsidiaries, the “Company”) for use at the annual meeting (the “Meeting”) of shareholders (the “Shareholders”) of NFI to be held on Thursday May 5, 2022 commencing at 12:00 pm (Winnipeg time) in a virtual meeting format only, by way of a live audio-only webcast at <https://meetnow.global/MSGRA9U>, and at all postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.

All references to “**Common Shares**” in this Information Circular refer to common shares of NFI. If you hold Common Shares, you are a Beneficial Owner and are entitled to receive notice of, participate and vote at the Meeting as further described in this Information Circular.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$”, “C\$”, “CAD” and “dollars” are to the lawful currency of Canada. References to “US\$” and “USD” are to the lawful currency of the United States.

The information contained in this Information Circular is given as at March 22, 2022, except where otherwise noted.

INFORMATION FOR BENEFICIAL OWNERS OF COMMON SHARES

Overview of Book-Entry Only Registration of Common Shares

Common Shares are registered in a “book-entry only” system under which all the issued and outstanding Common Shares are evidenced by global certificates that are registered in the name of and held by CDS Clearing and Depository Services Inc. or its nominee (“**CDS**”). At the date of this Information Circular, CDS is the only registered holder of the Common Shares.

CDS and intermediaries (such as banks, trust companies, securities dealers and brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) with whom you deal in respect of your Common Shares maintain written records (book-entries) of who are the beneficial owners of Common Shares and how many Common Shares they beneficially own. In this Information Circular, references to “**Beneficial Owners**” means persons who are shown in the book-entry only system as beneficial owners of Common Shares.

Notice and Access

This Information Circular and associated materials for the meeting (collectively, the “**Meeting Materials**”) are being sent to Shareholders using Notice and Access, the delivery procedures that allow NFI to send Shareholders paper copies of a notice of meeting and form of proxy (or voting information form) while providing Shareholders access to electronic copies of the Meeting Materials over the Internet or to receive paper copies of the Meeting Materials if they so request within the prescribed time periods. The Meeting Materials are available on NFI’s website, www.nfigroup.com and under NFI’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. For more information, please refer to the notice of meeting delivered to you.

Request for Voting Instructions

Beneficial Owners will receive a voting instruction form with the Notice of the Meeting. The purpose of this form is to permit you as a Beneficial Owner to direct the voting of the Common Shares you own. As a Beneficial Owner, you should do the following:

If You Do Not Wish to Vote at the Meeting.

If, as a Beneficial Owner, you do not wish to participate and vote at the Meeting (or have another person participate and vote on your behalf), complete and sign the voting instruction form and return it in accordance with the instructions on the form. Voting instruction forms sent by Broadridge Financial Services, Inc. (“Broadridge”) (the service company used by intermediaries to forward materials to Beneficial Owners) also permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com. As a Beneficial Owner, you may revoke a voting instruction form given to an intermediary at any time by written notice to the intermediary. However, an intermediary is not required to act on a revocation of a voting instruction form that is not received by the intermediary at least seven days prior to the Meeting.

If You Wish to Vote at the Meeting (or Have Someone You Choose Vote for You).

If, as a Beneficial Owner, you wish to participate and vote at the Meeting (or have another person, who need not be a Shareholder, participate and vote on your behalf), you must follow the instructions on the voting instruction form that you receive or seek a form of proxy from your intermediary. Duly appointed proxyholders who log in to the Meeting online will be able to listen, ask questions and securely vote through a web-based platform, provided that they are connected to the internet and follow the instructions set out in this Information Circular. Beneficial Owners who wish to appoint a proxyholder to represent them at the Meeting must submit their duly completed proxy or voting instruction form AND register the proxyholder with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“Computershare”) as described below. **Registering the proxyholder is an additional step once the Beneficial Owner has submitted their proxy/voting instruction form. Failure to register the proxyholder (the person you have designated to attend the Meeting, who could be yourself or another person) with Computershare will result in that proxyholder not receiving an invite code to participate in the Meeting.**

To register a proxyholder, a Beneficial Owner MUST visit <https://www.computershare.com/NFIGroup> by no later than 12:00 p.m. (Winnipeg time) on May 3, 2022 and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with an invite code via email after the deadline for depositing proxies (as described below in “Deposit of Proxies”) has passed.

Beneficial Owners who have not duly appointed a proxyholder will be able to attend the Meeting as guests and ask questions, provided that they are connected to the internet, but will not be able to vote.

As a Beneficial Owner, you should follow the instructions on the voting instruction form you receive. If you are not sure what to do, you should immediately contact your intermediary in respect of your Common Shares.

Solicitation of Proxies And Voting Instructions

Solicitation of Proxies

The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally, in writing or by telephone by representatives of NFI, at nominal cost. NFI will

bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing (if any) and other costs associated with the preparation of this Information Circular.

Participation at the Meeting

The Meeting will be hosted online by way of a live audio-only webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the online Meeting is provided below. The meeting will be held on Thursday May 5, 2022 commencing at 12:00 pm (Winnipeg time).

In order to attend the Meeting, duly appointed proxyholders (including Beneficial Owners who have duly appointed themselves as proxyholder) and guests (including Beneficial Owners who have not duly appointed themselves as proxyholder) must log in online as set out below.

- Step 1: Log in online at <https://meetnow.global/MSGRA9U>
- Step 2: Follow the instructions below:

Duly appointed proxyholders: If you are an appointed proxyholder, select “**Invitation**” and enter your **Invite Code**. Proxyholders who have been duly appointed and registered with Computershare prior to the Meeting as described in this Information Circular will receive an invite code by email from Computershare after the proxy voting deadline has passed.

Duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

Guests: Click “I am a guest” and then complete the online form.

Beneficial Owners who have not duly appointed themselves as proxyholders may listen to the Meeting as guests and ask questions, provided that they are connected to the internet, but will not be able to vote.

Voting of Proxies

In certain cases, you will not receive a voting instruction form and will instead receive a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by you but which is otherwise uncompleted. As a Beneficial Owner and upon submission by you (or your designee) of identification satisfactory to your intermediary’s representative, you may also require the intermediary to sign and deliver to you (or your designee) a proxy to exercise personally your voting rights attaching to the Common Shares you own, if you either (i) have not previously given the intermediary voting instructions in respect of the Meeting or (ii) submit to such representative written revocation of any such previous instructions.

If a Beneficial Owner who receives a form of proxy does not wish to participate and vote at the Meeting (or have another person participate and vote on the Beneficial Owner’s behalf), the Beneficial Owner must complete the form of proxy and deposit it with Computershare, as described below in “Deposit of Proxies” or otherwise follow the instructions provided by the intermediary.

If a Beneficial Owner who receives a form of proxy wishes to participate and vote at the Meeting (or have another person participate and vote on the Beneficial Owner’s behalf), the Beneficial Owner must strike out the names of the persons named in the proxy and insert the Beneficial Owner’s (or such other person’s) name in the blank space provided and deposit it with Computershare, as described below in “Deposit of Proxies” or otherwise follow the instructions provided by the intermediary. In addition, the Beneficial Owner must complete the additional step of registering such proxyholder with Computershare at <https://www.computershare.com/NFIGroup> by no later than 12:00 pm (Winnipeg time) on May 3, 2022 as

described in this Information Circular. **Failure to register the proxyholder with Computershare will result in the proxyholder not receiving an invite code to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest and ask questions. Without an invite code, proxyholders will not be able to vote at the Meeting.**

United States Beneficial Owners: To participate and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to participate in the Meeting. Follow the instructions from your broker or bank or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to participate in the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to: Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or by email to: uslegalproxy@computershare.com. Requests for registration must be labeled as “Legal Proxy” and be received no later than 12:00 p.m. (Winnipeg time) on May 3, 2022. You will receive a confirmation of your registration by email after Computershare receives your registration materials. You may attend the Meeting and vote your Common Shares at <https://meetnow.global/MSGRA9U> during the Meeting. Please note that you are required to register your appointment at <https://www.computershare.com/NFIGroup>.

A Beneficial Owner who has appointed themselves or a third-party proxyholder to represent them at the Meeting will appear on a list of Shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Common Shares voted at the meeting, each proxyholder will be required to enter their invite code provided by Computershare at <https://meetnow.global/MSGRA9U> prior to the start of the Meeting. In order to vote, Beneficial Owners **MUST** register their proxyholder with Computershare at <https://www.computershare.com/NFIGroup> **after** submitting their voting instruction form in order to receive an invite code.

Appointment of Proxies

The persons named in the form of proxy are representatives of NFI. **Shareholders have the right to appoint as proxyholder a person or company other than the NFI representatives named on the form of proxy.** Shareholders should write the name of the person or company they wish to appoint, who need not be a Shareholder, in the blank space provided on the form or proxy. If the Shareholder does not appoint another person or company as proxyholder, the NFI representatives designated in the form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of any direction, your Common Shares will be voted:

- (a) **FOR** the appointment of Deloitte LLP as auditors of NFI and that the board of directors of NFI be authorized to fix the remuneration of the auditors; and
- (b) **FOR** the election of each of the ten nominees to the board of directors listed under the heading “Matters to be Considered at the Meeting - Election of Directors”;
- (c) **FOR** the Say on Pay Resolution.

The form of proxy confers discretionary authority upon the NFI representatives designated in the form of proxy with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, the directors of NFI (the “**Directors**”) know of no such amendments, variations or other matters.

Deposit of Proxies

To be valid, proxies must be deposited with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Fax: 1-866-249-7775 or 416-263-9524, Attention: Proxy Department, in accordance with the instructions therein, by no later than 12:00 pm (Winnipeg time) on May 3, 2022 or if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and holidays) before any

adjourned or postponed meeting. Failure to properly complete or deposit a proxy may result in its invalidation. The time limit for the deposit of proxies may be waived by NFI in its discretion without notice.

Revocation of Proxies

Proxies may be revoked by:

- (a) completing and signing a proxy bearing a later date and depositing it with Computershare, as described above; or
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing: (i) at the registered office of NFI at any time up to and including the last business day preceding the date of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or (ii) with the chairperson of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (c) in any other manner approved by law.

You should follow the instructions on the document that you have received and contact your intermediary promptly if you need assistance.

VOTING SECURITIES OF NFI AND PRINCIPAL HOLDERS THEREOF

NFI is authorized to issue an unlimited number of Common Shares. As of the date of this Information Circular, there were 77,135,154 Common Shares outstanding.

At the Meeting, each Shareholder of record at the close of business on March 7, 2022, the record date established for notice of the Meeting (the "**Record Date**"), will be entitled to one vote for each Common Share held on all matters proposed to come before the Meeting.

To the knowledge of the Directors and officers of NFI, as of the date of this Information Circular, the following persons beneficially own or exercise control or direction over, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the Common Shares:

Name	Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly	Approximate percentage of total Common Shares
Coliseum Capital Management, LLC	8,642,387	11.20%

Matters To Be Considered At The Meeting

1. Financial Statements

The consolidated financial statements of NFI for the fiscal year ended January 2, 2022, together with the report of the auditors thereon will be placed before the Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding the financial statements, the questions may be brought forward at the Meeting. These financial statements are also available on the internet under NFI's SEDAR profile at www.sedar.com.

2. Appointment of Auditors

The management representatives designated in the enclosed form of proxy (if not expressly directed to the contrary in such form) intend to vote **FOR** the reappointment of Deloitte LLP as auditor of NFI to hold office

until the next annual meeting of Shareholders and that the Directors be authorized to fix the remuneration of the auditors. Deloitte LLP has served as auditor of NFI since NFI's inception.

At NFI's 2021 annual general meeting of shareholders held on May 6, 2021, Deloitte LLP received 99.58% of the votes in favour of their re-appointment.

Auditor Appointment Results: 2021 Annual General Meeting	
For:	41,683,459
Withheld:	174,134
Total:	41,857,593
% in favour:	99.58%

3. Election of Directors

The articles of NFI provide that NFI will have a minimum of three and a maximum of twenty directors. The board of directors of NFI (the "**Board**") is currently comprised of ten Directors. All of the Directors are being nominated for re-election, except for Mr. Marinucci who will be retiring from the Board at the Meeting. The Board and management of the Company wish to thank Mr. Marinucci for his outstanding contribution to NFI after serving for 16 years since NFI's initial public offering in 2005.

Mr. Brian Tobin, Chairman of NFI was due to retire from the Board in May 2021, after serving for 15 years since NFI's initial public offering in 2005. However, in March 2021, the Board (without Mr. Tobin participating in the deliberations) unanimously determined that it was in the best interest of NFI to extend his term limit by an additional year. In March 2022, the Board (without Mr. Tobin participating in the deliberations) unanimously determined that it is in the best interest of NFI to further extend his term limit by an additional year. The decisions by the Board were driven by a number of factors, including the ongoing challenges presented to the Company, its customers, suppliers and end markets by the COVID-19 pandemic, the importance of maintaining continuity of Board representation and leadership, and the need to support and oversee the business during this difficult period of recovery. Mr. Tobin has a very important skill set and has been providing and continues to provide outstanding contributions to NFI.

In addition, Ms. Wendy Kei is being nominated to the Board for the first time.

The management representatives designated in the enclosed form of proxy (if not expressly directed to the contrary in such form) intend to vote **FOR** the election, as Directors, of the nominees whose names are set out below. All nominees, except for Ms. Kei, are currently Directors and have been Directors since the dates indicated in the section below. Management does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason before the Meeting, the management representatives designated in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting or until his or her successor is elected or appointed.

At the 2021 annual meeting of shareholders held on May 6, 2021, the ten individuals who were nominated to be elected as Directors of NFI at the time received the following votes regarding their appointment from voting Shareholders.

Director Election Results: 2021 Annual Meeting										
Director:	Cochran	Edwards	Gray	Hoeg	Marinucci	Da Silva Nunes	Robertson	Soubry	Tobin	Winter
For:	40,834,109	40,274,666	40,576,867	40,678,405	40,815,391	39,684,666	40,731,808	40,861,515	40,029,493	40,261,853
Withheld:	147,132	706,575	404,374	302,836	165,850	1,296,575	249,433	119,726	951,748	719,388
Total:	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241	40,981,241
% in Favour:	99.64%	98.28%	99.01%	99.26%	99.60%	96.84%	99.39%	99.71%	97.68%	98.24%

The Amended and Restated NFI's By-Law No. 2 fixes a deadline by which Shareholders must submit a notice of director nominations to NFI prior to any meeting of Shareholders. In the case of an annual meeting, advance notice must be given to NFI not less than 30 days prior to the date of the meeting. The Amended and Restated By-Law No. 2 also requires any Shareholder making a director nomination to provide certain important information about its nominees with its advance notice. Only Shareholders who comply with the requirements of the Amended and Restated By-Law No. 2 will be permitted to nominate directors to the Board unless the "advance notice" requirements are waived by the Board in its sole discretion.

The Board has adopted a majority voting policy which provides that, if the total number of Common Shares voted in favor of the election of a Director nominee at the Meeting represents less than a majority of the total Common Shares voted for and withheld with respect to that Director, the Director must submit his or her resignation to the Board chair, to be effective when accepted by the Board. The NFI's Human Resources, Compensation and Corporate Governance Committee (the "**Governance Committee**") will consider and make a recommendation to the Board regarding the resignation, and the Board's decision to accept or reject the resignation will be disclosed to the public within 90 days of the Meeting.

4. Advisory Resolution on Approach to Executive Compensation

The Board has adopted a policy of giving Shareholders the opportunity to cast an advisory vote on NFI's approach to executive compensation. NFI believes it is important for Shareholders to understand what it pays its named executive officers ("**NEOs**") and the rationale for these decisions. The 2021 Report on Executive Compensation in this Information Circular has been developed to help Shareholders understand NFI's compensation philosophy and practices, the objectives of its executive compensation program, and the principles and process used by the Governance Committee in making its compensation recommendations and the decisions ultimately made by the Board.

Please read the 2021 Report on Executive Compensation beginning on page 23 of this Information Circular, including the discussion about compensation governance for details about executive compensation at NFI.

As a Shareholder you have the opportunity to vote **FOR** or **AGAINST** NFI's approach to executive compensation through the resolution in the form set in Schedule "A".

This is an advisory vote and your vote is non-binding on the Board. However, the Board and the Governance Committee will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and the level of Shareholder engagement on compensation and related matters. The results of the vote will be disclosed in NFI's 2022 report on voting results, which will be available on SEDAR at www.sedar.com.

Approach to Executive Compensation Results: 2021 Annual General Meeting	
For:	35,068,021
Against:	5,913,220
Total:	40,981,241
% in favour:	85.57%

Director Nominees

The following pages set out detailed information on Director nominees, including:

- place of residence;
- year first elected or appointed as a Director, as applicable;
- age and principal occupation, education and experience;
- other principal directorship; and
- committee memberships and meeting attendance.

This information also includes the Director's equity ownership in NFI at the end of the last two fiscal years, consisting of Common Shares, DSUs and Director RSUs (which is described under "Director Compensation" in this Information Circular). The value of the Common Shares was calculated using the closing price of Common Shares on the Toronto Stock Exchange ("TSX") on December 24, 2020, which was \$24.70 per Common Share and on December 31, 2021, which was \$20.26 per Common Share. The value of the DSUs and Director RSUs was calculated using the volume weighted average trading price per Common Share for the five (5) trading days ending on December 24, 2020, which was \$24.40 per Common Share and for the five (5) trading days ending on December 31, 2021, which was \$20.07 per Common Share.



Phyllis Cochran

70
Corporate Director
Bluffton, South Carolina
Director since May 2015
Independent

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	18 of 18	100%
Audit Committee (Chair)	4 of 4	100%

Phyllis Cochran, CPA, is a corporate director and has served on the board of Spartan Light Metal Products, which is a private company, since 2014. Ms. Cochran also served on the board of The Mosaic Company from 2006 to 2013. She retired in 2012 after 33 years with Navistar International Corporation, a global manufacturer of commercial trucks and engines, where she served as President, Parts Group and President and Chief Executive Officer of Navistar Financial Corporation, among other leadership roles. She has strong strategic, operational and financial experience. Ms. Cochran also served on several not-for-profit and charitable boards and is a member of the Institute of Corporate Directors, National Association of Corporate Directors and the American Institute of Certified Public Accountants. Ms. Cochran holds a Bachelors of Science degree from Iowa State University.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ² Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	21,244	-	21,244	430,403	10,470	210,113	-	-	640,536	Exceeds
2020	16,305	-	16,305	402,733	10,152	247,705	-	-	650,453	Exceeds

⁽¹⁾ Ms. Cochran also attended all five meetings of the Human Resources, Compensation and Corporate Governance Committee as a guest.

⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Larry Edwards¹

72
 Corporate Director
 Tulsa, Oklahoma
 Director since Sept. 2008
 Independent

2021 Board/Committee Membership	Meeting Attendance	
Board of Directors	18 of 18	100%
Human Resources, Compensation and Corporate Governance Committee (Chair)	5 of 5	100%
Audit Committee	4 of 4	100%

Larry Edwards, ICD.D, is a corporate director and also serves as a director and Chairman of the board of Victory Energy Organization, LLC, an Oklahoma (USA) based designer and manufacturer of fired packaged boilers, waste heat boilers and heat recovery steam generators and related equipment. Mr. Edwards served on the board of directors of Black Mesa Energy, LLC from 2015 to 2020, Patriot Bank from 2013 to 2017, Red Fork Energy Limited (a company that was listed on the Australian Securities Exchange) from 2013 to 2015, NCI Building Systems, Inc. from 2007 to 2009 and Global Power Equipment Group Inc. (“GPEG”) and its predecessor Global Energy Equipment Group, Inc. from 1998 until January 2008. Mr. Edwards served as the President and Chief Executive Officer of GPEG from May 2001 until his retirement in December 2006. Mr. Edwards also served as the CEO of GPEG’s predecessor company from June 1998 until GPEG’s initial public offering in May 2001. From February 1994 until June 1998, Mr. Edwards served as the President of Jason Incorporated’s power generation division. From 1976 until 1994, Mr. Edwards held various positions with Braden Manufacturing, including Vice President of Operations, General Manager and President. Prior to the IPO, Mr. Edwards served on the board of Transit Holdings, Inc. since August 2004. Mr. Edwards earned a B.S. in Industrial Engineering and Management from Oklahoma State University and an M.B.A. with honors from Oklahoma City University. Mr. Edwards is a member of the Institute of Corporate Directors and a graduate of the Directors Education Program.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ² Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	35,156	37,320	72,476	1,468,364	36,268	727,899	-	-	2,196,263	Exceeds
2020	35,156	37,320	72,476	1,790,157	30,281	738,842	-	-	2,528,999	Exceeds

⁽¹⁾ Mr. Edwards was a director of Red Fork Energy Limited (“RFE”) from May 2013 to April 2015. In December 2014, KordaMentha Pty Ltd. was appointed as receivers and managers over the assets of RFE under the terms of the security provided to Guggenheim Corporate Funding LLC. As a consequence of this appointment, the directors of RFE appointed Ferrier Hodgson as joint and several voluntary administrators and the powers of RFE’s directors were suspended. In March 2015, Ferrier Hodgson concluded that RFE was not insolvent for a material time leading to their appointment and that the directors had a reasonable expectation they would be able to refinance the Guggenheim facility. In April 2015, the creditors of RFE resolved that the company execute a deed of company arrangement for purposes of reconstruction and recapitalisation of RFE (to be renamed Brookside Energy Limited). In July 2015, the deed was effectuated and control of Brookside Energy Limited reverted to a new board of directors. See “Directors, Officers and Management - Cease Trade Orders, Bankruptcies, Penalties and Sanctions” on page 51 of NFI’s Annual Information Form dated March 21, 2022 (“AIF”).

⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Adam Gray ^{1, 2}

56
*Managing Partner,
 Coliseum Capital
 Management, LLC
 Greenwich, Connecticut
 Director since May 2012
 Independent*

2021 Board/Committee Membership ³	Meeting Attendance	
Board of Directors	15 of 18	83%
Audit Committee	4 of 4	100%

Adam Gray serves as managing partner and co-founder of Coliseum Capital Management, LLC, a private firm that makes long-term investments in both public and private companies. Mr. Gray is also a corporate director, serving on the boards of Purple Innovations, Inc. and of Blue Bird Corporation. Mr. Gray previously served as non-executive Chairman of The Pas Group Limited and of Redflex Holdings Limited; he also previously served on the board of directors of Blue Bird Corporation (having rejoined in 2021), DEI Holdings, Inc. and Benihana Inc. Prior to founding Coliseum, Mr. Gray served as Executive Vice President, Strategic Projects, and Capital Management at Burger King Corp, held several executive positions with the Metromedia Restaurant Group, and worked at Kluge & Co. and Morgan Stanley. Mr. Gray holds both a BSE in Finance from the Wharton School of Business and a BS in Mechanical Engineering from the School of Engineering & Applied Science at the University of Pennsylvania.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ⁴ Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	0	6,586,754	6,586,754	133,447,636	14,828	297,598	-	-	133,745,234	Exceeds
2020	0	5,017,660	5,017,660	123,936,205	14,378	350,817	-	-	124,287,021	Exceeds

- (1) As at March 21, 2022, Coliseum or its affiliates beneficially own or control, directly or indirectly 8,642,387 Common Shares, representing approximately 11.2% of the issued and outstanding Common Shares as at the date of this Information Circular. Mr. Gray is a Managing Partner of Coliseum and thus can exert shared control or direction over these Common Shares.
- (2) Mr. Gray was a director of APP Winddown, LLC (formerly known as American Apparel, LLC) ("**AA**") from February 1, 2016, when AA exited bankruptcy through a plan of conversion with its former creditors, until his resignation from the board on March 31, 2017. AA was an apparel manufacturer and retailer. On November 14, 2016, AA (along with certain related entities) filed a second voluntary petition for relief under chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court in Wilmington, Delaware and subsequently agreed to sell its intellectual property and other assets to Gildan Activewear. Since then, AA has been in wind down and the majority of its estate has been distributed to creditors. See "Directors, Officers and Management - Cease Trade Orders, Bankruptcies, Penalties and Sanctions" on page 51 of the AIF.
- (3) Mr. Gray also attended all five meetings of the Human Resources, Compensation and Corporate Governance Committee as a guest.
- (4) Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Krystyna Hoeg

72
 Corporate Director
 Toronto, Ontario
 Director since May 2015
 Independent

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	17 of 18	94%
Audit Committee	4 of 4	100%

Krystyna Hoeg, CPA, is a corporate director and was the former President and Chief Executive Officer of Corby Distilleries Limited, a marketer and seller of spirits and wine. She occupied this position from October 1996 to February 2007. Ms. Hoeg joined the Allied Domecq group of companies in 1985 and held a number of senior financial positions with Hiram Walker & Sons Ltd., Hiram Walker – G&W Ltd., Allied Domecq Spirits and Wine and Hiram Walker and Sons Limited, lastly as Senior Vice-President of Finance – the Americas. Ms. Hoeg is currently a director of Imperial Oil Limited. Ms. Hoeg also serves on the boards of the following private companies: Revera Inc., Arterra Wines Canada, Duo Bank of Canada and Duo Financial Corporation. She is a past director of Sun Life Financial Inc., Canadian Pacific Railway Limited, Shoppers Drug Mart Corporation and Cineplex Galaxy Income Fund and was a director of Ganong Bros. Limited and Samuel, Son & Co. Limited, both of which are private companies. Ms. Hoeg is a past chairperson of the board of directors of Michael Garron Hospital. She was a director of the Woodrow Wilson Center, Canadian Institute (Advisory Council), Green Shield Canada and St. Michael's Hospital Foundation, as well as the Business Advisory Council of United Nations Office for Project Services. Ms. Hoeg is a Chartered Professional Accountant (1982) and holds a Bachelor of Science from McMaster University, and a Bachelor of Commerce and a Master of Science from the University of Windsor.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ² Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	2,000	-	2,000	40,520	35,347	709,414	14,868	298,401	1,048,335	Exceeds
2020	2,000	-	2,000	49,400	25,479	621,670	14,416	351,740	1,022,811	Exceeds

⁽¹⁾ Ms. Hoeg also attended all five meetings of the Human Resources, Compensation and Corporate Governance Committee as a guest.

⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Wendy Kei

54
*Corporate Director
 Toronto, Ontario
 New Nominee
 Independent*

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	N/A	N/A
Audit Committee	N/A	N/A
Human Resources, Compensation and Corporate Governance Committee	N/A	N/A

Wendy Kei, FCPA, FCA, F.ICD is a corporate director and currently serves as Board Chair for Ontario Power Generation Inc. Ms. Kei also serves on the boards of Karora Resources Inc., Noranda Income Fund and is a member of the Department of Audit Committee for Transport Canada until May 2022. Ms. Kei previously served as Chief Financial Officer of Dominion Diamond Corporation (formerly Harry Winston Diamond Corporation and Aber Diamond Corporation). In 2022, Ms. Kei was honoured as a Fellow from the Institute of Corporate Directors (F.ICD), named BMO Celebrate Women on Boards 2022 Honouree and in 2020, she was selected one of Canada's Top 100 Most Powerful Women and was honoured as a Fellow Chartered Professional Accountant (FCPA-FCA) designation. In 2016, she was selected as a Diversity 50 Candidate by the Canadian Board Diversity Council. Ms. Kei is a Fellow of the Chartered Professional Accountants of Ontario, holds a Fellow designation from the Institute of Corporate Directors and holds a Bachelor of Mathematics from the University of Waterloo.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Ms. Kei was not a member of the Board in 2021.



Paulo Cezar da Silva Nunes

69
*Corporate Director
 Porto Alegre, Rio
 Grande do Sul, Brazil
 Director since Aug. 2015
 Independent*

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	18 of 18	100%
Human Resources, Compensation and Corporate Governance Committee	3 of 4	75%

Paulo Cezar Da Silva Nunes is a corporate director and an independent automotive business consultant, providing services focused on strategy and governance in the automotive industry. Mr. Da Silva Nunes is also the Vice-Chairperson of the board of directors of Marcopolo S.A., one of the world’s largest bus manufacturers. He served on the board of Cesbe S.A. Engenharia Empreendimentos, a Brazilian construction company, from 2012 to 2019 and on the board of Sindipeças, the Brazilian association of auto parts manufacturers, from 2002 to 2013. Mr. Da Silva Nunes held various senior positions with Dana Holding Corporation from 1994 to 2012, including as Vice-President, Business Development, as well as various positions with Racine Hidraulica S.A. from 1974 to 1993 and Massey Ferguson S.A. from 1971 to 1974. Mr. Da Silva Nunes holds degrees in business administration and general accounting.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share Ownership Requirement ^{2,3} 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	9,125	-	9,125	184,873	-	-	9,070	182,035	366,907	73%
2020	9,125	-	9,125	225,387	-	-	-	-	225,387	44%

⁽¹⁾ Mr. Nunes also attended all four meetings of the Audit Committee as a guest.

⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.

⁽³⁾ Mr. Nunes has until 2023 to fulfill the directors’ amended share ownership guideline.



Colin Robertson, CBE ¹

*57
Corporate Director
Edinburgh, Scotland
Director since October
2020
Non-independent*

2021 Board/Committee Membership ²	Meeting Attendance
Board of Directors	18 of 18 100%

Colin Robertson was appointed to the NFI board on October 1, 2020, after 30 years of operational and senior leadership experience in global manufacturing, including 13 years as the chief executive officer of Alexander Dennis Limited (“ADL”), which was purchased by NFI in May 2019. During his tenure, Mr. Robertson transformed ADL into a UK market leader as well as the global leader for double deck buses, through a relentless focus on customer experience and combining operational excellence, innovative products and best-in-class aftermarket support. Mr. Robertson also led ADL’s entry to zero-emission transportation and evolution to becoming a technology leader, driven by a focus on improving air quality around the globe. Mr. Robertson was awarded the Commander of the Most Excellent Order of the British Empire (CBE) in 2019 for his services to exports and to the bus and coach manufacturing sector. Also in recognition of his achievements, Mr. Robertson received Director of the Year from the UK-based Institute of Directors, as well as the EY award for Entrepreneurship and Outstanding Achievement. He was appointed Chair of Entrepreneurial Scotland in summer 2018. Mr. Robertson previously held executive leadership roles with Cummins, Case, and Terex Corporation. He has qualifications in Mechanical and Production Engineering, and studied at Kellogg School of Management, Northwestern University, Illinois.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ² Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	253,783	-	253,783	5,141,644	-	-	7,588	152,291	5,293,935	Exceeds
2020	253,783	-	253,783	6,268,440	-	-	1,983	48,392	6,316,832	Exceeds

(1) Mr. Robertson was a director of Custom Coaches Pty Ltd. and Custom Coaches (Sales) Pty Ltd., two Australian corporations that were purchased by Alexander Dennis Limited in 2012. The businesses were placed into voluntary administration in May 2014 and Deloitte Restructuring Services was appointed administrator. The entities were sold by the administrator to a third party in August 2014. See “Directors, Officers and Management – Cease Trade Orders, Bankruptcies, Penalties and Sanctions” on page 51 of the AIF.

(2) Mr. Robertson also attended all four meetings of the Audit Committee and all five meetings of the Human Resources, Compensation and Corporate Governance Committee as a guest.

(3) Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Paul Soubry¹

*59
President & CEO, NFI
Winnipeg, Manitoba
Director since May 2009
Non-independent*

2021 Board/Committee Membership	Meeting Attendance	
Board of Directors	16 of 18	88%

Paul Soubry, ICD.D, joined NFI as President and Chief Executive Officer in January 2009. Mr. Soubry holds a Bachelor of Commerce (Honours) degree from the University of Manitoba and completed the executive development program at Harvard Business School. Mr. Soubry has a sales, marketing, business development and operations background in businesses held by both trade and private equity owners, with substantial experience in business transformations and LEAN operational practices. Prior to joining NFI, Mr. Soubry worked for StandardAero for 24 years where he held a variety of increasingly senior positions including being named President in 2001, Chief Operating Officer in 2006, and Chief Executive Officer in 2007. Mr. Soubry currently serves on the board of True North Sports and Entertainment Limited/Winnipeg Jets Hockey Club and The Wawanesa Mutual Insurance Company. In 2003, Mr. Soubry was named one of the recipients of “Canada’s Top 40 under 40” award, was inducted in the Canadian Manufacturers and Exporters Hall of Fame in 2014, and was recognized as Canada’s 2016 CEO of the Year by the Financial Post. Mr. Soubry is a member of the Institute of Corporate Directors and a graduate of the Directors Education Program.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs ¹		Director RSUs ¹		Total Value (\$)	% of Share ² Ownership Requirement
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	356,440	-	356,440	7,221,474	N/A	N/A	N/A	N/A	7,221,474	Exceeds 2021: \$4,375,000 2020: \$4,375,000
2020	356,440	-	356,440	8,804,068	N/A	N/A	N/A	N/A	8,804,068	Exceeds

⁽¹⁾ As a member of management, Mr. Soubry is not permitted to be a participant in the DSU Plan or the Director RSU Plan and therefore no DSUs or Director RSUs have been awarded to him. For the value of the share-based awards and option-based awards granted to Mr. Soubry, refer to the Summary Compensation Table on page 43 of this Information Circular.

⁽²⁾ Mr. Soubry’s share ownership requirement in 2020 and 2021 was set at five times his base salary. See page 31 of this Information Circular.



**The Honourable
Brian V. Tobin**

67
*Vice Chairman, BMO
 Financial Group
 Ottawa, Ontario
 Director since June 2005
 Independent*

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	18 of 18	100%
Human Resources, Compensation and Corporate Governance Committee	5 of 5	100%

The Honourable Brian V. Tobin, P.C., O.C., ICD.D, was named as an Officer of the Order of Canada in 2013 for his contribution to Canadian public policy. Mr. Tobin is currently a Vice-Chair of BMO Financial Group and is the Chairperson of the board of NFI. Previously, Mr. Tobin served as the Premier of Newfoundland and Labrador from 1996 to 2000 and won two consecutive majority governments in provincial elections held in February 1996 and February 1999. Mr. Tobin also served as a Member of Parliament from 1980 to 1996, served as Minister of Fisheries and Oceans in the federal cabinet from 1993 to 1996 and served as the Federal Minister of Industry from October 2000 to January 2002. Mr. Tobin served as the Executive Chairman, President and Chief Executive Officer of Consolidated Thompson Iron Mines Limited until May 2011 when that company was purchased by Cliffs Natural Resources Inc. Mr. Tobin has also served as Chairperson of the board of Aecon Group Inc. and Chairperson of the board of Element Fleet Management. Mr. Tobin has been awarded honorary degrees by St. Francis Xavier University in Nova Scotia, Canada and by Brock University in Ontario, Canada. Mr. Tobin is a member of the Institute of Corporate Directors and a graduate of the Directors Education Program.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ² Ownership Requirement 2021: \$884,380 2020: \$900,830
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	21,780	31,950	53,730	1,088,570	26,155	524,931	38,042	763,503	2,377,004	Exceeds
2020	21,780	31,950	53,730	1,327,131	25,360	618,776	29,070	709,282	2,655,189	Exceeds

⁽¹⁾ Mr. Tobin also attended all four meetings of the Audit Committee as a guest.

⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.



Katherine S. Winter

59
*Corporate Director
 Palatine, Illinois
 Director since May 2019
 Independent*

2021 Board/Committee Membership ¹	Meeting Attendance	
Board of Directors	17 of 18	94%
Human Resources, Compensation and Corporate Governance Committee	5 of 5	100%

Katherine S. Winter is currently the vice president & general manager, Autonomous Transportation & Infrastructure Division of Intel Corporation. At Intel, Ms. Winter manages a global organization, which delivers comprehensive solutions for Smart Cities, Mobile Automation and Transportation. She leads a team that is developing increasingly sophisticated platforms for a variety of commercial and consumer market segments, including: Advanced Driver Assist Systems (ADAS) and Autonomous Driving (AD), Automated Mobile Robots (AMR) and In Vehicle Infotainment (IVI). Prior to joining Intel, Ms. Winter was VP, Software & Services, Automated Driving for Delphi Electronics & Safety, where she led automated driving efforts, global new-growth strategies for embedded and aftermarket software products, and cloud-based automotive and consumer services. Prior to that, Ms. Winter held a number of senior R&D and business positions at Motorola in cellular infrastructure, telematics, and mobile phones. Ms. Winter holds a Bachelor of Science in Industrial Engineering from University of Illinois and a Master of Business Administration from The University of Chicago.

Securities held as at fiscal year end										
Fiscal Year	Common Shares				DSUs		Director RSUs		Total Value (\$)	% of Share ^{2,3} Ownership Requirement 2021: \$505,360 2020: \$514,760
	Ownership (#)	Control (#)	Total (#)	Value (\$)	Number	Value (\$)	Number	Value (\$)		
2021	4,000	-	4,000	81,040	14,998	301,010	-	-	382,050	76%
2020	4,000	-	4,000	98,800	9,657	235,614	-	-	334,414	65%

⁽¹⁾ Ms. Winter also attended all four meetings of the Audit Committee as a guest.
⁽²⁾ Converted into Canadian dollars at a U.S. – Canadian exchange rate of 1.2634 in 2021 and 1.2869 in 2020.
⁽³⁾ Ms. Winter has until 2026 to fulfill the directors' amended share ownership guideline.

Director Compensation

Compensation is paid to Directors in a combination of cash, deferred share units (“**DSUs**”), and/or restricted share units (“**Director RSUs**”). A Director must generally make the election to receive DSUs or Director RSUs before the start of the calendar year in which such election is to apply. Non-management directors’ compensation is paid in U.S. dollars, in quarterly payments, in advance.

	2021 and 2022 Structure (USD)
Total annual retainer for Board membership	\$180,000
• Maximum amount paid in cash	\$80,000
• Minimum amount paid in DSUs / Director RSUs	\$100,000
Additional retainers:	
Board Chair	\$120,000
o Maximum amount paid in cash	\$60,000
o Minimum paid in DSUs / Director RSUs	\$60,000
Vice Chair	\$15,000
Audit Committee Chair	\$15,000
Governance Committee Chair	\$15,000

Directors may also receive a per diem of USD\$2,000 in the event that they perform additional work authorized by the Board where the additional work occupies a majority of the Director’s day. Directors are also reimbursed for out-of-pocket expenses for attending Board and committee meetings. The Directors who serve on the board of directors of NFI’s subsidiaries do not receive any additional compensation for such services. Directors also participate in the insurance and indemnification arrangements described below under “Directors’ and Officers’ Liability Insurance”.

Directors are not paid meeting attendance fees, as the Board believes a flat-fee base retainer is more aligned with a Director’s duties and responsibilities and time commitment to the Company, which should be a year-round commitment.

DSU Plan and Director RSU Plan

The DSU Plan and Director RSU Plan help NFI attract, retain and motivate highly qualified and experienced individuals to serve as Directors of NFI and promote alignment of interests between the non-employee members of the Board and the stakeholders of NFI.

Director compensation is reviewed for market competitiveness on a regular basis and was last reviewed in 2021. The comparator group used was the same comparator group used for executive compensation benchmarking. No changes to director compensation have been made since 2018.

Director Fee Repayment Policy

The Board adopted a Director Fee Repayment Policy in early 2016 which provides that if a Director ceases to be a Director of the Company prior to the end of the quarter in respect of which the retainer was paid, the Director shall repay to the Company a pro rata portion of the cash retainer paid and forfeit a portion

of DSUs and Director RSUs allocated to the Director based on the number of days remaining in the quarter.

Deferred Share Unit Plan for Non-Employee Directors

The Board adopted the Deferred Share Unit Plan for Non-Employee Directors (“**DSU Plan**”) on November 7, 2011, which was amended and restated effective June 30, 2014, December 8, 2015, December 18, 2015, March 14, 2019 and September 14, 2020. The DSU Plan was most recently amended and restated to accommodate grants of DSUs to non-employee Directors in the United Kingdom. Pursuant to the DSU Plan, non-employee Directors may elect to receive all or a portion of their annual retainer in the form of DSUs instead of cash. A DSU is the right to receive a cash payment based on the value of a Common Share credited by means of a bookkeeping entry to an account in the name of the non-employee director.

DSUs are credited to the Director’s account on the day that fees would otherwise be paid. The number of DSUs credited to a Director’s account is determined by dividing the amount of the applicable portion of the Director’s annual retainer by the fair market value of a Common Share on that date.

When dividends are paid on a Common Share, additional DSUs equivalent to the amount of the dividend multiplied by the number of DSUs held, divided by the then fair market value of the Common Shares, will be credited to the Director’s account. At the end of the Director’s tenure as a member of the Board, he or she will be entitled to receive a cash redemption payment equal to the fair market value of a Common Share multiplied by the number of DSUs held.

Restricted Share Unit Plan for the Non-Employee Directors

The Board adopted the Restricted Share Unit Plan for Non-Employee Directors (“**Director RSU Plan**”) on March 20, 2014. The Director RSU Plan was amended and restated effective December 8, 2015, December 18, 2017, March 14, 2019 and September 14, 2020. The Director RSU Plan was most recently amended and restated to accommodate grants of Director RSUs to participants in the United Kingdom. These amendments did not require shareholder approval in accordance with the amendment provisions of the Director RSU Plan. A maximum of 500,000 Common Shares are available for issuance under the plan. Pursuant to the Director RSU Plan, non-employee Directors are permitted to elect, once each calendar year, to receive all or a portion of their annual retainer in the form of Director RSUs instead of cash. A Director RSU is a right to acquire a fully-paid and non-assessable Common Share credited by means of a bookkeeping entry to an account in the name of the non-employee director. The number of Director RSUs to be awarded to a Director is determined by dividing the amount of the applicable portion of the Director’s annual retainer by the applicable fair market value of a Common Share on that date. The Board, in its sole discretion, may award additional Director RSUs, subject to an annual aggregate value of \$150,000 per Director.

When dividends are paid on a Common Share, additional Director RSUs equivalent to the aggregate number of Director RSUs held by a Director on the dividend record date multiplied by the amount of dividend paid by NFI on each Share, and then divided by the fair market value of the Shares on the dividend payment date, will automatically be credited to the Director’s account. Under the Director RSU Plan, Director RSUs vest immediately as at each applicable award date. A Director (other than a U.S. Director) is permitted to exercise the Director RSUs credited to his or her account at any time prior to December 15 of the year following the year in which the Director ceases to be a non-employee Director of NFI or one of its affiliates, at which time any remaining Director RSUs will be automatically redeemed. A U.S. Director will be required to specify the exercise date in an annual election form in accordance with Section 409A of the U.S. Internal Revenue Code.

See Schedule “C” for further details of the Director RSU Plan.

Director Compensation Table

The following table sets forth the compensation earned by each Director for the year ended January 2, 2022. All values are reported in Canadian dollars.

Name	Fees earned ⁽¹⁾	Share-based awards ⁽²⁾	All other compensation	Total
Phyllis Cochran <i>Bluffton, South Carolina, USA</i>	120,023	126,340	-	246,363
Larry Edwards <i>Tulsa, Oklahoma, USA</i>	120,023	126,340	-	246,363
Adam Gray ⁽³⁾ <i>Greenwich, Connecticut, USA</i>	-	227,412	-	227,412
Krystyna Hoeg <i>Toronto, Ontario, Canada</i>	-	227,412	-	227,412
John Marinucci <i>Innisfil, Ontario, Canada</i>	101,072	126,340	-	227,412
Paulo Nunes <i>Porto Alegre, Rio Grande do Sul, Brazil</i>	-	227,412	-	227,412
Colin Robertson, CBE <i>Edinburgh, Scotland</i>	107,389	138,974	-	246,363
The Honourable Brian Tobin <i>Ottawa, Ontario, Canada</i>	176,876	202,144	-	379,020
Katherine S. Winter <i>Palatine, Illinois, USA</i>	101,072	126,340	-	227,412

⁽¹⁾ Compensation was earned in United States dollars, but the amounts reflected in this table have been converted to Canadian dollars at the exchange rate of 1.2634.

⁽²⁾ Amounts reflect the grant date fair value of DSUs/Director RSUs based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days prior to the date of the award, in accordance with the DSU and Director RSU Plans.

⁽³⁾ Mr. Gray has assigned his compensation, including any future amounts to be paid upon the redemption of the DSUs and Director RSUs, to Coliseum Capital Partners, LP.

Common Share Ownership Guideline

Effective January 1, 2016, in order to further align the interests of Directors and Shareholders, the Common Share ownership guideline was increased such that each Director must now own a minimum number of Common Shares of NFI having a value equal to five (5) times the Director's annual base cash retainer (chair or extra meeting fees, if any, are excluded). This ownership requirement must be met by a director within five years of being appointed to the Board. In 2020, as a result of the impact of the COVID-19 pandemic on the world economies, the Company, its markets and business, the Board determined it was appropriate and exercised its discretion to extend the period in which to own shares by two years for existing Directors. Any DSUs granted under the Company's DSU Plan and any Director RSUs granted under the Director RSU Plan that are held by a Director shall be included in determining that Director's share ownership level. For the current Common Share ownership of each Director, refer to the table of securities held under the biography of each Director nominee, starting on page 8 of this Information Circular.

As disclosed in the Director Nominees section of this Information Circular (see "% of Share Ownership Requirement" column), all of the Directors (other than Mr. Nunes, who was appointed to the Board in 2015, Ms. Winter who was appointed to the Board in 2019 and Ms. Kei who is a new nominee to the Board, and still have time to meet the requirement) own at least the minimum number of Common Shares required.

Outstanding Share-Based Awards

The following table sets forth information concerning all outstanding share-based awards granted by NFI to the Directors on or before January 2, 2022. All values are reported in Canadian dollars.

Name of Director	Share-based Awards		
	Number of shares or units that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed ^{(1) (2)}
Phyllis Cochran <i>Bluffton, South Carolina, USA</i>	-	-	210,118
Larry Edwards <i>Tulsa, Oklahoma, USA</i>	-	-	727,825
Adam Gray ⁽³⁾ <i>Greenwich, Connecticut, USA</i>	-	-	297,588
Krystyna Hoeg <i>Toronto, Ontario, Canada</i>	-	-	1,007,686
John Marinucci <i>Innisfil, Ontario, Canada</i>	-	-	727,825
Paulo Nunes <i>Porto Alegre, Rio Grande do Sul, Brazil</i>	-	-	182,009
Colin Robertson, CBE <i>Edinburgh, Scotland</i>	-	-	152,273
The Honourable Brian Tobin <i>Ottawa, Ontario, Canada</i>	-	-	1,288,287
Katherine S. Winter <i>Palatine, Illinois, USA</i>	-	-	300,970

⁽¹⁾ Compensation was earned in United States dollars, but the amounts reflected in this table have been converted to Canadian dollars at the exchange rate of 1.2634.

⁽²⁾ Represents the aggregate value of the DSUs and Director RSUs, calculated based on the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days ending on December 31, 2021 of \$20.07.

⁽³⁾ Mr. Gray has assigned his compensation, including any future amounts to be paid upon the redemption of the DSUs and Director RSUs, to Coliseum Capital Partners, LP.

Value Vested or Earned During the Year

The following table sets forth the value of share-based awards of the Directors that vested on or before January 2, 2022. All values are reported in Canadian dollars.

Name of Director	Share-based awards - Value vested during the year ⁽¹⁾⁽²⁾
Phyllis Cochran <i>Bluffton, South Carolina, USA</i>	126,340
Larry Edwards <i>Tulsa, Oklahoma, USA</i>	126,340
Adam Gray ⁽³⁾ <i>Greenwich, Connecticut, USA</i>	227,412
Krystyna Hoeg <i>Toronto, Ontario, Canada</i>	227,412
John Marinucci <i>Innisfil, Ontario, Canada</i>	126,340
Paulo Nunes <i>Porto Alegre, Rio Grande do Sul, Brazil</i>	227,412
Colin Robertson, CBE <i>Edinburgh, Scotland</i>	138,974
The Honourable Brian Tobin <i>Ottawa, Ontario, Canada</i>	202,144
Katherine S. Winter <i>Palatine, Illinois, USA</i>	126,340

⁽¹⁾ Compensation was earned in United States dollars, but the amounts reflected in this table have been converted to Canadian dollars at the exchange rate of 1.2634.

⁽²⁾ Based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days prior to the applicable grant dates for DSUs and/or Director RSUs. Directors are immediately vested in their Director RSUs which are redeemable immediately upon vesting. Directors are also immediately vested in their DSUs, but do not receive payment in respect of their DSUs until they cease to be Directors.

⁽³⁾ Mr. Gray has assigned his compensation, including any future amounts to be paid upon the redemption of the DSUs and Director RSUs, to Coliseum Capital Partners, LP.

2021 REPORT ON EXECUTIVE COMPENSATION

This section describes our compensation philosophy, policies and programs, and provides the details on the compensation of our Named Executive Officers (“NEOs”). The main items can be found in the following order:

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Key Things to Know about 2021

Market Recovery & Remaining Challenges

- The COVID-19 pandemic continued to impact the Company's business, its customers and suppliers.
- All NFI facilities resumed production in the third quarter of 2020, though have continued to be impacted by labour and supply challenges through 2021.
- NFI continued to focus on public sector vehicle manufacturing and parts supply, while private markets begin to recover.
- Successfully accelerated NFI Forward initiatives to lower our fixed cost base and improve operational efficiency.
- Revenue and EBITDA at \$2.3B and \$164.2M, on the way back to full operations for 2022 and beyond.

Executive Compensation

- No NEO salary increases for 2021, with moderate increases planned for 2022.
- 2021 STIP award of 19% of target based on formulaic outcome – discretion has not been applied.
- No action to adjust STIP and LTIP targets due to COVID impact.
- STIP target has been increased for Mr. Davies from 65% to 80%, which is same level as rest of the NEOs.
- Change made to STIP weightings and MBO performance calculation in 2021 to persist in 2022.

GOVERNANCE COMMITTEE LETTER TO SHAREHOLDERS

Dear fellow shareholders,

The COVID-19 global pandemic and related supply chain challenges continued to impact our operational and financial results through 2021. Through our NFI Forward initiative we continued to optimize our operations, established a lower cost base and focused more heavily on working capital management. We continue to be a leader in the evolution of zero-emission transportation and are providing our zero-emission buses globally, entering the Australian market through a strategic partnership. At the United Nations 26th Climate Change Conference of the Parties (COP26) in Glasgow, Scotland, our zero-emission vehicles provided transportation to world leaders.

As a Governance Committee and a Board, we recognize that 2021 continued to be challenging. The management team pivoted to respond to both labour and supply chain challenges, which continued to put pressure on our manufacturing operations and financial performance. As a result, the STIP paid out at 19% of target for the NEOs.

Shareholder input continues to be a key aspect of our engagement process and something we take very seriously. In 2021, 85% of shareholders voted in favour of our approach to compensation, which we acknowledge is lower than in previous years. We have reached out to our key shareholders to discuss our compensation approach and hear their concerns regarding the actions we took in 2020. While the “Say on Pay” vote is advisory and non-binding, we will continue to have open dialogue with our shareholders regarding our policies and practices.

Environmental, social and governance (ESG) continues to be a priority for NFI. In 2021, NFI became a Carbon Disclosure Project (CDP) participant, implemented a Diversity & Inclusion Diagnostic Survey and continued to roll-out our Community Benefits Framework. ESG related corporate and individual objectives are contained in Annual and Long Range Strategic plans, individual objectives, and form part of overall CEO and executive team assessment. Currently, individual objectives or MBOs comprise 25% of annual incentive eligibility. Objectives are developed from the Company’s annual operating plan and long-range strategic objectives with an expanding focus on social and sustainability objectives. We continue to review our executive compensation programs in response to the expectations and focus of institutional investors, evolving securities disclosure rules, and broader societal shifts. In lockstep, we continue to review our HRCG Charter to identify opportunities for revision and update in light of current and emerging ESG practices.

ESG is an important aspect of our business and not just through our innovative products. Throughout the pandemic, our focus remains on the health, safety and well-being of our team members. We also believe that a diverse workforce with a culture of belonging will fuel our financial success. See our ESG Report for 2021 for more information.

We acknowledge that significant uncertainty continues as a result of the pandemic. However, we remain rooted in our commitment to balance the needs of our primary stakeholders of employees, customers and shareholders, with a strong focus on the environment. We are guided to long-term success through our strategy of producing industry leading transportation solutions and our commitment to continuous investment in our people and processes in order to optimize, diversify and grow our business.

We remain confident that our executive compensation programs continue to align with these values and support the Company’s long-term performance. If you have any questions or comments about our approach to executive compensation, please refer to the contact information at the back of this circular to contact us.

“The Honourable Brian Tobin”

The Honourable Brian Tobin
Chairperson of the Board of Directors

“Larry Edwards”

Larry Edwards
Chairperson of the Human Resources,
Compensation and Corporate
Governance Committee

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This section of the Information Circular explains how NFI's compensation program is designed and operated with respect to our executives, specifically the following NEOs:

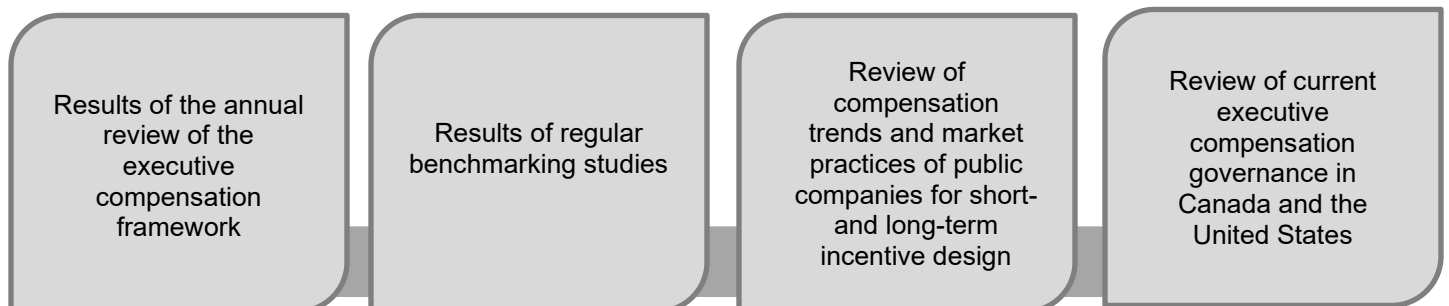
Name	Title
Paul Soubry	President and Chief Executive Officer, NFI
Pipasu Soni	Executive Vice President and Chief Financial Officer, NFI
Chris Stoddart	President, North American Bus and Coach
Brian Dewsnup	President, NFI Parts
Paul Davies	President and Managing Director, ADL

Compensation Philosophy and Guiding Principles

In making compensation decisions, the Governance Committee is guided by the following compensation objectives:

- To promote the long-term success and to continually improve the performance of NFI.
- To attract, retain, and motivate talented executives by providing a total compensation program competitive with the marketplace. NFI's compensation philosophy is to pay executives within a competitive range of the median of comparable corporations for target performance.
- To reinforce NFI's values and strategic objectives, including emphasis on shareholder, employee, customer, supplier and community stakeholders.
- To pay for performance and reward the executive leadership team for achieving both short-term and long-term performance goals, with increased emphasis placed on longer-term value creation.
- To align the interests of executives with the interests of shareholders.

The Governance Committee determines the mix between the various elements of compensation based on a number of inputs:



Compensation Process and Benchmarking

The Governance Committee considers a number of additional factors when determining the total potential amount of compensation to be awarded to an executive for a particular year. This includes the scope of responsibility of the role, corporate and individual performance, the executive's skills and experience, and compensation levels at similarly-situated companies.

To understand competitive levels of compensation for a company of NFI's size and complexity, the Governance Committee may assess executive compensation practices and levels at similarly-situated companies. Regularly, with the help of its independent compensation consultant and input from management, the Governance Committee reviews the comparator group for continued applicability and to account for mergers and acquisitions. Criteria used to select and review the comparator group include:

- Same or similar industry to NFI
- Between one-third and three times NFI's revenue
- Headquartered in Canada or the United States

The comparator group criteria and comparators were reviewed in 2021 and the Governance Committee determined that the majority of comparators continued to be appropriate to assess the competitiveness of executive pay in 2021 and recommended replacement of two peers that are no longer publicly-traded (Briggs & Stratton and Wabco Holdings) and five new additions (Federal Signal, The Manitowoc Company, Modine Manufacturing, Terex Corp. and Winnebago Industries) to replace the peers being removed and to enhance the comparator group.

The 2021 comparator group includes 24 companies – (17 U.S. companies and 7 Canadian companies) - with median revenue of \$2.4 billion:

2021 Compensation Comparator Group		
Alamo Group Inc.	LCI Industries	Rush Enterprises Inc.
Astec Industries Inc.	Linamar Corp.	Russel Metals Inc.
Blue Bird Corporation	The Manitowoc Company, Inc.	Terex Corporation
CAE Inc.	Martinrea International Inc.	Titan International Inc.
Federal Signal Corporation	Meritor Inc.	Toromont Industries Ltd.
Finning International Inc.	Modine Manufacturing Company	Wabash National Corp.
The Greenbrier Companies Inc.	Oshkosh Corp.	Wajax Corp.
ITT Inc.	REV Group Inc.	Winnebago Industries, Inc.

Compensation Governance

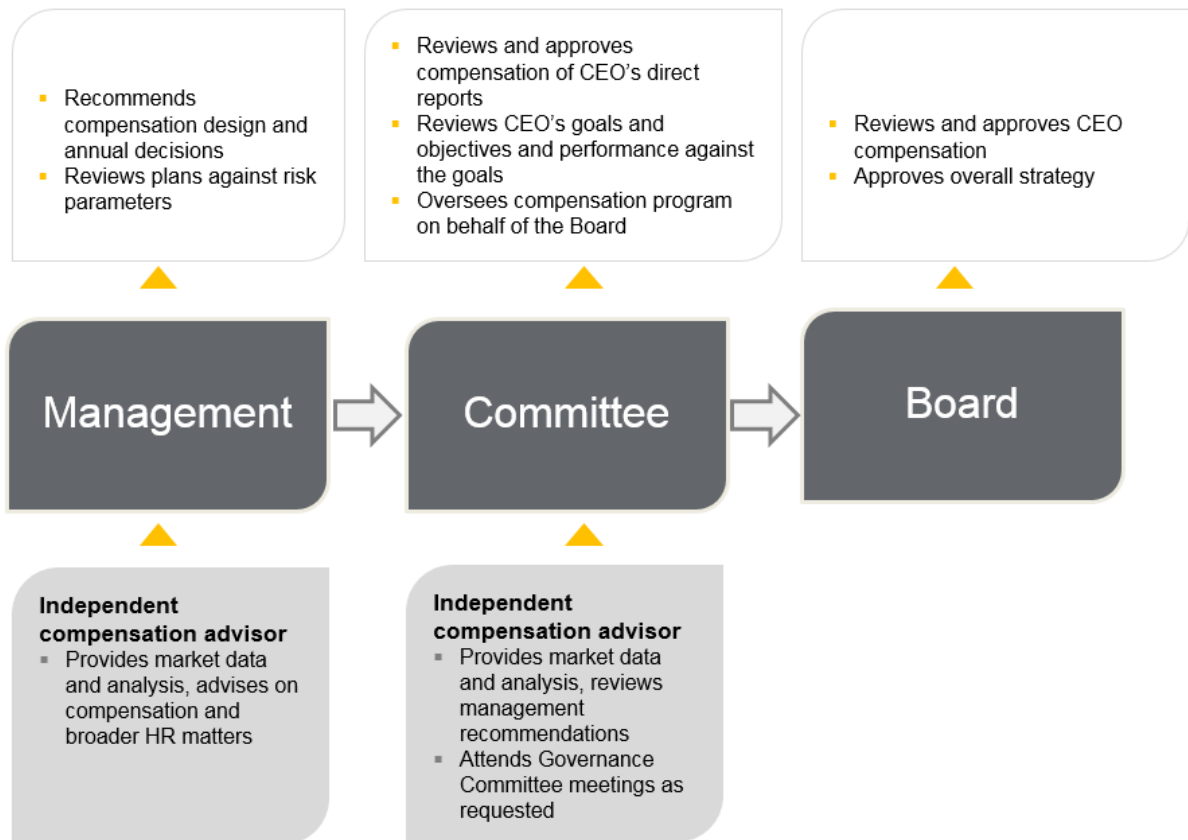
Compensation Oversight

In 2021, the Governance Committee was comprised of four Directors:

- Larry Edwards (Chairperson)
- The Honourable Brian Tobin
- Paulo Nunes
- Katherine Winter

All of the members of the Governance Committee are independent Directors within the meaning of National Instrument 52-110 Audit Committees (“**NI 52-110**”). None of the members of the Governance Committee is a current or former officer or employee of NFI or any of its affiliates.

NFI follows the following process each year:



Role of Compensation Consultant

The Governance Committee has retained Meridian Compensation Partners as its independent compensation consultant since 2012. In 2021, Meridian provided periodic advice to the Governance Committee with respect to Director and executive compensation matters in response to other Governance Committee requests and assisted with director and executive compensation review.

Management has previously retained Willis Towers Watson to provide advice on human resource matters. Willis Towers Watson has been management's compensation consultant since 2012.

Executive Compensation-Related Fees

Services Provided	Meridian Compensation Partners		Willis Towers Watson	
	2021	2020	2021	2020
Compensation Consulting for the Governance Committee	\$145,396	\$67,144	\$0	\$0
Compensation Consulting for Management	\$0	\$0	\$21,678	\$0
Other Services	\$0	\$0	\$0	\$0
Total	\$145,396	\$67,144	\$21,678	\$0

Talent and Succession Planning and Governance Committee

The Company uses a comprehensive framework and takes an integrated approach to talent management and succession planning. The Company focuses on identifying, assessing and developing high-potential talent to build leadership capability and strengthen overall succession. This process helps to create and maintain a pipeline of leaders to drive the Company's strategic plans and to improve performance.

The Company believes that its human resources processes help ensure the right people are placed in roles that optimize both individual development and business performance, with the intent of developing high-potential talent to prepare them for broader and more complex roles within the organization. This focus on developing internal capabilities helps to retain talent and provides more options for succession. The Company also supplements the practice of promoting from within by hiring externally to benefit from diverse experiences, fresh perspectives and to further promote diversity in the workplace. Through the NFI Learning Institute, the name given to the Company's education and training function, the Company provides formal leadership development and training.

The Governance Committee plays a key role in its oversight of talent management and succession planning. Twice a year, the Governance Committee reviews with management the talent and succession planning activities for the leadership team, including the executive team, and discusses the processes and practices for leadership development, the depth and diversity of succession for leadership roles across the Company and the talent and succession activities and progress made over the prior period and the planning for the next six months.

In conjunction with the review of the Company's talent and succession planning activities, the Governance Committee and the Board also reviews and discusses the CEO and executive leadership team succession. This includes a discussion of contingency and long-term succession plans for the CEO and members of the executive team, in addition to addressing any specific gaps in the succession plan. The CEO discusses the strengths and areas for development of key succession candidates, progress of development over the period and future development plans. The Board also reviews and discusses potential succession scenarios and assesses the potential successors.

Risk Management

Compensation risk is one of several forms of risk addressed by NFI's risk management policy and overseen by the Board.

The Board has a conservative approach to compensation risk management and the executive compensation program is structured to encourage the right management behaviours consistent with the risk profile of the Company and does not create an incentive to take excessive or inappropriate risks.

What We Do

- ✓ Executive and Director Share Ownership Guidelines
- ✓ Hedging Policy
- ✓ Clawback Policy
- ✓ Trading restrictions
- ✓ Significant percentage of at-risk compensation
- ✓ Capped incentive opportunities
- ✓ Double trigger change in control termination provisions

What We Don't Do

- ✗ Single performance measure plans
- ✗ Provide guaranteed bonus
- ✗ Reprice or replace underwater options
- ✗ Grant, renew or extend loans to employees
- ✗ Pay out incentives if unwarranted by performance
- ✗ Include the value of unexercised options when determining ownership compliance

The policies and practices used to manage compensation risk have been developed under a formal enterprise risk management framework in order to ensure the current compensation structure does not create an incentive to take excessive or inappropriate risks.

Trading Restrictions

Under NFI's securities trading policy, directors and employees, including NEOs, are prohibited from entering into short sales or buying or selling call or put options in respect of securities of NFI and restricted from trading while in possession of material undisclosed information.

Hedging Policy

Directors and employees, which includes NEOs, are prohibited from engaging in any hedging activity (including prepaid variable forward contracts, equity swaps, and collars on units of exchange funds) in respect of executive and director equity awards and Common Shares.

Clawback Policy

The Board approved a Clawback Policy on January 25, 2016 that is applicable to all incentive compensation awards granted after that date. The Clawback Policy assists NFI in maintaining a culture that emphasizes integrity and accountability and reinforces NFI's pay-for-performance compensation philosophy. In the event NFI is required to file a restatement of its annual audited financial statements as a result of a correction of a material error, the Clawback Policy allows NFI to recover certain incentive compensation that was granted, vested or earned during the three most recently completed fiscal years prior to the restatement. Individuals covered by the Clawback Policy include current and former executives of NFI or its subsidiaries who were eligible or received incentive compensation from NFI that was granted, vested or earned based on the Company's achievement of any specified financial reporting measure or NFI's share price or total shareholder return ("TSR") under the Company's incentive compensation plans. No

misconduct on the part of a covered individual is required for NFI to trigger a clawback. The amount that is recoverable is limited to the amount that is in excess of the incentive compensation which ought to have been granted, vested or earned in the three-year look-back period based on the restatement. The Clawback Policy allows the Board to not pay or grant future compensation or equity awards, cause the forfeiture or cancellation of unpaid or unvested incentive compensation and offset against any amounts otherwise payable to covered individuals, to the extent permitted by law.

Common Share Ownership Guidelines

NFI requires executives to maintain a minimum level of share ownership to align executive and shareholder interests. Executives are expected to meet their ownership guidelines within five years of the date on which they joined the Company or were promoted to an executive role, whichever is later. In 2020, as a result of the impact of the COVID-19 pandemic on the world economies, the Company, its markets and business, the Board determined it was appropriate and exercised its discretion to extend the period in which to own shares by two years for existing executives.

Level	2021 Guideline
Chief Executive Officer (CEO)	5x base salary
CFO/Business Unit Presidents	2x base salary
Vice Presidents	1x base salary

Included in the determination of the executive's common share ownership requirement are any Common Shares held by the executive (directly or indirectly) and any restricted share units ("**RSUs**") granted and held by an executive officer under NFI's Amended Performance and Restricted Share Unit Plan ("**PRSU Plan**").

The table below sets out the value of the current NEOs shareholdings as of January 2, 2022:

Name	Share Ownership Guideline	Number of Common Shares Owned	Number of RSUs Outstanding	Value of RSUs ⁽¹⁾ CAD (\$)	Value of Shares ⁽¹⁾ CAD (\$)	Met Guideline
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	5x base salary or \$4,375,000	356,440	38,716	777,023	11,751,827	Exceeds
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	2x base salary \$1,100,000	1,700	10,476	210,253	52,584	Does Not Exceed
Chris Stoddart <i>President, North American Bus and Coach</i>	2x base salary \$800,000	97,505	8,891	178,440	1,975,451	Exceeds
Brian Dewsnap ⁽²⁾ <i>President, NFI Parts</i>	2x base salary USD \$335,000 or \$846,478	36,210	7,446	149,444	1,614,242	Exceeds
Paul Davies ⁽³⁾ <i>President and Managing Director, ADL</i>	2x base salary GBP £540,000 or \$923,022	0	2,282	45,809	0	Does not Exceed

⁽¹⁾ Based on the greater of closing price of \$20.26 for the Common Shares on the Toronto Stock Exchange on January 2, 2022, and NEO's investment cost (or adjusted cost base) and RSU value of \$20.07 based on weighted average closing price of NFI for the last five trading days of 2021.

⁽²⁾ Mr. Dewsnap is compensated in U.S. dollars and his ownership guideline has been converted into Canadian dollars at an exchange rate of 1.2634.

⁽³⁾ Mr. Davies is compensated in British pound sterling and his ownership guideline has been converted into Canadian dollars at an exchange rate of 1.7093.

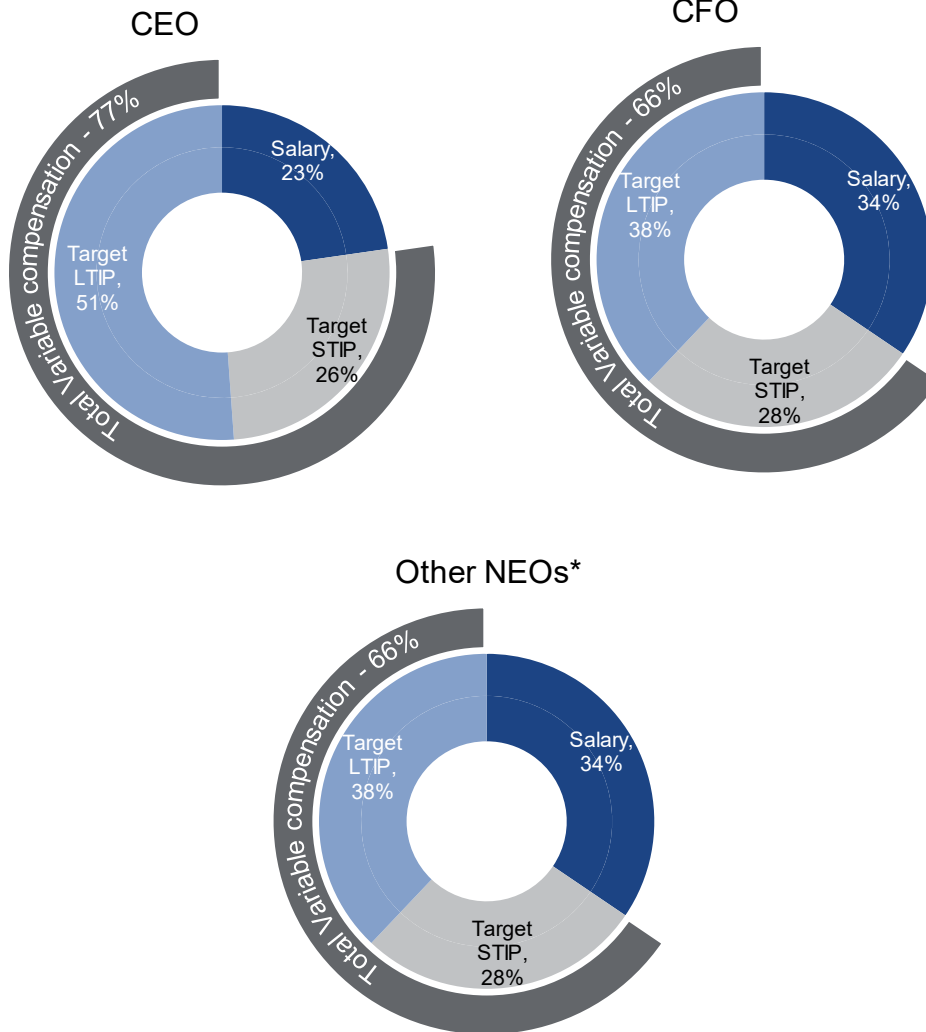
COMPENSATION ELEMENTS

The Company's 2021 executive compensation program was comprised of the following elements:

Component	Performance Period	Key Features	Purpose
Fixed Pay - Salary	1 year	<ul style="list-style-type: none"> • Set in employment contracts with executives • Assessed annually, considering scope and responsibilities of the role and the competitive market • Changes, if any, typically made effective January 1st 	<ul style="list-style-type: none"> • Attract and retain executives • Compensate for meeting the responsibilities of the role
Variable Pay – STIP	1 year	<ul style="list-style-type: none"> • Paid annually in cash • Awards are based on Governance Committee and Board's assessment of performance against pre-determined financial, operating and individual performance targets • Performance measures, threshold, target and maximum performance and award levels are established by the Governance Committee, considering management's performance projections for the year 	<ul style="list-style-type: none"> • Reward for achieving key annual performance objectives • Attract, motivate, and retain executives
Variable Pay – PSUs	3 years – vesting at the end of the term	<ul style="list-style-type: none"> • Notional units are granted based on a target level of long-term incentive compensation and track the Common Share price • Value of dividends on Common Shares are accrued over the 3-year performance period • 50% of LTIP grant • Number of units that vest is subject to the level of performance achieved against predetermined threshold, target and maximum levels, as determined by the Governance Committee • The final payment is made in cash 	<ul style="list-style-type: none"> • Pay for sustainable long-term performance • Align the interests of executives and shareholders • Focus executives on key performance objectives of NFI
Variable Pay – RSUs	3 years – vesting over 3 years	<ul style="list-style-type: none"> • Notional units are granted based on a target level of long-term incentive compensation and track the Common Share price • Value of dividends on Common Shares are accrued over the vesting period • 25% of LTIP grant • 2021 grant vests 33 1/3% per year starting on or about the first anniversary of grant • The final payment is made in cash 	<ul style="list-style-type: none"> • Pay for sustainable long-term performance • Attract and retain executives • Align the interests of executives and shareholders
Variable Pay – Share Options	8-year term – vesting over 4 years	<ul style="list-style-type: none"> • Share Options (“Options”) granted based on a target level of long-term incentive compensation • 25% of LTIP grant • Options vest 25% per year starting on or about the first anniversary of grant • 8-year term 	<ul style="list-style-type: none"> • Pay for sustainable long-term performance • Attract, motivate, and retain executives • Align the interests of executives and shareholders
Benefits, Pension and Perquisites		<ul style="list-style-type: none"> • Limited number of benefits, pension and perquisites, including executive health benefits and defined contribution pension arrangements 	<ul style="list-style-type: none"> • Attract and retain executives

Target Pay Mix for NEOs

To align with NFI's pay for performance compensation philosophy and emphasis on the longer-term value creation of the organization, a significant portion of the executives' pay is variable. In determining the pay mix, the Governance Committee considers market practice, level of pay, and line-of-sight to the overall Company performance. The graphs below show the approximate target compensation mix for the NEOs for 2021.



Base Salary

Base salaries are initially set in the executives' respective employment agreements and reviewed annually by the Governance Committee. In making adjustments, the Governance Committee considers positioning against the competitive market, the executive's level of responsibility, experience, individual performance, and internal equity.

Currency

For reporting purposes, NFI prepares its financial statements in United States dollars and in conformity with International Financial Reporting Standards, or IFRS. All amounts in this Compensation Discussion and Analysis are expressed in Canadian dollars, except where otherwise indicated. Compensation provided to Paul Soubry, Pipasu Soni, and Chris Stoddart was earned and paid in Canadian dollars. Brian Dewsnup and Paul Davies earned and were paid compensation in U.S. dollars and British pounds sterling, respectively. The Bank of Canada's closing exchange rates on December 31, 2021 were USD \$1.00 = \$1.2634 and GBP £1.00 = \$1.7093.

Name	Currency ⁽¹⁾	2020 Salary (\$,£)	2021 Salary (\$,£)	% Change 2020- 2021	2022 Salary (\$,£)	% Change 2021- 2022
Paul Soubry President and Chief Executive Officer, NFI	CAD	875,000	875,000	0%	875,000	0%
Pipasu Soni Executive Vice President and Chief Financial Officer, NFI	CAD	550,000	550,000	0%	550,000	0%
Chris Stoddart ⁽²⁾ President, North American Bus and Coach	CAD	400,000	400,000	0%	430,000	7.5%
Brian Dewsnup ⁽²⁾ President, NFI Parts	USD	335,000	335,000	0%	360,000	7.5%
Paul Davies ⁽²⁾ President and Managing Director, ADL	GBP	270,000	270,000	0%	286,000	5.9%

⁽¹⁾ Disclosed in the currency in which the compensation was earned and paid.

⁽²⁾ The 2022 increases in the salaries of Chris Stoddart, Brian Dewsnup, and Paul Davies reflect an alignment to market.

Short-Term Incentive Plan (STIP)

Financial Statement Definitions

“Adjusted EBITDA” are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company. These adjustments include gains or losses on disposal of property, plant and equipment, fair value adjustment for total return swap, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, costs associated with assessing strategic and corporate initiatives, past service costs and other pension costs or recovery, non-recurring costs or recoveries related to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, equity settled stock-based compensation, recovery of currency transactions, prior year sales tax provision, COVID-19 costs, out of period costs and impairment loss on goodwill and non-recurring restructuring costs.

“Free Cash Flow” means net cash generated by or used in operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, principal portion of finance lease payments, cash capital expenditures, proceeds from disposition of property, plant and equipment, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, defined benefit funding, defined benefit expense, past service costs and other pension costs or recovery, proportion of total return swap, recovery on currency transactions, prior year sales tax provision, non-recurring restructuring costs, COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.

“Working Capital Days” is defined as the calculated number of days to convert working capital to cash. It is calculated by the number of days in a year divided by the working capital turnover ratio (total sales for the last twelve months divided by the average working capital for the last thirteen months).

Adjusted EBITDA, Free Cash Flow and Working Capital Days are non-IFRS measures. For a reconciliation of those measures to the corresponding IFRS measures, see NFI's management's discussion and analysis of financial condition and results of operations for the 13-weeks and 52-weeks ended January 2, 2022.

The STIP is designed to reward executives for achieving key annual performance objectives by providing an annual cash award. The plan measures **corporate** performance and **individual** performance (referred to as, **“MBOs”**) against set objectives.

For 2021, NFI modified the STIP to emphasize strategic priorities and major business objectives required for the business to manage through the pandemic by adjusting the relative weightings of the performance measures versus previous years. Corporate performance represents 75% and MBOs represent 25% of the target award. In addition, the payout maximum was increased from 150% of target to 200% to allow the organization to reward performance significantly above target.

Corporate Performance

Corporate performance is measured by Adjusted EBITDA (50% weighting) on a business and consolidated basis and Free Cash Flow (25% weighting) on a business and consolidated basis. For Business Unit executives, half of Adjusted EBITDA is measured at the Company level and half is measured at the Business Unit level.

No payments are expected to be made if the Company does not achieve the required threshold performance level. However, the Board has the discretion to make STIP awards if performance targets are not met due to extraordinary or unexpected events. In determining the 2021 STIP awards, the Board did not exercise its discretion.

Performance Measure	Threshold (USD)	Target (USD)	Maximum (USD)	2021 Actual Achieved (USD)
Adjusted EBITDA ⁽¹⁾ (millions)	\$209.0	\$234.0	\$272.0	\$164.2
Working Capital Days ⁽²⁾	62	56	48	69

⁽¹⁾ Adjusted EBITDA in this table is defined in the side bar of this page and excludes the provision for the LTIP.

⁽²⁾ Working Capital Days in this table is defined in the side bar of this page and excludes the provision for the LTIP.

Due to impacts of the COVID-19 pandemic and global supply chain disruptions impacting all of the Company's operations, NFI did not achieve the threshold target in Fiscal 2021. While there were numerous challenges NFI achieved several milestones, including the launch of six new battery-electric vehicles, a 70% increase in zero-emission bus deliveries, entry into new geographic regions, and enhanced competitiveness through the continued execution of the Company's strategic NFI Forward cost-reduction initiative. As it navigated through the headwinds created by the pandemic and supply disruption, management focused on employee safety, working capital management and strengthening supply chains through the sourcing of individual parts and/or finding alternative sources of supply. In addition, the Company strengthened its balance sheet and generated significant financial flexibility through C\$738 million in debt and equity fundraises. The Board considered these numerous achievements and management's focus on driving performance during an extremely challenging period, but ultimately did not exercise its discretion in determining 2021 STIP awards.

OUR PRINCIPLES

1. WE PLEDGE TO BE CUSTOMER FOCUSED

in providing safe, accessible, reliable, and technologically advanced transportation solutions with the lowest total cost of ownership to keep people and communities moving.

2. WE MUST EARN THE TRUST OF THOSE WE SERVE AND THOSE THEY SERVE

through a steadfast commitment to safety and quality delivered as promised.

3. WE FOSTER SMART LEADERSHIP

at every level to continuously raise standards and advance technological innovation and service performance. We're passionate about a never-ending pursuit of operational excellence.

4. WE BELIEVE IN SUSTAINABILITY

and the positive social, economic, and environmental impact of the work we do every day.

5. WE VALUE HONESTY, HARD WORK AND TEAMWORK

and those who do that work with pride and integrity. We strive to be a great place to build careers.

Individual Objectives (MBOs)

Individual objectives or MBOs are determined prior to the start of each year by the Governance Committee based on the recommendation of the CEO after a review with each executive. They are developed from the Company's annual operating plan and strategic objectives. The Governance Committee reviews and recommends to the Board for approval individual objectives for the CEO.

MBOs are determined on a rating scale of 1 to 5, depending on the percentage of goals attained by the plan participant, with a payout range from 0% to 100% of the target award. If rated a 5, the executive may receive a payout above target.

The Governance Committee measures individual performance separately from corporate performance to be able to acknowledge and recognize the executive's efforts to improve business performance and create shareholder value which may not be completely captured through the corporate performance measures.

The MBO portion of the STIP award is determined by the Governance Committee in respect of the CEO's MBOs, by the Governance Committee on the recommendation of the CEO in respect of the executives who report directly to the CEO and by each of the Business Unit leaders in respect of the executives who report directly to them. In assessing each executive's performance against the executive's individual MBOs for the year, the following factors are evaluated:

- the accomplishment by the individual of his or her personal objectives (or MBOs) for the year, including key ESG objectives; and
- the adherence of the individual to the Company's principles (see sidebar).

Based on the Governance Committee's assessment of performance and considering the CEO's recommendations for the other NEOs, the 2021 MBO awards are outlined in the table below.

For 2021, the total (combined corporate and individual) actual STIP awards for the NEOs were as follows:

Name	Target STIP Opportunity (% of salary)	Currency ⁽¹⁾	Corporate Performance Award (\$,£)	MBO Award (\$,£)	Total Actual STIP Award (\$,£)	Actual STIP (% of salary)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	115%	CAD	-	176,524	176,524	20%
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	80%	CAD	-	77,188	77,188	14%
Chris Stoddart <i>President, North American Bus and Coach</i>	80%	CAD	-	60,347	60,347	15%
Brian Dewsnup <i>President, NFI Parts</i>	80%	USD	-	68,991	68,991	21%
Paul Davies ⁽²⁾ <i>President and Managing Director, ADL</i>	65%	GBP	-	32,612	32,612	12%

⁽¹⁾ Disclosed in the currency in which the compensation was earned.

⁽²⁾ Mr. Davies' STIP target will increase from 65% to 80% of salary for 2022. All other STIP targets will remain the same.

Changes to 2022 STIP

For 2022, NFI is maintaining the same relative weighting between Corporate metrics and the MBOs (75% and 25% respectively) as the organization continues to focus on emerging from the pandemic with strong performance and momentum. However, going forward Working Capital Days will replace Free Cash Flow to recognize the importance of this metric to managing the business. Working Capital Days describes how many days it takes for a company to convert its working capital into revenue.

Long-Term Incentives

The long-term incentives are designed to align executive and shareholder interests and to reward long-term sustainable performance. Long-term incentives at NFI include PSUs, RSUs, and Options. For 2021, executive long-term incentive awards were comprised of 50% PSUs, 25% RSUs, and 25% Options. Included in the determination of the executive's new long-term incentive grants are any RSUs and PSUs granted under the PRSU Plan that are held by an executive. In respect of 2021, the NEOs long-term incentive targets and number of awards granted were as follows:

Name	LTI Target (% of base salary)	Number of PSUs granted	Number of RSUs granted	Number of options granted
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	225%	40,343	20,172	78,374
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	110%	12,398	6,199	24,084
Chris Stoddart <i>President, North American Bus and Coach</i>	110%	9,016	4,508	17,516
Brian Dewsnap <i>President, NFI Parts</i>	110%	7,551	3,776	14,670
Paul Davies ⁽¹⁾ <i>President and Managing Director, ADL</i>	80%	4,426	2,213	8,599

⁽¹⁾ Mr. Davies' LTIP target percentage will increase from 80% to 110% in 2022 to align with the other executives at that level and peer group comparison.

Performance Share Units (PSUs)

PSUs are granted to align the interests of executives with the interests of shareholders by making a significant portion of executives' long-term incentive compensation dependent on the Company's long-term financial performance and on the fair market value of the Common Shares.

The 2021 grant under the PRSU Plan will vest at the end of 2023 based on the return on invested capital ("ROIC") of 2021 to 2023. The ROIC performance measure has established threshold, target and maximum levels of performance to determine the actual payout in 2024. At threshold performance, 50% of the grant will vest and at maximum performance, 200% of the grant will vest. No PSUs will vest if the threshold ROIC performance measure is not met.

The number of PSUs granted to each of the NEOs for fiscal 2021 were determined based on the weighted average closing price of Common Shares for the last five trading days of 2020 and the desired target compensation value. When dividends are paid on a Common Share, additional units equivalent to the amount of the dividends multiplied by the number of PSUs held (and determined based on the then fair market value of the Common Shares) will be credited to the participant's account. The actual value of a PSU on the settlement date is contingent on the Common Share price and NFI's actual performance over a three-year period relative to the established objectives.

Why measure ROIC?

The Governance Committee believes this measure holds management accountable for both earnings and capital utilization, is aligned with shareholders and is a less volatile measure over the long term than a cumulative multi-year Adjusted EBITDA measure.

References to "ROIC" are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders' equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).

Restricted Share Units (RSUs)

The PRSU Plan provides for grants of RSUs to officers and senior managers of the Company, including the NEOs. RSUs were adopted to supplement the long-term incentive compensation framework for the executives to promote their continued efforts in growing NFI, as well as to assist in attracting and retaining senior management personnel.

An RSU is a right to receive a cash payment based on the fair market value of a Common Share, subject to a vesting period of three years. The number of RSUs granted to each of the NEOs for fiscal 2021 were determined based on the closing weighted average trading price of the Common Shares for the last five trading days of 2020 and the desired compensation value. The actual value of an RSU on the settlement date is contingent on the Common Share price. The Governance Committee sets the vesting applicable to each grant. The 2021 grants will vest and settle one-third on or about each of the first, second and third anniversaries of the grant date.

See page 48 under “Termination and Change of Control Benefits-Paul Soubry”, for further details regarding the PRSU Plan.

The PRSU Plan was most recently amended and restated to accommodate grants of awards to participants in the United Kingdom.

Share Options

NFI’s use of Options to acquire Common Shares is an important component of its long-term incentive compensation arrangements for its employees. This (i) supports the achievement of NFI’s performance objectives; (ii) ensures that interests of key persons are aligned with the success of NFI; and (iii) provides compensation opportunities to attract, retain, and motivate senior management critical to the long-term success of NFI and its affiliates.

NFI maintains an Amended and Restated Share Option Plan (the “**2013 Option Plan**”), which provides for Option grants to officers and senior managers of the Company, including the NEOs. Options for 2021 will vest 25% per year starting on or about the first anniversary of the date of grant. Each such Option has an eight-year term.

On March 12, 2020, the Board approved a new share option plan, which was subsequently amended and restated on August 5, 2020 to accommodate grants to participants in the United Kingdom (the “**2020 Option Plan**” and collectively with the 2013 Option Plan, the “**Option Plans**”). The purpose of establishing the 2020 Option Plan was to ensure that there remained a sufficient number of Options to acquire Common Shares available for future grants in order to support the achievement of NFI’s performance objectives and to ensure that executives’ interests are aligned with the success of NFI and its shareholders. The 2020 Option Plan has substantially the same material terms as the 2013 Option Plan.

See Schedule “B” for a summary of the terms of the Option Plans.

In 2021, a total of 261,168 options were granted to participants under the 2013 Option Plan, representing approximately 0.4% of the weighted average issued and outstanding Common Shares for the 2021 fiscal year. No Options have been granted under the 2020 Option Plan.

Payment of the 2019 – 2021 PSU Award

In 2019, NFI granted PSUs under the PRSU Plan to executives that vested at the end of 2021. Vesting at the end of the period was based on NFI's performance against the established three-year average annual ROIC target and performance range. The table below provides the actual ROIC and target and performance range.

2019-2021 Performance Range Three-Year Average Annual ROIC			Actual 2019-2021 Results Three-Year Average Annual ROIC
Threshold	Target	Maximum	
12.2%	14.0%	15.5%	5.4%

As a result of the impact of actual performance on vesting, and incorporating the reinvestment of dividends and the ending Common Share price, the actual payout values of the 2019 grant for the NEOs are as follows:

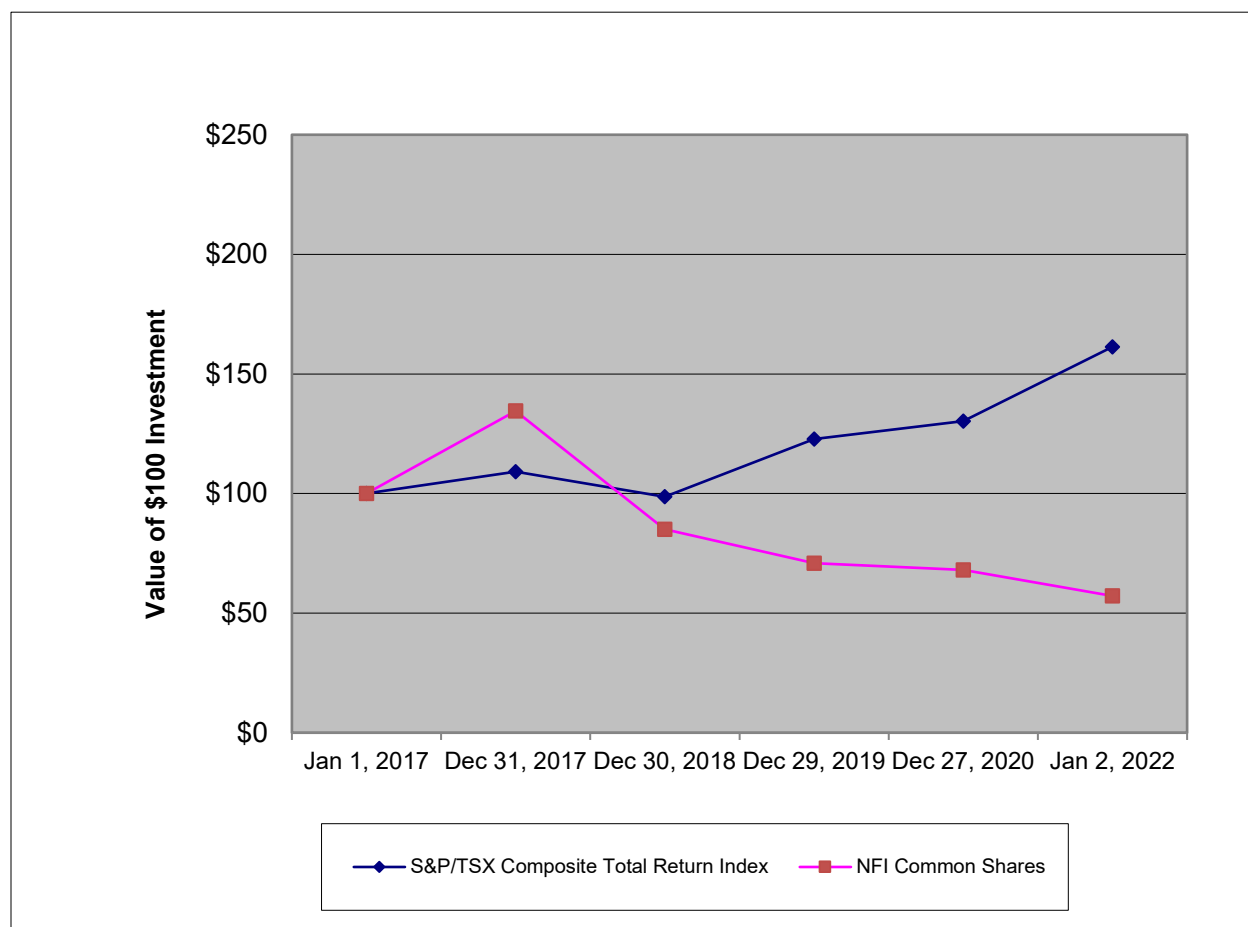
Name	PSUs Granted in 2019		Actual Compensation			
	Number Granted	Value (\$)	Number of PSUs (including reinvested dividends)	Vesting %	Resulting Number of PSUs	Value (\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	24,240	800,000	27,753	0	0	0
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	0	0	0	0	0	0
Chris Stoddart <i>President, North American Bus and Coach</i>	6,666	220,000	7,632	0	0	0
Brian Dewsnup ⁽¹⁾ <i>President, NFI Parts</i>	5,583	184,250	6,392	0	0	0
Paul Davies ⁽²⁾ <i>President and Managing Director, ADL</i>	0	0	0	0	0	0

⁽¹⁾ Mr. Dewsnup receives his compensation in US dollars. The grant value and actual compensation value is determined based on the Canadian dollar RSU price at a U.S.-Canadian exchange rate of 1.2634.

⁽²⁾ Mr. Davies receives his compensation in British pound sterling. The grant value and actual compensation value is determined based on the Canadian dollar RSU price at a U.S.-Canadian exchange rate of 1.7093.

PERFORMANCE GRAPH

The following graph compares the total cumulative return on funds invested in Common Shares (assuming reinvestment of dividends) with the total cumulative return of the Standard and Poor's TSX Composite Total Return Index (the "TSX Total Return Index") for the past five fiscal years of NFI.



Total compensation paid to NEOs has been 87% of target over the past five years and has decreased by 12% since 2016. Over the same five-year period, Adjusted EBITDA has decreased by 48%. See "CEO Performance Compensation During Tenure" on page 42 of this Information Circular for a further discussion of the pay and performance relationship.

There is not necessarily a direct correlation in the shorter term between the performance measures of Adjusted EBITDA, Working Capital Days and ROIC in the STIP and PSUs and between the grant date fair value of awards on the one hand and TSR and NFI Common Share price on the other hand. That being said, NEO actual short-term compensation is tied to operational measures and increases and decreases with actual performance.

Year	2019	2020	2021
Total NEO Compensation (millions)	5.9	8.0	7.0
Adjusted EBITDA (millions) ⁽¹⁾	322.2	157.7	164.2
Working Capital Days ⁽¹⁾	52	63	69
Return on Invested Capital	10%	3%	4%
Shareholder Return (annual)	-17%	13%	-14%

⁽¹⁾ Adjusted EBITDA and Working Capital Days are defined as disclosed in the side bar on page 35 of this Information Circular.

The total cost of compensation of the NEOs in 2021 as a percentage of Adjusted EBITDA was approximately 4.3%.

CEO PERFORMANCE COMPENSATION DURING TENURE

The following table compares the grant date value of compensation awarded to Mr. Soubry in respect of his performance as CEO with the value that he has realized or that is realizable from his compensation awards during his tenure. The compensation he has received includes salary and STIP, as well as the value of PSUs and RSUs and Options that are outstanding (as at January 2, 2022).

Year	Total Direct Compensation Awarded ⁽¹⁾	Total Realized and Realizable Compensation Value as at January 2, 2022 ⁽²⁾	Value of \$100 Mr. Soubry ⁽³⁾		Value of \$100		
			Realized	Realizable	Income Deposit Securities ("IDS") Annual Return ⁽⁴⁾	Common Shares Annual Return ⁽⁵⁾	Combined Cumulative Return during CEO Tenure
			(\$)	(\$)	(\$)	(\$)	(\$)
2010	2,425,000	1,162,948	48	48	125		176
2011	2,470,000	717,275	29	29	58		102
2012	2,470,000	2,868,746	116	116		166	170
2013	2,535,000	9,189,066	362	362		129	219
2014	2,536,750	12,146,552	479	479		134	293
2015	2,666,051	9,721,299	288	180		206	604
2016	2,828,551	3,817,026	135	79		156	939
2017	2,828,751	2,704,092	96	77		135	1,271
2018	3,320,000	2,060,457	47	75		64	808
2019	3,320,000	1,910,885	30	78		84	677
2020	3,850,000	2,661,099	36	94		98	663
2021	3,346,875	1,469,037	36	44		85	561
Total Direct Compensation	34,596,978	50,428,482					
		Weighted Average	131	129	92	126	561

⁽¹⁾ Includes salary and incentive compensation (STIP, PSUs, RSUs (beginning in 2012) and options (beginning in 2013)) awarded in respect of performance during the year.

⁽²⁾ PSU and RSU awards include targeted award plus dividend equivalents and have not been adjusted for performance relative to the plan targets, unless the award has vested. The realizable value of options is the value of unexercised in-the-money options.

⁽³⁾ Represents the accrued value to Mr. Soubry for each \$100 awarded in total direct compensation during the fiscal year indicated.

⁽⁴⁾ Represents the cumulative value of a \$100 investment in IDSs for the fiscal year indicated if the investment was made on the first day of such period, assuming reinvestment of dividends, and for the 2011 fiscal year, assuming the holder of such IDSs exercised all of their Rights pursuant to the Rights Offering.

⁽⁵⁾ Represents the cumulative value of a \$100 investment in Common Shares for the fiscal year indicated if the investment was made on the first day of such period, assuming reinvestment of dividends.

During the tenure of the CEO, the percentage of total realizable direct compensation (salary plus all incentives) to total direct compensation awarded (based on the values disclosed in the Summary Compensation Table) was 131% compared to a TSR of 461% for a shareholder that converted IDSs to Common Shares pursuant to a rights offering in 2011. Of the total realizable compensation, only 90% has been realized as at January 2, 2022, and realization of the balance depends on future performance relative to performance targets and NFI future share price.

Pay and Performance Alignment

NFI is committed to a pay-for-performance approach to compensation. The Governance Committee periodically reviews the alignment of the CEO's realizable pay with NFI's performance based on a series of financial measures, relative to the compensation benchmarking comparator group. Pay and performance alignment was last reviewed in 2016, showing a strong link between the CEO's realizable direct compensation and Company performance, and the Governance Committee concluded that realizable CEO pay is aligned with performance.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by and the share-based and Option-based awards granted to the NEOs for the fiscal year ended January 2, 2022. All values are reported in Canadian dollars.

Name and Title	Year	Salary ⁽¹⁾	Share-based Awards ⁽²⁾	Option-based Awards ⁽³⁾	Non-Equity Incentive Plan Compensation	Pension Value ⁽⁵⁾	All Other Compensation	Total Compensation
					Annual Incentive Plans ⁽⁴⁾			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	2021	875,000	1,476,563	492,188	176,524	29,210	18,436	3,067,920
	2020	875,000	1,476,563	492,188	347,157 ⁽⁶⁾	27,830	20,342 ⁽⁶⁾	3,239,079 ⁽⁶⁾
	2019	800,000	1,200,000	400,000	82,800	27,230	20,342 ⁽⁶⁾	2,530,372
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	2021	550,000	453,750	151,250	77,188	29,210	0	1,261,398
	2020	550,000	453,750	151,250	151,800	27,830	0	1,334,630
Chris Stoddart <i>President, North American Bus and Coach</i>	2021	400,000	330,000	110,000	60,347	29,210	0	929,557
	2020	400,000	330,000	110,000	110,400	27,830	0	978,230
	2019	400,000	330,000	110,000	32,000	27,230	0	899,230
Brian Dewsnpup <i>President, NFI Parts</i>	2021	423,239	349,172	116,391	87,163	36,904	0	1,012,869
	2020	431,112	355,667	118,556	117,262	35,814	0	1,058,411
	2019	438,113	361,443	120,481	35,049	35,611	0	990,697
Paul Davies <i>President and Managing Director</i>	2021	461,511	276,907	92,302	55,744	0	0	886,463

⁽¹⁾ With the exception of Mr. Dewsnpup and Mr. Davies, executives are paid in Canadian dollars. Mr. Dewsnpup's compensation has been converted to Canadian dollars at the exchange rates of 1.2634 for 2021, 1.2869 for 2020, and 1.3078 for 2019. Mr. Davies' compensation has been converted from GBP to Canadian dollars at the exchange rate of 1.7093 for 2021.

⁽²⁾ Represents the grant date fair value of awards granted under the PRSU Plan for compensation and accounting purposes, calculated based on the average trading price of the Common Shares on the TSX for the five trading days prior to the date of the grant. PSUs are valued assuming target performance.

⁽³⁾ The fair value of the options was determined using the Black-Scholes formula as at the effective date of grant of December 28, 2019, and December 28, 2020 and December 31, 2021. (see table below for assumptions).

⁽⁴⁾ Represents payments earned under the STIP.

⁽⁵⁾ Represents contributions made by the Company to the executive's registered retirement plan.

⁽⁶⁾ Represents the after-tax amount related to life insurance premiums forming part of Mr. Soubry's regular benefits.

⁽⁷⁾ In response to the COVID-19 pandemic, the NEOs agreed to take a temporary pay reduction in 2020. The pay reduction for each NEO was:

Paul Soubry	\$36,458
Pipasu Soni	\$16,042
Chris Stoddart	\$11,667
Brian Dewsnpup	\$14,263
Paul Davies	\$26,724

Key assumptions	Grant date:	December 28, 2020	December 31, 2019	January 2, 2019
	Compensation year:	2021	2020	2019
Share price		24.70	26.81	33.43
Exercise price		24.70	26.81	33.43
Dividend yield		4.57%	6.16%	3.71%
Expected volatility		44.02%	28.40%	24.35%
Risk-free interest rate		0.45%	1.64%	1.89%
Expected life		5.5 years	5.5 years	5.5 years
Value		\$6.28	\$3.36	\$5.10

INCENTIVE PLAN AWARDS

Outstanding Option-Based and Share-Based Awards

The following table sets forth information concerning all outstanding option-based and share-based awards granted by the Company to the NEOs on or before January 2, 2022.

Name and Title	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units that have not vested ⁽²⁾	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	153,518	13.45	28-Dec-22	1,045,458			
	71,333	26.75	28-Dec-23	0			
	38,800	40.84	3-Jan-25	0			
	41,973	54.00	2-Jan-26	0	20,512	411,683	365,340
	78,431	33.43	2-Jan-27	0			
	146,484	26.81	31-Dec-27	0			
	78,374	24.70	28-Dec-28	0			
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	45,015	26.81	31-Dec-27	0			
	24,084	24.70	28-Dec-28	0	6,303	126,511	83,742
Chris Stoddart <i>President, North American Bus and Coach</i>	11,387	26.75	28-Dec-23	0			
	6,193	40.84	3-Jan-25	0			
	5,030	54.00	2-Jan-26	0			
	21,569	33.43	2-Jan-27	0	4,584	92,008	86,432
	32,738	26.81	31-Dec-27	0			
	17,516	24.70	28-Dec-28	0			
Brian Dewsnp <i>President, NFI Parts</i>	3,670	13.45	28-Dec-22	24,993			
	10,690	26.75	28-Dec-23	0			
	9,292	40.84	3-Jan-25	0			
	9,667	54.00	2-Jan-26	0	3,839	97,349	91,454
	18,064	33.43	2-Jan-27	0			
	27,418	26.81	31-Dec-27	0			
	14,670	24.70	28-Dec-28	0			
Paul Davies <i>President and Managing Director, ADL</i>	8,599	24.70	28-Dec-28	0	1,522	52,203	26,100

⁽¹⁾ Awards under the PRSU Plan are considered "share-based awards" for the purposes of this table under applicable Canadian securities laws.

⁽²⁾ Represents the number of notional Common Shares underlying PSUs and RSUs granted under the PRSU Plan, which were unvested as at January 4, 2022.

⁽³⁾ Represents the aggregate value of the Common Shares listed in the adjacent column of this Share-Based Awards Table, calculated based on the closing price of the Common Shares on the TSX on December 31, 2021 of \$20.26. Mr. Dewsnp's payout is in U.S. dollars based on a US-Canadian exchange rate of 1.2634, and Mr. Davies' payout is in British pound sterling based on a GBP-CAD exchange rate of 1.7093.

Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards of the NEOs that vested during the 2021 fiscal year, as well as the value of non-equity incentive plan compensation that the NEOs earned in respect of the 2021 fiscal year.

Name and Title	Option-based awards – Value vested during the year (\$)	Share-based awards -Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	0	365,340	176,524
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	0	83,742	77,188
Chris Stoddart <i>President, North American Bus and Coach</i>	0	86,432	60,347
Brian Dewsnpup ⁽²⁾ <i>President, NFI Parts</i>	0	91,454	87,163
Paul Davies ⁽³⁾ <i>President and Managing Director, ADL</i>	0	26,100	55,744

⁽¹⁾ Represents the value of awards granted under the PRSU Plan, which are considered “share-based awards” for the purposes of this table under applicable Canadian securities laws, which vested during fiscal 2021.

⁽²⁾ Mr. Dewsnpup receives his compensation in U.S. dollars. The dollar values in this chart are based on a USD - CAD exchange rate of 1.2634.

⁽³⁾ Mr. Davies receives his compensation in British pound sterling. The dollar values in this chart are based on a GBP - CAD exchange rate of 1.7093.

The chart below summarizes the pay realized by NEOs in 2021 with respect to the exercise of Options and the settlement of RSUs and PSUs.

Name	Gain Realized on Options (\$) ⁽¹⁾	Realized Value on RSUs (\$) ⁽²⁾	Realized Value on PSUs (\$) ⁽³⁾	Total Realized Value on Options and Share-Based Awards (\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	-	365,299	-	365,299
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	-	83,732	-	83,732
Chris Stoddart <i>President, North American Bus and Coach</i>	-	86,423	-	86,423
Brian Dewsnpup ⁽⁴⁾ <i>President, Parts Business</i>	-	91,443	-	91,443
Paul Davies ⁽⁵⁾ <i>President and Managing Director, ADL</i>	-	26,097	-	26,097

⁽¹⁾ None of the NEOs exercised Options in 2021.

⁽²⁾ Represents the value of RSUs that vested in 2021.

⁽³⁾ Represents the value of PSUs that vested in 2021.

⁽⁴⁾ Mr. Dewsnpup receives his compensation in U.S. dollars. The dollar values in this chart are based on a U.S.-Canadian exchange rate of 1.2634 in 2021.

⁽⁵⁾ Mr. Davies receives his compensation in British pound sterling. The dollar values in this chart are based on a GBP - CAD exchange rate of 1.7093 in 2021.

Equity Compensation Plan Information

The Governance Committee approves Options, which may be granted to employees in Canada, the U.S. and the United Kingdom, and are priced according to the provisions of the plan in the currency where the employee resides. For more information on the Option Plans, see Schedule “B” – Description of Options Plans.

At January 2, 2022, there were 3,199,344 Options outstanding under the 2013 Option Plan. 1,160,453 of them were exercisable and 215,435 of them expired. No Options have been granted under the 2020 Option Plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities included in first column)
Equity compensation plans approved by security holders			
<i>2013 Option Plan</i>	1,617,759	28.82	3,816,091
<i>Director RSU plan</i>	69,568	20.07	340,350
Total	1,687,327	28.46	4,156,441

⁽¹⁾ Outstanding under the 2013 & 2020 Option Plan and Director RSU Plan for all participants.

⁽²⁾ Weighted-average exercise price of Common Shares outstanding under the 2013 & 2020 Option Plan.

RETIREMENT PLAN BENEFITS

Executives based in Canada

The registered retirement plan for the executives of the Company based in Canada is a non-contributory defined contribution plan. Messrs. Soubry, Soni, and Stoddart are based in Canada. The Company contributes each year, on behalf of the NEOs, an amount equal to 18% of their base salary, subject to the maximum level of contributions set out in the *Income Tax Act* (Canada). The contributions made to the plan by the Company vest immediately.

Executives based in the United States

The retirement plan for the executives of the Company who are based in the United States (one of whom is a NEO, Mr. Dewsnap) consists of a 401(k) plan and a supplemental executive retirement savings plan (the “ERSP”). The ERSP is a non-contributory plan. The Company contributes each year, on behalf of the U.S.-based executives, to the 401(k) plan an amount equal to the limit set out under the United States Internal Revenue Code and an amount to the ERSP, such that the aggregate of the amounts contributed to the two plans equal 18% of base salary, similar to the registered retirement plan provided to the executives of the Company based in Canada. The contributions made to the plan by the Company vest immediately.

Executives based in UK

The retirement plan for the executives of the Company based in the UK (one of whom is a NEO, Mr. Davies), is a defined contribution plan. The Company contributes each year, on behalf of the NEO, an amount equal to 16% of their base salary, subject to the maximum level of contributions set out by UK Pension Accrual limits.

Investment and Withdrawal

The Canadian and U.S.-based executives (including the NEOs) are entitled to invest the funds in any investment vehicle (e.g., guaranteed investment certificates and mutual funds) permitted by the providers of the plans. Upon retirement, the value of the accumulated contributions, together with any interest earned and capital appreciation on the funds invested, less any capital losses, can be withdrawn by the executives to provide retirement benefits. The amount of retirement income provided to each of the executives under the plans will depend upon the amount contributions made by the Company, the length of time the funds are in the plans and the rates of return earned on the funds until the executive’s retirement.

Defined Contribution Plan Table

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year-end (\$)
Paul Soubry <i>President and Chief Executive Officer, NFI</i>	526,668	29,210	664,761
Pipasu Soni <i>Executive Vice President and Chief Financial Officer, NFI</i>	38,872	29,210	91,773
Chris Stoddart <i>President, North American Bus and Coach</i>	549,026	29,210	662,878
Brian Dewsnap ⁽¹⁾ <i>President, NFI Parts</i>	532,854	36,904	731,847
Paul Davies <i>President and Managing Director, ADL</i>	0	0	0

⁽¹⁾ The opening balance has been converted from United States dollars to Canadian dollars at an exchange rate of 1.2869 and the compensatory and year-end values have been converted at an exchange rate of 1.2634.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Paul Soubry

A subsidiary of NFI entered into an indefinite term employment agreement with Paul Soubry commencing January 1, 2011. Mr. Soubry's agreement provides that his employment may be terminated for "Cause" without advance notice, and that he may resign without "Good Reason" on 60 days' prior written notice. In these circumstances, Mr. Soubry will be entitled to any amounts earned to the termination date. "Cause" is defined as a willful failure or refusal to perform duties following a 15-day opportunity to correct the failure, a material act of dishonesty or breach of trust in performing his duties, a conviction of or pleading guilty to an offence involving fraud, dishonesty or misappropriation, a breach of Mr. Soubry's non-competition, confidentiality and intellectual property obligations or any other conduct which would be treated as cause under Manitoba law. "Good Reason" is defined as assignment without consent of Mr. Soubry's duties causing a substantial reduction in authority or responsibilities, failure of any successor of NFI to assume the obligations under the employment agreement, or a material violation by NFI of the terms of the employment agreement that NFI fails to correct within 15 days of being notified of the violation. On termination of Mr. Soubry's employment without Cause or resignation by Mr. Soubry with Good Reason, Mr. Soubry is entitled to payment of his base salary and continuation of benefits for a period of 12 months and payment of a prorated bonus for the year in which the termination occurs. If Mr. Soubry's employment ends as a result of death, then Mr. Soubry's estate will be entitled to amounts earned to the termination date and payment of a prorated bonus.

Mr. Soubry is bound by non-competition and non-solicitation covenants during the term of employment and for a period of 12 months in the case of the non-competition covenant, and 24 months, in the case of non-solicitation covenant, following cessation of employment. If Mr. Soubry's employment is terminated without Cause or he resigns with Good Reason, the continuing payments and benefits provided to him will cease immediately if he breaches his post-employment non-competition or non-solicitation obligations.

The PRSU Plan and the Option Plans set out termination and change of control consequences that are in addition to those described above. "The PRSU Plan was amended and adopted by the board on December 18, 2018 to remove the single trigger accelerated vesting of awards in connection with a Change of control and to make other housekeeping changes. In respect of awards granted on or following December 18, 2018, the PRSU Plan now provides that if a participant's employment ceases because of a termination without cause or a resignation for good reason (which is materially similar to "Good Reason" as defined above, but also includes a material reduction in the participant's compensation (other than as a result of not achieving applicable performance targets) and a fifteen day cure period, in each case within a specified time period following a Change of control (between 12 and 24 months depending on the participant's seniority), then all of the participant's unvested RSUs will accelerate and vest on the participant's termination date and a pro-rata portion of the participant's unvested PSUs will accelerate and vest on the participant's termination date (assuming target performance). The PRSU Plan also now provides that in the event of a Change of control whereby the surviving or successor entity does not assume the outstanding awards under the plan or substitute the outstanding awards for similar awards, NFI will give written notice to all participants advising them that the PRSU Plan will be terminated immediately prior to the Change of control and all unvested RSUs and a pro-rata portion of the unvested PSUs (assuming target performance) will accelerate and vest immediately prior to the termination of the plan and will generally be redeemed at or around such time. If the Change of control is not consummated, the awards which vested will be returned to the participants and reinstated as unvested awards and the original terms applicable to such awards will be reinstated. Additional PRSU Plan terms are described in the "Compensation Discussion and Analysis" section above.

All PSUs and RSUs of Mr. Soubry's are forfeited on termination of employment for Cause or on resignation without Good Reason. If Mr. Soubry's employment is terminated without Cause or he resigns with Good Reason, he is entitled to a prorated portion of PSUs and RSUs based on the number of days in the

performance period that elapsed prior to the termination date, and these PSUs and RSUs will continue to vest as if Mr. Soubry had remained employed and, in the case of the PSUs, will be paid out based on actual performance over the whole performance period. In the case of death, a prorated number of PSUs and RSUs vest and are redeemed within 60 days of the date of death. In the case of disability, Mr. Soubry is entitled to a prorated number of PSUs and RSUs, which will continue to vest as if Mr. Soubry had remained employed. In the case of retirement, Mr. Soubry's PSUs and RSUs will continue to vest as if Mr. Soubry had remained employed and, in the case of the PSUs, will be paid out based on actual performance over the whole performance period. The Board has sole discretion to approve whether a resignation shall be treated as retirement. If Mr. Soubry's employment is terminated without cause or he resigns with Good Reason within 24 months of a change in control, he is entitled to redemption of all of his RSUs and a prorated portion of PSUs based on the number of days in the performance period that elapsed prior to the termination date, vesting at target. "Change of control" is defined to include (i) a reorganization, amalgamation, merger or plan of arrangement, other than solely involving NFI and one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the voting securities of NFI immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the voting securities of the resulting entity on a fully-diluted basis; (ii) a formal takeover bid or tender offer for the voting securities of NFI being completed (other than NFI or one or more of its affiliates) resulting in a change in ownership of more than 50% of the voting securities of NFI; or (iii) the direct or indirect sale or other disposition other than to an affiliate of NFI of either more than 50% of the voting securities of New Flyer Holdings, Inc. ("**NF Holdings**") or all or substantially all of the consolidated assets of NF Holdings. Additional PRSU Plan terms are described in the "Compensation Discussion and Analysis" section above. Option employment cessation terms are explained in Schedule "B" – Description of The Option Plans.

Pipasu Soni, Chris Stoddart, and Brian Dewsnp

A subsidiary of NFI entered into indefinite term employment agreements with Messrs. Soni, Stoddart, Dewsnp, and Davies. These employment agreements provide that upon termination of employment without "Cause" or resignation for "Good Reason", the executive officer is entitled to payment of base salary and continuation of benefits for 12 months and payment of accrued and prorated bonuses. "Cause" and "Good Reason" under each of these employment agreements have the same definitions as described above under the summary of Mr. Soubry's employment terms. Under their respective employment agreements, each of Messrs. Soni, Stoddart, Dewsnp, and Davies are bound by non-competition and non-solicitation covenants during the term of employment and for a period of 12 months, in the case of the non-competition covenant, and 24 months, in the case of the non-solicitation covenant, following cessation of employment. If employment is terminated without Cause or they resign with Good Reason, the continuing payments and benefits provided will cease immediately if they breach these post-employment non-competition or non-solicitation obligations.

Summary of Termination Payments

The following table describes the incremental payments and benefits that would be payable to each NEO listed below under their respective employment agreements described above, assuming that such NEO's employment had been terminated on January 2, 2022. In certain of the scenarios below, the amount of the incremental payments payable to the NEO under the PRSU Plan depends on the achievement of performance targets and are not determinable until the end of the relevant performance period, being the end of fiscal 2021 in respect of the STIP and the end of the performance period that relates to each of the grants issued to the NEO under the PRSU Plan.

Termination Scenario	Base Salary	STIP	PRSU Plan	Share Options
Termination Without Cause or Resignation for Good Reason	100% of base salary for 12 months.	Pro rata entitlement to the STIP determined as at end of fiscal 2021.	Pro rata number of units based on number of days that elapsed in performance period	Forfeit invested Options, have 90 days to exercise vested Options.

Termination Scenario	Base Salary	STIP	PRSU Plan	Share Options
			prior to date of termination. Will continue to vest as if employment had continued.	
Termination for Cause	Unpaid base salary to date of termination.	No entitlement to STIP for fiscal period in which employment terminated.	All units will be forfeited.	Forfeit unvested Options, have 30 days to exercise vested Options.
Resignation without Good Reason	Unpaid base salary to date of termination.	No entitlement to STIP for fiscal period in which employment terminated.	All units will be forfeited.	Forfeit unvested Options, have 30 days to exercise vested Options.
Death	Unpaid base salary to date of death.	Pro rata entitlement to the STIP determined as at end of fiscal 2021.	Pro rata portion of units based on number of days that elapsed in performance period prior to date of death vest immediately. Units are redeemed and paid within 60 days of death.	Forfeit unvested Options, have one year to exercise vested Options.
Disability	Long-term disability = 70% of base salary for a maximum of \$18,000 per month (for Canadian executives) and USD \$16,000 per month (for USD executives). Supplemental individual policy for CEO of \$17,000 per month.	Pro rata entitlement to the STIP determined as at end of fiscal 2021.	Pro rata portion of units based on number of days that elapsed in performance period prior to date of termination. Will continue to vest as if employment had continued.	Options continue to vest as scheduled and will be exercisable until the earlier of 3 years after the termination date or the expiry date of the Option.
Retirement	Unpaid base salary to date of retirement	Pro rata entitlement to the STIP determined as at end of fiscal year 2021.	Continue to vest as scheduled. Board has sole discretion to approve whether a resignation shall be treated as retirement.	All Options continue to vest as scheduled and will be exercisable until the earlier of 3 years after the termination date or the expiry date of the Option. Board has sole discretion to approve whether a resignation shall be treated as retirement.
Termination Without Cause or Resignation for Good Reason and Change of Control	100% of base salary for 12 months.	Pro rata entitlement to the STIP determined as at end of fiscal 2021.	All RSUs granted on and after December 18, 2018 will vest and be redeemed and paid within 30 days of termination and a pro-rata portion of the PSUs granted on and after December 18, 2018 will vest at target and be redeemed within 30 days of termination. ⁽¹⁾	All Options vest immediately prior to termination date and will be exercisable for 90 days after the termination date.

Termination Scenario	Base Salary	STIP	PRSU Plan	Share Options
<p>Change of Control and no termination of employment</p>	<p>Base salary paid in accordance with terms set out in employment agreement.</p>	<p>STIP paid in accordance with terms set out in employment agreement and determined as at end of fiscal 2021.</p>	<p>All units granted on and after December 18, 2018 that are not assumed or substituted will vest upon a change in control. All units granted prior to December 18, 2018 will vest and be redeemed and paid immediately upon date of change of control.</p>	<p>Options that are not assumed or substituted will vest upon a change of control.</p>

⁽¹⁾ See "Change of Control and no termination of employment", for treatment of RSUs and PSUs granted prior to December 18, 2018.

The table below shows the estimated incremental payments or benefits that would be made to the NEOs in the event of different termination events. Amounts have been calculated as if the termination events had occurred on January 2, 2022 and assuming performance at target for the PSUs. All values are reported in Canadian dollars.

Name	Amount Due on Termination						
	Event	Contractual		Long-Term Incentive Plans			Total (\$)
		Base Salary (\$)	STIP (\$)	PSUs (\$) ⁽¹⁾	RSUs (\$)	Option Plans ^{(2) (3)} (\$)	
Paul Soubry	Termination Without Cause or Resignation for Good Reason	875,000	176,524	0	365,299	1,045,458	2,462,280
	Termination for Cause	0	0	0	0	1,045,458	1,045,458
	Resignation without Good Reason	0	0	0	0	1,045,458	1,045,458
	Death	0	176,524	0	365,299	1,045,458	1,587,280
	Disability	0	176,524	0	365,299	1,045,458	1,587,280
	Retirement	0	176,524	0	776,982	1,045,458	1,998,963
	Termination Without Cause or Resignation for Good Reason and Change of Control	875,000	176,524	0	776,982	1,045,458	2,873,963
	Change of Control and no termination of employment	0	176,524	0	776,982	1,045,458	1,998,963
Pipasu Soni	Termination Without Cause or Resignation for Good Reason	550,000	77,188	0	83,732	0	710,920
	Termination for Cause	0	0	0	0	0	0
	Resignation without Good Reason	0	0	0	0	0	0
	Death	0	77,188	0	83,732	0	160,920
	Disability	0	77,188	0	83,732	0	160,920
	Retirement	0	77,188	0	210,243	0	287,431
	Termination Without Cause or Resignation for Good Reason and Change of Control	550,000	77,188	0	210,243	0	837,431
	Change of Control and no termination of employment	0	77,188	0	210,243	0	287,431
Chris Stoddart	Termination Without Cause or Resignation for Good Reason	400,000	60,347	0	86,243	0	546,770
	Termination for Cause	0	0	0	0	0	0
	Resignation without Good Reason	0	0	0	0	0	0
	Death	0	60,347	0	86,423	0	146,770
	Disability	0	60,347	0	86,423	0	146,770
	Retirement	0	60,347	0	178,430	0	238,777
	Termination Without Cause or Resignation for Good Reason and Change of Control	400,000	60,347	0	178,430	0	638,777
	Change of Control and no termination of employment	0	60,347	0	178,430	0	238,777

Name	Amount Due on Termination						
	Event	Contractual		Long-Term Incentive Plans			Total (\$)
		Base Salary (\$)	STIP (\$)	PSUs ⁽¹⁾ (\$)	RSUs (\$)	Option Plans ^{(2) (3)} (\$)	
Brian Dewsnp ⁽⁴⁾	Termination Without Cause or Resignation for Good Reason	423,239	87,163	0	91,443	24,993	626,838
	Termination for Cause	0	0	0	0	24,993	24,993
	Resignation without Good Reason	0	0	0	0	24,993	24,993
	Death	0	87,163	0	91,443	24,993	203,599
	Disability	0	87,163	0	91,443	24,993	203,599
	Retirement	0	87,163	0	188,797	24,993	300,952
	Termination Without Cause or Resignation for Good Reason and Change of Control	423,239	87,163	0	188,797	24,993	724,191
	Change of Control and no termination of employment	0	87,163	0	188,797	24,993	300,952
Paul Davies ⁽⁴⁾	Termination Without Cause or Resignation for Good Reason	461,511	55,744	0	26,097	0	543,352
	Termination for Cause	0	0	0	0	0	0
	Resignation without Good Reason	0	0	0	0	0	0
	Death	0	55,744	0	26,097	0	81,841
	Disability	0	55,744	0	26,097	0	81,841
	Retirement	0	55,744	0	78,298	0	134,042
	Termination Without Cause or Resignation for Good Reason and Change of Control	461,511	55,744	0	78,298	0	595,553
	Change of Control and no termination of employment	0	55,744	0	78,298	0	134,042

⁽¹⁾ PSU amounts determined based on vesting percentage at target and the fair value, calculated based on the average trading price of the Common Shares on the TSX for the last five trading days of 2021. Actual vesting percentage is dependent on actual results over the future periods, except in the case of death where the target number of units vest (pro-rated for the period).

⁽²⁾ Option amounts determined based on the difference between the closing price of a Common Share on the TSX on December 24, 2021 and the exercise price of the Option.

⁽³⁾ Option amounts determined represent the value of vested option value at time of termination event.

⁽⁴⁾ With the exception of Mr. Dewsnp and Mr. Davies, all executives are paid in Canadian dollars. Mr. Dewsnp's compensation has been converted from U.S. dollars to Canadian dollars at the exchange rate of 1.2634 for 2021. Mr. Davies' compensation has been converted from British pound sterling to Canadian dollars at the exchange rate of 1.7093 for 2021.

CORPORATE GOVERNANCE

INDEBTEDNESS OF DIRECTORS AND OFFICERS OF THE COMPANY

No amounts are owed to NFI or any of its subsidiaries or to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by NFI or any of its subsidiaries, by any Director (including Ms. Kei) or officer of NFI, former Directors or officers of NFI or any associates or affiliates of the foregoing.

AUDIT COMMITTEE

Information regarding NFI's Audit Committee can be found on pages 52 to 54 of the AIF. A copy of the AIF can be obtained by contacting NFI or can be found at www.sedar.com.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance practices are an important factor in the overall success of the Company. To that end, the Board strives to uphold high standards of corporate governance that reflect applicable legal and regulatory requirements as well as evolving best practices. The Governance Committee regularly assesses NFI's approach to corporate governance and makes recommendations to the Board on emerging best practices and other policy improvements.

1. Board of Directors

- The independent members of the Board, within the meaning of NI 52-110, are The Honourable Brian Tobin, Larry Edwards, John Marinucci (who is not being nominated for re-election at the Meeting), Adam Gray, Krystyna Hoeg, Phyllis Cochran, Paulo Nunes and Katherine Winter.
- The non-independent Directors of NFI are (i) Colin Robertson, who is considered to be non-independent by virtue of his previous position as the CEO of Alexander Dennis Limited ("ADL") from May 28, 2019 (the date ADL was purchased by NFI) to September 30, 2020 when he transitioned as Vice Chair of NFI, and (ii) Paul Soubry, who is considered to be non-independent by virtue of his position as the President and Chief Executive Officer of NFI since January 19, 2009.
- If Ms. Kei is elected to the Board, she will be considered an independent member of the Board within the meaning of NI 52-110. If Ms. Kei is elected to the Board, eight of the ten members of the Board will be independent of management.
- The Board Chair is The Honourable Brian Tobin, an independent Director. For the role and responsibilities of the Board Chair, please refer to the Appendix to the Mandate of the Board of Directors in Schedule "D".
- During fiscal 2021, there were 18 meetings of the Board (either in person or by teleconference). All directors attended such meetings, except for Mr. Gray who was absent for three meetings, Mr. Soubry who was absent for two meetings and Mses. Hoeg and Winter who were each absent for one meeting.

- During fiscal 2021, there were four meetings of the Audit Committee (either in person or by teleconference). All members of the Audit Committee attended such meetings.
- During fiscal 2021, there were five meetings of the Governance Committee (either in person or by teleconference). All members of the Governance Committee attended such meetings, except for Mr. Nunes who was absent for one meeting.
- It is the practice of the Board to hold in-camera sessions without members of management in attendance at each Board and committee meeting. During fiscal 2021, there were twelve meetings of the Board, four meetings of the Audit Committee and five meetings of the Governance Committee where independent Directors held meetings without management present. To facilitate open and candid discussion among the Directors, the Board Chair, an independent Director, regularly calls and leads meetings of the Board. In addition, the independent Directors have unfettered access to information regarding NFI's activities and have the ability to engage outside advisors as deemed necessary.

The following table displays the other public company directorships held by each of the Director nominees:

Name	Other Public Company Directorships
Ms. Cochran	-
Mr. Edwards	-
Mr. Gray	Blue Bird Corporation Purple Innovation, Inc.
Ms. Hoeg	Imperial Oil Limited
Ms. Kei	Ontario Power Generation Inc. Karora Resources Inc. Noranda Income Fund
Mr. Nunes	Marcopolo S.A. (Brazil)
Mr. Robertson	-
Mr. Soubry	-
Mr. Tobin	-
Ms. Winter	-

2. Board Composition

The Governance Committee maintains a matrix that sets out the background, skills and experience of each of the Directors (including Ms. Kei). This information is used to assess the overall strength and diversity of the Board and is presented below.

NFI GROUP INC. Director Skills and Experience Summary – 2022

		The Honourable Brian Tobin	Larry Edwards	Adam Gray	Phyllis Cochran	Krystyna Hoeg	Paulo Nunes	Katherine Winter	Colin Robertson	Wendy Kei	Paul Soubry
Personal Diversity	Male	X	X	X			X		X		X
	Female				X	X		X		X	
	Non-binary / Other										
	Asian									X	
	Black / African-American										
	Caucasian	X	X	X	X	X	X	X	X		X
	Hispanic / Latino										
	Indigenous										
Independence	Hawaiian / Pacific Islander										
	Disability										
Region of Experience	Yes	X	X	X	X	X	X	X		X	
	No								X		X
Education	Canada	X		X		X				X	X
	U.S.A.		X	X	X	X		X	X	X	X
	UK								X		
	Other	X		X		X	X	X	X	X	X
Profession	Bachelor		X	X	X	X		X	X	X	X
	Masters					X					
	PhD										
	MBA		X					X			
	ICD or Directors Cert.	X	X							X	X
	Other					X	X		X		X
Government Relations/Influence	CPA				X	X			X	X	
	Engineer		X					X	X		
	Lawyer										
	Director / Consultant	X	X	X	X	X	X			X	
	Private Equity	X		X							
	Investor / Investment Manager			X							
	Other			X				X			
	Canadian federal	X									X
U.S. federal	X										
Canadian provincial	X								X	X	
U.S. state	X					X					
Other	X										
Essential Business/Industry Experience	CEO / Senior Executive	X	X	X	X	X	X	X	X	X	X
	Board Experience	X	X	X	X	X	X	X	X	X	X
	Public Company Experience	X	X	X	X	X	X	X	X	X	X
	Financial Expert	X		X	X	X				X	
	Manufacturing Experience		X		X	X	X	X	X		X
	Transit or Coach Industry						X		X		X
	Strategic Planning	X	X	X	X	X	X	X	X	X	X
	Government Policy Experience	X									
Beneficial Business/Industry Experience	Facility Operation Experience		X		X	X	X	X	X		X
	LEAN / Business Transformation				X	X		X	X		X
	Other Vehicle Industry			X	X	X	X	X	X		
	Public-Private Partnerships	X		X		X				X	
	Risk Management Experience	X	X	X	X	X	X	X	X	X	X
	Marketing Experience	X	X	X		X	X	X	X		X
	IT Experience	X						X		X	
	Research / Technology	X				X		X			
	HR Experience	X	X	X	X	X	X	X			X
	Financial Experience	X		X	X	X	X			X	
	Mergers and Acquisitions	X	X	X	X	X	X	X	X	X	X

3. Board of Directors Mandate

The Board mandate is included as Schedule “D” to this Information Circular.

4. Charter of Expectations for Directors

The Board has adopted a Charter of Expectations for Directors which sets out the Company's expectations regarding personal and professional competencies and criteria for Directors, share ownership requirements (described on page 20 of this Information Circular), meeting attendance, conflict of interest guidelines, changes of circumstance, resignation events and majority voting policy (described below). The Charter is reviewed annually by the Board and a copy is attached as Schedule "E".

5. Majority Voting Policy

The Board has adopted a policy which provides that, if the total number of shares voted in favor of the election of a Director nominee at a shareholders' meeting represents less than a majority of the total shares voted for and withheld with respect to that Director, the Director must submit his or her resignation to the Board Chair, to be effective when accepted by the Board. The Governance Committee will consider and make a recommendation to the Board regarding the resignation, and the Board's decision to accept or reject the resignation will be disclosed to the public within 90 days of receiving the resignation. If a resignation is accepted, the Board may appoint a new Director to fill the vacancy. This policy applies only to uncontested elections — that is, elections in which the number of nominees for Director is equal to the number of Directors to be elected.

6. Director Term and Age Limits

The Board believes there should be a balance between having experienced Directors who have served on the Board for an appropriate length of time so as to understand the Company, its business environment and the issues facing the Company and renewing the Board to ensure new insights are considered to reflect and address changing business environments and strategies. In order to assist in achieving this balance, a Director will generally not be nominated for election or re-election at an annual meeting after the earlier of the following occurs: (i) the Director attains the age of 75, and (ii) the Director has served a 15-year term on the Board, provided however, the Board will ultimately rely upon its robust self-assessment process to determine Board renewal needs. Where the Board determines it would be in the best interests of the Company, the Board is entitled to nominate any person for election to the Board, regardless of age or tenure.

In accordance with the policy, Mr. Brian Tobin, Chairman of NFI was due to retire from the Board in May 2021, after serving for 15 years since NFI's initial public offering in 2005. However, in March 2021, the Board (without Mr. Tobin participating in the deliberations) unanimously determined that it was in the best interest of NFI to extend his term limit by an additional year. In March 2022, the Board (without Mr. Tobin participating in the deliberations) unanimously determined that it is in the best interest of NFI to further extend his term limit by an additional year. The decisions by the Board were driven by a number of factors, including the ongoing challenges presented to the Company, its customers, suppliers and end markets by the COVID-19 pandemic, the importance of maintaining continuity of Board representation and leadership and the need to support and oversee the business during this difficult period of recovery. Mr. Tobin has a very important skill set and has been providing and continues to provide outstanding contributions to NFI.

7. Position Descriptions

Position descriptions for the Board Chair and the chairpersons of the Governance Committee and Audit Committee are found in the Appendix of the Board mandate included as Schedule "D" to this Information Circular.

A position description for the CEO has also been adopted by the Directors and is as follows:

Responsibilities of the CEO

1. Demonstrate leadership values and integrity in all aspects of managing NFI and its subsidiaries in the best interests of its stakeholders.
2. With input from the Board, develop a multi-year strategic plan and an annual business plan.
3. Provide leadership and vision in setting, implementing and achieving NFI's and its subsidiaries' strategic objectives and distribution targets, developing and implementing sound operating and financial plans, designing an effective organizational structure, and determining annual operating budgets and resource levels for NFI and its subsidiaries to meet its short-term and long-term goals and objectives.
4. Identify business opportunities and plan and direct investigations and negotiations pertaining to capital investments, mergers, joint ventures, material acquisitions of businesses or the sale of major assets, and obtain Directors approval of material transactions.
5. Set an operational philosophy that is performance driven and customer focused, while providing leadership to management in support of NFI's commitment to its Code (as defined below).
6. At the discretion of the securityholders of NFI and the Directors, serve on the Board.
7. Communicate in a timely, candid and comprehensive fashion with the Audit Committee, the Governance Committee and the Directors on the progress of NFI towards the achievement of its strategic objectives and business plan.
8. Meet regularly with the Board Chair and other Directors to ensure that Directors are being provided with necessary information and resources to fulfill their responsibilities and statutory obligations.
9. On an ongoing basis, work with the Board Chair to develop schedules and agendas of meetings of the Directors and its committees and verify that all items requiring Directors and/or committee approval are appropriately tabled.
10. Serve as chief spokesperson and liaison for NFI, including effectively managing relations with NFI's external stakeholders, such as securityholders, NFI's employees, customers, suppliers, the investment community, the media, governments and the public generally.
11. Oversee the direction of NFI's tax management and planning.
12. With the CFO and under the supervision of the Audit Committee:
 - establish and maintain NFI's disclosure controls and procedures through appropriate policies and procedures, including NFI's Disclosure and Insider Trading Policy;
 - identify all significant risks to NFI's business and ensure that procedures are established to mitigate the impact of the risks in the best interest of stakeholders;
 - ensure the accuracy, completeness, integrity and appropriate disclosure of NFI's financial statements and other financial information through appropriate policies and procedures; and

- ensure that NFI has complied with all regulatory requirements for NFI's financial information, reporting, disclosure requirements and internal controls over financial reporting.
13. Provide general supervision and management of the day-to-day business affairs of NFI and its subsidiaries within the guidelines established by the Directors, consistent with decisions requiring prior approval of the Directors and the Directors' expectations of management.
 14. With the CFO, direct and monitor the activities and resources of NFI, consistent with the strategic direction, financial limits and operating and financial objectives approved by the Directors.
 15. With the Governance Committee:
 - ensure, through supervision and performance assessment, that NFI and its subsidiaries have an effective senior executive leadership team (the "ELT") and that there exists a plan of succession and development for the CEO, CFO and other members of the ELT;
 - directing the selection and retention of the ELT;
 - develop a compensation and benefit plan for the ELT;
 - develop an effective training and development program for NFI's employees;
 - develop effective processes and metrics to track employment satisfaction of NFI's employees;
 - develop effective guidelines and practices with respect to NFI's employee safety practices; and
 - develop effective processes and metrics to track customer satisfaction.
 16. Provide required regulatory certifications regarding NFI and its activities.
 17. Carry out any other appropriate duties and responsibilities assigned by the Directors.

8. Orientation and Continuing Education

Management, working with the Directors, provides orientation opportunities for new Directors to familiarize them with NFI and its business. All new Directors will now participate in an active orientation operation program soon after the date on which the new Director first joins the Board. The orientation includes:

- a detailed briefing with the Board Chair and with the chairperson of each of the Audit Committee and Governance Committee;
- a detailed briefing on the role of the director in NFI and other matters by NFI's general counsel and external legal counsel, including a briefing on the legal duties and obligations required of a director of a publicly-held company;
- a detailed briefing on NFI and its business by the CEO, CFO and other members of the ELT, as determined by the Board Chair and the CEO from time to time, including a discussion of NFI's key products and operations; and
- a tour of one of NFI's manufacturing facilities.

The orientation program is reviewed regularly by the Governance Committee in connection with new appointments.

All of the Directors, other than Ms. Kei, have attended NFI's corporate headquarters in Winnipeg, Manitoba and most of the Directors have toured the North America production facilities for the transit bus, motor coach and cutaway businesses to obtain an understanding of the operations, maintenance and other factors that are key drivers to NFI's success. Most of the Directors have also visited the aftermarket parts facility in Louisville, Kentucky, ARBOC's facility in Middlebury, Indiana, the parts fabrication business in Shepherdsville, Kentucky and certain of NFI's bus and coach service centers in North America.

NFI has a continuing education program for its Directors, for which the Governance Committee is responsible. The program was developed to help Directors maintain or enhance their skills and abilities, and to update their knowledge and understanding of the company and its industry. The key components of the program include:

- *Regular briefings.* Directors are briefed regularly (and at least on a quarterly basis) on strategic issues affecting NFI, and these briefings include reviews of the competitive environment, NFI's performance relative to its peers, and any other developments that could materially affect NFI's business such as the government funding of transit agencies in Canada and the United States. The briefings are conducted by the CEO, CFO and other members of the ELT, as well as external advisors to NFI.
- *Seminars, conferences and other industry events.* Directors are also encouraged to participate in external education seminars at NFI's expense that are relevant to their role on the Board or Board committees. As part of the continuing education program, NFI provides Directors with a list of the principal education activities that are aimed at the transit industry and the role of a director of a public company. Directors are also encouraged to participate in education activities relating to ethical issues for directors generally as well as those ethical issues that may be specific to the transit industry. Five of the ten proposed nominees for Director are also members of the Institute of Corporate Directors and have graduated from the Institute's Directors' Education Program.
- *Presentations by subject matter experts.* External advisors and consultants also make presentations from time to time to the Directors regarding various corporate governance issues and best practices. In 2021, Aon Hewitt Inc., NFI's pension consultant, made a presentation regarding duties and governance of pension committees.

Directors have also periodically visited some of NFI's customers in order to gain a better understanding of the customers' businesses and their opinion on NFI's products and how it services the customers.

9. Ethical Business Conduct

The Directors have adopted and subsequently amended a written code of conduct and ethics for NFI (the "**Code**"), which constitutes written standards that are designed to promote integrity and to deter wrongdoing. The Code addresses the following issues:

- conflicts of interest, including transactions and agreements in respect of which a Director or executive officer has a material interest;
- protection and proper use of corporate property and opportunities;
- confidentiality of undisclosed corporate information;
- fair dealing with suppliers, competitors and employees of NFI;

- compliance with laws, rules and regulations; and
- reporting of any illegal, unethical or fraudulent behaviour.

To ensure the Directors exercise independent judgment in considering transactions, agreements or decisions in respect of which a Director or executive officer has a material interest, the Directors follow a practice whereby any such Director must be absent during any Board discussion pertaining thereto and not cast a vote on any such matter.

The Directors are responsible for monitoring compliance with the Code, as well as NFI's Whistleblower Policy. Any person can report complaints or concerns, which may be submitted on an anonymous and confidential basis, arising from infractions of these two policies through an independently operated ethics reporting hotline and website or directly to the chairperson of the Audit Committee.

Management will prepare reports for the Audit Committee, noting any alleged violations of the Code, on a quarterly basis. The Audit Committee will update the Board on a quarterly basis regarding compliance with the Code, and will report any alleged violations to the Board as necessary. The Audit Committee is also notified of any alleged violations of the Code relating to accounting, internal controls or auditing matters. The Governance Committee, in consultation with the Board, reviews the process for administering the Code every year.

The Board believes that providing a procedure for employees and officers to raise concerns about ethical conduct on an anonymous and confidential basis fosters a culture of ethical conduct within NFI and its subsidiaries and affiliates. NFI requires that Directors and officers annually certify they have complied with the Code. To date, NFI has not been required to file a material change report relating to a departure from the Code.

The Code, Anti-Corruption Policy and Whistleblower Policy are posted on NFI's website www.nfigroup.com and is also available on SEDAR at www.sedar.com.

10. Diversity Policy

The Board recognizes the importance and benefit of having a board of directors and senior management of the Company comprised of highly talented and experienced individuals who have diverse backgrounds and who reflect the Company's stakeholders, including its customers and employees, and the changing demographics of the communities in which the Company operates. The Board further recognizes the importance of increasing the number of women serving on boards of directors and in senior management positions. The Board believes such diversity promotes better corporate governance and oversight of the Company's talent management processes.

NFI has adopted a written diversity policy relating to the identification and nomination of female Directors and appointment of female executive officers. The ultimate objective of the policy is to increase diversity, including by increasing the number of women on the Board and in senior management positions. The policy has been designed to be complementary to the existing measures the Company has in place to promote Board and management effectiveness, including regular evaluation processes, skills/needs assessments and, in the case of the Board, an evergreen list of candidates, term limits and mandatory retirement. These matters are discussed in more detail in the "Compensation Discussion and Analysis" and "Statement of Corporate Governance Practices" sections of this Information Circular.

The diversity policy (i) expresses the Company's commitment to gender diversity on the Board and in senior management, and (ii) requires the Governance Committee (and, in the case of executive officer positions, the CEO) to consider and make recommendations to the Board in respect of potential strategies for identifying and attracting female Board and executive officer candidates, such as methods for (a) leveraging industry contacts, and (b) encouraging referrals from internal and external sources. The above strategies

will complement the Board's existing recruitment efforts which include maintaining an evergreen list of Board candidates, which includes several highly qualified women candidates.

The Governance Committee Charter, in respect of the recruitment of Directors, expresses the Governance Committee's commitment to adhere to the principles set out in the diversity policy. An annual evaluation of the diversity policy is conducted by the chairperson of the Governance Committee and the Board Chair (as described below). These measures are complementary to the Company's existing Board evaluation processes and skills assessments, as discussed in more detail on page 63 of this Information Circular. Annually, the Chairs of the Governance Committee and the Board evaluate the effectiveness of the diversity policy, report back to the Board and recommend any changes to the policy to improve its effectiveness.

The Board considers female representation through the activities of the Governance Committee and the Company in implementing the diversity policy as described above and, as required, by considering the advice of an external search firm, with the ultimate mandate to balance the following objectives: increasing diversity, maintaining flexibility to effectively address succession planning, and ensuring that the Company continues to attract and retain highly qualified individuals to serve on the Board and in senior management roles.

Three of the eight members of the Board in 2021 (excluding the non-independent CEO and Vice Chair), who are also nominees at the Meeting to be elected as Directors for 2022, are female, representing 38%. If Ms. Kei is elected to the Board, four of the eight members of the Board (excluding the non-independent CEO and Vice Chair) will be female, representing 50%. NFI has exceeded its target objective that the Board will be comprised of 30% female Directors (excluding non-independent employee Directors), reinforcing its commitment to gender diversity.

The reporting structure of NFI is divided into four separate organizational units consisting of the Bus and Coach Manufacturing, International Business, the Aftermarket Parts Business and the Central Group. Within each unit there are several executive leadership team members who report to the respective business unit President (the executives in the Central Group report directly to the CEO). There are 27 members comprising NFI's executive leadership team, of which six (or 23%) are female. Although changes in organizational headcount due to restructuring, acquisitions, and workforce adjustments may impact year over year numbers, NFI has instituted action-oriented programs focused on training, workforce development, and actions designed to improve diversity, inclusion, and representation.

While the Company employs these above strategies to increase the representation of females in senior management, the Board has not yet adopted a target regarding women in executive officer positions and believes that any candidate for an executive officer position should not be chosen nor excluded solely or largely because of gender. The Board's primary selection of an executive officer candidate will be based on the candidate's skills, expertise and background that would complement the existing management team. The Board however continues to discuss whether to implement targets for executive officer positions in the future.

11. Succession of Directors and Compensation

The Board has appointed the Governance Committee composed entirely of independent Directors.

The Governance Committee charter establishes the Governance Committee's purpose, responsibilities, member qualifications, appointment and removal, structure and powers and manner of reporting to the Board. In addition, the Governance Committee has the authority to engage and compensate any outside advisor as it considers necessary to permit it to carry out its duties.

The Governance Committee, which is comprised entirely of independent Directors, is responsible for identifying individuals qualified to become new Directors and recommending to the Directors the new Director nominees. As part of its succession planning and review process, the Governance Committee considers the qualities and skills that the Board, as a whole, should have and assesses the competencies

and skills of the current Directors. Based on the talent already represented on the Board, the Governance Committee then identifies the specific skills, personal qualities or experiences that a director candidate should possess in light of the opportunities and risks facing NFI.

Potential candidates are screened to ensure that they possess the requisite qualities, including integrity, business judgment and experience, industry, business or professional expertise, independence from management, financial literacy, excellent communications skills and the ability to work well with the Board and management. The Governance Committee considers the existing commitments of a potential candidate to ensure that such candidate will be able to fulfill his or her obligations as a member of the Board.

The Governance Committee maintains a list of potential director candidates for its future consideration and will engage outside advisors to assist in identifying potential candidates, when appropriate. The Governance Committee will also consider recommendations for nominees submitted by NFI's shareholders.

The Governance Committee is also responsible for:

- making recommendations to the Directors with respect to the adoption and amendment of executive incentive compensation plans and equity-based plans;
- approving the compensation of senior executives in light of the compensation paid to senior executives in comparable organizations;
- reviewing and approving the corporate goals and objectives that are relevant to the CEO's compensation and evaluating the CEO's performance in meeting those goals and objectives; and
- reviewing executive compensation disclosure before it is publicly released.

For more information on the process by which the Board and the Governance Committee determine compensation, see the "Compensation Discussion and Analysis" section above.

12. Other Board of Directors Committees

NFI has no board of directors committees other than the Audit Committee and Governance Committee.

13. Assessments

The Board conducts an annual assessment of the effectiveness of the performance and effectiveness of the Board. The results of the evaluation are analyzed and reviewed by members of the Governance Committee and the Board, who consider whether any changes to the Board's processes, composition or committee structure are appropriate. Additionally, senior management is advised of any suggestions made by Directors for enhancement of processes to support the work of the Board. Assessment of individual board members involves Directors participating in an annual written peer review to assess individual Directors on the Board and attributes that contribute to an effective Board. This consists of both an evaluation of each Director's peers and a self-evaluation which are based on a survey and questionnaire approved by the Board. The written peer evaluation process is complemented with one-on-one discussions between the Board Chair and each Director. In addition, each committee annually evaluates its effectiveness in carrying out the duties specified in its charter. The results are reviewed by the members of each committee who consider whether any changes to its structure or charter may be appropriate.

14. Shareholder Engagement

The Board recognizes the importance to have regular and constructive engagement directly with NFI's shareholders to allow and encourage shareholders to express their views on governance matters directly to the Board outside of the annual meetings. Shareholders who wish to provide comments to or ask questions of the Directors can do so by sending inquiries via email to: Chairperson@newflyer.com.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

NFI has obtained a policy of insurance for Directors and officers of NFI, and for the directors and officers of NFI's subsidiaries. Under the policy, each entity has reimbursement coverage to the extent that it has indemnified directors and officers. The policy includes securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against NFI and any of its subsidiaries. The total annual premium for such insurance is approximately CAD\$350,000, no part of which is payable by any Director or officer of NFI or any of NFI's subsidiaries. The initial aggregate limit of liability coverage applicable to the insured directors and officers is CAD\$100 million, with a CAD\$1,000,000 deductible per occurrence. The total limit of liability coverage will be shared among NFI and its subsidiaries and their respective directors and officers so that the limit of liability coverage will not be exclusive to any one of the entities or their respective directors and officers.

The by-laws of NFI and certain of its subsidiaries provide for the indemnification, to the extent permitted by applicable law, of each of their respective directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors, and except as described elsewhere in this Information Circular, as of the date of this Information Circular, no Director (including Ms. Kei) nor officer and no person or company beneficially owning, directly or indirectly, or exercising control or direction over, Common Shares carrying more than 10% of the voting rights attached to the Common Shares, nor any associates or affiliates of the foregoing, had any material interest in any transactions involving the Company since the commencement of the 2021 fiscal year or in any proposed transactions involving the Company which has materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Financial information for the fiscal year ended January 2, 2022, is provided in NFI's financial statements and the associated MD&A. Shareholders who wish to be added to the mailing list for the annual and interim financial statements and MD&A should contact the Corporate Secretary of NFI at 711 Kernaghan Avenue, Winnipeg, Manitoba R2C 3T4. Shareholders may also wish to provide comments to or ask questions of the Directors by sending inquiries via email to: Chairperson@newflyer.com.

Copies of NFI's current AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the current AIF; NFI's most recently filed annual financial statements, together with the accompanying report of the auditor, and any interim financial statements of NFI that have been filed for any period after the end of NFI's most recently completed financial year; and this Information Circular are available to anyone, upon request, from the Corporate Secretary of NFI, and without charge to Shareholders.

The financial statements, MD&A, the AIF and other information relating to NFI are also available at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Information Circular and its sending to Shareholders have been approved by the Directors.

BY ORDER OF THE BOARD OF DIRECTORS

By: *"The Honourable Brian Tobin"*

The Honourable Brian Tobin
Chairperson of the Board of Directors

Toronto, Ontario
March 22, 2022

Schedule “A”

ADVISORY RESOLUTION ON APPROACH TO EXECUTIVE COMPENSATION

BE IT RESOLVED THAT:

1. On an advisory basis and not to diminish the role and responsibilities of the board of directors of NFI Group Inc. (“**NFI**”), the shareholders accept the approach to executive compensation disclosed in NFI’s management information circular dated March 22, 2022.

Schedule “B”

DESCRIPTION OF THE OPTION PLANS

The Board adopted the 2013 Option Plan on March 21, 2013. The 2013 Option Plan was last amended and restated effective August 5, 2020.

On March 12, 2020, the Board approved the 2020 Option Plan.

The Board amended both the 2013 Option Plan and the 2020 Option Plan on August 5, 2020 to (i) provide flexibility to grant Options to participants in the United Kingdom in compliance with local tax laws, and (ii) include other amendments of a housekeeping nature. None of these amendments required shareholder approval pursuant to the terms of the 2013 Option Plan and the 2020 Option Plan.

The 2020 Option Plan has substantially the same material terms as the 2013 Option Plan, which terms are summarized below.

The full texts of the 2013 Option Plan and the 2020 Option Plan were filed on SEDAR on November 30, 2020 and are available at www.sedar.com.

Under the Option Plans, the Board may grant Options to active employees of NFI and its affiliates (“**participants**”), including the NEOs. Non-employee directors are not eligible to be granted Options under the Option Plans.

Purpose

The purposes of the Option Plans are to: (i) support the achievement of NFI’s performance objectives; (ii) ensure that interests of key persons are aligned with the success of NFI; and, (iii) provide compensation opportunities to attract, retain, and motivate senior management critical to the long-term success of NFI and its subsidiaries.

Administration

Subject to the Governance Committee reporting to the Board on all matters relating to the Option Plans and obtaining approval of the Board for those matters required by the Governance Committee’s mandate, the Option Plans are administered by the Governance Committee, which will: (i) determine which eligible employees will receive Options, the number of Options to be granted and any terms and conditions of the Options; (ii) interpret and administer the Option Plans; (iii) establish the Option exercise price; and, (iv) make any other determinations required for the administration of the Option Plans. Decisions of the Governance Committee are binding on the participants.

Award of Options

The Governance Committee may award Options to any eligible employee. The Option Plans permits the grant of incentive share options under the U.S. Internal Revenue Code and non-qualified stock options. The exercise price of an Option may not be less than fair market value which, for these purposes means the closing price of a Common Share on the principal stock exchange on which the Common Shares are traded on the last trading day immediately preceding the applicable day. The vesting terms and expiry of an Option will be determined by the Governance Committee for each applicable grant, provided that Options must expire no later than the eighth anniversary of the date of grant, except that Options which would otherwise expire during, or within 10 business days following a blackout period will expire 10 business days following the end of the blackout period.

Exercise of Options

Vested Options may be exercised by the Participant providing a notice of exercise and (i) paying the exercise price in full to NFI; or (ii) without payment either (A) by receiving an amount in cash per Option equal to the cash proceeds realized upon the sale of the Common Shares by a securities dealer in the capital markets, less the applicable exercise price and any applicable withholding taxes, or (B) by receiving

the net number of Common Shares remaining after the sale of such number of Common Shares by a securities dealer in the capital markets as required to realize cash proceeds equal to the applicable exercise price and any applicable withholding taxes, or (C) a combination of (A) and (B). On exercise of a vested Option, NFI will issue to the participant one Common Share for each vested Option elected to be exercised.

Transfer of Options

Options are not transferable or assignable other than by will or the laws of descent and distribution.

Vesting Provisions

Each Option will vest on the date or dates designed in the grant agreement or such earlier date as is provided for in the Option Plans or is determined by the Governance Committee. If no specific provision is made, options will vest 25% on each of the first through fourth anniversaries of the date of grant.

Number of Common Shares Available for Issuance and Burn Rate

The 2013 Option Plan provides for the issuance of 3,600,000 Common Shares, representing approximately 4.7% of the issued and outstanding Common Shares as at January 2, 2022; provided that Common Shares reserved for issuance pursuant to Options that are terminated or are cancelled without having been exercised will again be available for issuance under the 2013 Option Plan. As at January 2, 2022, there were 616,091 Options available for issuance, representing approximately 0.8% of the issued and outstanding Common Shares as at that date, and 1,617,759 Options outstanding, representing approximately 2.1% of the issued and outstanding Common Shares as at that date.

The 2020 Option Plan provides for the issuance of 3,200,000 Common Shares, representing approximately 4.1% of the issued and outstanding Common Shares as at January 2, 2022; provided that Common Shares reserved for issuance pursuant to Options that are terminated or are cancelled without having been exercised will again be available for issuance under the 2020 Option Plan. As at January 2, 2022, there were 3,200,000 Options available for issuance, representing approximately 4.1% of the issued and outstanding Common Shares as at that date, and no Options outstanding.

The annual burn rate for the Options under the 2013 Option Plan for the last three fiscal years is described in the table below. The annual burn rate is not applicable to the 2020 Option Plan as no Options have been granted under that plan.

Year	Options Issued	Weighted Average Common Shares Outstanding	Burn Rate %
2021	261,168	70,039,835	0.37
2020	519,916	62,510,544	0.83
2019	287,509	61,809,479	0.47

Restrictions on the Award of Options

The Option Plans provide that: (i) the number of Common Shares reserved for issuance pursuant to Options and other awards under the Option Plans and any other security-based compensation arrangements of NFI to any one person shall not exceed 5% of the issued and outstanding securities of NFI; (ii) the number of Common Shares issued to any insider or that insider’s associates under the Option Plans and under any other security-based compensation arrangement of NFI shall not exceed 5% of the issued and outstanding securities of NFI within a 12-month period; and (iii) the aggregate number of Common Shares issued to insiders of NFI within any 12-month period, or issuable to insiders of NFI at any time, under the Option Plans and any other security-based compensation arrangement of NFI, may not exceed 10% of the total number of issued and outstanding Common Shares of NFI at such time.

Cessation of Employment

If a participant's employment is terminated by the participant's death, the participant's legal representatives will have until the earlier of one year after the date of death and the expiry date of the Option, to exercise Options which are vested on the participant's death and will forfeit all rights to Options which are not vested on the participant's date of death or which are not exercised within the one year period.

If a participant's employment is terminated due to the participant's disability or retirement, the participant's options will continue to vest (and will vest at the same time as if the participant had remained employed for three years after the date of termination) and be exercisable until the earlier of three years after the date of termination due to disability or retirement and the expiry date of the Option and the participant will forfeit all rights to Options which do not vest or which are not exercised within the three-year period.

If a participant's employment is terminated without cause or the participant resigns for good reason (which is defined as the participant's employer substantially diminishing the participant's authority or responsibilities, materially violating the participant's employment agreement or materially reducing a participant's compensation) the participant will have until the earlier of 90 days after the termination date and the expiry date of the Options to exercise Options which are vested on the termination date and will forfeit all rights to Options which are not vested at the participant's termination date or which are not exercised within the 90 day period.

If a participant's employment is terminated without cause or the participant resigns for good reason (as defined above) immediately prior to or within twenty-four months following a Change of Control (as defined under the Option Plans, which includes the acquisition of 50% or more of the Common Shares or a sale of all or substantially all of the assets of NFI) all of the participant's Options will vest immediately prior to the participant's termination date and will be exercisable until the earlier of 90 days after termination of employment and the expiry date of the Option and the participant will forfeit all rights to Options which are not exercised within the 90 day period.

If a participant's employment is terminated for any reason, other than death, disability, retirement, termination without cause or resignation for good reason, the participant will have until the earlier of 30 days after the termination date and the expiry date of the Options to exercise Options which are vested on the termination date and will forfeit all rights to Options which are not vested at the participant's termination date or which are not exercised within the 30 day period.

Amendment, Suspension or Termination of Option Plans

The Governance Committee may amend, suspend or terminate the Option Plans at any time, subject to any provisions of applicable law that require the approval of shareholders or any governmental or regulatory body. The Governance Committee may make any amendments to the Option Plans without shareholder approval including, for example, housekeeping amendments, amendments to comply with applicable laws and the rules, regulations and policies of the TSX, amendments to reduce or restrict participation in the plans, amendments to the vesting provisions of the plans or any Option, amendments to the termination or early termination provisions of the plans or any Option, or amendments necessary to suspend or terminate the plans, provided that the participant's consent is required to make amendments that are adverse to the participant. Notwithstanding the foregoing, shareholder approval is required for:

- any amendment to increase the number of Common Shares issuable under the Option Plans or change from a fixed maximum number of Common Shares to a fixed maximum percentage;
- any amendment that increases the length of the automatic extension for Options expiring during or shortly after a blackout period;
- any amendment reducing the exercise price of an Option (directly or by the cancellation and reissuance of an Option), except in connection with a stock dividend or split, recapitalization, merger, consolidation or other corporate change;

- any amendment expanding the categories of eligible person which would have the potential of broadening or increasing insider participation or which would permit non-employee directors to participate in the plan;
- any amendment extending the term of an Option or any rights pursuant thereto beyond its original expiry date, other than the extension of options which would otherwise expire during or within 10 business days following a blackout period, to 10 business days following the end of the blackout period;
- the addition of any other provision which results in participants receiving Common Shares while no cash consideration is received by NFI;
- any amendment to add a cashless exercise feature, unless it provides for a full deduction of the number of underlying Common Shares from the applicable plan's reserve;
- amendments which would permit Options to be transferred or assigned other than for normal estate planning purposes; and
- amendments to the amending provision of the Option Plan.

Under the 2020 Option Plan, shareholder approval is also required for any amendment to remove or exceed the insider participation limits set out in the plan.

Options may continue to be granted under the 2013 Option Plan until the share reserve is exhausted, following which all Options will be granted under the 2020 Option Plan. However, no new Options may be granted under the 2013 Option Plan or the 2020 Option Plan after March 21, 2023 and March 12, 2030, respectively, the tenth anniversary of each Option Plan's effective date.

Schedule “C”

DESCRIPTION OF RESTRICTED SHARE UNIT PLAN FOR NON-EMPLOYEE DIRECTORS

The Board adopted the Director RSU Plan on March 20, 2014 and it was approved by shareholders on May 8, 2014. The Director RSU Plan was amended and restated effective December 8, 2015, December 18, 2017, March 14, 2019 and September 14, 2020. The Director RSU Plan was most recently amended and restated to accommodate grants of Director RSUs to Participants (as defined below) in the United Kingdom. These amendments did not require shareholder approval pursuant to the terms of the Director RSU Plan. Under the Director RSU Plan, only non-employee Directors of NFI and certain affiliates (“**Eligible Directors**”) may receive Director RSUs or dividend restricted share units (“**Dividend Director RSUs**”). Any current or former Eligible Director to whom a Director RSU or Dividend Director RSU was granted is a participant in the Director RSU Plan (“**Participant**” or “**U.S. Participant**” in the case of a United States citizen or resident alien). Unless otherwise noted below, the term “Participant” includes a “U.S. Participant”.

Purpose

The purposes of the Director RSU Plan are to: (i) attract, retain and motivate highly qualified and experienced individuals to act as directors of NFI and certain of its affiliates; and (ii) promote a greater alignment of interests between the Participants and the shareholders of NFI.

Administration

Subject to the Governance Committee reporting to the Board on all matters relating to the Director RSU Plan and obtaining approval of the Board for those matters required by the Governance Committee’s mandate, the Director RSU Plan is administered by the Governance Committee, which will: (i) interpret and administer the Director RSU Plan; (ii) establish, amend and rescind any rules and regulations relating to the Director RSU Plan; and (iii) make any other determinations that the Governance Committee deems necessary or desirable for the administration of the Director RSU Plan.

Award of Director RSUs and Dividend Director RSUs

A Director RSU is a right to acquire a fully-paid and non-assessable Common Share. Eligible Directors have the right to elect once each calendar year to receive all or a portion of their annual retainer in the form of Director RSUs. Eligible Directors generally must make the election prior to the end of the calendar year preceding the year to which such election is to apply, or in the case of a new Eligible Director, as soon as possible after the Eligible Director’s appointment. Elections are irrevocable for the year in respect of which they are made. The Board, in its sole discretion, may award additional Director RSUs. The annual aggregate value of any discretionary Director RSUs granted to an Eligible Director cannot exceed the lesser of 1% of the issued and outstanding Common Shares and \$150,000.

The number of Director RSUs to be awarded to an Eligible Director is equal to the value of the compensation the Eligible Director elects to receive in the form of Director RSUs, divided by the volume weighted average closing price of a Common Share on the TSX for the 5 trading days prior to the date of the award (the “**Fair Market Value**”), rounded down to the nearest whole Director RSU.

When dividends are paid on Common Shares, further rights to acquire fully-paid and non-assessable Common Shares in the form of Dividend Director RSUs will be automatically awarded to each Participant who holds Director RSUs or Dividend Director RSUs on the record date for such dividends. The number of Dividend Director RSUs to be awarded to an Eligible Director is equal to the aggregate number of Director RSUs and Dividend Director RSUs held by the Participant on the dividend record date multiplied by the amount of dividend paid by NFI on each Common Share, and then divided by the Fair Market Value of the Common Shares on the dividend payment date (rounded down to the nearest whole Dividend Director RSU).

Exercise of Director RSUs and Dividend Director RSUs

A Participant (other than a U.S. Participant) may exercise Director RSUs and Dividend Director RSUs that are credited to his or her account at any time prior to December 15 of the year following the year in which the Participant ceases to be an Eligible Director (“**Exercise Deadline**”). If the Participant fails to provide a notice of exercise prior to the Exercise Deadline, the Participant will be deemed to have provided a notice of exercise specifying the Exercise Deadline as the exercise date. In the event a Participant (other than a U.S. Participant) dies, such Participant’s Director RSUs and Dividend Director RSUs will automatically be exercised as of the date of death.

U.S. Participants must specify the exercise date for their Director RSUs and Dividend Director RSUs in their annual election form. Director RSUs and Dividend Director RSUs will be exercised on the fixed exercise date or, if earlier, the first to occur of the following events, each defined under Section 409(A) of the U.S. Internal Revenue Code of 1986: (i) separation from service; (ii) disability; (iii) death; or (iv) a change in control.

Subject to the prior written consent of NFI, Participants may surrender to NFI such number of vested Director RSUs and Dividend Director RSUs to satisfy applicable withholding taxes upon exercise of their vested units.

Vesting Provisions

Director RSUs and Dividend Director RSUs vest immediately as at each applicable award date.

Number of Common Shares Available for Issuance and Burn Rate

On adoption of the Director RSU Plan in 2014, the maximum number of Common Shares available for issuance was 500,000 Common Shares, representing approximately 0.6% of the issued and outstanding Common Shares as at January 2, 2022. As at January 2, 2022 there were 340,350 Director RSUs available for issuance, representing approximately 0.4% of the issued and outstanding Common Shares as at that date, and 69,568 Director RSUs outstanding, representing approximately 0.1% of the issued and outstanding Common Shares as at that date. Where a Participant elects to surrender his or her vested Director RSUs and Dividend Director RSUs to satisfy applicable withholding taxes upon exercise, the number of Common Shares available for issuance under the Director RSU Plan will be reduced by the number of such surrendered units.

The annual burn rate for the Director RSUs for the last three fiscal years is described in the table below.

Year	Director RSUs Issued	Weighted Average Common Shares Outstanding	Burn Rate %
2021	37,927	70,039,835	0.05
2020	40,344	62,510,544	0.06
2019	25,686	61,809,479	0.04

Insider Participation Limits on the Award of Director RSUs and Dividend Director RSUs

The Director RSU Plan provides that: (i) the number of Common Shares reserved for issuance pursuant to the Director RSU Plan and any other security-based compensation arrangement of NFI to any one person shall not exceed 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares issued to any insider or that insider’s associates under the Director RSU Plan and under any other security-based compensation arrangement of NFI shall not exceed 5% of the issued and outstanding Common Shares within a 12-month period; and (iii) the aggregate number of Common Shares issued to insiders of NFI within any 12-month period, or issuable to insiders of NFI at any time, under the Director RSU Plan and

any other security-based compensation arrangement of NFI, shall not exceed 10% of the total number of issued and outstanding Common Shares at such time.

General Restrictions and Assignment

Except as otherwise permitted by the Board, the rights of a Participant under the Director RSU Plan are not capable of being assigned. The rights and obligations under the Director RSU Plan may be assigned by NFI to a successor in the business of NFI.

Amendment, Suspension or Termination of the Director RSU Plan

The Board may amend, suspend or terminate the Director RSU Plan, or any portion thereof, at any time, subject to any provisions of applicable law that require the approval of shareholders or any governmental or regulatory body. The Board may make amendments to the Director RSU Plan without shareholder approval including, for example, housekeeping amendments, amendments to comply with tax laws or amendments to reduce or restrict participation in the Director RSU Plan. Notwithstanding the foregoing, shareholder approval is required for:

1. any amendment to increase the number of Common Shares issuable under the Director RSU Plan or a change from a fixed maximum number of Common Shares to a fixed maximum percentage;
2. any amendment extending eligibility to participate in the Director RSU Plan to persons other than Eligible Directors;
3. any amendment extending the term of the Director RSUs and Dividend Director RSUs or any rights pursuant thereto held by an insider beyond the Exercise Deadline;
4. any amendment increasing the insider participation limits;
5. any amendment to increase the annual limit on discretionary Director RSUs;
6. amendments to the amendment provision of the Director RSU Plan; and
7. amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Notwithstanding the termination of the Director RSU Plan, the Board may make any amendments to the Director RSU Plan, or to the Director RSUs or Dividend Director RSUs, it would be entitled to make if the Director RSU Plan were still in effect.

Schedule “D”

NFI GROUP INC.

(the “Corporation”)

Mandate of the Board of Directors

The purpose of this document is to summarize the governance and management roles and responsibilities of the board of directors of the Corporation (the “Board”).

1. ACCOUNTABILITY

The Board is responsible to securityholders.

2. ROLE

The role of the Board is to focus on governance and stewardship of the business carried on by the Corporation and its subsidiaries as a whole. The Board will review strategy, assign responsibility for achievement of that strategy, and monitor performance against those objectives. In fulfilling this role, the Board will regularly review the strategic plans developed by management so that they continue to be responsive to the changing business environment in which the Corporation and its subsidiaries operate.

3. RESPONSIBILITIES

In fulfilling its role, the Board will:

(a) Define Securityholder Expectations

- Satisfy itself that there is effective communication between the Board and the Corporation’s securityholders, other stakeholders and the public.
- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.

(b) Establish Strategic Goals, Performance Objectives and Operational Policies

The Board will review and approve broad strategic corporate objectives and establish corporate values against which the performance of the Corporation and its subsidiaries will be measured. In this regard, the Board will, at least annually:

- Approve long-term strategies.
- Review and approve management of the Corporation and its subsidiaries’ strategic and operational plans so that they are consistent with long-term goals.
- Approve strategic and operational policies proposed by management and within which management of the Corporation and its subsidiaries will operate.
- Set targets against which to measure corporate and executive performance of the Corporation and its subsidiaries.

- Satisfy itself that a portion of executive compensation is linked appropriately to the Corporation's performance.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management of the Corporation and its subsidiaries.

(c) **Delegate Management Authority to the Chief Executive Officer**

- Ensure that the boards of directors or managers of the Corporation's subsidiaries delegate to the Chief Executive Officer of the Corporation (the "Chief Executive Officer") the authority to manage and supervise the business of such company and decisions regarding the ordinary course of business and operations.
- Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.

(d) **Monitor Corporate Performance**

- Identify, understand, assess and monitor the principal risks of all aspects of the businesses in which the Corporation and its subsidiaries as a whole are engaged.
- Monitor performance of the Corporation and its subsidiaries against both short-term and long-term strategic plans and annual performance targets, and monitor compliance with Board policies and the effectiveness of risk management practices.
- Ensure that the boards of directors or managers of the Corporation's subsidiaries monitor compliance by management of its subsidiaries with internal controls and effective management information systems.

(e) **Develop Board Processes**

- Develop procedures relating to the conduct of the Board's business and the fulfillment of the Board's responsibilities.
- Develop the Board's approach to corporate governance through the Corporation's Human Resources, Compensation and Corporate Governance Committee (the "HR Committee").

4. QUALIFICATIONS OF DIRECTORS

Directors are expected to have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation and its securityholders. They are also expected to possess skills and competencies in areas that are relevant to the Corporation's activities and that enhance the ability of the Board to effectively oversee the business and affairs of the Corporation and its subsidiaries.

A majority of the Board must be independent. Independence shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time. The Chairperson of the Board is expected to be an independent director but, if the Chairperson is not independent, then there will be an independent lead director who assumes the responsibilities of the Chairperson. The Chairperson should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

Each director must have an understanding of the Corporation's and its subsidiaries' principal operational and financial objectives, plans and strategies, financial position and performance as well as the performance of the Corporation and its subsidiaries relative to their principal competitors.

Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the Chairperson of the HR Committee and, if determined appropriate by the Board on the recommendation of the HR Committee, resign from the Board.

5. MAJORITY VOTING POLICY

At meetings of shareholders at which directors are to be elected, shareholders will vote in favor of, or withhold from voting for, each nominee separately. If, with respect to any particular nominee, the number of votes withheld exceeds the votes cast in favour of the nominee, then for purposes of this policy the nominee shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law.

An individual elected as a director who is considered under this policy not to have the support or confidence of the shareholders must immediately submit to the Chairperson of the Board his or her resignation from the Board. The HR Committee will consider the director's resignation and make a recommendation to the Board as to whether to accept it. A director who has tendered a resignation pursuant to this policy will not attend any part of a meeting of the HR Committee or the Board at which his or her resignation is discussed or a related resolution is voted upon.

Within ninety (90) days of the meeting of shareholders, the Board will make a decision and issue a press release either announcing the resignation of the director or explaining why it has not been accepted. In determining whether or not to accept the resignation, the Board will take into account the factors considered by the HR Committee and any other factors the Board determines are relevant. Absent exceptional circumstances, the Board will accept the director's resignation. A copy of the press release will be provided to the Toronto Stock Exchange.

Subject to any corporate law restrictions, the Board may: (i) leave the resultant vacancy unfilled until the next annual meeting of shareholders, (ii) fill the vacancy through the appointment of a new director who merits the confidence of the shareholders, or (iii) call a special meeting of shareholders to fill the vacant position.

This majority voting policy does not apply to contested elections in which the number of director nominees for election is greater than the number of director positions on the Board. In contested elections, the directors shall be elected by the vote of a plurality of the votes cast.

6. TERM AND AGE LIMITS

The Board believes there should be a balance between having experienced directors who have served on the Board for an appropriate length of time so as to understand the Corporation, its business environment and the issues facing the Corporation and renewing the Board to ensure new insights are considered to reflect and address changing business environments and strategies. In order to assist in achieving this balance, a member of the Board will generally not be nominated for election or re-election at an annual meeting after the earlier of the following occurs: (i) the director attains the age of 75, and (ii) the director has served a 15-year term on the Board, provided however, the Board will ultimately rely upon its robust self-assessment process to determine Board renewal needs. Where the Board determines it would be in the best interests of the Corporation, the Board is entitled to nominate any person for election to the Board, regardless of age or tenure.

7. MEETINGS

The Board has meetings at least once in each quarter, with additional meetings held when required. Additional meetings may be called by the Chairperson or any two directors on proper notice. The

independent directors will hold regularly scheduled meetings at which members of management and non-independent directors are not in attendance.

The Chairperson is primarily responsible for the agenda. Prior to each Board meeting, the Chairperson will discuss agenda items for the meeting with the Chief Executive Officer and other members of the Board. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management of the Corporation or its subsidiaries, or at any Board meeting raise subjects that are not on the agenda for that meeting.

The HR Committee and the Audit Committee generally have meetings quarterly, with additional meetings held when required. Meeting frequency and agendas for the standing committees may change from time to time, however, depending on opportunities or risks faced by the Corporation and its subsidiaries. The Chairperson of a committee or any two members of a committee may call a committee meeting, request that an item be included on the committee's agenda or raise subjects that are not on the agenda for that meeting. Audit Committee meetings can also be called by the Corporation's auditor or Chief Financial Officer.

Notice of the place, day and time of each Board or committee meeting must be served on each director or committee member sufficiently far in advance of the meeting so as to facilitate the directors' preparation for the meeting. Director or committee members may waive notice of any meeting, and attendance at a meeting without objection is deemed to be waiver of notice. The notice needs to state the purpose or purposes for which the meeting is being held.

(a) Procedures for Board Meetings

- Subject to any applicable by-laws, procedures for Board meetings are determined by the Chairperson unless otherwise determined by a resolution of the Board.
- Subject to any applicable by-laws, procedures for committee meetings are determined by the committee chairperson unless otherwise determined by a resolution of the committee or the Board.
- A quorum for any Board or committee meeting shall be as required by the constating documents of the Corporation or its subsidiary as applicable.

8. DIRECTORS' RESPONSIBILITIES

(a) Attendance and Participation

- Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. A director who is unable to attend a meeting in person may participate by telephone or teleconference. The Board or any committee may also take action from time to time by unanimous written consent.
- In advance of each Board or committee meeting, members will receive the proposed agenda and other materials necessary for the directors' understanding of the matters to be considered. Directors are expected to spend the time needed to review the materials in advance of such meetings and to actively participate in such meetings.

(b) Service on Other Boards and Audit Committee

- The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chairperson in advance of accepting an invitation to serve on the board of another

company and, as a general rule, directors are not allowed to join a board of another company on which two or more other directors of the Corporation serve. In addition, directors cannot be on the board of a competitor of the Corporation.

- Members of the Audit Committee may not serve on the audit committees of more than two other companies without the prior approval of the Board.

(c) **Access to Independent Advisors**

- The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation's subsidiaries and have the authority to determine the advisors' fees and other retention terms. Any director may, subject to the approval of the Chairperson, retain an outside advisor at the expense of the Corporation's subsidiaries.

9. EVALUATION OF BOARD, DIRECTORS AND COMMITTEES

The HR Committee, in consultation with the Chairperson, will ensure that an appropriate system is in place to evaluate and perform an annual evaluation of the effectiveness of the Board as a whole as well as the committees of the Board, and the boards of directors or managers and board committees of the Corporation's subsidiaries, to ensure they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each director will be requested to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of individual directors. These evaluations should take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

10. MANAGEMENT

(a) **Management's Role**

- The primary responsibility of management of the Corporation and its subsidiaries is to safeguard the Corporation's assets and to create wealth for securityholders. When performance is found to be inadequate, the Board has the responsibility to bring about appropriate change.
- In managing the Corporation, management should also have regard to the interests of the Corporation's other stakeholders, such as the Corporation's employees, customers, suppliers, creditors and the communities in which the Corporation operates.
- Management of the Corporation and its subsidiaries is under the direction of the Chief Executive Officer. The Board shall take such steps as it deems necessary to satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and its subsidiaries and that such individuals create a culture of integrity throughout the Corporation and its subsidiaries.

(b) **Management's Relationship to the Board**

- Senior management of the Corporation and its subsidiaries, primarily through the Chief Executive Officer, reports to and is accountable to the Board, or the board of such subsidiary which, in turn, is accountable to the Board.
- Business plans are developed to ensure the compatibility of securityholder, Board and management views on the Corporation's and its subsidiaries' strategic direction, performance targets and utilization of securityholders' equity. A special meeting of the Board is held each year to review the strategic initiatives and the business plan submitted by senior management of the Corporation and its subsidiaries.

(c) **Board Access to Business Information and Management**

- Information provided by and access to management is critical to directors' effectiveness. In addition to the reports presented to the Board at its regular and special meetings, the Board is also kept informed on a timely basis by management of the Corporation and its subsidiaries with respect to developments and key decisions taken by management in pursuing the Corporation's and its subsidiaries' business plan. Subject to notifying the Chairperson and the Chief Executive Officer in advance, directors should have direct access to senior management of the Corporation and its subsidiaries. The directors periodically assess the quality, completeness and timeliness of information provided by management to the Board.

(d) **Management Performance Review and Rewards**

- The HR Committee annually reviews the position description of the Chief Executive Officer and establishes objectives against which his or her performance is reviewed, with his or her compensation being assessed against these agreed objectives. Similar reviews and assessments are undertaken for other members of senior management in consultation with the Chief Executive Officer.
- The compensation plans of the Corporation and its subsidiaries are based on maintaining a direct link between management rewards and the achievement of objectives including risk management, with the ultimate objective of creating long-term, sustainable wealth for securityholders.

11. COMMUNICATION AND DISCLOSURE POLICIES

The Corporation has adopted a Disclosure and Insider Trading Policy which summarizes its policies and practices regarding disclosure of material information to investors, analysts and the media. The purpose of this policy is to ensure that the Corporation's communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. This Disclosure and Insider Trading Policy is reviewed annually by the Board and will be distributed to employees in accordance with the policy and made available on the Corporation's intranet site.

The Corporation endeavors to keep its securityholders informed of its progress through a comprehensive annual report, annual information form, quarterly interim reports and periodic press releases. It also maintains a website that provides summary information about the Corporation and ready access to its published reports, press releases, statutory filings and supplementary information provided to analysts and investors. Directors and management meet with the Corporation's securityholders at the annual meeting and are available to respond to questions at that time.

The Corporation also maintains an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investment analysts, financial advisors and interested members of the public to ensure that accurate information is available to investors, including quarterly conference calls and webcasts to discuss the Corporation's financial results. The Corporation also endeavors to ensure that the media is kept informed of developments as they occur, and have an opportunity to meet and discuss these developments with the Corporation's designated spokespersons.

12. CODE OF BUSINESS CONDUCT AND ETHICS

The Board expects all directors, officers and employees of the Corporation and its subsidiaries to conduct themselves in accordance with the highest ethical standards and to adhere to the Corporation's Code of Business Conduct and Ethics. Waivers of the Code of Business Conduct and Ethics will only be granted in exceptional circumstances where the waiver would not be inconsistent with the spirit of the Code of Business Conduct and Ethics and following consultation with legal counsel. Any waiver of

the Code of Business Conduct and Ethics for officers or directors may only be made by the Board or the HR Committee and will be disclosed to securityholders by the Corporation to the extent required by law, regulation or stock exchange requirement. Employees may seek waivers from the CEO and any such waivers will be promptly reported to the Board.

13. PROHIBITION ON PERSONAL LOANS

The Corporation will not, either directly or indirectly, including through its subsidiaries, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any director or executive officer.

14. ORIENTATION AND CONTINUATION EDUCATION OF DIRECTORS

The holders of the common shares of the Corporation are best served by the Board comprised of individuals who are well versed in modern principles of corporate governance and other subject matters relevant to Board service and who thoroughly comprehend the role and responsibilities of an effective Board in the oversight and management of the Corporation and its subsidiaries. The Chairperson of the HR Committee, with the assistance of the Chief Executive Officer, shall develop an orientation and continuing education program for all directors of the Corporation and its subsidiaries. This program will be articulated in a separate director orientation and continuing education policy that will be reviewed by the HR Committee on an annual basis.

APPENDIX

Position Description of Chairperson

The Chairperson of the Board of the Corporation is principally responsible for overseeing the operations and affairs of the Board. It is expected that the Chairperson will be independent but, if not, there will be a lead independent director. In fulfilling his or her responsibilities, the Chairperson will:

- a) provide leadership to foster the effectiveness of the Board;
- b) ensure there is an effective relationship between the Board and senior management of the Corporation and its subsidiaries;
- c) ensure that the appropriate committee structure is in place and assist the Human Resources, Compensation and Corporate Governance Committee (the "HR Committee") in making recommendations for appointments to such committees;
- d) in consultation with the other members of the Board and the Chief Executive Officer, prepare the agenda for each meeting of the Board;
- e) ensure that all directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board;
- f) chair Board meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded;
- g) together with the HR Committee, ensure that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors, and make recommendations to the HR Committee for changes when appropriate;
- h) work with the Chief Executive Officer and other members of senior management to monitor progress on strategic planning, policy implementation and succession planning; and
- i) provide additional services required by the Board.

Position Description of Committee Chairperson

A committee chairperson is principally responsible for overseeing the operations and affairs of his or her particular committee. In fulfilling his or her responsibilities, the chairperson will:

- a) provide leadership to foster the effectiveness of the committee;
- b) ensure there is an effective relationship between the Board and the committee;
- c) ensure that the appropriate charter is in effect and assist the HR Committee in making recommendations for amendments to the charter;
- d) in consultation with the other members of the committee and Board, where appropriate, prepare the agenda for each meeting of the committee;
- e) ensure that all committee members receive the information required for the proper performance of their duties, including information relevant to each meeting of the committee;
- f) chair committee meetings, including stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual members and confirming that clarity regarding decision-making is reached and accurately recorded;
- g) together with the HR Committee, ensure that an appropriate system is in place to evaluate the performance of the committee as a whole, the committee's individual members, and make recommendations to the HR Committee for changes when appropriate; and
- h) provide additional services required by the Board.

Schedule “E”

NFI GROUP INC.

(the “Corporation”)

CHARTER OF EXPECTATIONS FOR DIRECTORS

The roles, responsibilities, qualifications and procedures of the board of directors of the Corporation (the “Board”) are set out in the Mandate of the Board of Directors of the Corporation (the “Mandate”). This Charter of Expectations for Directors supplements the Mandate by specifying the expectations the Corporation places on its non-management directors in terms of personal and professional criteria, share ownership, meeting attendance, identifying possible conflicts of interest, resignation events and election of directors.

1. PERSONAL AND PROFESSIONAL CRITERIA

The Corporation uses the following criteria for assisting in the evaluation incumbent directors and potential candidates for election to the Board:

- (a) The director is an individual of the highest personal and business integrity,
- (b) The director brings outstanding and relevant business or other valuable experience, such as:
 - (i) holds or has recently held a position of high-level responsibility;
 - (ii) has experience operating a major public company;
 - (iii) preferably has experience in the transit industry or a related or similar industry;
 - (iv) has a broad exposure to or understanding of the funding environment in which customers of the Corporation operate;
 - (v) possesses a high level of expertise in areas that are important to the Corporation,
or
 - (vi) The director has experience serving on the board of directors of a public company,
- (c) The director effectively contributes to the development of the Corporation’s strategic plan and businesses,
- (d) The director effectively contributes to the functioning and decision-making of the Board and its committees,
- (e) The director understands and effectively contributes to the broad range of issues that the Board and its committees must consider,
- (f) The director does not have a conflict of interest relating to the business and affairs of the Corporation or its subsidiaries or affiliates and is free to act in the best interests of the Corporation and its stakeholders, and
- (g) The director is able to devote the time necessary to prepare for and attend all meetings of the Board and its committees and to keep abreast of significant corporate developments.

2. SHARE OWNERSHIP

The Corporation believes that directors can better represent investors if they are shareholders themselves. The Corporation expects that directors own a minimum number of common shares of the Corporation having a value equal to the product of five (5) times the director's annual base cash retainer (chair or extra meeting fees, if any, not to be included) (the "Ownership Level"). The annual base cash retainer has been set by the Board at an amount equal to 50% of the annual base retainer.

A director must achieve the Ownership Level within five years of being appointed to the Board. Any deferred share units granted under the Corporation's deferred share unit plan for non-employee directors or restricted share units granted under the Corporation's restricted share unit plan for non-employee directors that are held by a director shall be included in determining that director's Ownership Level.

3. MEETING ATTENDANCE

The Corporation expects that directors should make every possible effort to attend in person all regularly scheduled meetings of the Board and of the committees on which they serve. When meetings are scheduled in advance, directors should determine whether they have conflicts and bring these to the attention of the chairperson of the Board (the "Chair") or the chairperson of the particular committee and the Secretary of the Corporation. Directors are expected to use best efforts to attend all special meetings of the Board, which are usually called on shorter notice, in person or by telephone.

4. CONFLICTS OF INTEREST

Directors are expected to identify in advance any conflict of interest regarding a matter coming before the Board or its committees and to refrain from voting on such matters. If a director is uncertain of the nature or extent of a potential conflict, he or she should seek a ruling on the matter in advance with the Chair or, at the time of the meeting with the chairman of the meeting.

5. CHANGE OF CIRCUMSTANCES

Directors are responsible for informing the Chair of any change in their personal or professional circumstances that may impact their continued ability to serve the Corporation effectively, or if they have been determined by the Board to be independent, that may impact their continued standing as independent directors. The Human Resources, Compensation and Corporate Governance Committee (the "Governance Committee") will review such changes and consider the appropriateness of a director's continued membership on the Board and its committees.

6. TERM AND AGE LIMITS

The Board believes there should be a balance between having experienced directors who have served on the Board for an appropriate length of time so as to understand the Corporation, its business environment and the issues facing the Corporation and renewing the Board to ensure new insights are considered to reflect and address changing business environments and strategies. In order to assist in achieving this balance, a member of the Board will generally not be nominated for election or re-election at an annual meeting after the earlier of the following occurs: (i) the director attains the age of 75, and (ii) the director has served a 15-year term on the Board, provided however, the Board will ultimately rely upon its robust self-assessment process to determine Board renewal needs. Where the Board determines it would be in the best interests of the Corporation, the Board is entitled to nominate any person for election to the Board, regardless of age or tenure.

7. RESIGNATION EVENTS

If any of the following events occur, a director agrees to submit his or her resignation from the Board to the Chair, to be effective when accepted by the Board:

- (a) the director becomes unable to attend at least 75% of the regularly scheduled meetings of the Board,
- (b) the director becomes involved in a legal dispute, regulatory or similar proceeding that could materially impact his or her ability to serve as a director and negatively impact the reputation of the Corporation,
- (c) the director takes on new responsibilities in business, politics or the community which may conflict with the goals of the Corporation and materially reduce his or her ability to serve as a director,
- (d) there is any other change in the director's personal or professional circumstances that impacts the Corporation or such director's ability to serve the Corporation, or
- (e) in connection with the annual director assessment conducted by the Governance Committee, which includes a peer and self-evaluation and a one-on-one discussion between the Chair and each director, and after discussion between the chairperson of the Governance Committee and the Chair regarding the results of a director's assessment, the Chair requests the director to submit his or her resignation.

The Governance Committee will consider whether to accept the resignation and will make a recommendation to the Board regarding the resignation. If a resignation is accepted, the Board may appoint a new director to fill the vacancy.

8. MAJORITY VOTING POLICY

The Board has adopted a policy (included in the Mandate of the Board of Directors) which provides, if the total number of shares voted in favor of the election of a director nominee at a shareholders' meeting represents less than a majority of the total shares voted for and withheld with respect to that director, the director must submit his or her resignation to the Chair, to be effective when accepted by the Board. The Governance Committee will consider and make a recommendation to the Board regarding the resignation, and the Board's decision to accept or reject the resignation will be disclosed to the public within 90 days of the shareholders' meeting. Absent exceptional circumstances, the Board will accept the director's resignation. If a resignation is accepted, the Board may appoint a new director to fill the vacancy. This policy applies only to uncontested elections — that is, elections in which the number of nominees for director is equal to the number of directors to be elected.