

ANNUAL INFORMATION FORM

For the year ended April 30, 2017
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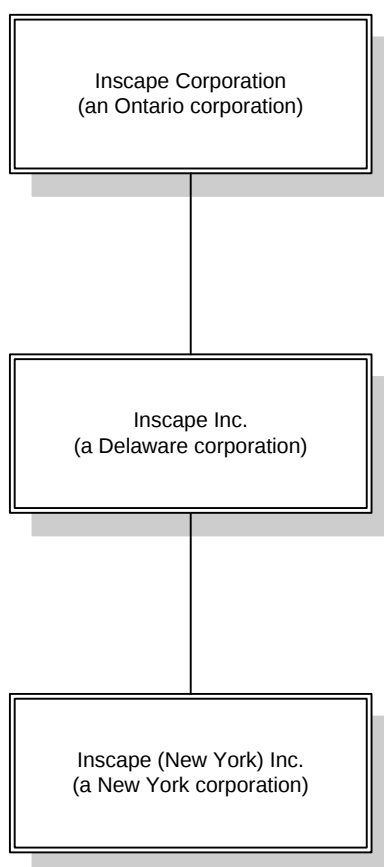
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Unless otherwise specified, the information presented in this Form is as at the last day of the Company's most recently completed financial year on April 30, 2017.

CORPORATE STRUCTURE

Inscape Corporation maintains its registered and head office at 67 Toll Road, Holland Landing, Ontario, L9N 1H2. The terms "Office Specialty", "Inscape" and the "Company" used in this Form refer to Inscape Corporation, its predecessor companies and its wholly owned subsidiaries. The Company consists of three legal entities as shown in the following diagram:



On December 8, 1997, the Company filed articles of amalgamation to reorganize its capital such that the authorized share capital of the Company consisted of 7,670,881 Class A Multiple Voting Shares ("Multiple Voting Shares") and an unlimited number of Class B Subordinated Voting Shares ("Subordinated Voting Shares") (collectively, the "Capital Reorganization").

In June 1999, the Company changed its operating name to "Inscape" to better reflect and communicate its position in the market and the scope of its products.

On September 19, 2000, the Company filed articles of amendment changing its legal name to "Inscape Corporation".

On May 1, 2007, Inscape Corporation amalgamated with its Canadian subsidiaries, Inscape Ltd. and Office Specialty Ltd., to form one corporation. The surviving corporation has the name "Inscape Corporation" ("Amalco") and carries on business as such. Inscape Ltd. and Office Specialty Ltd. ceased to exist as corporations as of May 1, 2007 and instead, their respective obligations, liabilities, assets, property, employees and undertaking flowed through and became those of Inscape Corporation "Amalco". There was no third party change of ownership as Amalco is still owned by the same shareholders that owned the pre-amalgamated companies. This amalgamation did not include or impact the Company's U.S. based subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Financial Year 2017

Management continued to focus on the execution of the Company's strategic plan which included strengthening the dealer network and expanding the customer base. Maintaining focus on the four pillars of strategy that was set in place almost three years ago is yielding the results we planned for. Innovative product launches, including our partnership with West Elm, have captured new audiences and business across all sectors. The Inscape brand has increased market awareness over the past year, especially among our core audiences of the architectural/design community and new committed dealer partners.

During the year, the Company's benching, systems, storage and walls products achieved level[®] 3 certification, the highest product sustainability level of certification. Achieving level 3 certification is a significant achievement for Inscape and reflects the Company's commitment to sustainable practices.

At NeoCon 2016, the Company introduced two new products and showcased creative applications of its diverse walls and furniture products. A new fabric collection was also introduced to help fill the demand for more residential and distinct patterns for application on the Company's products. The West Elm Workspace with Inscape division introduced height-adjustable options for its bench and private office collections, as well as extensions to their existing collections. Eight dealer showrooms were opened during the fiscal year with nine others in progress.

Financial Year 2016

Management continued to focus and build on the four key objectives identified the previous year. These are the foundation of the Company's strategic growth and development.

Significant progress was made in the Company's dealer development with a robust brand and product training program implemented for both Inscape and West Elm Workspace with Inscape dealers.

The Company continued development of F.I.R.E (Fully Integrated Resource for Enterprise management) which integrates industry leading technology to create a single customer-centric solution that reimagines the client experience from idea to order, and shipment to satisfaction.

The West Elm Workspace with Inscape reseller network has also been further solidified. With showrooms opened in New York, Tampa, Seattle and LA in March of 2016. The second quarter of the Fiscal 2016 marked the initial shipment of the West Elm Workspace with Inscape products. Project wins with both large growth media/tech firms as well as smaller innovative companies confirm the market desires the products launched in partnership with West Elm.

Financial Year 2015

Management's focus in Fiscal 2015 was to stabilize operations and develop a strategic focus that will achieve sustainable revenue and earnings growth. Four key initiatives were developed and are the foundation of the Company's objectives. These are:

- 1 – Enhance and expand the Company's products to provide a full range of products for end users;
- 2 – Generate a dedicated distribution network;
- 3 – Create a customer interface platform that leverages leading edge technology and will simplify MRP process and allow us to meet customer needs more quickly;
- 4 – Reinvent the industrial system.

During the fourth quarter of Fiscal 2014, the Company dedicated significant resources to the development of eight new products. These were launched at the NeoCon trade show in June 2014 and received five Best of NeoCon Awards (4 Gold and 1 Silver).

The Company developed partnerships with global contract furniture manufacturers to increase the Company's product offerings in laminate storage products, task and lounge seating, and storefront wall systems.

In November 2014 the Company announced a partnership with West Elm (a division of retailer of Williams Sonoma Inc.) to create a new product line that will complement Inscape's existing products and meet a market demand for high design products at significantly better value than is currently seen in the market.

To further efforts to strengthen the Company's distribution channels, senior management introduced a new distribution concept to many of the largest dealers in North America that would lead with Inscape's products. Over 40 meetings were held in Q4 and the Company has signed 3 dealers as of June.

In December 2014 the Company announced the development of F.I.R.E. (Fully Integrated Resource for Enterprise management) which integrates industry leading technology to create a single customer-centric solution unlike any other currently available. F.I.R.E. unites the leading industry partners to create one integrated solution that reimagines the client experience from idea to order, and shipment to satisfaction. This technology supports the Company's dealers, appeals to the design community and integrates into the Company's MRP system.

As part of the Company's efforts to reinvent the industrial system, the manufacturing and the supply chain groups continue to look for new innovative ways to maintain product quality, reduce costs and identify new suppliers and partners who can meet its needs. Internally the Company uses techniques such as Continuous Improvements, Kaizen, and Lean Manufacturing techniques to reduce factory overheads and improve efficiencies. The Company's supply chain group identifies local and international sources to meet the exacting end user requirements.

These key strategic initiatives are creating a strong foundation for growth of the Company. In the upcoming year management expects to add up to 20 committed West Elm and Inscape dealers and add new products and accessories such as fabrics, seating, laminate storage and further development of the West Elm and Inscape product lines.

DESCRIPTION OF THE BUSINESS

(1) General

The Company's operations began in Upstate New York in 1888 as Office Specialty, a full service provider of premium quality office furniture. In the early 20th Century, the Company moved to Canada and eventually relocated north of Toronto in the hamlet of Holland Landing where it continues to operate today. In 2001, the Company purchased Dowcraft, a supplier of moveable walls and partitions in the United States for 50 years. In November 2014 the Company announced a partnership with West Elm (a division of retailer, Williams Sonoma Inc.) to create a new product line that will complement Inscape's existing products and meet a market demand for high design products at significantly better value than is currently seen in the market. Today we have 21 West Elm Workspace dealers operating in North America.

Currently the Company's head office is located in Holland Landing, Ontario. Inscape's products are manufactured in two facilities: a 306,000 square foot plant in Holland Landing, Ontario, and a 132,000 square foot plant in Falconer, New York. The Holland Landing facility is built on 35 acres of land owned by the Company in Holland Landing, Ontario, approximately 45 minutes north of Toronto. This facility is used to manufacture systems and filing products. The architectural and movable wall systems are produced in the facility in Falconer, New York owned by the Company. The Company also has a West Elm Workspaces office and distribution center in Grand Rapids, Michigan.

Other Company premises include showrooms in Grand Rapids, MI; Chicago, IL; Washington, DC; New York, NY; and Toronto, Ontario. The Company's representatives and dealers typically have and manage their own showrooms with Inscape furniture displays.

Inscape's commitment to product innovation and quality combined with responsiveness to workspace needs has allowed the Company to develop flexible office product solutions for a broad range of customers. The Company's client list includes government agencies and large and small corporations in a wide variety of industries in North America.

Segment Information

The distribution of Inscape's sales by product and geography is as follows:

Inscape's sales by geographic segments (\$000's):

	Years Ended April 30	
	2017	2016
United States	\$ 90,458	\$ 72,628
Canada	4,678	7,196
Other	159	22
	\$ 95,295	\$ 79,846

Inscape's sales by product segments (\$000's):

	Years Ended April 30	
	2017	2016
Furniture	\$ 69,674	\$ 57,595
Movable walls and rollform	25,621	22,251
	\$ 95,295	\$ 79,846

(a) *Principal Markets*

Inscape offers a complete range of innovative products to meet the needs of all office environments. Key clients and opportunities have been realized in the following industries: finance, insurance, government, technology, media, consumer goods, legal and other businesses.

The Company operates primarily in North America and has segmented North America into five geographic regions for the purpose of sales management (Canada, North Eastern US, South Eastern US, Central US and Western US). The Company continues to develop its extended sales organization with new sales representatives and dealers.

Although the Company reports its operations based on two main segments (Walls and Furniture), the description of these segments and the remaining discussions will cover both segments together.

(b) *Distribution*

Currently the Company has a network of dealers across North America. The majority of office furniture sales and distribution is generated by Dealers/Resellers who represent specific office furniture manufacturers. Complementing the dealer network are independent architects and designers (A&D) who influence the buying decisions of end users.

Inscape's strategy for distribution is focused on developing a network of committed Platinum dealers identified in key markets across North America. These dealers lead with Inscape products. In return, Inscape provides marketing support, new product design and innovation. Well-designed and innovative products help maintain interest from the A&D community to influence buyers towards Inscape products.

The Company's sales representatives work closely with these dealers and the A&D community. The Company is committed to having sales leaders throughout North America to support the local dealers and the A&D community.

In a typical transaction for a project order, the Inscape sales organization will work with furniture dealer sales personnel and the A&D community to promote Inscape's products to end users and their advisors. When the customer has determined its furniture requirements, it places an order with a furniture dealer, which in turn orders the product from Inscape. The dealer installs the furniture and provides ongoing service to the end user. A smaller order would usually result from service provided by a dealer to an end user with little input from Inscape's sales staff or independent representatives.

(c) *Production and Services*

The Company's products are produced using a JIT/Cellular manufacturing methodology. Under this concept, each product is broken down into component parts. A manufacturing cell is designed to produce each of these parts and consists of dedicated machines capable of performing a specific series of functions. Semi-autonomous work teams control the production activity of each cell, including quality assurance. Employee productivity is enhanced through (i) cross-training of all employees in a team allowing them to perform virtually every operation in the cell; and (ii) incentive-based compensation linked to quality and production volumes. In connection with its JIT approach to manufacturing, the Company also seeks to achieve JIT inventory practices through its relations with its principal suppliers.

The use of the JIT/Cellular approach has generated significant economic benefits for the Company. Through the reduction of activities such as material handling and tooling set-ups, most non-productive time has been eliminated, resulting in greatly reduced manufacturing costs. The JIT/Cellular approach and its dedicated machine set-up ensure that manufacturing unit cost of production is minimized. This approach allows for the manufacture of small-customized orders in an efficient manner. As a result, small orders remain a profitable segment of the Company's business. This ability to respond quickly to customers is a significant competitive advantage.

(d) *Specialised Skills and Knowledge*

Product design and engineering are critical skills required to meet the constant changes in the contract furniture environment. The Company's in-house teams partner with third partner designers to develop new and relevant products to meet end user needs.

Information technology skills are also critical to develop and maintain systems to support customer solutions, design, engineering and manufacturing platforms.

Although the Company feels it has a strong team to meet these skill-set requirements, it is always looking for the best talent to support its initiatives.

(e) *Competitive Conditions*

Inscape operates in a highly competitive environment. The North American office furniture market is approximately US\$13 billion. Virtually all of Inscape's larger competitors operate in the Company's geographic and product markets and exert a high degree of control over office furniture dealers who principally sell their products. The Company also competes with a large number of smaller, independent companies, many of which are well established in the markets in which they sell their products.

A trend that the Company has recognized in recent years is the increased focus on project oriented sales which puts pressure on pricing and makes for more volatile sales trends. The Company's distribution strategy is one of the mechanisms management is using to mitigate the effects of this trend.

The Company competes on product design, functionality, innovation and customer service and the ability to provide customized solutions on a large scale. The Company's success depends on building a distribution network that is aligned with Inscape.

(f) *New Products*

The Company is constantly looking to add new products to its product portfolio. These products are complementary to its existing platform of office systems, benching, storage, filing and walls.

The Company has four guiding principles to product design:

- Delight Users
- Empower Technology
- Foster Agility
- Design for Sustainability

In Fiscal 2016, the Company partnered with European designers to broaden its seating collection. The Company's West Elm announcement in fiscal 2015 is a significant addition to the product line. The West Elm Workspace with Inscape product collection was introduced at the Neocon trade show in June 2015.

At NeoCon 2016, the Company introduced two new products and showcased creative applications of its diverse walls and furniture products. A new fabric collection was also introduced to help fill the demand for more residential and distinct patterns for application on the Company's products. The West Elm Workspace with Inscape division introduced height-adjustable options for its bench and private office collections, as well as extensions to their existing collections.

In the last fiscal year, the Company's benching, systems, storage and walls products achieved level[®] 3 certification, the highest product sustainability level of certification. Achieving level 3 certification is a significant achievement for Inscape and reflects the Company's commitment to sustainable practices.

(g) *Components*

The major raw materials used by the Company are cold-rolled steel, aluminum, fabric, glass, powder and liquid paint and plastic components. Most of these materials are sourced locally. These materials are readily available and the Company has not faced any significant material shortages. The majority of products offered by the West Elm Workspace with Inscape division are manufactured by third party vendors in North America and overseas.

(h) *Intellectual Properties*

The Company believes its ability to develop and protect proprietary technology contained in its products and manufacturing process is a critical success factor. The Company relies on a valuable body of technical know-how related to the design of its products. Inscape holds a number of design and utility patents relating to its furniture products in the principal markets in which it competes. These patents expire at varying dates.

The Company currently relies upon these patents, intellectual property laws, as well as contractual restrictions, to establish and protect proprietary rights in its products and designs. Inscape has also entered into non-disclosure agreements with its employees as appropriate and non-disclosure agreements with certain of its suppliers so as to limit access to and disclosure of proprietary information.

(i) *Cycles*

Inscape's business is not impacted by seasonality, but it is reliant on white collar employment and corporate profits and thus is affected by general economic cyclical trends.

(j) *Environmental Protection Requirements*

The Company is subject to environmental regulation by federal, provincial, state and local authorities. Although Inscape's operations do not involve activities likely to create significant environmental risks, its operations involve the use of chemicals that must be stored, handled, used and disposed of in accordance with environmental regulation. Environmental protection requirements did not have a material impact on capital expenditures, earnings, or competitive position of the Company in financial year 2017. Based on existing practices and legislative requirements, the impact of environmental requirements in future years is expected to be similar to the experience in the current financial year.

(k) Employees

As at April 30, 2017, Inscape employed approximately 362 people of whom 170 were unionized. The unionized workers represent three separate bargaining units and the collective bargaining agreements are typically renewed for one to three year terms. One of the bargaining units has negotiated a 5 year contract until 2021. The average years of service of the union employees are 23 years and the employee relations are positive.

The Company believes continuing education is an integral part of the business and encourages further training by providing opportunities (both internal and external) for employees to increase their knowledge base.

(2) Environmental accountability

Environmental accountability is at the forefront of Inscape's corporate mandate. We have developed an extensive chemical management program and reduction strategy to ensure all chemicals of concern are reviewed, and action plans developed to decrease and eliminate usage of chemicals with potentially harmful environmental effects. We aim to continuously improve our energy footprint while reducing our reliance on non-renewable energy resources during the manufacturing, procurement, and distribution of products.

Design for sustainability is one of Inscape's four guiding principles for designing products. The Company has systems, walls, filing and storage products that have achieved FSC (Forest Stewardship Council) certification for wood worksurfaces, SCS (Scientific Certification Systems Inc.) Indoor advantage gold certification, as well as level®3 certification, the BIFMA (Business + Industrial Furniture Manufacturers Association) sustainability standard for environmental and social impacts of furniture products.

The ability of Inscape products to integrate, adapt and endure extends their life cycle – giving clients more options to reuse and reconfigure as their needs change.

The Company measures progress through an environmental management system which is monitored closely by a cross-functional Environmental Committee. The Company continues to integrate the social and environmental aspects of sustainability into everyday practices, designs and policies. The Company's environmental program is organized around five specific areas:

1. Energy: continuously reducing non-renewable energy resources and substituting required demand with sustainable inputs;
2. Atmosphere: humanizing manufacturing practices, carrier discharges and waste management cycles;
3. Recycling: maximizing reclamation of raw materials through procurement directed towards closed-loop and biodegradable/recyclable materials;
4. Technology: exploring innovative measures to increase resource conservation, material perpetuation and operational enhancements;
5. Water: reducing annual water consumption and discharges by modifying or improving finishing processes;

(3) Risk Factors

The risk factors relating to the Company and its businesses are discussed in detail in the MD&A at the section entitled 'Risks and Uncertainties' in the 2017 Annual Report.

DIVIDENDS

The Board of Directors decides on the declaration of dividends by considering the Company's financial condition, performance, investment requirements and other relevant factors. The Company did not declare dividends for the three most recently completed financial years.

CAPITAL STRUCTURE

The authorized share capital of the Company consists of 7,670,881 Class A multiple voting shares and an unlimited number of Class B subordinated voting shares.

Class A multiple voting shares carry ten votes per share. Class B subordinated shares carry one vote per share. The Class B shares are listed on the Toronto Stock Exchange (TMX).

As at April 30, 2017, there were 5,345,881 Class A shares and 9,034,820 Class B shares issued and outstanding.

MARKET FOR SECURITIES

The Class B Subordinated Voting Shares are listed and posted for trading on the Toronto Stock Exchange (TMX) under the symbol "INQ".

Trading price and volume during the fiscal year from May 2016 to April 2017:

Date	High	Low	Volume Traded
2017/04	\$ 4.27	\$ 4.05	7,487
2017/03	\$ 4.95	\$ 3.85	81,166
2017/02	\$ 5.24	\$ 4.53	92,905
2017/01	\$ 5.30	\$ 4.75	167,116
2016/12	\$ 5.00	\$ 3.35	673,923
2016/11	\$ 3.55	\$ 3.32	36,551
2016/10	\$ 3.65	\$ 3.20	58,510
2016/09	\$ 3.25	\$ 3.00	24,300
2016/08	\$ 3.02	\$ 2.85	38,951
2016/07	\$ 3.10	\$ 2.80	201,577
2016/06	\$ 3.19	\$ 3.00	59,305
2016/05	\$ 3.01	\$ 2.90	4,767

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Class A Multiple Voting Shares	5,345,881	100%

The Class A Multiple Voting Shares may only be held by Mr. Madan Bhayana and certain persons related to, or controlled by him. The holders of the Multiple Voting Shares have entered into a stock control agreement dated December 9, 1997 (the “Control Agreement”) to prohibit transfers, granting a security interest in, encumbering or otherwise disposing of their Multiple Voting Shares except by way of a Permitted Transfer (as defined under the Control Agreement and being principally a transfer to affiliates of the present holders of the Multiple Voting Shares or the granting of a security interest in such shares by such holders to a Canadian financial institution with which it deals at arms-length with the holder in connection with a bona fide debt; provided that such financial institution may not vote or direct the voting of such shares). The Multiple Voting Shares are convertible at any time at the option of the holder on a one-for-one basis into Subordinated Voting Shares. Multiple Voting Shares will be deemed to be converted into Subordinated Voting Shares in certain events, including the death of Mr. Madan Bhayana or a transfer of Multiple Voting Shares pursuant to a transfer that is not a Permitted Transfer. The shares are deposited with Canadian Stock Transfer Company Inc. acting as trustee.

DIRECTORS AND EXECUTIVE OFFICERS

The names, municipalities of residence, positions with the Company and principal occupations of the directors and executive officers of the Company are as follows:

<u>Name and Municipality of Residence</u>	<u>Office held with Inscape Corporation</u>	<u>Date First Elected Director</u>	<u>Principal Occupation</u>
Madan Bhayana Thornhill, Ontario	Chairman of the Board	December 8, 1997	Corporate Director
Frank Delfino ⁽²⁾ Oakville, Ontario	Director	September 10, 2015	President of Mojo Inc.
Bartley Bull ^{(1), (2), (3)} Toronto, Ontario	Director	December 8, 1997	Corporate Director
Dezső J. Horváth ^{(1), (3)} Toronto, Ontario	Director	December 21, 2002	Dean, Schulich School of Business, York University
Eric Ehgoetz ^{(1), (2), (3)} Toronto, Ontario	Director	June 16, 2016	Partner, Spectrum Capital Partners
Brian A. Mirsky Toronto, Ontario	Director & Chief Executive Officer	December 12, 2013	CEO, Inscape Corporation

<u>Name and Municipality of Residence</u>	<u>Office held with Inscape Corporation</u>	<u>Date First Elected Director</u>	<u>Principal Occupation</u>
Aziz Hirji Richmond Hill, Ontario	Chief Financial Officer & Secretary	NA	Chief Financial Officer & Secretary
Jim Stelter ⁽⁴⁾ Grand Rapids, Michigan	Director & President, West Elm with Inscape Division	September 12, 2013	Director & President, West Elm with Inscape Division
John Gols Long Island, New York	Executive Vice President Sales	NA	Executive Vice President Sales
Dennis Dyke Holland Landing, Ontario	Vice President Human Resources and General Manager, Walls Division	NA	Vice President Human Resources and General Manager, Walls Division
David Parshad Markham, Ontario	Vice President Product Development	NA	Vice President Product Development
Glen Snelling Barrie, Ontario	Vice President Operations	NA	Vice President Operations

Notes:

- (1) Member of Audit Committee
- (2) Member of Human Resources and Compensation Committee
- (3) Member of Corporate Governance and Nominating Committee
- (4) Mr. Jim Stelter retired from the Company on June 19, 2017

Each Director holds office until the next annual meeting of shareholders unless his office is earlier terminated or vacated. Other than as noted below, each director and executive officer has held the same principal occupation for the previous five years.

Prior to joining the Company, Mr. Jim Stelter was the owner and President of Vanerum Stelter.

Mr. Aziz Hirji was the Chief Financial Officer and Secretary for Renin Corp. for the previous eight years.

Mr. John Gols joined the Company in 2013 and has been in his current position since 2014; previously, he was the Regional Vice-President of Sales at Steelcase for five years.

As at July 28, 2017, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, an aggregate of 3,207,874 Class B subordinated voting shares and 5,345,881 of the Multiple Voting Shares of the Company, being 35.5% and 100%, respectively of the issued and outstanding shares of each such class.

LEGAL PROCEEDINGS

There are no legal proceedings against the Company or, to the knowledge of management, contemplated against the Company or its assets which either individually or in the aggregate exceed ten percent of the current assets of the Company.

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Audit Committee is attached as Appendix A to this Annual Information Form.

Composition

The members of the Audit Committee are: Bartley Bull (Chair), Dezsö J. Horváth, and Eric Ehgoetz. All of them are independent and financially literate within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Committee is summarized below:

Name	Education and relevant experience
Bartley Bull	• Bachelor of Commerce (Queen's University) • Chartered Accountant • Formerly CFO of Inscape Corporation
Dezsö J. Horváth	• M.B.A and PhD degrees obtained in Sweden • Dean and Tanna H. Schulich Chair in Strategic Management at the Schulich School of Business, York University
Eric Ehgoetz	• Chartered Financial Analyst (CFA) • Partner at Spectrum Capital Partners, a Canadian private investment firm • Formerly Managing Director at BMO Capital Partners

Pre-approval Policies and Procedures

The Audit Committee is responsible for overseeing the work of the independent auditors and considering whether the provision of services, other than audit services, is compatible with their independence. All non-audit services proposed to be performed by the external auditors are submitted to the Audit Committee for pre-approval, except that the Committee has adopted a practice whereby the Chair of the Committee is authorized to review and approve engagements for non-audit services involving fees of \$50,000 or less.

External Auditor Service Fees by Category (\$000's)

	Financial Years Ended April 30,			
	2017		2016	
Audit Fees	\$	207	\$	221
Audit-Related Fees		27		27
Tax Compliance		12		12
Other Services		45		8
Total	\$	291	\$	268

Audit fees for financial year 2016 included \$15 for the audit of ERP conversion.

Audited-related fees for financial years 2017 and 2016 were for the audits of the Company's pension funds statements.

The \$8 other services for financial year 2016 was fees for a transfer pricing study. The \$45 other services for financial year 2017 was consulting fees for a strategy study.

TRANSFER AGENT AND REGISTRAR

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website: www.canstockta.com

ADDITIONAL INFORMATION

Additional information relating to Inscape Corporation may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Annual Meeting of security holders to be held on September 7, 2017.

Additional financial information is provided in the Company's financial statements and MD&A for the financial year ended April 30, 2017.

Appendix A

INSCAPE CORPORATION CHARTER OF THE AUDIT COMMITTEE

1) AUTHORITY

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Inscap Corporation (the “**Corporation**”) was established pursuant to Section 158 of the Ontario Business Corporations Act. The Committee shall be comprised of at least three members of the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be elected by the Board at such times as may be determined by the Board. The Chair of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee, by majority vote, may designate a Chair. The presence in person or by telephone of a majority of the Committee’s members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.

The Committee is authorized by the Board to:

- a) Investigate any matter within its Charter
- b) Have direct communication with the Corporation’s external auditors
- c) Seek any information it requires from any employee of the Corporation
- d) Retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Corporation, to obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by this Charter or otherwise by law or the by-laws of the Corporation

2) PURPOSE

The Committee’s purpose is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation and its subsidiaries. It is the objective of the Committee to maintain free and open means of communication among the Board, the Committee, the independent auditor and the financial and senior management of the Corporation.

3) COMPOSITION

The Committee members shall be independent within the meaning of National Instrument 52-110 - Audit Committees (“NI 52-110”) of the Ontario Securities Commission (“OSC”) unless the Board determines to rely on an exemption in NI 52-110. “Independent” generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being “financially literate” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Corporation or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

4) MEETINGS

The Committee shall meet at least four times per year and/or with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Committee shall meet with Management, and the Corporation’s independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believe should be discussed privately.

The Chair should work with the Chief Financial Officer (“the **CFO**”) and Management to establish the agendas for Committee meetings. The Committee, in its discretion, may ask members of Management or others to attend its meeting (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee’s activities and provide copies of such minutes to the Board.

5) ROLES AND RESPONSIBILITIES

The Committee is responsible for the appointment (subject to shareholder approval), compensation, retention, evaluation and oversight of the work of the Corporation’s independent auditors engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Corporation. The Committee shall require that the independent auditors report directly to the Committee and be held accountable to the Committee (as representatives of the shareholders of the Corporation). The Committee’s oversight responsibilities include the authority to approve all audit engagement fees and terms, as well as all permitted non-audit engagements and resolution of disagreements between Management and the independent auditors regarding financial reporting.

The Committee is responsible for ensuring that the Corporation’s independent auditors submit, on a periodic basis to the Committee, a formal written statement delineating all relationships between the independent auditors and the Corporation and actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and for taking appropriate action to ensure the independence of the independent auditors within the meaning of applicable Canadian law.

The Committee is responsible for the oversight of the Corporation’s accounting and financial reporting processes, internal control systems and development of procedures

for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and investigation of such matters with appropriate follow-up actions.

In carrying out its duties and responsibilities the Committee's policies and procedures should remain flexible so that it may be in a position to react or respond to changing circumstances or conditions. While there is no "blueprint" to be followed by the Committee in carrying out its duties and responsibilities, the following specific matters should be considered within the authority of the Committee (it being understood that the Committee may diverge from such matters as considered appropriate given the circumstances).

a) Independent Auditors

1. Consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general or special meeting, in relation to the appointment, re-appointment and removal of the Corporation's external auditors and to approve the compensation and terms of engagement of the external auditors for the annual audit, interim reviews and any other audit-related and non-audit-related services.
2. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services including tax related services, provided by the Corporation's external auditors and consider the impact on the independence of the auditors.
3. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
4. Review and accept, if appropriate, the annual audit plan of the Corporation's independent auditors, including the scope of audit activities and monitor such plan's progress and results during the year.
5. Review and monitor the performance of the external auditors and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
6. Review and approve the Corporation's plans, if any, regarding the hiring of partners, employees and former partners and employees of the present and former auditors of the Corporation.
7. Discuss problems and reservations arising from an audit, and any matters the external auditors may wish to discuss (in the absence of Management where necessary).
8. Upon completion of the audit, review the external auditors' report on the financial statements and any recommendation letters issued to Management regarding financial statements and the effectiveness of the Corporation's

internal controls with Management's responses including the management representation letter.

9. Consider the major findings of the external auditors and Management's responses, including the resolution of disagreements between Management and the external auditors regarding financial reporting.
10. Following completion of the annual audit, review separately with Management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
11. At each meeting, consult with the external auditors, without the presence of Management, about the quality, not just the acceptability, of the accounting principles and financial disclosure practices applied in the Corporation's financial reporting, effectiveness of internal controls and the completeness and accuracy of the Corporation's financial reports. Discuss any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the independent auditors' preferred treatment as well as any other material communication with Management and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.
12. Review the results of the year-end audit of the Corporation, including (as applicable):
 - (a) The selection and application of the Corporation's critical accounting policies
 - (b) The methods used to account for significant unusual transactions or circumstances
 - (c) The effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus
 - (d) Significant recorded and unrecorded audit adjustments
 - (e) Other matters required to be communicated to the Committee under generally accepted auditing standards, as amended, by the independent auditors

b) Accounting and Financial Reporting Matters

1. Review the Corporation's interim and annual financial statements and management's discussion & analysis of operations (the "MD&A"), Annual Information Form and earnings press releases prior to their public disclosure and Board approval, where required, and ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements for inclusion in documents such as the Management Information Circular, Prospectuses and Material Change Reports.
2. Following such review with management and the external auditors, recommend to the Board whether to approve the annual or interim financial statements and MD&A and any other filings with the securities commissions.

3. Monitor in discussion with the external auditors the integrity of the financial statements of the Corporation before submission to the Board, focusing particularly on:
 - (a) Significant accounting policies and practices under International Financial Reporting Standards (“IFRS”) as applicable to the Corporation and any changes in such accounting policies and practices as required by the standard setters or as suggested by the external auditors and management
 - (b) Major judgment areas including significant accruals, key assumptions, significant estimates and the view of the external auditors as to appropriateness of such judgments
 - (c) Significant adjustments resulting from the audit
 - (d) Compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles
 - (e) Compliance with stock exchange and legal requirements including the review of communications from security regulators and the Corporation’s responses
 - (f) Accounting treatment and disclosure of large transactions as well as unusual or non-recurring transactions
 - (g) Significant off-balance sheet and contingent asset and liabilities and the related disclosures
 - (h) Compliance with covenants under loan agreements
 - (i) Significant audit findings during the year, including the status of previous audit recommendations
 - (j) All related party transactions with the required disclosures in the financial statements.

On at least an annual basis, review with Management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, license or concession defaults or notifications, health and safety violations or environmental issues, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements. If the Audit Committee deems it necessary, it will meet with the Corporation’s legal counsel.

c) Disclosure Controls & Procedures (“DC&P”), Internal Controls over Financial Reporting (“ICFR”)

1. Monitor and review the Corporation’s disclosure policy on an annual basis and provide comments, if any, to the Governance and Nominating Committee.
2. On a quarterly basis, review Management’s assessment of the design effectiveness of the Corporation’s DC&P and ICFR.
3. On an annual basis, review Management’s assessment of the operating effectiveness of the Corporation’s DC&P and ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.

4. Review and discuss any fraud or alleged fraud involving Management or other employees who have a role in the Corporation's ICFR and the related corrective and disciplinary actions to be taken.
5. Discuss with Management any significant changes in the ICFR that are disclosed, or considered for disclosure, in the MD&A, on a quarterly basis.
6. Review and discuss with the CEO and the CFO the procedures undertaken in connection with the CEO and CFO certifications for the annual and interim filings with the securities commissions.

d) Other Matters

- (1) Review and approve the Corporation's policies relating to the avoidance of conflicts of interest including any transactions between the Corporation and its directors and officers. Review and approve policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Corporation's independent auditors.
- (2) Review periodically with Management the Corporation's major financial risk exposure and the steps Management has taken to monitor and control such exposures.
- (3) Examine the compliance of the Corporation with all applicable legislation including tax withholding and all tax laws (filing of tax returns and assessments) including timeliness of statutory payments.
- (4) Review the appropriateness and adequacy of the Corporation's insurance program.
- (5) Review with the CFO, at least annually, the quality and sufficiency of the Corporation's accounting and financial personnel and the consideration of implementation of an internal audit function.
- (6) Participate in the hiring of CFO and review and approve CFO's position description. In conjunction with the Human Resources and Compensation Committee and the CEO, participate in setting of the CFO's annual objectives and performance evaluation.

6) COMMITTEE EFFECTIVENESS PROCEDURES

The Committee shall review its Charter on an annual basis, or more often as required, to ensure that it remains adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Corporation's business environment. The Committee shall make recommendations to the Corporate Governance and Nominating Committee as to proposed changes, if any.

The procedures outlined in this Charter are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time. This Charter shall be disclosed in the Corporation's Annual

Information Form as required by National Instrument 52-110 “*Audit Committees*”. While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation’s consolidated financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to ensure that the Corporation complies with all laws and regulations.

As the Chair of the Committee deems necessary, in setting the agenda for a meeting, the Chair shall encourage the Committee members, Management, the Corporation’s external auditors, and other members of the Board to provide input in order to address emerging issues. The Committee shall review the Audit Committee Review Schedule on a quarterly basis.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and this Charter and shall make recommendations to the Corporate Governance and Nominating Committee with respect thereto.

This Charter was reviewed by the Audit Committee on June 15, 2017 and approved by the Board on June 22, 2017.

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