



Dorel Industries Inc.
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Westmount, Québec H3Z 2A4
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www.dorel.com

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting (the “**Meeting**”) of holders of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of Dorel Industries Inc. (the “**Company**”) will be held at the Company’s head office, 1255 Greene Ave., Suite 300, Westmount, Québec, on May 20, 2026 at 10:00 a.m. (eastern time). The purposes of the Meeting are to:

1. Receive and consider the consolidated financial statements of the Company for the fiscal year ended December 30, 2025 and the auditors’ report thereon;
2. Elect directors;
3. Appoint auditors and authorize the directors to fix their remuneration; and
4. Transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Company as of the close of business on April 7, 2026 (the “**Record Date**”) are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment(s) thereof.

The Meeting will be webcast through the Company’s website (www.dorel.com), on the home page under “Events”, and the Company asks all shareholders to participate in that manner. While shareholders viewing the webcast will not be able to vote during the Meeting, they will be able to ask questions to the Company’s management at its conclusion through the webcast platform.

Please vote your shares prior to the Meeting by returning your proxy form or voting instruction form, voting online or using the toll-free telephone number set out on the proxy or voting instruction form. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6 prior to 5:00 p.m. (eastern time) on Friday, May 15, 2026 or with the Secretary of the Company before the commencement of the Meeting or at any adjournment thereof.

DATED at Montréal, Québec
April 7, 2026

BY ORDER OF THE BOARD OF DIRECTORS

(s) Jeffrey Schwartz

Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary

MANAGEMENT PROXY CIRCULAR

TABLE OF CONTENTS

SOLICITATION OF PROXIES BY MANAGEMENT ..2	INFORMATION ON THE AUDIT COMMITTEE..... 32
INFORMATION CONTAINED IN THIS CIRCULAR ..2	INDEBTEDNESS OF DIRECTORS AND
INTERNET AVAILABILITY OF PROXY-RELATED	OFFICERS..... 32
MATERIALS.....2	CORPORATE GOVERNANCE 33
APPOINTMENT AND REVOCATION OF PROXIES ..3	INTEREST OF INFORMED PERSONS IN
EXERCISE OF DISCRETION BY PROXIES5	MATERIAL TRANSACTIONS.....34
CLASS A MULTIPLE VOTING SHARES AND	SHAREHOLDER PROPOSALS 34
CLASS B SUBORDINATE VOTING SHARES5	INTEREST OF CERTAIN PERSONS IN MATTERS
SERIES A PREFERRED SHARES 6	TO BE ACTED UPON 34
PRINCIPAL SHAREHOLDERS 6	OTHER MATTERS 35
BUSINESS TO BE TRANSACTED AT THE	ADDITIONAL INFORMATION..... 35
MEETING.....7	SHAREHOLDER COMMUNICATION WITH THE
COMPENSATION OF DIRECTORS 11	BOARD OF DIRECTORS 35
EXECUTIVE COMPENSATION 16	DIRECTORS' APPROVAL..... 35
SECURITIES AUTHORIZED FOR ISSUANCE	SCHEDULE A STATEMENT OF CORPORATE
UNDER EQUITY COMPENSATION PLANS 32	GOVERNANCE PRACTICES..... 36

SOLICITATION OF PROXIES BY MANAGEMENT

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation by the management of Dorel Industries Inc. (the “Company”) of proxies to be used at the Annual Meeting of shareholders (the “Meeting”) of the Company to be held on May 20, 2026, at the time, place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Company. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to certain beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Shareholders” below.

INFORMATION CONTAINED IN THIS CIRCULAR

Except as otherwise indicated, the information contained in this Circular is given as of April 7, 2026. Although the Company uses the U.S. dollar as its reporting currency, all references to “dollars” and the symbol “\$” in this Circular are to Canadian dollars, unless otherwise indicated.

INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

Notice-and-Access

The Company has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under NI 54-101 for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Company in their own names (referred to herein as “**Beneficial Shareholders**”) and to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR+ and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to this Circular, the Notice of Meeting and a voting instruction form (“**VIF**”) or a form of proxy, as applicable.

The use of Notice-and-Access is more environmentally friendly as it helps reduce paper use. It also reduces the Company’s printing and mailing costs. Shareholders may obtain further information about Notice-and-Access by contacting: (i) for Registered Shareholders and Beneficial Shareholders with a 15-digit Control Number: Computershare Investor Services Inc. toll free at 1-866-964-0492 or on the internet at www.computershare.com/noticeandaccess; or (ii) for Beneficial Shareholders with a 16-digit Control Number: Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Company's website at www.dorel.com and under the Company's profile on SEDAR+ at www.sedarplus.ca.

Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package ("**Notice Package**") via prepaid mail, including the Notice of Meeting, containing information prescribed by NI 54-101 such as the date, time and location of the Meeting and the website addresses where the Proxy-Related Materials are posted, a VIF and a supplemental mail list return card for Beneficial Shareholders to request they be included in the Company's supplementary mailing list for receipt of the Company's interim financial statements for the 2026 fiscal year.

Registered Shareholders will receive copies of the Notice of Meeting and a form of proxy via prepaid mail.

How to Obtain Paper Copies of Proxy-Related Materials

Shareholders may obtain paper copies of this Circular free of charge by contacting: (i) for Registered Shareholders and Beneficial Shareholders with a 15-digit Control Number: Computershare Investor Services Inc. toll free at 1-866-962-0498 (within North America) or 514-982-8716 (outside North America); or (ii) for Beneficial Shareholders with a 16-digit Control Number: Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Company by 5:00 p.m. (eastern time) on May 1, 2026 in order to allow sufficient time for shareholders to receive their paper copies and to return their VIF or form of proxy, as applicable, by its due date. After the Meeting date, shareholders may obtain paper copies of the Circular free of charge by contacting the Secretary of the Company at 514-934-3034.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A Registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at www.investorvote.com or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on Friday, May 15, 2026 or deposited with the Secretary of the Company before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of such person's appointment, obtain such person's consent to act as appointee and instruct the appointee on how the Registered Shareholder's shares are to be voted.

Shareholders who are not Registered Shareholders should refer to "Notice to Beneficial Shareholders" below.

Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m.

(eastern time) on Friday, May 15, 2026 by mail or by hand delivery to Proxy Department, 320 Bay Street, 14th Floor, Toronto, Ontario M5H 4A6, or by facsimile to 416-263-9524 or 1-866-249-7775, or (ii) with the Secretary of the Company on the day of the Meeting before the commencement thereof, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

Notice to Beneficial Shareholders

The information set out in this section is of importance to many shareholders, as a substantial number of shareholders are Beneficial Shareholders and do not hold shares of the Company in their own names. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders (shareholders whose names appear on the records of the Company as the registered holders of shares) can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Company. Those shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Company does not know for whose benefit the shares of the Company registered in the name of CDS & Co., a broker or another nominee are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("NOBOs") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Company.** Objecting beneficial owners ("OBOs") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

In accordance with the requirements of NI 54-101, the Company is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. NI 54-101 permits the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Company is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. The cost of the delivery of the Notice Package by intermediaries to OBOs will be borne by the Company.

The Company has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If the Company's transfer agent, Computershare Investor Services Inc., has sent these materials directly to a NOBO at the request of the Company, such NOBO's name and address and information about its holdings of shares of the Company have been obtained from the intermediary holding such shares on the NOBO's behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Company can expect to receive a VIF from Computershare Investor Services Inc. NOBOs should complete and return the VIF to Computershare Investor Services Inc. in the envelope provided. In addition, telephone voting and internet voting are available; instructions in respect of the procedure for telephone and internet voting can be found in the VIF. Computershare Investor Services Inc. will tabulate the results of VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such VIFs.

Applicable securities regulatory policy requires intermediaries, on receipt of Notice Packages that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings on Form 54-101F7 (Request for Voting Instructions Made by Intermediary). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of request for voting instructions supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial

Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or the Circular.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). In forwarding the Notice Package to Beneficial Shareholders, Broadridge typically includes a VIF in lieu of the form of proxy that some intermediaries employ. Beneficial Shareholders are requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Company’s transfer agent and registrar, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted FOR the: (i) election of directors and (ii) appointment of auditors, as stated under such headings in this Circular. Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. As of the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

CLASS A MULTIPLE VOTING SHARES AND CLASS B SUBORDINATE VOTING SHARES

As at April 7, 2026, there were 4,136,551 Class A Multiple Voting Shares and 30,494,126 Class B Subordinate Voting Shares of the Company issued and outstanding. Each Class A Multiple Voting Share entitles the holder thereof to ten votes while each Class B Subordinate Voting Share entitles the holder thereof to one vote. The Company has fixed April 7, 2026 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Any registered shareholder of record as at the close of business on the Record Date will be entitled to vote at the Meeting.

The Company’s Class B Subordinate Voting Shares are restricted securities in that the Company’s Class A Multiple Voting Shares carry a greater vote per security than the Class B Subordinate Voting Shares. As set out above, the Class A Multiple Voting Shares entitle the holders thereof to ten votes per share while the Class B Subordinate Voting Shares entitle the holders thereof to one vote per share at meetings of shareholders of the Company, subject to the condition that the Class B Subordinate Voting Shares entitle the holders thereof to ten votes per share on any vote in respect of the liquidation, dissolution or winding-up of the Company or the sale, lease or exchange of all or substantially all of its property. In the aggregate, all of the voting rights associated with the Class B Subordinate Voting Shares represented, as at April 7, 2026, 42.4% of the voting rights attached to all of the Company’s issued and outstanding voting securities.

Only shareholders of record as at the close of business on the Record Date will receive notice of, and be entitled to attend and vote at, the Meeting. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to attend or vote at the Meeting or any adjournment(s) thereof.

Take-over Bid Protection

In the event that an offer is made to purchase Class A Multiple Voting Shares and constitutes a “take-over bid” within the meaning of applicable securities legislation, each Class B Subordinate Voting Share will become convertible at the option of the holder, at any time while such offer is in effect, into one Class A Multiple Voting Share. The conversion right may be exercised only for the purpose of depositing the resulting Class A Multiple Voting Shares in response to the offer and the transfer agent and registrar of the Company will deposit the resulting Class A Multiple Voting Shares on behalf of the shareholder. No share certificates representing Class A Multiple Voting Shares will be delivered to the shareholder in such circumstances.

If: (i) Class A Multiple Voting Shares resulting from the conversion and deposited pursuant to the offer are subsequently withdrawn by the shareholder or are not taken up by the offeror; or (ii) the offer is abandoned or withdrawn by the offeror, the Class A Multiple Voting Shares will be re-converted into Class B Subordinate Voting Shares and a share certificate representing the Class B Subordinate Voting Shares will be sent to the shareholder by the transfer agent and registrar of the Company. All Class A Multiple Voting Shares resulting from the conversion which are taken up and paid for by the offeror will be deemed to be re-converted into Class B Subordinate Voting Shares at the time the offeror is required under the relevant securities legislation to take up and pay for such shares.

In the event that the offeror takes up and pays for the Class A Multiple Voting Shares resulting from conversion, the transfer agent and registrar of the Company will deliver to the holders thereof the consideration paid for such shares by the offeror.

In light of the foregoing, there will be no right to convert the Class B Subordinate Voting Shares into Class A Multiple Voting Shares in the following cases:

- (a) the offer to purchase Class A Multiple Voting Shares is not required under applicable securities legislation or the rules of a stock exchange on which the Class A Multiple Voting Shares are then listed to be made to all or substantially all holders of Class A Multiple Voting Shares who are in a province of Canada to which the legislation applies, that is, the offer is an “exempt take-over bid” within the meaning of the foregoing securities legislation or stock exchange rules;
- (b) an offer to purchase Class B Subordinate Voting Shares is made concurrently with the offer to purchase Class A Multiple Voting Shares and the two offers are identical with respect to price per share, percentage of outstanding shares for which the offer is made and in all other material respects. The offer to purchase the Class B Subordinate Voting Shares must be unconditional, subject to the exception that the offer for the Class B Subordinate Voting Shares may contain a condition to the effect that the offeror not be required to take up and pay for Class B Subordinate Voting Shares tendered in response to the offer if no shares are purchased pursuant to the contemporaneous offer for the Class A Multiple Voting Shares; or
- (c) holders of Class A Multiple Voting Shares representing, in the aggregate, more than 50% of the then-outstanding Class A Multiple Voting Shares (excluding shares owned immediately prior to the offer by the offeror and any “joint actor”, as defined in the relevant securities legislation) certify to the transfer agent and registrar and to the Secretary of the Company that they will not tender any shares in response to the offer for the Class A Multiple Voting Shares.

SERIES A PREFERRED SHARES

As of the Record Date, there are 3,000,000 Series A Preferred Shares (the “**Preferred Shares**”) issued and outstanding, which were issued by the Company to Alberta Investment Management Corporation on September 29, 2025 for proceeds of US\$75 million. Holders of the Preferred Shares are not entitled to receive notice of, attend or vote at meetings of shareholders of the Company, including the Meeting, nor do they have any voting rights for the election of directors or for any other purpose, except where the holders of the Preferred Shares as a class or of a specified series are entitled to vote separately as a class as provided in the *Business Corporations Act* (Québec), applicable securities laws or the rules of the Toronto Stock Exchange (“**TSX**”). The Preferred Shares are not convertible into Class A Multiple Voting Shares or Class B Subordinate Voting Shares.

PRINCIPAL SHAREHOLDERS

As at April 7, 2026, to the best knowledge of the Company, the following entities beneficially owned, or exercised control or direction over, directly or indirectly, more than 10% of the Class A Multiple Voting Shares of the Company:

Name and place of residence	Number of shares held	Percentage of class
Schwartz Segel G.P. ⁽¹⁾ Westmount, Québec, Canada	3,099,960	74.9%
1514123 BC ULC ⁽²⁾ Westmount, Québec, Canada	900,000	21.8%

- (1) Schwartz Segel G.P. is a partnership indirectly controlled in the aggregate by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel, each of whom is an executive officer of the Company. Martin Schwartz, Jeffrey Schwartz and Jeff Segel are also directors of the Company. The registered owner of the Class A Multiple Voting Shares is Schwartz Segel Family Holdco ULC, which also holds 2,055,139 Class B Subordinate Voting Shares. Schwartz Segel Family Holdco ULC is wholly owned by Schwartz Segel G.P.
- (2) 1514123 BC ULC is a corporation indirectly controlled in the aggregate by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel, each of whom is an executive officer of the Company. Martin Schwartz, Jeffrey Schwartz and Jeff Segel are also directors of the Company.

As at April 7, 2026, to the best knowledge of the Company, the following persons beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Class B Subordinate Voting Shares of the Company:

Name and place of residence	Number of shares held	Percentage of class
Brandes Investment Partners, L.P. ⁽¹⁾ La Jolla, California, U.S.A.	4,689,487	15.38%
Letko, Brosseau & Associates Inc. ⁽²⁾ Montréal, Québec, Canada	3,440,714	11.28%

- (1) The information is taken from an “alternative monthly report” filed on SEDAR by Brandes Investment Partners, L.P. on June 6, 2022. As disclosed in such report, Brandes Investment Partners has control but not ownership of these shares and acquired the shares in the ordinary course of its business of investing for and on behalf of investment advisory clients and not for the purpose of changing or influencing the control of the Company.
- (2) This information is taken from an “alternative monthly report” filed on SEDAR+ by Letko, Brosseau & Associates Inc. on April 7, 2026. As disclosed in such report, Letko, Brosseau & Associates Inc. maintains exclusive power to exercise investment control or direction over these shares, which are owned by accounts it manages, and which were acquired in the ordinary course of business, for investment purposes only and not for the purpose of exercising control or direction over the Company.

BUSINESS TO BE TRANSACTED AT THE MEETING

This Circular contains information relating to the receipt of the Company’s audited consolidated financial statements, the election of directors and the appointment of auditors.

1. Financial Statements

The audited consolidated financial statements of the Company for the fiscal year ended December 30, 2025 and the report of the auditors thereon will be tabled at the Meeting. These audited consolidated financial statements form part of the 2025 Annual Report of the Company. Copies of the 2025 Annual Report may be obtained from the Secretary of the Company upon request and will be available at the Meeting.

2. Election of Directors

The Board of Directors currently consists of seven directors. At the Meeting, shareholders will be asked to vote for the election of seven directors. The persons named in the enclosed form of proxy intend to vote for the election of the seven nominees whose names are set out below. All nominees are currently directors of the Company. Voting for directors will be made on an individual basis. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless the director resigns or the office becomes vacant by removal, death or other cause.

The following table sets out the name, age and province or state of residence of each of the seven persons proposed to be nominated for election as director, all other positions and offices with the Company now held by such person, his principal occupation, the year in which such person became a director of the Company, the number of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company that such person has advised are beneficially owned or over which control or direction is exercised, directly or indirectly, by such person as at the date indicated below, the number of Class B Subordinate Voting Shares in respect of which each such person holds options, the number of deferred share units (“DSUs”) held and the total value of shares and DSUs. The table also sets out membership of the directors on the three committees of the Board of Directors, namely, the Audit Committee, Corporate Governance and Human Resources Committee (the “CGHRC”) and Disclosure Committee. Other than as may be set out below, each director has held his principal occupation for the last five years.

Name, province of residence, age and principal occupation	First year as director	Position(s) on the Board	As at April 7, 2026				Total value of shares and DSUs ⁽⁵⁾ (\$)
			Number of shares beneficially owned or over which control is exercised		Number of Class B shares subject to option	Number of DSUs held	
			Class A	Class B			
Martin Schwartz Québec, Canada Age: 77 President and Chief Executive Officer of the Company	1987	Director, Member of the Disclosure Committee	— ⁽¹⁾	— ⁽¹⁾	—	158,096 ⁽³⁾	273,506

Martin Schwartz is a co-founder of Ridgewood Industries Ltd., which was merged with several associated companies to create the Company, which subsequently went public in 1987. Originally Executive Vice-President of the Company, Mr. Schwartz has held the position of President and Chief Executive Officer since 1992.

Jeff Segel Québec, Canada Age: 75 Executive Vice-President, Sales and Marketing of the Company	1987	Director	— ⁽²⁾	505,000	—	208,572 ⁽³⁾	1,234,480
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Jeff Segel is a co-founder of Ridgewood Industries Ltd. Mr. Segel held the position of Vice-President, Sales and Marketing of the Company from 1987 to 2003. In 2003, Mr. Segel's title was changed to Executive Vice-President, Sales and Marketing.

Jeffrey Schwartz Ontario, Canada Age: 63 Executive Vice-President, Chief Financial Officer and Secretary of the Company	1987	Director, Member of the Disclosure Committee	— ⁽¹⁾	— ⁽¹⁾	—	202,353 ⁽³⁾	350,071
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Jeffrey Schwartz, previously Vice-President of the Juvenile Division of the Company, was the Company's Vice-President, Finance from 1989 to 2003. In 2003, his title was changed to Executive Vice-President, Chief Financial Officer and Secretary. Mr. Schwartz is a graduate of McGill University in Montréal, Québec, in the field of business administration.

Brad A. Johnson, CPA Massachusetts, U.S.A. Age: 64 Professor Emeritus at Babson College	2019	Director, Chair of the Audit Committee and Member of the CGHRC	—	—	—	82,710 ⁽⁴⁾	143,088
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Brad A. Johnson is currently a Professor Emeritus at Babson College, a private business school in Wellesley, Massachusetts. He has extensive experience in e-commerce and business operations, including Vice President Operations at Wayfair, an online furniture retailer, and Chief Operating Officer of Intrepid Learning Solutions. He is a strategic advisor to Dirty Gut, Formio Sequoyah and several other organizations. Mr. Johnson holds an MBA degree from the Darden School of Business of the University of Virginia, a BBA degree from St. Bonaventure University, Allegany, New York, and a CPA designation from the State of New York.

Name, province of residence, age and principal occupation	First year as director	Position(s) on the Board	As at April 7, 2026		Number of Class B shares subject to option	Number of DSUs held	Total value of shares and DSUs ⁽⁵⁾ (\$)
			Number of shares beneficially owned or over which control is exercised				
			Class A	Class B			
Shawn Lederman Texas, U.S.A. Age: 51 Chief Operating Officer – Retail, CMG Companies	2025	Director	—	—	—	—	—
Shawn Lederman is Chief Operating Officer – Retail of CMG Companies, bringing over 25 years of experience in private equity, operations, finance, and consulting. A specialist in strategic planning, corporate revitalization, turnarounds, and M&A, he currently partners with management teams to drive organizational alignment and operational excellence at CMG. Prior to his current role, Mr. Lederman served as the CEO of Ruby Tuesday from 2019 to 2024, following roles at private equity firms including NRD Capital and Highland Capital Management. Mr. Lederman earned a BS in Finance and International Management from Boston University and received his MBA with distinction from NYU.							
Norman M. Steinberg, C.Q., O.O.M., Ad. E. Québec, Canada Age: 76 Vice-Chair BFL Canada	2018	Co-Chairperson of the Board, Director, Co-Chairperson of the CGHRC, and Member of the Audit Committee	—	2,200	—	52,421 ⁽⁴⁾	94,494
Norman M. Steinberg is Vice-Chair of BFL Canada, where he also sits on the Board of Directors and chairs the Governance Committee. From April 2017 to July 2019, Mr. Steinberg was Chair Emeritus of Norton Rose Fulbright Canada. Previously, Mr. Steinberg was Co-Chair and then Chair of Norton Rose Fulbright Canada and its predecessor firm, Ogilvy Renault. He was also Global Chair of Norton Rose Fulbright, one of the largest law firms in the world with 4,000 lawyers in 60 offices. At Norton Rose Fulbright Canada and its predecessor firms, Mr. Steinberg focused on mergers and acquisitions, corporate finance, privatization and corporate governance. Mr. Steinberg is also a director of Fiera Capital Corporation where he chairs the Nominating and Governance Committee, Director of ATCO Ltd. where he chairs the Audit and Risk Committee and is a member of the Corporate Governance - Nomination, Compensation and Succession Committee, Senior Advisor of Persistence Capital Partners (private equity), Chair of the Board of Governors of The McGill University Health Centre Foundation (former Chair of the Foundation), Director and former Canadian Co-Chair of the Australia-Canada Economic Leadership Forum, Senior Advisor of Teneo, and Chair of the Board of Advisors of Alexa Translations. He served as a director of numerous other boards, including Gildan Activewear Inc., Canadian Marconi Company, Centraide of Montreal and the Foundation of the Montreal Museum of Fine Arts. He was former Vice-Chair and Executive Committee member of the Montreal Symphony Orchestra, former President of the Canadian Club of Montreal and former Chairman of the Mount Royal Club of Montreal.							
Mr. Steinberg holds a Bachelor of Science degree and a Bachelor of Civil Law degree from McGill University in Montréal, Québec.							
Maurice Tousson Ontario, Canada Age: 77 Corporate Director	1995	Co-Chairperson of the Board, Director, Co-Chairperson of the CGHRC and Member of the Audit Committee	1,301	—	—	112,676 ⁽⁴⁾	197,297
Maurice Tousson is the former President and Chief Executive Officer of CDREM Group Inc., a chain of retail stores known as Centre du Rasoir or Personal Edge. Mr. Tousson has held senior executive positions at some of Canada’s well-known retailers including Chateau Stores of Canada, Consumers Distributing and Sports Experts. He was Chairman of the Board of Directors of DAVIDsTEA Inc. until June 14, 2018. Mr. Tousson holds an MBA degree from Long Island University in New York.							

- (1) Martin Schwartz and Jeffrey Schwartz do not directly own any voting securities of the Company. For details regarding their beneficial ownership of, or control or direction over, voting securities of the Company, see “Principal Shareholders” above.
- (2) Jeff Segel does not directly own any Class A Multiple Voting Shares. For details regarding his beneficial ownership of, or control or direction over, voting securities of the Company, see “Principal Shareholders” above.
- (3) The DSUs were issued under the 2009 Executive Deferred Share Unit Plan.
- (4) The DSUs were issued under the 2004 Directors’ Deferred Share Unit Plan.
- (5) The total value of shares and DSUs is determined by multiplying the number of Class A Multiple Voting Shares by the closing price (\$1.82) on the TSX of the Class A Multiple Voting Shares, the number of Class B Subordinate Voting Shares by the closing price (\$1.73) on the TSX of the Class B Subordinate Voting Shares, and the number of DSUs by the closing price (\$1.73) on the TSX of the Class B Subordinate Voting Shares, in each case as at April 7, 2026, and adding the three products.

To the knowledge of the Company, none of the foregoing nominees for election as a director of the Company is or within the last ten years has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

To the knowledge of the Company, other than Shawn Lederman, none of the foregoing nominees for election as a director of the Company:

- (a) is, or has been within the last ten years, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the last ten years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

Shawn Lederman was the Chief Executive Officer (“CEO”) of Ruby Tuesday. In October 2020, RTI Holding Company, LLC and several affiliates, including Ruby Tuesday Inc., filed a petition in the United States Bankruptcy Court for the district of Delaware seeking relief under Chapter 11 of the United States bankruptcy code. A majority of the operating assets, including the restaurants, were sold through a 363-sale process. Mr. Lederman continued in his role as the CEO of the Ruby Tuesday restaurant chain after a Delaware bankruptcy judge confirmed the plan of reorganization in February 2021.

Furthermore, to the knowledge of the Company, none of the nominees for election as a director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Majority Voting for Directors

In March 2013, the Board of Directors adopted a majority-voting policy. Under this policy, in an uncontested election of directors, any nominee proposed for election as a director who receives a greater number of “withheld” votes than “for” votes is expected promptly following the date of the shareholders’ meeting at which the election occurred to tender his or her resignation to the President and Chief Executive Officer for consideration by the CGHRC, with the resignation to take effect upon acceptance by the Board of Directors. This policy applies only to “uncontested elections”, that is, elections where the number of nominees for director is equal to the number of directors to be elected.

The Board of Directors will act on the CGHRC’s recommendation within 90 days following the date of the shareholders’ meeting at which the election occurred. Following the Board of Directors’ decision on the CGHRC’s recommendation, the

Board of Directors will promptly disclose, by way of a press release, the Board of Directors' decision whether or not to accept the director's offer of resignation, together with an explanation of the process by which the decision was made and, if applicable, the Board of Directors' reason or reasons for rejecting the tendered resignation.

The CGHRC will be expected to accept the resignation except in situations where extenuating circumstances would warrant that the director continue to serve on the Board of Directors. In considering whether or not to accept a resignation, the CGHRC will consider all factors deemed relevant by the CGHRC, including the stated reasons why shareholders "withheld" votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been tendered (including, for example, the impact the director's resignation would have on the Company's compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Company's securities are listed or posted for trading), such director's contributions to the Company, and whether the director's resignation from the Board of Directors would be in the best interests of the Company.

The CGHRC will also consider a range of possible alternatives concerning the director's tendered resignation as the CGHRC deems appropriate, including acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the CGHRC to have substantially resulted in the "withheld" votes. A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation will be accepted.

Shareholders should note that, as a result of the majority-voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

Election of Directors - 2025

At the annual meeting of shareholders of the Company held on May 28, 2025, all seven candidates proposed as directors were duly elected to the Board of Directors of the Company by a majority of the votes cast by shareholders present or represented by proxy at such meeting, as follows:

Name of Nominee	Votes for	%	Votes Withheld	%
Martin Schwartz	49,852,869	85.73	8,297,772	14.27
Jeffrey Schwartz	49,151,316	84.52	8,999,325	15.48
Jeff Segel	49,756,686	85.57	8,393,955	14.43
Brad A. Johnson	47,007,396	80.84	11,143,245	19.16
Sharon Ranson ⁽¹⁾	46,906,353	80.66	11,244,288	19.34
Norman M. Steinberg	46,703,034	80.31	11,447,607	19.69
Maurice Tousson	46,500,967	79.97	11,649,674	20.03

(1) Sharon Ranson resigned from the Board of Directors on March 31, 2026.

3. Appointment of Auditors

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote **FOR** the appointment of KPMG LLP, Chartered Professional Accountants, as the auditors of the Company until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

COMPENSATION OF DIRECTORS

In designing a compensation program for non-management directors, the objective is to ensure that the Company attracts and retains highly-qualified, committed and talented members, with an extensive level of experience as well as to align interests of directors with those of the Company's shareholders.

The CGHRC reviews on an annual basis the compensation of the independent directors of the Company and recommends to the Board of Directors the level of compensation and any adjustments necessary to take into account the level of work and the responsibilities of the members of the Board of Directors and its committees.

Summary Compensation Table

The following table sets out information for the fiscal year ended December 30, 2025 regarding the compensation paid or earned by the independent directors of the Company, excluding dividend equivalents payable under the 2004 Directors' Deferred Share Unit Plan (the “**DSU Plan**”):

Name	Fees earned ⁽¹⁾ (\$)	Share-based awards ⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value ⁽⁴⁾ (\$)	All other compensation (\$)	Total (\$)
Brad A. Johnson	182,875	—	—	—	—	—	182,875
Shawn Lederman ⁽⁵⁾	45,719	—	—	—	—	—	45,719
Sharon Ranson ⁽⁶⁾	209,000	—	—	—	—	—	209,000
Norman M. Steinberg	219,450	—	—	—	—	—	219,450
Maurice Tousson	219,450	—	—	—	—	—	219,450

- (1) This amount consists of the cash portion of the fees earned by the members of the Board of Directors. Each year, the directors must elect to receive their fees earned either in the form of DSUs issued under the DSU Plan, in cash, or a combination thereof (see below for discussion). The portion, if any, paid in DSUs is reported under the column “Share-based awards”.
- (2) This amount consists of the value of the fees, if any, earned in the form of DSUs elected by the directors under the DSU Plan (see below for discussion).
- (3) The Company did not grant any option-based awards to its independent directors during the fiscal year ended December 30, 2025.
- (4) The Company does not have a retirement plan or a retirement policy for members of the Board of Directors.
- (5) Shawn Lederman was appointed to the Board of Directors on November 4, 2025.
- (6) Sharon Ranson resigned from the Board of Directors on March 31, 2026.

Fees Earned

Members of the Board of Directors who are not employees or officers of the Company receive an annual fee for serving as directors as well certain additional fees, and are reimbursed for their travel and out-of-pocket expenses. In 2025, the Company paid the following directors' fees:

- annual director's fee: \$182,875;
- additional annual Co-Chairperson fee: \$36,575; and
- Audit Committee Chair fee: \$26,125.

The following table sets out fees paid or earned by the independent directors during the fiscal year ended December 30, 2025, excluding dividend equivalents payable under the DSU Plan:

Name	Annual director's fee (\$)	Other fees (\$)	Total fees (\$)
Brad A. Johnson	182,875	—	182,875
Shawn Lederman ⁽¹⁾	45,719	—	45,719
Sharon Ranson ⁽²⁾	182,875	26,125	209,000
Norman M. Steinberg	219,450	—	219,450
Maurice Tousson	219,450	—	219,450

- (1) Shawn Lederman was appointed to the Board of Directors on November 4, 2025.
- (2) Sharon Ranson resigned from the Board of Directors on March 31, 2026.

Directors' Shareholding Requirements

The Board of Directors has determined that each director should hold a number of shares of the Company at least equivalent in value to four years of directors' annual fees. The purpose of this share ownership requirement is to promote greater alignment of interests between the Company's directors and shareholders. Initially, the minimum share ownership threshold had to be reached within seven years of initial election or appointment to the Board of Directors. Upon the recommendation of the then-Human Resources and Compensation Committee (“**HRCC**”), on March 10, 2022, the Board of Directors approved an amendment to the DSU Plan granting an extension of five years to achieve the minimum share ownership.

The following table sets out information as at December 30, 2025 on the number and value of the Class A Multiple Voting Shares, Class B Subordinate Voting Shares and/or DSUs held by the independent directors of the Company:

Name	Number of Class A Shares	Number of Class B Shares	Total Value of Shares ⁽¹⁾ (\$)	Number of DSUs	Total Value of DSUs ⁽²⁾ (\$)	Total Number of Shares and DSUs	Total Value of Shares and DSUs (\$)	Share Ownership Threshold Met ⁽³⁾
Brad A. Johnson	—	—	—	53,389	77,948	53,389	77,948	no ⁽⁴⁾
Sharon Ranson ⁽⁵⁾	—	—	—	41,147	60,075	41,147	60,075	no
Norman M. Steinberg	—	2,200	3,212	52,421	76,535	54,621	79,747	yes
Maurice Tousson	1,301	—	2,082	112,676	164,507	113,977	166,589	yes

- (1) The Total Value of Shares is determined by multiplying the number of Class A Multiple Voting Shares and Class B Subordinate Voting Shares held at fiscal year-end (December 30, 2025) by, respectively, the closing price (\$1.60) of the Class A Multiple Voting Shares and the closing price (\$1.46) of the Class B Subordinate Voting Shares on the TSX on December 30, 2025, and adding the two products.
- (2) The Total Value of DSUs is determined by multiplying the number of DSUs held at fiscal year-end (December 30, 2025) by the closing price (\$1.46) of the Class B Subordinate Voting Shares on the TSX on December 30, 2025.
- (3) To assess whether the Share Ownership Threshold has been met, the Total Value of Shares and DSUs is deemed to be the greater of: (i) the Total Value arrived at by multiplying the number of DSUs credited to the independent director's account by the fair market value of the shares, plus the fair market value of shares owned by the director; and (ii) the annual director's fees converted into DSUs under the Plan at a particular date plus the cost to the director of shares owned.
- (4) Brad A. Johnson was appointed as a director on June 20, 2019 and consequently has until June 20, 2031 to meet the minimum share ownership requirement.
- (5) Sharon Ranson resigned from the Board of Directors on March 31, 2026.

DSU Plan

To facilitate the acquisition of the minimum number of shares, the Board of Directors established the DSU Plan for the Company's independent directors. Under the DSU Plan, an independent director may elect annually to have his or her director's fees paid in the form of DSUs. A participant in the DSU Plan may also receive dividend equivalents. The number of DSUs received by a director is determined by dividing the amount of the fees to be paid in the form of DSUs on that date or dividends to be paid on a payment date (the "**Award Date**"), as the case may be, by the fair market value of the Class B Subordinate Voting Shares on the Award Date. The Award Date is generally the last business day of each quarter of the Company's fiscal year in the case of fees and the date on which the dividends are payable in the case of dividends. The fair market value of the Class B Subordinate Voting Shares is equal to their average closing price on the TSX for the five trading days immediately preceding the Award Date. In the event that the TSX institutes "due bill trading" with respect to any dividend declared by the Company on the Class B Subordinate Voting Shares, the fair market value of the Class B Subordinate Voting Shares shall be equal to the weighted average trading price of the Class B Subordinate Voting Shares for the five trading days commencing with the first trading day after the dividend payment date. DSUs are credited to an account maintained for each director by the Company.

Under the DSU Plan, upon the end of a director's service with the Company, the director will receive either:

- (a) a cash amount equal to the number of DSUs in the director's account multiplied by the fair market value of the Class B Subordinate Voting Shares on the date on which a notice of redemption is filed with the Company by the director. The fair market value of the Class B Subordinate Voting Shares will be equal to their average closing price for the five trading days preceding the redemption date;
- (b) a number of Class B Subordinate Voting Shares equal to the number of DSUs in the director's account. Such Class B Subordinate Voting Shares will be purchased by the Company on the TSX or issued from treasury; or
- (c) a combination of cash and Class B Subordinate Voting Shares.

In the event of the death of a participant, provided that a notice of redemption is not filed with the Secretary of the Company in accordance with the terms of the DSU Plan, the Company will make a payment in cash, Class B Subordinate Voting Shares, or a combination thereof, as elected by the Board of Directors and calculated in accordance with the terms of the DSU Plan, within 15 days of the participant's death, in each case to or for the benefit of the beneficiary of the participant.

Subject to applicable law, a participant may designate in writing a person who is a dependent or relation as a beneficiary to receive any amount payable under the DSU Plan on the death of such participant, and may change such designation from time to time. Such designation must be in such form and executed and filed in such manner as the Board of Directors may from time to time determine. If no beneficiary is designated, the participant's legal representative will receive any amount payable under the DSU Plan.

The mode of payment to a participant will be determined by the Board of Directors in its discretion. All payments will be made net of applicable taxes. No financial assistance is provided by the Company to the independent directors in connection with the DSU Plan.

The rights or interests of participants under the DSU Plan, including DSUs, are not assignable or transferable otherwise than in case of death as set out in the DSU Plan, and such rights or interests cannot be encumbered by any means. Any attempt to assign, transfer or encumber any DSUs is void and of no force or effect.

The Board of Directors of the Company may make, without limitation, the following types of amendments to the DSU Plan without seeking approval from the shareholders of the Company: (i) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the DSU Plan or to correct or supplement any provision of the DSU Plan that is inconsistent with any other provision of the DSU Plan; (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary in order for DSUs to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the DSU Plan; (v) amendments to the definitions of "Applicable Withholding Taxes", "Award Date", "Beneficiary", "Election Notice", "Dividend Equivalent", "Eligible Director", "Participant", "Quarterly Remuneration" and "Termination Date", all as set out in Article 1.2 of the DSU Plan; (vi) amendments to Schedule A and Schedule B of the DSU Plan; (vii) amendments to the redemption provisions of the Plan or relating to any DSU; (viii) amendments necessary to suspend or terminate the DSU Plan; and (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law.

Shareholder approval will be required for the following types of amendments to the DSU Plan: (a) amendments to the maximum number of Class B Subordinate Voting Shares which may be issued from the Company's treasury in aggregate to all participants pursuant to the DSU Plan, including an increase to a fixed maximum number of Class B Subordinate Voting Shares or a change from a fixed maximum number of Class B Subordinate Voting Shares to a fixed maximum percentage; (b) any amendment which increases the number of DSUs that may be issued, or the number of Class B Subordinate Voting Shares that may be issued or paid upon redemption of DSUs, to a participant in the DSU Plan; and (c) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

In the event of any conflict between clauses (i) to (ix) and (a) to (c) above, the latter will prevail.

The receipt of directors' fees in the form of DSUs has the effect of deferring receipt of directors' compensation until such time as the director's term expires or the director resigns, intended to better align the interests of the directors with those of the shareholders of the Company. In the fiscal year ended December 30, 2024, all five independent directors elected to receive all of their directors' fees in cash.

On March 10, 2022, the Board of Directors adopted an amendment to the DSU Plan so as to increase the number of Class B Subordinate Voting Shares which are available for issuance under the DSU Plan by an additional 400,000 Class B Subordinate Voting Shares, thereby bringing the maximum number of Class B Subordinate Voting Shares available for issuance from treasury under the DSU Plan to 750,000, representing 2.5% of the currently outstanding Class B Subordinate Voting Shares and 2.2% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares.

On March 23, 2022, the Board of Directors adopted an amendment to the DSU Plan to add an "insider participation limit", as prescribed by the TSX, to the DSU Plan. In light of the amending formula in the DSU Plan described above, the amendment did not require shareholder approval. The amendment provided in effect that the number of Class B Subordinate Voting Shares (i) issued to the Company's insiders within any one-year period, and (ii) issuable to the Company's insiders, at any time, under the DSU Plan, or when combined with all of the Company's other security based compensation arrangements, cannot exceed 10% of the Company's total issued and outstanding Class B Subordinate Voting Shares and Class A Multiple Voting Shares, respectively. The amendment also added a definition of "Insiders" to the DSU Plan, that is, collectively, those insiders who are "reporting insiders" of the Company as defined in *National Instrument 55-104 - Insider Reporting Requirements and Exemptions*.

The “annual burn rate” (ABR) under the DSU Plan (as described below), calculated in accordance with section 613(p) of the TSX Company Manual, was nil in the fiscal years ended December 30, 2025, 2024 and 2023.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets out details regarding the value of the share-based awards earned by the Company’s independent directors as at December 30, 2025:

Name	Share-based awards – value vested during the fiscal year ended December 30, 2025⁽¹⁾ (\$)	Share-based awards – market or payout value of vested share-based awards as at December 30, 2025 not paid out or distributed⁽²⁾ (\$)
Brad A. Johnson	—	77,948
Sharon Ranson	—	60,075
Norman M. Steinberg	—	76,535
Maurice Tousson	—	164,507

- (1) The share-based awards represent remuneration in the form of DSUs paid to the directors as directors’ fees and as dividend equivalents. The DSUs vest at the date the remuneration and the date on which dividends are to be paid, respectively. The payment date is at the end of every quarter for fees and the date on which the dividends are payable in the case of dividends. Consequently, the vested amounts of the share-based payments consist of the value of the fees and the dividends earned in the form of DSUs elected by the directors under the DSU Plan; the fees earned are set out in the table under the section “Fees Earned” above.
- (2) The aggregate dollar value of the share-based awards is determined by multiplying the number of DSUs vested at fiscal year-end, including awards granted before the most recently-completed fiscal year, by the closing price (\$1.46) of the Class B Subordinate Voting Shares on the TSX on December 30, 2025, the last day of the Company’s 2025 fiscal year.

There are no option-based awards or other non-equity incentive plans offered as compensation to the independent directors of the Company.

Bonus Awards for the Independent Directors

The Bonus Award Agreements entered on October 1, 2021 between the Company and each of the then-six independent directors were amended and restated on August 9, 2024. Under the original terms, the independent directors were provided with the opportunity to earn a shareholder return bonus (“**Shareholder Return Bonus**”) and premium for the number of years of service as a director (the “**Years of Service Premium**”) in the event of the sale by the Company of the Juvenile Segment, Home Furnishings Segment and Sports Segment (collectively, the “**Three Segments**”) by December 31, 2026 (the “**Term**”). In the event that the sale of the Three Segments does not occur during the Term, no Shareholder Return Bonus will be earned or payable under the Bonus Award Agreements. In the event that a sale of the Three Segments occurs during the Term, each director will be entitled to receive a Shareholder Return Bonus based on the total shareholder return to the shareholders of the Company (“**TSR**”) set out in the Bonus Award Agreement. The amount of any Shareholder Return Bonus will be multiplied by the Years of Service Premium as set out in the Agreement. The Shareholder Return Bonus payable to the director shall not in any circumstances exceed \$750,000.

The amended Bonus Award Agreements dated August 9, 2024 now provide that in the event that one or more Segment sales occur during the Term, the director shall be entitled to receive a *pro rata* Shareholder Return Bonus and premium for the number of years of service as a director. The amount of any Shareholder Return Bonus will be multiplied by the Years of Service Premium set out in the amended Bonus Award Agreement. The Shareholder Return Bonus payable to the director shall not in any circumstances exceed \$750,000. In the event that the sale of one or more Segments does not occur during the Term, no Shareholder Return Bonus will be earned or payable under the amended Bonus Award Agreements.

EXECUTIVE COMPENSATION

1. Compensation Discussion and Analysis

Corporate Governance and Human Resources Committee

On February 3, 2025, the Board of Directors combined the Corporate Governance and Nominating Committee (“CGNC”) with the HRCC to form the CGHRC. The CGHRC is comprised of three directors, namely, Norman M. Steinberg (Co-Chairperson), Maurice Tousson (Co-Chairperson) and Brad A. Johnson, each of whom is an “independent” director within the meaning of National Instrument 52-110 *Audit Committees*. The Board of Directors is of the view that the CGHRC collectively has the knowledge, experience and background to fulfill its mandate and that each of the members of the CGHRC has direct experience relevant to his or her responsibilities regarding executive compensation. These collective skills and extensive experience enable the CGHRC to make decisions on the suitability of the Company’s compensation policies and practices.

The CGHRC Charter sets out that the mandate of the CGHRC is to assume the responsibility for developing the Company’s approach to matters of human resources and compensation and to review and make recommendations to the Board of Directors as to all such matters. The responsibilities of the CGHRC generally include, but are not limited to, the following:

- (a) monitoring and evaluating the performance of the President and Chief Executive Officer and other members of senior management of the Company;
- (b) annually reviewing and making recommendations to the Board with respect to the Company’s compensation and benefit programs for the President and Chief Executive Officer and other senior management of the Company, including base salaries, bonuses or other performance incentives, stock options and/or restricted share rights;
- (c) reviewing and making recommendations to the Board with respect to the implementation or variation of stock option plans, restricted share rights plans, share purchase plans, compensation and incentive plans and retirement plans. Further, the CGHRC will ensure proper administration of the Company’s existing share incentive plans, including making recommendations with respect to the granting of options or restricted share rights;
- (d) reviewing periodically the President and Chief Executive Officer’s proposals for changes in the Company’s overall management organizational structure;
- (e) making recommendations to the Board on appointments of Company officers (if any);
- (f) making recommendations to the Board with respect to any severance or similar termination payments proposed to be made to senior management of the Company;
- (g) retaining and replacing any independent firm to advise on executive compensation, including fixing such firm’s fees and terms of retention;
- (h) providing an annual report on executive compensation to the shareholders of the Company in the management proxy circular prepared for the annual meeting of shareholders; and
- (i) carrying out any other duties or responsibilities expressly delegated to the CGHRC by the Board.

In the assessment of the annual compensation of the President and Chief Executive Officer, the three Executive Vice-Presidents and the Senior Vice-President, Finance (collectively, the “**Named Executive Officers**” or “**NEOs**”), the CGHRC consults with senior management to develop, recommend, and implement compensation philosophy and policy. The CGHRC also takes into consideration the competitiveness of the compensation package offered to the NEOs. Compensation decisions are usually made in the first half of each fiscal year, in respect of performance achieved in the prior fiscal year.

Comparative Group and External Compensation Consultant

To ensure the competitiveness and the appropriateness of the compensation offered to the NEOs and other senior executives of the Company, the CGHRC retains, from time to time, the services of executive compensation consultants to provide advice on executive compensation. These services may include, but are not limited to, advice on base salary, annual incentives (bonus) and long-term incentive programs. In connection with these services, the executive compensation consultants may provide suggestions on choosing the companies forming part of the comparative groups, may make observations on the level of compensation compared to market and may make recommendations with regards to amendments where appropriate.

In 2023 to 2025, the then-HRCC and the CGHRC did not retain a consultant to assist them in benchmarking the compensation of the Company's President and Chief Executive Officer and its Executive Vice-Presidents.

From 2016 to 2021, the then-HRCC retained Meridian Compensation Partners, LLC ("**Meridian**") to assist the Company in matters related to executive compensation such as peer group analysis, benchmarking and review of existing compensation programs and review of compensation trends and practices. The HRCC considered the executive compensation advice provided by Meridian to be independent as the executive compensation consultants' reports were sent directly to the HRCC without management intervention. In addition, the HRCC adopted protocols governing if and when the consultants' advice and recommendations can be shared with management. Furthermore, the CGHRC evaluates the quality and objectivity of the services provided each year and determines whether to continue to retain the consultants.

In February 2019, Meridian reviewed the Company's peer group used for benchmarking the compensation of the Named Executive Officers. As part of the review process, the then-HRCC conducted an analysis to examine and compare the Company's compensation programs with a group of comparable companies to ensure the competitiveness and reasonableness of the compensation offered. The HRCC used this information to position the Company's compensation programs relative to the market. Although the CGHRC may rely on the information and advice obtained from consultants, all of the decisions with respect to executive compensation are made by the CGHRC and may reflect factors and considerations that differ from the information and recommendations provided by the consultants, such as merit and the need to retain high-performing executives. Other factors used in determining the compensation of the executives are their experience, their performance for the applicable period and their potential performance for future periods. When performing compensation reviews, the CGHRC does not specifically identify a median or percentile for total compensation of the President and Chief Executive Officer and the three Executive Vice-Presidents.

As part of the benchmarking analysis, the group of comparable companies was reviewed by the then-HRCC and approved by the Board of Directors. When selecting the group, a mix of Canadian and U.S. companies was chosen, given that a large portion of the Company's revenues are generated, and an important portion of the Company's assets are located, in the United States. In addition, consideration was given to the size of the Company, location of the Company's main operations (the United States and Canada), the international focus of the Company, and companies operating in the same or similar industry as the Company (manufacturing and/or distribution of consumer products). The majority of the comparable companies were required to have revenues and assets that were between 0.3 times and 3.0 times those of the Company and to have market capitalization that was between 0.3 times and 5.0 times that of the Company. Assets and market capitalization were used as secondary measures in the establishment of the comparative group.

The CGHRC considered that the comparative group used in the compensation benchmarking exercise of the Named Executive Officers for the fiscal year ended December 30, 2019 is still relevant and reliable and was therefore used in the current year:

Comparative Group		
Gildan Activewear Inc.	BRP Inc.	Lions Gate Entertainment Corp.
Québecor Inc.	MDC Partners Inc.	Hasbro, Inc.
Tempur Sealy International, Inc.	Carter's, Inc.	Vista Outdoor Inc.
LCI Industries (formerly Drew Industries Incorporated)	Modine Manufacturing Company	Cott Corporation
La-Z-Boy Inc.	Linamar Corporation	Martinrea International Inc.
Revlon, Inc.	Uni-Sélect Inc.	

President and Chief Executive Officer, Three Executive Vice-Presidents, and Senior Vice-President, Finance

The compensation of the President and Chief Executive Officer, each of the three Executive Vice-Presidents and the Senior Vice-President, Finance is determined in accordance with Company's objectives and policies and is developed, reviewed, and recommended by the CGHRC to the Board of Directors for annual approval. The Company relies on Board of Directors' decisions based upon the recommendations from the CGHRC to determine the compensation package offered to these executives. See "Elements of Compensation" below for an explanation as to how base salary, annual incentives and long-term incentive levels are determined. It is important to note that the Company operates on a team structure, such that the four individuals (President and Chief Executive Officer, Executive Vice-President, Sales and Marketing, Executive Vice-President, Operations, and Executive Vice-President, Chief Financial Officer and Secretary) are considered an executive group. It was agreed that any element of compensation be the same for each of the four individuals irrespective of their position. Meridian took this into consideration in the benchmarking analysis it performed, which focused on the aggregate compensation of the top four executives of the Company and its peers.

The CGHRC believes that the executive group was in the best position to assess the performance of the Senior Vice-President, Finance and to provide valuable input to the CGHRC because of their day-to-day involvement with him. The executive group works jointly with the CGHRC in recommending any salary adjustments, levels of payments of annual incentives as well as levels of option grants, as applicable. The CGHRC will ultimately review and recommend the compensation to the Board of Directors.

Compensation Objectives and Policies

The objective of the executive compensation program is to attract, motivate and retain high-performing senior executives, align the immediate and long-term interests of the executive team with the annual and long-term interests of shareholders, and engage the leadership team by defining and rewarding performance for achieving a balance of Company-wide and business unit goals. The program is designed to reward and encourage individual and collective performance and motivate senior executives to achieve and surpass shorter and longer-term performance objectives set at the beginning of the year.

Elements of Compensation

The Company's total compensation program is comprised of a fixed and variable component with a particular emphasis on the use of at-risk pay in order to ensure the alignment of the interests of the senior executives with those of the shareholders. The total compensation program consists of four main components: (i) base salary determined in comparison with competitive benchmark positions; (ii) annual incentives linked to the financial performance of the Company and to objectives tied to the execution of certain strategic initiatives; (iii) long-term incentives including stock options; and (iv) other perquisites.

In addition, when the CGHRC oversees the executive compensation program, risks associated with the Company's compensation objectives and policies are considered.

The table below sets out the key elements of compensation and their respective form and performance period:

Elements	Components	Form	Performance Period
Base Salary	Fixed	Cash or DSUs	One year
Annual Incentives	Variable	Cash or DSUs	One year
Long-Term Incentive	Variable	Stock options	Five years
Long-Term Incentive	Variable	Cash Incentive Plan	Three years

An important objective of the executive compensation program is to take into account the advantages and risks associated with different compensation components. The CGHRC has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The CGHRC has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The CGHRC considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The following table summarizes the applicable compensation components or policies and the relevant risk mitigation factors:

Compensation Component or Policy	Risk Mitigation Factor
Base Salary	Base salaries are a fixed amount so as to provide steady income regardless of share price and therefore do not encourage unnecessary or excessive risks.
Annual Incentives	- The ability for short-term decisions to drive excessive compensation is limited because: - the maximum amount that a senior executive can receive is capped at two times the target payout; - For fiscal years 2023 and prior, a portion of the annual bonus for the President and Chief Executive Officer and each of the three Executive Vice-Presidents was tied to the Company's financial performance, based on predetermined percentages of cash conversion cycle ("CCC") and earnings before interest and taxes ("EBIT"). The remaining portion of the bonus opportunity was linked to the achievement of strategic objectives. Beginning in fiscal years 2024 and 2025, the annual bonus for these four NEOs was determined based entirely on annual strategic objectives set by the Board. These objectives are aligned with the Company's long-term strategy, financial performance, and operational priorities. Due to their confidential and competitively sensitive nature, the specific details are not disclosed in this Circular. For fiscal years 2023 through 2025, the Senior Vice-President, Finance had his annual bonus tied to the Company's financial performance. The payout was determined based on pre-defined weightings linked to CCC and EBIT, with the remaining portion contingent on the achievement of operational objectives; and - Consistent objectives for all management employees at all levels within each operating group, which creates alignment and encourages decision-making that is in the best interest of the Company as a whole.
Long-Term Incentives: 2004 Stock Option Plan ⁽¹⁾	- Options vest over a four-year period starting on the first anniversary of the grant date, which aligns long-term performance with shareholders' interests; and - Stock options represent an incentive to enhance shareholder value by providing the executives with compensation which is realized only if the Company's share price increases over time.
Long-Term Incentives: cash-settled	- A cash target award is granted and is subject to a three-year performance multiplier based on the Company's adjusted EBIT as per strategic plans, and as determined by the CGHRC; - Value is delivered in cash and is not tied to the performance of the Company's shares; - The cash target award vests over a three-year period starting on the first day of the award year and aligns long-term performance with shareholders' interest; - The settlement of the cash award will be as follows: - if the performance objectives are not achieved, no long-term incentive cash award will be paid;

Compensation Component or Policy	Risk Mitigation Factor
	— if the performance objectives are achieved, the long-term incentive cash award will be paid in amounts at levels as determined by the CGHRC; and — the maximum amount that can be paid is 150% of the cash award.
Executive Share Ownership Requirement ⁽¹⁾	• Since 2010, the senior executives of the Company are required to accumulate a certain level of share ownership in the Company; and • The share ownership requirement ensures that the interests of senior executives are aligned with the long-term interests of shareholders.
Pay Mix	• The Company offers various incentive plans which have variable compensation elements (short-term versus long-term) allowing risks to be spread over a broader time horizon; and • The variable compensation elements represent a percentage of overall compensation that is sufficient to motivate senior executives to produce superior short-term and long-term results while the fixed compensation element (base salary) is sufficient to discourage senior executives from taking unnecessary or excessive risks.
Discretion of the CGHRC	• The CGHRC retains the authority to recommend to the Board of Directors whether to reduce or increase incentive payouts, in its discretion, taking into consideration qualitative factors beyond the quantitative financial metrics.

(1) The Insider Trading and Blackout Periods Policy adopted by the Company prohibits senior executives, directors and all other insiders of the Company from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the senior executives, directors and all other insiders.

Base Salary

Base salary provides an immediate cash incentive for the NEOs and is established through the recommendations of the CGHRC and discussions with the Board of Directors with regard to the President and Chief Executive Officer and each of the three Executive Vice-Presidents. For the fiscal year ended December 30, 2025, each of the President and Chief Executive Officer, Executive Vice-President, Sales and Marketing, Executive Vice-President, Operations and Executive Vice-President, Chief Financial Officer and Secretary, effective January 1, 2025 had a base salary of \$817,700. The reduction in base salary from prior years reflects the Company's proactive approach to navigating challenging economic conditions. This adjustment demonstrates a shared commitment by the executive leadership to supporting the Company's financial resilience, maintaining operational stability, and prioritizing the long-term interests of shareholders and stakeholders.

The base salary for the Senior Vice-President, Finance was determined through a review of competitive market benchmarking data, together with an assessment of the role's scope, complexity, and required capabilities, as well as the executive's sustained performance and the Company's financial position. For 2026, the President and Chief Executive Officer and the three Executive Vice-Presidents approved an annual base salary of \$500,000 for the Senior Vice-President, Finance.

Annual Incentives

The objective of the annual incentive program is to motivate employees to achieve and surpass corporate financial goals which are set at the beginning of the year by senior management and approved by the CGHRC. The CGHRC also considers non-financial goals based on the executive's achievements when determining the payout of the annual incentive.

Annual incentives are reviewed annually and designed around the fiscal year's business strategies and performance targets. They combine metrics that reflect a blend of financial and operational Company-wide and business unit goals. In 2024, the CGHRC continued with its review of all of the Company's short-term and long-term programs. Prior to December 30, 2023, for the President and Chief Executive Officer and the three Executive Vice-Presidents, the corporate financial measures to be

achieved were target levels of CCC metric and Earnings from Operations based on the annual budget which represented 50% of the overall bonus. In addition, the remaining 50% of the overall bonus was tied to the execution of certain strategic initiatives.

Effective 2024 and onwards, the annual incentive program for the President and Chief Executive Officer and the three Executive Vice-Presidents was restructured to be based 100% on strategic objectives, reinforcing the Company's commitment to long-term strategic growth and value creation. These strategic initiatives are not disclosed in this Circular as they are confidential to the Company.

See "Summary Compensation Table" below for the breakdown of the amounts paid to each of the NEOs.

The Company has defined the CCC metric as the length of time, in days, that it takes the Company to sell its inventory, collect its receivables and pay its suppliers. The metric indicates how efficiently the Company is managing its working capital and generating cash flows. The metric is calculated as follows:

CCC metric is equal to the average of the monthly CCC metrics for the fiscal year calculated as follows: Days Inventory Outstanding ("DIOs") plus Days Sales Outstanding ("DSOs") less Days Payables Outstanding ("DPOs").

DIO refers to the number of days it takes to sell an entire inventory; DSO refers to the number of days needed to collect accounts receivable; and DPO refers to the Company's payment of its accounts payable.

Incentive bonuses vary in proportion to base salary, depending on whether or not the specified Earnings from Operations, CCC targets and/or objectives tied to the execution of certain strategic initiatives have been attained. When the performance targets are exceeded, bonuses are higher; when objectives are not attained, the incentive bonuses are lower or nil, depending on the circumstances. At the end of the year, the Company compares actual results against each performance goal and calculates the incentive compensation earned. The CGHRC may also make a qualitative discretionary bonus award in recognition of an individual's special achievements or contributions to the Company in a particular financial year.

Long-Term Incentives

The objectives of the long-term incentive plan are to align the executives' interests with those of the shareholders of the Company by providing a form of compensation tied to increases in market value, to attract and retain talented individuals and recognize and reward the impact of longer-term growth strategies taken by management. In order to meet these long-term objectives, the Company uses the 2004 Stock Option Plan (the "**Stock Option Plan**") to reward its executives and certain employees.

In accordance with the requirements of section 613 of the TSX Company Manual, companies listed on the TSX are required to disclose an "annual burn rate" ("**ABR**") for each of their security-based compensation arrangements as of the end of the financial year. ABR refers to the number of shares that are subject to awards that are granted during the year, expressed as a percentage of the total weighted average number of issued and outstanding shares for the applicable fiscal year. The weighted average number of common shares of the Company issued and outstanding in each of the last three fiscal years is as follows:

- Year ended December 30, 2025 – 32,575,179 shares;
- Year ended December 30, 2024 – 32,571,973 shares; and
- Year ended December 30, 2023 – 32,541,953 shares.

ABR for each of the Stock Option Plan, DSU Plan and 2009 Executive Deferred Share Unit Plan (the "**EDSU Plan**") is set out in the respective sections above and below.

2. 2004 Stock Option Plan

Option Grant Process

Option grants are a component of the Company's executive compensation package and serve to align executive interests with those of shareholders, as grant recipients benefit only if shareholder value increases. Grant levels are reviewed and are approved by the Board of Directors based on recommendations of the CGHRC. Except as regards certain specified holding restrictions set out in the Stock Option Plan, the number of outstanding options held by an employee is not taken into account when

determining if and how many new options are to be awarded in the particular year. In assessing the level of option grants for executives, the CGHRC will also take into account special achievements and/or the need for retention or motivation.

Material Terms and Conditions

In April 2004, the Board of Directors of the Company established the Stock Option Plan, which was ratified by shareholders at the Company's annual and special general meeting held on May 28, 2004. The objective of the Stock Option Plan is to provide directors, officers and employees of the Company and its subsidiaries with a proprietary interest through the granting of options to purchase Class B Subordinate Voting Shares of the Company. The Stock Option Plan is also intended to increase the interest in the Company's welfare of those directors, officers and employees who share primary responsibility for the management, growth and protection of the business of the Company, to furnish an incentive to such directors, officers and employees to continue their services for the Company and to provide a means through which the Company may attract able persons to enter its employment.

There are a maximum of 6,000,000 Class B Subordinate Voting Shares issuable under the Stock Option Plan, representing 17.3% of the aggregate number of Class A Multiple Voting Shares and Class B Subordinate Voting Shares issued and outstanding on December 30, 2025, the end of the Company's 2025 fiscal year. As at December 30, 2025, there were no options outstanding to purchase Class B Subordinate Voting Shares and 4,657,750 Class B Subordinate Voting Shares remained available for future grants of stock options, representing 13.4% of the aggregate number of then-issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares. ABR for the Stock Option Plan, calculated in accordance with section 613(p) of the TSX Company Manual, was nil in each of the fiscal years ended December 30, 2025, 2024 and 2023.

The Stock Option Plan contains restrictions on the number of Class B Subordinate Voting Shares which may be issued to the Company's "insiders", that is, its directors and officers and those of its subsidiaries. Under the Stock Option Plan, no option may be granted if such grant could result, at any time, when taken together with all of the Company's other share compensation arrangements in:

- (a) the number of Class B Subordinate Voting Shares reserved for issuance pursuant to stock options granted to "insiders" exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares;
- (b) the issuance to "insiders" within a one-year period of a number of Class B Subordinate Voting Shares exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares; or
- (c) the issuance to any one "insider" and such insider's associates, within a one-year period, of a number of Class B Subordinate Voting Shares exceeding 5% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares.

No options were granted to the Named Executive Officers in fiscal 2025. Options that are outstanding are not exercisable during the first year following the date of grant and the holders may exercise only 25% of the total number of options held commencing each successive year. All of the outstanding options are valid for a five-year period from the effective date of the grant.

The following is a description of certain features of the Stock Option Plan, as required by the TSX:

- (a) the option price per share is set by the Board of Directors at the time of the granting of each option, but cannot be less than the closing price of the Class B Subordinate Voting Shares on the TSX on the trading day immediately preceding the date of the grant;
- (b) the maximum period during which an option is exercisable cannot, subject to the provisions of the Stock Option Plan, exceed ten years from the date the option is granted, after which the option will lapse. Unless otherwise determined by the Board of Directors, no option may be exercised during the first year following the grant thereof. An option may be exercised in whole or in part in respect of 25% of the Class B Subordinate Voting Shares subject to the option during each of the second, third, fourth and fifth years following the grant thereof;
- (c) if an option is to expire during a period when the optionee is prohibited by the Company from trading in its shares pursuant to its policies (a "**Blackout Period**"), or within ten business days of expiry of such Blackout

Period, the term of such option will automatically be extended for a period of ten business days immediately following the end of the Blackout Period (“**Blackout Extension Period**”);

- (d) options granted under the Stock Option Plan may not be assigned, except by will or by the laws of succession of the domicile of a deceased option holder;
- (e) the aggregate number of Class B Subordinate Voting Shares reserved for issuance to any one option holder, whether under the Stock Option Plan or any other share option plan, option for services or share purchase plan of the Company (if any), cannot exceed 5% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares;
- (f) upon an option holder’s employment with the Company being terminated for cause, any option not exercised prior to the date of termination immediately lapses and becomes null and void;
- (g) if an option holder dies while employed by the Company or while a director thereof, or if an option holder’s employment, office or directorship with the Company terminates otherwise than by reason of death or termination for cause, any option or unexercised part thereof held by the option holder may be exercised by the person to whom the option is transferred by will or the laws of succession, or by the option holder, as the case may be, for that number of shares only which the option holder was entitled to acquire under the option at the time of his death, termination or end of employment, office or directorship, as the case may be, within 30 days after such date or prior to the expiration of the term of the option, whichever occurs earlier;
- (h) the Stock Option Plan does not provide for financial assistance from the Company to option holders;
- (i) subject to the exceptions set out in paragraph (j) below, the Board of Directors may amend, suspend or terminate the Stock Option Plan, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the Stock Option Plan without seeking shareholder approval:
 - (i) amendments of a “housekeeping” or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX);
 - (iii) amendments necessary in order for options to qualify for favourable treatment under applicable taxation laws;
 - (iv) amendments respecting administration of the Stock Option Plan;
 - (v) any amendment to the vesting provisions of the Stock Option Plan or any option;
 - (vi) any amendment which reduces the exercise price or purchase price of an option held by an optionee who is not an “insider” of the Company;
 - (vii) any amendment to the early termination provisions of the Stock Option Plan or any option, whether or not such option is held by an “insider”, provided such amendment does not entail an extension beyond the original expiry date;
 - (viii) any amendment to the termination provisions of the Stock Option Plan or any option, other than an option held by an “insider” in the case of an amendment extending the term of an option, provided any such amendment does not entail an extension of the expiry date of such option beyond its original expiry date;

- (ix) the addition of any form of financial assistance by the Company for the acquisition by all or certain categories of eligible participants of shares under the Stock Option Plan, and the subsequent amendment of any such provisions;
 - (x) the addition or modification of a cashless exercise feature, payable in cash or shares;
 - (xi) amendments necessary to suspend or terminate the Stock Option Plan; and
 - (xii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX);
- (j) shareholder approval will be required for the following types of amendments:
- (i) amendments to the number of Class B Subordinate Voting Shares issuable under the Stock Option Plan, including an increase to a fixed maximum number of shares or a change from a fixed maximum number of shares to a fixed maximum percentage;
 - (ii) any amendment to the Stock Option Plan that increases the length of the Blackout Extension Period;
 - (iii) any amendment which reduces the exercise price or purchase price of an option held by an “insider” of the Company;
 - (iv) any amendment extending the term of an option held by an “insider” beyond its original expiry date except as otherwise permitted by the Stock Option Plan; and
 - (v) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX);
- (k) in the event of any conflict between item (i) and (j) above, the latter shall prevail; and
- (l) notwithstanding anything contained to the contrary in the Stock Option Plan or in any resolution of the Board of Directors in the implementation thereof:
- (i) in the event the Company proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly-owned subsidiary of the Company) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Class B Subordinate Voting Shares of the Company or any part thereof is made to all holders of Class B Subordinate Voting Shares of the Company (other than the offeror or offerors), the Company will have the right: (A) upon written notice thereof to each optionee holding options under the Stock Option Plan who has been an employee or director of the Company for at least three years as at the date of such notice (collectively, the “**Old Optionees**”), to determine, in the Company’s sole discretion, that all options held by Old Optionees may be exercised within the 20-day period next following the date of such notice, and that upon the expiry of such 20-day period, all rights of Old Optionees to options under the Stock Option Plan or to exercise same (to the extent not theretofore exercised) will terminate and that all such options will cease to have further force or effect whatsoever; and (B) upon written notice thereof to each optionee holding options under the Stock Option Plan who has not been an employee or director of the Company for at least three years as at the date of such notice (collectively, the “**New Optionees**”), to determine, in the Company’s sole discretion, that upon the expiry of such 20-day period, all rights of New Optionees to options under the Stock Option Plan or to exercise same (to the extent not theretofore exercised) will terminate and that all such options, whether then vested or unvested, will cease to have further force or effect whatsoever;
 - (ii) the Board of Directors may, by resolution, advance the date on which any option may be exercised in a manner to be set forth in such resolution. The Board of Directors will not, in the event of any such advancement, be under any obligation to advance the date on or by which any option may be exercised by any other optionee; and

- (iii) the Board of Directors may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions of the Stock Option Plan concerning the effect of termination for cause of the optionee's employment will not apply for any reason acceptable to the Board of Directors.

2009 Executive Deferred Share Unit Plan

On March 11, 2009, the Board of Directors adopted the EDSU Plan for certain of the Company's executives, which was ratified by shareholders at the Company's annual and special general meeting held on May 27, 2009. The purpose of the EDSU Plan is to attract, retain and motivate qualified individuals to serve as executives of the Company and to promote a greater alignment of interests between the executives and shareholders of the Company. In addition, the EDSU Plan is designed to assist the executives in attaining prescribed levels of ownership of the Company's shares.

The following is a description of certain features of the EDSU Plan, as required by the TSX:

- (a) under the EDSU Plan, an executive of the Company may elect annually to have a portion of his or her annual salary and bonus paid in the form of DSUs;
- (b) a participant in the EDSU Plan may also receive dividend equivalents in the form of DSUs;
- (c) the number of DSUs received by an executive is determined by dividing the amount of the salary and bonus to be paid in the form of DSUs on that date or dividends to be paid on the payment date (the "**Award Date**") by the fair market value of the Class B Subordinate Voting Shares on the Award Date. The Award Date is the last business day of each month of the Company's fiscal year in the case of salary, the date on which the bonus is, or would otherwise be, paid to the participant in the case of bonus, and the date on which the dividends are payable in the case of dividends. The fair market value of the Class B Subordinate Voting Shares is equal to their weighted average trading price on the TSX for the five trading days preceding the Award Date. In the event that the TSX institutes "due bill trading" with respect to any dividend declared by the Company on the Class B Subordinate Voting Shares, the fair market value of the Class B Subordinate Voting Shares shall be equal to the weighted average trading price of the Class B Subordinate Voting Shares for the five trading days commencing with the first trading day after the dividend payment date. DSUs are credited to an account maintained for each executive by the Company;
- (d) the EDSU Plan defines a "Material Transaction" as (i) the sale by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel to one or more third parties dealing at arm's length with each of them, of at least 75% of the aggregate number of Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company held, directly or indirectly, by Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel immediately prior to such sale; (ii) a merger, amalgamation, arrangement or other similar transaction between the Company and one or more other persons dealing at arm's length with the Company, as a result of which the shareholders of the Company immediately prior thereto hold in the aggregate less than 50% of the issued and outstanding shares of the Company or other entity resulting from such merger, amalgamation, arrangement or other similar transaction; or (iii) the sale by the Company of all or substantially all of its assets to a third party dealing at arm's length with the Company; or (iv) the sale by the Company, to a third party dealing at arm's length with the Company, of all of the assets of one or more of the Segments or a distinct business or geographical unit or units of any Segment or Segments, or all of the shares of its subsidiary companies comprising any Segment or Segments or a distinct business or geographical unit or units thereof. For greater certainty, "Material Transaction" does not include a sale, merger, amalgamation, arrangement or other similar transaction pursuant to or in connection with any reorganization of the Company or of any segment. In the event of a Material Transaction as defined in clause (iv) above:
 - (i) the Termination Date of any Participant who is an employee of a distinct business or geographical unit or a subsidiary company referred to therein shall be deemed to be the closing date of such Material Transaction and upon such Material Transaction, an Eligible Termination of such Participant shall be deemed to have occurred for purposes of this Plan. Further, the Redemption Notice of such Participant shall be deemed to be filed on the closing date of the Material Transaction and the Redemption Date of such Participant shall be the closing date of the Material Transaction; and

- (ii) in regards to U.S. Participants, the EDSU Plan shall be deemed to be liquidated and of no further effect upon payment by the Company to such U.S. Participants;
- (e) upon the termination of an executive's service with the Company, the executive will receive either:
 - (i) a cash amount equal to the number of DSUs in the executive's account multiplied by the fair market value of the Class B Subordinate Voting Shares on the date a notice of redemption is filed with the Company by the executive. The fair market value of the Class B Subordinate Voting Shares will be equal to their weighted average trading price on the TSX for the five trading days preceding the redemption date; or
 - (ii) a number of Class B Subordinate Voting Shares equal to the number of DSUs in the executive's account. Such Class B Subordinate Voting Shares will be purchased by the Company on the TSX or issued from treasury; or
 - (iii) a combination of cash and Class B Subordinate Voting Shares;
- (f) the mode of payment will be determined by the Board of Directors in its discretion. All payments will be made net of applicable taxes;
- (g) participants in the EDSU Plan, other than "insiders" of the Company, are entitled to receive additional DSUs in an amount equal to 10% of the number of DSUs awarded to them;
- (h) the Board of Directors can grant discretionary DSUs to participants in the EDSU Plan, other than "insiders" of the Company;
- (i) the Board of Directors can set vesting conditions for DSUs;
- (j) the Board of Directors can adopt specific provisions for participants in the EDSU Plan resident in a particular country;
- (k) DSUs may not be assigned or transferred. Each participant in the EDSU Plan may designate one or more beneficiaries to receive, in the event of the participant's death, the value of DSUs credited to such participant;
- (l) the EDSU Plan contains restrictions on the number of Class B Subordinate Voting Shares which may be issued thereunder to the Company's "insiders", that is, its directors and officers and those of its subsidiaries. Under the EDSU Plan, no DSU may be issued if such issuance could result, at any time, in the number of Class B Subordinate Voting Shares: (i) issued to "insiders" of the Company within any one-year period; and (ii) issuable to "insiders" of the Company at any time, under the EDSU Plan, or when combined with all of the Company's other security-based compensation arrangements (such as the Stock Option Plan), exceeding 10% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares of the Company;
- (m) subject to the exceptions set out in paragraphs (a) to (c) below, the Board of Directors may amend, suspend or terminate the EDSU Plan, or any portion thereof, at any time, and may do so without shareholder approval, subject to those provisions of applicable law, if any, that require the approval of shareholders or any governmental or regulatory body. Without limiting the generality of the foregoing, the Board of Directors may make the following types of amendments to the EDSU Plan without seeking shareholder approval:
 - (i) amendments of a "housekeeping" or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the EDSU Plan or to correct or supplement any provision of the EDSU Plan that is inconsistent with any other provision of the EDSU Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX);

- (iii) amendments necessary in order for DSUs to qualify for favourable treatment under applicable taxation laws;
- (iv) amendments respecting administration of the EDSU Plan;
- (v) amendments to the definitions of certain terms in the EDSU Plan;
- (vi) amendments to the various forms set out in the schedules to the EDSU Plan;
- (vii) amendments to the redemption provisions of the EDSU Plan or relating to any DSU, whether or not such DSU is held by an “insider” of the Company;
- (viii) amendments necessary to suspend or terminate the EDSU Plan; and
- (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

Shareholder approval will be required for the following types of amendments to the EDSU Plan:

- (a) amendments to the maximum number of Class B Subordinate Voting Shares which may be issued from the Company’s treasury in aggregate to all participants pursuant to the EDSU Plan, including an increase to a fixed maximum number of shares or a change from a fixed maximum number of shares to a fixed maximum percentage;
- (b) any amendment which increases the number of DSUs that may be issued, or the number of Class B Subordinate Voting Shares that may be issued or paid upon redemption of DSUs, to a participant who is an “insider” of the Company; and
- (c) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

In the event of any conflict between paragraphs (i) to (ix) and paragraphs (a) to (c) above, the latter will prevail.

The maximum number of Class B Subordinate Voting Shares that may be issued from treasury under the EDSU Plan is 1,750,000, representing 5.1% of the aggregate number of issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares as at December 30, 2025. As at December 30, 2025, there were an aggregate of 603,230 DSUs outstanding under the EDSU Plan held by an aggregate of eight of the Company’s executives, representing 1.8% of the aggregate number of then-issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares, and 1,146,770 DSUs remained issuable under the EDSU Plan, representing 3.3% of the aggregate number of then-issued and outstanding Class A Multiple Voting Shares and Class B Subordinate Voting Shares. ABR for the EDSU Plan, calculated in accordance with section 613(p) of the TSX Company Manual, was nil for the fiscal years ended December 30, 2025, 2024 and 2023.

Executive Share Ownership Policy

Under the Company’s Executive Share Ownership Policy, each executive is expected to own and maintain ownership of a minimum value of Class B Subordinate Voting Shares and/or DSUs under the EDSU Plan and attain share ownership value within five years (or such later date as may be determined at the discretion of the Board of Directors) from the effective date of becoming a participant. Upon the recommendation of the then-HRCC, on March 10, 2022, the Board of Directors approved an amendment to the EDSU Plan granting an extension of five years to achieve the minimum share ownership. Under the EDSU Plan, the share ownership requirements began in 2010. The value of the required holding in Class B Subordinate Voting Shares and/or DSUs under the EDSU Plan represents three times the annual salary for the President and Chief Executive Officer and for the Executive Vice-President, Sales and Marketing, Executive Vice-President, Operations, and Executive Vice-President, Chief Financial Officer and Secretary, respectively, and 0.75 times the annual salary for the Senior Vice-President, Finance. The Senior Vice-President, Finance was promoted on April 11, 2024, and consequently has until April 11, 2031 to meet the minimum share ownership requirement. The President and Chief Executive Officer and the three Executive Vice-Presidents each currently complies with the minimum share ownership requirement.

Other Benefits and Perquisites

Other benefits and perquisites to which each of Martin Schwartz, Jeffrey Schwartz, Alan Schwartz and Jeff Segel is entitled include a \$25,000 taxable allowance for various expenses and a taxable benefit for travel expenditures. These benefits are designed to be competitive in light of market conditions and are reflected in the “Summary Compensation Table” below.

Deferred Profit Sharing Plan

Jayson W. Kwasnik, Senior Vice-President, Finance, is eligible to join the Deferred Profit Sharing Plan (“DPSP”) offered by the Company to certain of its employees. Under the DPSP, certain eligible employees can make contributions in an amount from 1% to 5% of earnings and the Company will contribute 50% of the employee’s contributions; however, these amounts may be reduced under the rules of the *Income Tax Act* (Canada), which limit the amount of contributions to a tax-deferred retirement plan.

Executive Compensation-Related Fees

Executive Compensation-Related Fees

“Executive Compensation-Related Fees” consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Company’s directors and executive officers. Meridian did not bill the Company for Executive Compensation-Related Fees during the fiscal years ended December 30, 2025, 2024 or 2023.

All Other Fees

“All Other Fees” consist of fees for services that are billed by each consultant or advisor mentioned above and which are not reported under “Executive Compensation-Related Fees”. Meridian did not bill the Company for any other fees during the fiscal years ended December 30, 2025, 2024 or 2023.

3. Summary Compensation Table

The following table sets out all annual compensation for services in all capacities to the Company and its subsidiaries for the fiscal years ended December 30, 2025, 2024 and 2023 in respect of the NEOs:

Name and principal position	Year	Salary (\$)	Share-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽⁷⁾ (\$)	Other annual compensation (\$)	Total compensation (\$)
				Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁶⁾			
Martin Schwartz President and Chief Executive Officer	2025	828,469	—	— ⁽⁴⁾	—	—	25,000 ⁽⁸⁾	853,469
	2024	1,202,013	—	— ⁽⁴⁾	608,850	—	25,000 ⁽⁸⁾	1,835,863
	2023	991,133 ⁽¹⁾	—	— ⁽⁴⁾	591,117	—	25,000 ⁽⁸⁾	1,607,250
Jeff Segel Executive Vice-President, Sales and Marketing	2025	828,469	—	— ⁽⁴⁾	—	—	25,000 ⁽⁸⁾	853,469
	2024	1,202,013	—	— ⁽⁴⁾	608,850	—	25,000 ⁽⁸⁾	1,835,863
	2023	991,133 ⁽¹⁾	—	— ⁽⁴⁾	591,117	—	25,000 ⁽⁸⁾	1,607,250
Alan Schwartz Executive Vice-President, Operations	2025	828,469	—	— ⁽⁴⁾	—	—	25,000 ⁽⁸⁾	853,469
	2024	1,202,013	—	— ⁽⁴⁾	608,850	—	25,000 ⁽⁸⁾	1,835,863
	2023	991,133 ⁽¹⁾	—	— ⁽⁴⁾	591,117	—	25,000 ⁽⁸⁾	1,607,250
Jeffrey Schwartz Executive Vice-President, Chief Financial Officer and Secretary	2025	828,469	—	— ⁽⁴⁾	—	—	25,000 ⁽⁸⁾	853,469
	2024	1,202,013	—	— ⁽⁴⁾	608,850	—	25,000 ⁽⁸⁾	1,835,863
	2023	991,133 ⁽¹⁾	—	— ⁽⁴⁾	591,117	—	25,000 ⁽⁸⁾	1,607,250

Name and principal position	Year	Salary (\$)	Share-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽⁷⁾ (\$)	Other annual compensation (\$)	Total compensation (\$)
				Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁶⁾			
Jayson W. Kwasnik ⁽¹⁰⁾ Senior Vice-President, Finance	2025	418,893	—	103,700 ⁽⁵⁾	84,872	—	10,469 ⁽⁹⁾	617,934
Frank Rana ⁽¹¹⁾ Former Executive Vice-President, Chief Strategy Officer	2024	754,653	—	— ⁽⁴⁾	382,251	—	10,517 ⁽⁹⁾	1,147,421
	2023	732,839	—	— ⁽⁴⁾	371,118	—	10,257 ⁽⁹⁾	1,114,214

- (1) For the fiscal year ended December 30, 2023, the salary amount previously reported of \$1,167,268 for each of Martin Schwartz, Jeff Segel, Alan Schwartz and Jeffrey Schwartz included an amount of \$351,135 that was deferred to 2024. Of this deferred amount, \$175,000 was paid in 2024, while the remaining balance of \$176,135 was forfeited by each of the President and Chief Executive Officer and the three Executive Vice-Presidents as part of their commitment to supporting the Company during its financial challenges and ensuring its continued stability.
- (2) The Company did not grant any share-based awards for the fiscal years ended December 30, 2025, 2024 or 2023.
- (3) For the fiscal years ended December 30, 2025, 2024 and 2023, no elections were made by the NEOs to receive the annual incentive plan in the form of DSUs pursuant to the EDSU Plan.
- (4) In 2025 and 2024, the Company did not attain its strategic objectives. In 2023, the Company did not attain its EBIT performance target, CCC performance metric or its strategic objectives.
- (5) For the Senior Vice-President, Finance, annual incentive outcomes over the past three fiscal years were determined in accordance with the Company's established financial and operational performance framework. In 2025, the Company did not achieve its EBIT performance target; however, it surpassed its CCC performance metric at 53 days and the Senior Vice-President, Finance exceeded his objectives.
- (6) The Company granted long-term cash incentive awards during the fiscal years ended December 30, 2025, 2024 and 2023. The President and Chief Executive Officer and the three Executive Vice-Presidents forfeited the 2025 long-term cash incentive award. The long-term cash incentive awards are contingent on the Company achieving annually-defined EBIT performance objectives as approved by the CGHRC covering a three-year period. For years 2025, 2024 and 2023, the Company achieved 0% of the EBIT performance targets. The total amount of the payout can be determined only after the last year of the three-year performance cycle, when the Board of Directors approves the financial statements for the last fiscal year covered by the long-term cash incentive award. As a result, the final long-term cash incentive award payout will occur in 2026 for the long-term cash incentive award granted in 2023, in 2027 for the long-term cash incentive award granted in 2024, and in 2028 for the long-term cash incentive award granted in 2025 and hence, the amounts paid may differ from those set out in the table above.
- (7) The Company does not have a retirement plan.
- (8) These amounts includes a \$25,000 taxable allowance for various expenses.
- (9) These amounts represent the Company's contribution to the DPSP. Perquisites and other personal benefits provided to this NEO, in aggregate, do not exceed the lesser of \$50,000 and 10% of his annual salary for the 2025, 2024 and 2023 fiscal years, respectively.
- (10) On April 10, 2024, Jayson W. Kwasnik was promoted to Senior Vice-President, Finance. Prior thereto, Mr. Kwasnik was Vice-President, Internal Audit & Compliance of the Company.
- (11) On March 28, 2024, Frank Rana was promoted to Executive Vice-President, Chief Strategy Officer. Previously he was Senior Vice-President, Finance and Assistant Secretary. Effective February 28, 2025, Mr. Rana retired from the Company.

4. Incentive Plan Awards

Incentive Plan Awards – Value Earned During the Year

The following table sets out, for each NEO, the amount of bonus and long-term incentive plan awards earned with respect to performance achieved during the fiscal year ended December 30, 2025:

Name	Non-equity incentive plan compensation – Value earned during the year ⁽¹⁾	
	Annual incentive plan (\$)	Long-term incentive plans (\$)
Martin Schwartz	—	—
Jeff Segel	—	—
Alan Schwartz	—	—
Jeffrey Schwartz	—	—
Jayson W. Kwasnik	103,700	—

- (1) Corresponds to the amounts disclosed above in the “Summary Compensation Table” and in note 6 thereto.

Pension Plan Benefits

The Named Executive Officers are not participants in any defined benefit plan.

Other NEOs

Pursuant to the current employment practices of the Company, the compensation of each of the NEOs is reviewed and determined on an annual basis by the CGHRC as described above under “Executive Compensation – Compensation Discussion and Analysis”.

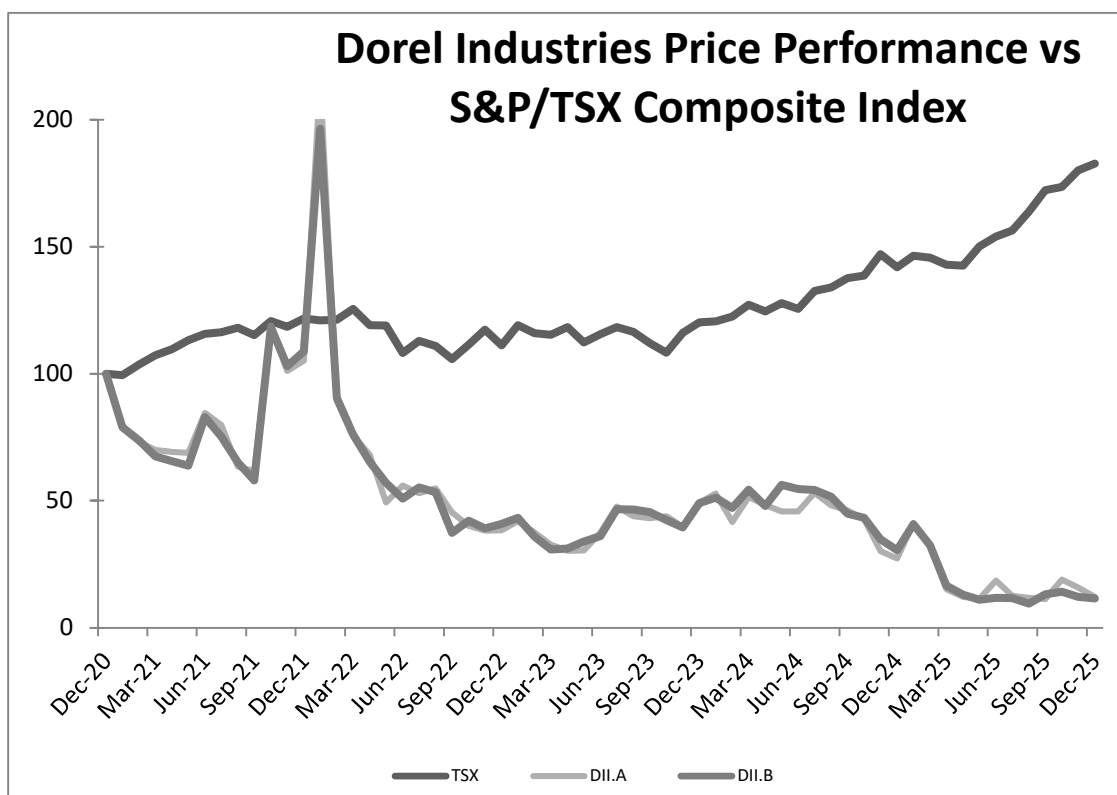
The Bonus Award Agreements entered on October 1, 2021 (the “**Effective Date**”) between the Company and each of Martin Schwartz, Alan Schwartz, Jeffrey Schwartz and Jeff Segel (collectively, the “**Executives**”) were amended and restated on August 9, 2024. Under the original terms, the Executives were provided with the opportunity to earn a Shareholder Return Bonus in the event of the sale by the Company of the Juvenile Segment, Home Furnishings Segment and Sports Segment (collectively, the “**Three Segments**”) by December 31, 2026 (the “**Term**”). In the event that the sale of the Three Segments did not occur during the Term, no Shareholder Return Bonus would be earned or payable under the Bonus Award Agreements. In the event that a sale of the Three Segments occurred during the Term, each of the Executives was entitled to receive a Shareholder Return Bonus based on the total shareholder return to the shareholders of the Company (“**TSR**”) resulting from the sale of the Three Segments. The amount of the Shareholder Return Bonus was based on the levels of TSR attained and the Shareholder Return Bonus payout as set out in the original Bonus Award Agreements.

The amended Bonus Award Agreements provide that in the event that one or more of the Segments is sold during the Term, the Executives shall be entitled to receive a *pro rata* Shareholder Return Bonus based on the levels of TSR attained and the Shareholder Return Bonus payout as set out in the amended Bonus Award Agreements. The TSR shall be calculated on a cumulative basis, taking into account TSR from all Segment sales since the Effective Date.

As of the date of this Circular, the Company does not have employment, termination or severance agreements or arrangements, including change of control arrangements, with Martin Schwartz, Alan Schwartz, Jeffrey Schwartz or Jeff Segel. If the employment of any of these NEOs is terminated, the NEO will be entitled to the same rights as those available to all employees under the laws applicable to their employment.

5. Performance Graph

The following graph compares the cumulative total shareholder return of a \$100 investment in the Class A Multiple Voting Shares (DII.A) and Class B Subordinate Voting Shares (DII.B) of the Company, respectively, made on December 31, 2020 with the cumulative return of the S&P/TSX Composite Index for the period from December 31, 2020 to December 30, 2025.



The above performance graph shows that the cumulative shareholder return for an investment in the shares of the Company has not followed a similar trend to the broad index over the past five years. In particular, the variation between the two was significant from December 2020 to October 2021 and from February 2022 to December 2025, during which periods the price of the Company's shares fell. Increases in base salaries in the past years have been limited so as to put greater emphasis on variable compensation. Further, the annual incentives are based on the fiscal year's predetermined financial performance targets. The spike in share price in January 2022 of the Class B Subordinate Voting Shares and Class A Multiple Voting Shares reflects a special dividend of US \$12 per share; on February 1, 2022, a portion of the net proceeds from the sale of Dorel Sports to Pon Holdings B.V. was used to pay a special dividend of US \$12 per share on outstanding Class B Subordinate Voting Shares and Class A Multiple Voting Shares to shareholders of record as at close of business on January 18, 2022. In years 2025 and 2024, the Company did not attain its strategic objectives. In 2023, the Company did not attain its EBIT performance target or its CCC performance metric. In 2022, the Company did not attain its EBIT performance target or its CCC performance metric; however, its strategic objectives were partially met. Each of the NEOs waived the annual incentive to which he was entitled. In 2021, the Company did not attain its EBIT performance target but did achieve its CCC performance metric at 85 days and its strategic objectives were met.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 30, 2025, the last day of the Company's 2025 fiscal year, with respect to compensation plans pursuant to which equity securities of the Company are authorized for issuance.

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders - Options	—	—	4,657,750
Equity compensation plans previously approved by shareholders - Directors' DSUs	259,633	\$13.75	490,367
Equity compensation plans previously approved by shareholders - Executive DSUs	603,230	\$13.65	1,146,770

The options referred to in the table above are available under the Stock Option Plan. See "2004 Stock Option Plan" above for a description of the material features of the Stock Option Plan. The DSUs referred to in the table above were issued pursuant to the EDSU Plan and DSU Plan. See "Executive Compensation – 1. Compensation Discussion and Analysis – Executive Deferred Share Unit Plan" and "Compensation of Directors – Directors' Shareholding Requirements" above for a description of the material features of the EDSU Plan and DSU Plan, respectively.

INFORMATION ON THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors is comprised of Brad A. Johnson (Chair), Norman M. Steinberg and Maurice Tousson, each of whom is an "independent" director within the meaning of National Instrument 52-110 *Audit Committees*. Reference is made to the section entitled "Information on the Audit Committee" in the Company's Annual Information Form dated March 27, 2026 for the fiscal year ended December 30, 2025 for required disclosure relating to the Audit Committee. The Annual Information Form is available under the Company's profile on SEDAR+ at www.sedarplus.ca and a copy may be obtained upon request from the Company at 1255 Greene Ave., Suite 300, Westmount, Québec H3Z 2A4; telephone (514) 934-3034; fax (514) 934-9379; e-mail: info@dorel.com.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No person who is, or who was at any time during the fiscal year ended December 30, 2025, a director, executive officer or senior officer of the Company or a subsidiary thereof, and no person who is a nominee for election as a director of the Company, and no associate of such persons, is, or was at any time since the beginning of the fiscal year ended December 30, 2025, indebted to the Company or a subsidiary of the Company, nor has any such person been indebted at any time since the beginning of the fiscal year ended December 30, 2025 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary of the Company.

CORPORATE GOVERNANCE

The Board of Directors of the Company is committed to maintaining high standards of corporate governance. The Board of Directors has instituted and maintains the following policies:

- holding regular meetings of the independent directors without the presence of management or non-independent directors;
- ensuring that the Company's Co-Chairpersons of the Board are independent of management;
- all members of the Audit Committee and CGHRC are independent;
- a formal disclosure policy exists for all employees, including access to confidential information with respect to the Company, ensuring timely and accurate disclosure;
- a policy on financial reporting adhered to by applicable personnel;
- policies on "whistle-blowing" and "incident reporting" are to be followed throughout the Company;
- a policy on "Trade Control and Anti-Bribery" is to be followed throughout the Company;
- a policy on consulting services administered by the Audit Committee, including the exclusion of specific non-audit services that cannot be provided by the Company's external auditors;
- compliance with trading restrictions and blackout periods with respect to trading in the Company's shares is required for all employees and directors;
- a formal Code of Business Conduct that establishes a high standard for ethical behaviour among management, employees and directors is to be signed each year;
- matters requiring prior approval from the Board of Directors of the Company;
- ensuring that the Stock Option Plan restricts the number of options outstanding at any time to less than 10% of the number of issued and outstanding shares of the Company; and
- restricting options held by any one "insider" to less than 5% of the issued and outstanding shares of the Company.

Corporate Governance Guidelines

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Company, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted.

A complete description of the Company's approach to corporate governance, with a specific reference to each guideline, is set out in the "Statement of Corporate Governance Practices" annexed as Schedule A to this Circular. This disclosure statement has been approved by the CGHRC and the Board of Directors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below, no “informed person” of the Company, that is: (a) the directors and executive officers of the Company; (b) any person who beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the Company’s outstanding voting shares; or (c) any director or executive officer of a person referred to in (a) above, or any proposed director or associate or affiliate of any “informed person” or proposed director of the Company, has any material interest, direct or indirect, in any transaction since December 31, 2024 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On February 20, 2025, the Company entered into a transaction for the sale and leaseback of its factory and warehousing facility in Columbus, Indiana for gross proceeds to the Company of US\$30 million. The lease has an initial term of ten years and may be renewed at the Company’s option for two renewal terms of five years each. The initial annual rent payable by the Company is approximately US\$2.9 million, subject to annual increases. This transaction is part of the Company’s initiative to finance the growth of its Juvenile segment and the turnaround of its Home segment, as announced on January 30, 2025.

Each of Martin Schwartz (Westmount, Québec), Jeffrey Schwartz (Toronto, Ontario) and Jeff Segel (Westmount, Québec), directors and executive officers of the Company, and Alan Schwartz (Montreal, Québec), an executive officer of the Company, has an ownership interest in the purchaser/lessor of the facility in Columbus, Indiana. As such, the sale-leaseback transaction constitutes a “related party transaction” for Dorel under Canadian Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). Dorel’s Board of Directors, for the purposes thereof comprised solely of Dorel’s then-four independent directors, approved the transaction and determined, acting in good faith, that (i) Dorel is in serious financial difficulty; (ii) the transaction is designed to improve Dorel’s financial position; (iii) the transaction is not subject to court approval and no court has ordered that the transaction be effected under bankruptcy or insolvency law or under applicable corporate law; (iv) Dorel has four independent directors in respect of the transaction; and (v) the Board of Directors, acting in good faith, determined, and all of Dorel’s four independent directors, acting in good faith, determined that clauses (i) and (ii) above apply to the transaction and that the terms of the transaction are reasonable in Dorel’s circumstances. As a result, the sale-leaseback transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 which generally apply to a “related party transaction”. In making its determination, the Board of Directors relied in part on a report from a third party specialized in real estate. The Board of Directors also relied on advice from its independent legal advisors in making the foregoing determinations.

SHAREHOLDER PROPOSALS

The *Business Corporations Act* (Québec) provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Company may submit to the Company notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Business Corporations Act* (Québec) further provides, in effect, that the Company must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Company will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Company at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Company. As the notice in connection with the Meeting is dated April 7, 2026, the deadline for submitting a proposal to the Company in connection with the next annual meeting of shareholders is January 7, 2027.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Business Corporations Act* (Québec) and *Regulation respecting shareholder proposals* (Québec) relating to Proposals and consult with a legal advisor.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (i) any person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year, (ii) any nominee for election as director of the Company, or (iii) any associate or affiliate of the persons listed in (i) and (ii), in any matter to be acted upon at the Meeting.

OTHER MATTERS

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

ADDITIONAL INFORMATION

Financial information regarding the Company is provided in the Company's comparative consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 30, 2025 and additional information relating to the Company is available under the Company's profile on SEDAR+ at www.sedarplus.ca. Copies of the annual comparative consolidated financial statements, Management's Discussion and Analysis and this Circular may be obtained upon request from the Company at 1255 Greene Ave., Suite 300, Westmount, Québec H3Z 2A4; telephone (514) 934-3034; fax (514) 934-9379; e-mail: info@dorel.com.

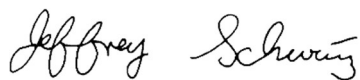
Corporate information is also available on the Company's website: www.dorel.com.

SHAREHOLDER COMMUNICATION WITH THE BOARD OF DIRECTORS

Shareholders are invited to communicate directly with the Board of Directors on matters relating to the Company. Shareholders may send their communications through the Company's website at www.dorel.com/pages/corporate-contact. Please indicate "Dorel Board of Directors" at the beginning of your message and include your telephone number.

DIRECTORS' APPROVAL

The Board of Directors of the Company has approved the contents and the mailing of this Circular.



Jeffrey Schwartz
Executive Vice-President, Chief Financial Officer and Secretary

DATED at Montréal, Québec
April 7, 2026

SCHEDULE A
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

1. Board of Directors

The Board of Directors considers that four of the seven current directors are independent within the meaning of National Instrument 52-110 *Audit Committees*. Accordingly, a majority of the Board of Directors is independent.

The Board of Directors considers that Brad A. Johnson, Shawn Lederman, Norman M. Steinberg and Maurice Tousson are independent within the meaning of National Instrument 52-110 *Audit Committees*, and that Martin Schwartz, Jeff Segel and Jeffrey Schwartz are not independent within the meaning of National Instrument 52-110 *Audit Committees* in that each is an executive officer of the Company.

In addition, all three members of the Audit Committee are independent directors. The members of the Audit Committee are Brad A. Johnson (Chair), Norman M. Steinberg and Maurice Tousson.

If all persons nominated for election as directors at the Meeting are elected, the Board of Directors considers that four of the seven directors will be independent within the meaning of National Instrument 52-110 *Audit Committees*.

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

Name of Director	Issuer
Jeffrey Schwartz	Tucows Inc.
Norman M. Steinberg	ATCO Ltd. Fiera Capital Corporation

Effective April 1, 2021, the Board of Directors appointed Norman M. Steinberg and Maurice Tousson, each an independent director, as Co-Chairpersons of the Board of Directors. Prior thereto, the Company did not have a Chair; accordingly, Maurice Tousson, an independent director, served as “Lead Director”. As each of the Co-Chairpersons is an independent director, the position of “Lead Director” is redundant and has been left vacant.

Previously, Mr. Tousson, as “Lead Director”, chaired meetings of the Board of Directors. At present, meetings of the Board of Directors are chaired by either Mr. Steinberg or Mr. Tousson. As Co-Chairpersons, Messrs. Steinberg and Tousson provide leadership in ensuring Board effectiveness and are responsible for facilitating and encouraging open and effective communication between the management of the Company and the Board of Directors, consulting with the President and Chief Executive Officer in setting the agenda for Board meetings, ensuring Board committees function appropriately, and chairing meetings of the independent members of the Board of Directors.

At each meeting of the Board of Directors, the independent directors hold an *in camera* meeting at which the non-independent directors and members of management are not in attendance. During the fiscal year ended December 30, 2025, the independent directors held 14 such meetings.

The Board of Directors has given the CGHRC (co-chaired by Norman M. Steinberg and Maurice Tousson, independent directors) the responsibility for ensuring that the Board of Directors functions independently of management.

From December 31, 2024 to the date hereof, the Board of Directors held 16 meetings, the Audit Committee held five meetings, and the CGHRC held five meeting. The Company does not have an Executive Committee. Attendance of directors at the meetings is set out in the table below.

	Board Meetings	Audit Committee Meetings	CGHRC Meetings	Total
Martin Schwartz ⁽¹⁾	15/15	5/5	—	20/20
Jeff Segel ⁽²⁾	14/15	—	—	14/15
Jeffrey Schwartz ⁽¹⁾	15/15	5/5	—	20/20
Brad A. Johnson	15/16	5/5	5/5	25/26
Shawn Lederman ⁽³⁾	3/3	—	—	3/3
Sharon Ranson ⁽⁴⁾	14/16	5/5	5/5	24/26
Norman M. Steinberg	16/16	5/5	5/5	26/26
Maurice Tousson	16/16	5/5	5/5	26/26

(1) Member of the Disclosure Committee.

(2) Did not serve on any committees of the Board of Directors during the fiscal year ended December 30, 2025.

(3) Shawn Lederman was appointed to the Board of Directors on November 4, 2025.

(4) Sharon Ranson resigned from the Board of Directors on March 31, 2026.

2. **Board Mandate**

The Board of Directors does not currently have a written mandate. The primary role and responsibility of the Board of Directors is to supervise the management of the business and affairs of the Company and to act in the best interests of the Company. In fulfilling its mandate, the Board of Directors' responsibilities include the following:

- (i) approving quarterly financial statements, the declaration of dividends, material press releases, annual reports, annual financial statements, annual information forms and management proxy circulars;
- (ii) appointing senior officers;
- (iii) appointing members to the Audit Committee, CGHRC, Disclosure Committee and, if applicable, other committees of the Board of Directors and determining their respective mandates;
- (iv) discussing and analyzing opportunities as they present themselves to the Company;
- (v) reviewing and authorizing material transactions; and
- (vi) approving transactions subject to the Company's Board Approval Policy. The following are certain matters which require approval of the Board of Directors under the Board Approval Policy:
 - the Company's corporate status;
 - capital debt financing;
 - issuance or repurchase of the Company's securities;
 - dividends and other distributions;
 - investments;
 - material acquisitions and divestitures; and
 - any other transactions which would materially affect the financial position of the Company.

3. Position Description

Effective April 1, 2021, the Board of Directors appointed Norman M. Steinberg and Maurice Tousson, each an independent director, as Co-Chairpersons of the Board of Directors. Prior thereto, the Company did not have a Chair; Maurice Tousson, an independent director, served as “Lead Director”. As each of the Co-Chairpersons of the Board is an independent director, the position of “Lead Director” is redundant and has been left vacant.

The Board of Directors has not developed written position descriptions for the Co-Chairpersons of the Board of Directors or for the chairs of the committees of the Board of Directors and did not previously develop a written position description for the Lead Director.

The primary role and responsibility of the Co-Chairpersons of the Board are to provide leadership in ensuring Board effectiveness; the Co-Chairpersons are responsible for facilitating and encouraging open and effective communication between management of the Company and the Board of Directors, consulting with the President and Chief Executive Officer in setting the agenda for Board meetings, ensuring Board committees function appropriately, and chairing Board of Directors’ meetings and meetings of the independent members of the Board of Directors. These tasks were previously carried out by the Lead Director.

The primary role and responsibility of the chair of each committee of the Board of Directors is to: (i) in general, ensure that the committee fulfills its mandate, as determined by the Board of Directors; (ii) chair meetings of the committee; (iii) report thereon to the Board of Directors; and (iv) act as liaison between the committee and the Board of Directors and, if necessary, management of the Company.

The Board of Directors and the President and Chief Executive Officer have not developed a written position description for the President and Chief Executive Officer. The primary role and responsibility of the President and Chief Executive Officer is to direct, supervise, coordinate and assume overall management responsibility for all areas of the Company’s business. In particular, the President and Chief Executive Officer is responsible for: (i) developing the strategic direction for the business and evaluating alternative market strategies; (ii) identifying competitive issues; (iii) capitalizing on the core strengths of the Company; (iv) developing and implementing operating plans to achieve the Company’s objectives; (v) motivating, measuring, coaching and mentoring the management staff and employee base to ensure optimum operating performance; (vi) working closely with the Board of Directors to keep it informed, thus enabling it to render effective counsel to the Company; and (vii) representing the Company, as appropriate, in its relationships with major customers, suppliers, the banking and financial community, and the public to promote a positive image in the industry and to promote business growth and success.

4. Orientation and Continuing Education

The Company provides an orientation program for new directors in the form of a documented orientation package, including committee charters, Company policies, related-party transaction confirmation, etc., and informal meetings with members of senior management, complemented by presentations on the main areas of the Company’s business.

On an ongoing basis, directors receive updates on developments in the industry, economic developments in the geographical areas in which the Company is active and communications from the President and Chief Executive Officer to employees. The directors are experienced members, including some who are directors of other reporting issuers. The Board of Directors relies on professional assistance when judged necessary in order to be educated or updated on a particular topic.

5. Ethical Business Conduct

The Company has adopted a Code of Ethics, referred to as the *Code of Business Conduct* (the “Code”), which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website. A copy of the Code can also be obtained by contacting the Secretary of the Company.

The Board of Directors, through the Audit Committee, has the responsibility for periodically reviewing the Code; it monitors adherence thereto in part by an annual signed acknowledgment from virtually all employees, officers and directors of the Company. In 2025, the Company renewed the Code, which was reviewed and approved by the Board of Directors prior to distribution to the Company’s employees, officers and directors. The Company did not file any

material change reports since the beginning of its most recently-completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

The Board of Directors ensures independent judgment through the enforcement of the Code, which contains the following excerpt detailing the Company's policy on conflicts of interest:

"It is essential to remain free of, or disclose, commitments and relationships that involve, or could involve actual, perceived or eventual conflicts of interest with the Company.

A conflict of interest can exist when one has a direct or indirect personal interest in a decision being made where that decision should be made objectively, free from bias and in the best interests of the Company. It is important that even the appearance of a conflict of interest be avoided.

Loans to you or guarantees of your obligations and your family members by the Company may create conflicts of interest and in certain instances are prohibited by law.

It is a conflict of interest for you to work for a competitor, customer or supplier. You should avoid any direct or indirect interest with the Company's customers, suppliers, contractors or competitors except as required on the Company's behalf.

Anything that could present a conflict of interest could also present a conflict of interest if it is passed on to a family member or a third party who is receiving benefits for you.

Common sense and good judgment must be exercised to avoid any perception of impropriety or conflict of interest.

If you believe that you may be affected by a conflict of interest, you must immediately disclose all relevant details to your supervisor who will then notify your President and/or Chief Financial Officer (or equivalents) in their role as certification officers for your division."

If such a potential transaction or agreement arises, any member of the Board of Directors who has a material interest therein does not participate during that part of the meeting of the Board of Directors at which the potential transaction or agreement is considered.

Additionally, on a quarterly basis, each director confirms in writing whether or not there exists a related-party transaction or relationship between the director and another party. Should such a transaction or relationship exist, it is reviewed by the Board of Directors to ensure it does not have any ramifications that could be considered as creating a conflict of interest.

Additionally, the Board of Directors has adopted the following policies, all of which provide for direct contact with specific members of the Board of Directors:

- Policy on Incident Reporting;
- Policy on Whistle Blowing;
- Policy on Financial Reporting; and
- Policy on Trade Control and Anti-Bribery.

The Board of Directors will continue to monitor the Code and the foregoing policies on an annual basis and revise them as necessary should the environment require such a change. Additionally, the Code stipulates the expectation that all consultants and suppliers of the Company comply therewith. As such, the Company has issued a *Policy on Supplier's Code of Conduct*, which specifies that the Company's suppliers must have the willingness and ability to conduct their business in conformity with all applicable legal requirements and ethical standards.

6. Nomination of Directors

In 2015, the Board of Directors constituted the CGNC (now the CGHRC). The CGHRC is responsible for reviewing the qualifications of nominees for election or re-election as members of the Board of Directors, and monitoring the size, composition and profile of the Board of Directors, Audit Committee and CGHRC to ensure that they provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Company. The CGHRC is responsible for reviewing and proposing to the Board of Directors criteria for selecting new directors to be recruited. Criteria may include, but are not limited to, age, gender, geographical representation, disciplines, and other factors that the CGHRC considers appropriate.

The CGHRC recommends to the Board of Directors suitable candidates for election to the Board of Directors by the shareholders. The CGHRC members' networks or a third-party recruiter may be used to find the suitable candidate(s).

As a result of the most recent assessment of the performance of the Board of Directors by its members, and taking into account the number of directors standing for re-election at the Meeting, the CGHRC and the Board of Directors are of the view that the size, composition and profile of the Board of Directors are well suited to the Company's current circumstances and needs, allow for efficient functioning of the Board of Directors as a decision-making body, and promote sound corporate governance. In particular, a majority of the members of the Board of Directors are independent within the meaning of National Instrument 52-110 *Audit Committees*.

The CGHRC is composed entirely of independent directors. The members of the CGHRC are Norman M. Steinberg (Co-Chairperson), Maurice Tousson (Co-Chairperson) and Brad A. Johnson.

The CGHRC is responsible for making recommendations to the Board of Directors on all matters relating to the composition of the Board of Directors.

7. Compensation

The CGHRC reviews the compensation of the Company's directors annually and is mandated to review and recommend to the Board of Directors for approval the remuneration of directors. The CGHRC considers time commitment, comparative fees and responsibilities in determining remuneration.

The CGHRC assumes responsibility for making recommendations to the Board of Directors on all matters relating to the compensation of certain employees of the Company.

The Board of Directors has adopted a share ownership policy under which certain executives are expected to own and maintain ownership of a minimum value of Class B Subordinate Voting Shares and/or DSUs under the EDSU Plan, and attain share ownership value within twelve years (or such later date as may be determined at the discretion of the Board of Directors) from the effective date of becoming a participant. Under the EDSU Plan, the share ownership requirements began in 2010. The value of the required holding in Class B Subordinate Voting Shares and/or DSUs under the EDSU Plan represents a multiple of annual salary, which is a function of the position held.

In 2017, the former HRCC retained the services of Meridian to provide short-term and long-term compensation advice for various positions in the Company for which new compensation plans were implemented in 2017.

In 2018, the former HRCC retained the services of Meridian to review the long-term compensation plans that were implemented in 2017.

In February 2019, the former HRCC retained the services of Meridian to provide a benchmarking analysis relating to the total compensation of the President and Chief Executive Officer and the three Executive Vice-Presidents and the then-Senior Vice-President, Finance and Assistant-Secretary. As part of the review process, Meridian also conducted three and five-year lookback assessments of the relationship between the realizable compensation of the Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, and Dorel's performance results, relative to realizable pay and performance at the Company's peer companies.

In July 2019 and in 2020, the former HRCC retained the services of Meridian to review the annual incentive compensation and long-term incentive compensation programs of the President and Chief Executive Officer, the three Executive Vice-Presidents and the then-Senior Vice-President, Finance and Assistant-Secretary.

In 2021, the former HRCC retained the services of Meridian to perform a market study of the Board members' compensation and to assist in the research and the design of the special award program that provides the Board members the opportunity to earn a bonus payout in the event of the sale of all Three Segments by December 31, 2026. The CGHRC considers that the executive compensation advice provided by Meridian is relevant and reliable and was therefore used in the current year.

8. Other Board Committees

Other than the Audit Committee and the CGHRC, the Board of Directors has a Disclosure Committee that ensures that all disclosure made by the Company to its security holders or the investment community is accurate and complete and fairly presents the Company's financial condition and results of operations in all material respects, and is made on a timely basis as required by applicable laws, regulations and stock exchange requirements. The members of the Disclosure Committee are Martin Schwartz, Director, President and Chief Executive Officer; Jeffrey Schwartz, Director, Executive Vice-President - Chief Financial Officer and Secretary; Jayson W. Kwasnik, CPA, Senior Vice-President, Finance; and John Paikopoulos, CPA Vice-President, Corporate Controller. The Disclosure Committee was established in 2007.

9. Assessments

The CGHRC is responsible for preparing and reviewing with the Board of Directors an annual performance evaluation of directors, the Audit Committee, and the CGHRC, and comparing performance with requirements of the respective charters of the committees.

As part of this process, a Board of Directors' effectiveness survey and a director self-evaluation form, which cover a wide range of topics, are distributed to each director. The results of the survey and self-evaluation form are compiled on a confidential basis by the Co-Chairpersons of the CGHRC to encourage full and frank commentary and are discussed at the next regular meeting of the CGHRC. The Co-Chairpersons of the CGHRC also present the results of the survey and self-evaluation that are relevant to another Board committee to the Chair of that committee. Thereafter, the Co-Chairpersons of the CGHRC review the results of the survey and the self-evaluation with the Board members.

The most recent annual evaluation showed that the Board of Directors and its committees, Chairs of the Board committees and individual directors were effectively fulfilling their respective responsibilities.

10. Director Term Limits and Other Mechanisms of Board Renewal

The Company has not adopted term limits for its directors or other mechanisms of Board of Directors renewal. The Company is aware of the positive impact of bringing new perspectives to the Board of Directors, and therefore adds new members from time-to-time; however, it values continuity on the Board of Directors and the in-depth knowledge of the Company held by those members who have a long-standing relationship with the Company. This topic is assessed and discussed annually by the CGHRC when evaluating the Company's corporate governance practices compared to best practices.

11. Policies Regarding the Representation of Women on the Board

The Company has not adopted a written policy relating to the identification and nomination of women directors. Despite not having a formal policy, diversity, including gender, is an important component of the selection process for new members of the Board of Directors. The Board of Directors considers the presence of men and women on the Board as an added value.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Representation of women on the Board of Directors is one of the factors taken into consideration by the CGHRC in the selection process for new members of the Board of Directors. This consideration is assessed annually by the CGHRC when evaluating the Company's corporate governance practices compared to best practices. The CGHRC has emphasized recruiting women in recent years in the mandates it has given to search firms and by identifying candidates who are women in its selection process. During 2025, one of the Board members was a woman, representing 20% of the independent directors and 12.5% of the total number of directors.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

The Company gives consideration to gender diversity in its executive-officer appointment process. The Company considers the presence of men and women on its executive team as an added value. At present, none of the Company's executive officers, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, are women.

14. Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Company has not adopted a "target" regarding women on the Board of Directors or in executive officer positions. The term "target" is defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* as, in effect, a number or percentage, or a range of numbers or percentages, adopted by the Company of women on the Board of Directors or in executive officer positions of the Company by a specific date. Although the Company has not adopted a target for the number of women on the Board of Directors or in executive officer positions, it has always supported and continues to pursue its efforts to promote female representation, as evidenced by the percentages set out in section 12 above. In its work related to the composition of the Board of Directors, representation of women on the Board of Directors is one of the factors taken into consideration by the CGHRC.

15. Number of Women on the Board and in Executive Officer Positions

During 2025, of the eight members of the Board of Directors of the Company, one was a woman, representing 20% of the independent directors and 12.5% of the total number of directors.

Of the seven executive officers of the Company, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, none are women.

16. Review of Corporate Governance Practices

On January 15, 2021, upon the recommendation of the then-CGNC, the Company adopted a new Trade Control and Anti-Bribery Policy. On April 1, 2021, also upon the recommendation of the then-CGNC, the Board of Directors appointed Norman M. Steinberg and Maurice Tousson, each an independent director, as Co-Chairpersons of the Board of Directors.

17. Information Security Management

The Company understands the importance of protecting the data it collects from its customers, employees and third parties, and has implemented security measures that include technological security maintained by teams distributed in different divisions as well as physical security with restricted areas and electronic visitor registration.

The Company maintains policies and ensures that its professionals, employees and third parties who provide services to the Company are aware of its policies and processes regarding information security and provides the necessary training on a regular basis to effectively protect data and maintain its integrity and confidentiality, including simulations of phishing to raise user awareness of the risks of opening emails containing malicious software.

On-going security measures and employee training to all global employees with access to the information technology infrastructure has been implemented to protect the information security and the Company's network infrastructure. However, the Company's mitigation measures cannot guarantee absolute security, and the information technology infrastructure may be vulnerable to criminal cyberattacks or data security incidents due to employee or third party errors, misconduct, or other vulnerabilities.

Additionally, the Company relies on third party service providers for certain information technology applications, including recognized information security external teams. While the Company performs due diligence and believes that these third-party service providers have adequate security measures in place, there is no guarantee that these security measures will prevent cyber events or computer viruses from affecting applications.

Violation of information security measures or controls could result in loss of material or confidential information, reputational consequences, financial damage, higher insurance premiums, violations of privacy laws, damage to assets, security issues, downtime or operational delays and lost revenue. The importance of these events of this type is difficult

to qualify and quantify, but they may, in certain circumstances, be material to the Company and could have an adverse effect on its business and financial condition.

The Company has also instituted data security incident and breach response processes that provide guidance to employees on the appropriate methods to properly investigate, verify, and assess data security incidents or breaches.

The Company mitigates the risk of such incidents or breaches by backing up data to offsite backup facilities and relying on encryption of critical data.

Senior management of the Company briefs the Board of Directors on information security matters on an as-needed basis.