

MANAGEMENT INFORMATION CIRCULAR



ROOTS CORPORATION ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

June 18, 2020

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual and Special Meeting of the Shareholders (the “**Meeting**”) of Roots Corporation (“**Roots**” or the “**Company**”) will be held on Friday, July 24, 2020 at 10:00 a.m. (Toronto time) by way of virtual-only meeting via live audio webcast and teleconference.

Meeting Business

The Meeting will be held for the following purposes:

1. to receive the annual consolidated financial statements of Roots for the fiscal year ended February 1, 2020, and the auditors’ report thereon;
2. to elect members of the Board of Directors of Roots (see “Business to be Transacted at the Meeting – Election of the Board of Directors”);
3. to re-appoint Roots’ auditors and to authorize the directors to fix the auditors’ compensation (see “Business to be Transacted at the Meeting – Appointment of the Auditors”);
4. to consider and, if deemed advisable, pass an ordinary resolution, the full text of which is attached as Appendix A to the Management Information Circular which accompanies this Notice of Annual and Special Meeting, approving the amendment to Roots’ Omnibus Equity Incentive Plan (the “**Omnibus Plan**”) to increase the number of common shares of Roots available for issuance under the Omnibus Plan by a further 2,000,000 common shares, as more particularly described in the accompanying Management Information Circular (see “Business to be Transacted at the Meeting – Amendment to the Omnibus Plan”); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Record Date

You have the right to receive notice of and vote at the Meeting as set out in the accompanying Management Information Circular if you are a Roots shareholder as of the close of business on June 9, 2020.

Meeting Format

Roots will hold its Meeting exclusively by electronic means, including via live audio webcast and teleconference. The decision to hold the Meeting by electronic means has been made in light of the recommendations and restrictions by authorities to address proactively the public health impact of COVID-19 (coronavirus) and to mitigate risks to the health and safety of our shareholders and the broader community. As a result of these recommendations and restrictions, it will not be possible to attend the Meeting in person. Accordingly, we would strongly encourage shareholders to vote in advance using their proxy form or voting instruction form as described below and to participate in the Meeting through the live audio webcast or teleconference. The health and safety of our shareholders and other interested stakeholders is our top priority.

Given the extraordinary circumstances, Management currently intends to only proceed with the formal items of business of the Meeting without any opening remarks or subsequent management presentations. However, shareholders will still have the opportunity to submit questions during the Meeting through the live audio webcast or teleconference.

Voting in Advance of the Meeting

As a Roots shareholder, it is important that you read the accompanying Management Information Circular carefully. Shareholders are encouraged to vote in advance of the Meeting by using the proxy form or voting instruction form accompanying the Management Information Circular. You will not be permitted to vote in person or via webcast or teleconference during the Meeting.

Registered shareholders (whose Roots shares are registered in their name) may vote in advance of the Meeting by telephone, on the internet or by mail in accordance with the instructions set out on the proxy form accompanying this Management Information Circular. For voting by mail, registered shareholders should complete and sign their proxy form and return it to Roots’ transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1, Canada, Attention: Proxy Department, by no later than 10:00 a.m. (Toronto time) on July 22, 2020.

Non-registered beneficial shareholders (whose Roots shares are held indirectly through an intermediary such as a bank, trust company, securities broker or other intermediary) should review the voting instruction form provided by their intermediary, which sets out the procedures to be followed for voting common shares held

through intermediaries.

Attending and Participating During the Meeting

Shareholders will be able to listen to the Meeting via live audio webcast and teleconference, which will be accessible as follows:

- Dial-in Number: 1-888-231-8191 (Toll-Free North America) or
1-647-427-7450 (International)
- Conference ID: 5885918
- Webcast: Available on the Events and Presentations
section of the Company's investor website
at investors.roots.com.

Shareholders will be able to submit questions following the conclusion of the formal business of the Meeting through the teleconference platform by following the instructions provided during the Meeting.

As in-person attendance at the Meeting will not be possible, shareholders should not appoint a proxyholder, other than the proxyholders named in the proxy form or voting instruction form, to participate and vote on their behalf at the Meeting.

Roots believes that the ability to participate in the Meeting in a meaningful way remains important despite the decision to hold this year's Meeting through electronic means. Shareholders will have substantially the same opportunity to submit questions at the Meeting as in past years when the annual shareholders' meeting was held in person.

For those that plan on accessing the webcast or teleconference, please allow ample time prior to the Meeting. The Meeting will begin promptly at 10:00 a.m. (Toronto time) on Friday, July 24, 2020, unless otherwise adjourned or postponed.

By Order of the Board of Directors,



Toronto, Ontario
June 18, 2020

Meghan Roach
President & Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular (the “**Circular**”) is as of June 18, 2020, unless otherwise indicated.

In this Circular, “we”, “us”, “our”, “Roots” and “the Company” refer to Roots Corporation and its subsidiaries, where applicable. “Searchlight” refers to entities indirectly controlled by Searchlight Capital Partners, L.P. “Founders” refers to, collectively, our founders, Michael Budman and Don Green, or entities controlled by them. “You” and “your” refer to holders (“**Shareholders**”) of common shares of Roots (“**Shares**”). Unless otherwise indicated, all references to “\$” or “dollars” in this Circular refer to Canadian dollars.

This Circular is provided in connection with our Annual and Special Meeting of Shareholders to be held on Friday, July 24, 2020 (the “**Meeting**”). Your proxy is being solicited by management of Roots for the items described in the Notice of Meeting on the previous page. We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone.

Please read this Circular, as it gives you information that you will need to know in order to cast your vote. We also encourage you to read our management’s discussion and analysis and annual consolidated financial statements for the fiscal year ended February 1, 2020 (“**Fiscal 2019**”). A copy of the management’s discussion and analysis and annual consolidated financial statements for Fiscal 2019 will be sent to all registered and beneficial Shareholders other than those who have requested that materials not be sent to them. These documents are also available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com and Roots’ website at investors.roots.com.

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BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the Meeting:

RECEIVING THE ANNUAL FINANCIAL STATEMENTS

- Management will present the annual financial results at the Meeting.

ELECTION OF THE BOARD OF DIRECTORS

- Eight director nominees are proposed for election to the board of directors (the “**Board**”). Shareholders may vote on the election of the directors.

APPOINTMENT OF THE AUDITORS

- The Board recommends the re-appointment of KPMG LLP as Roots’ auditors. Shareholders may vote on the re-appointment of the auditors and the authorization of the Board to fix such auditors’ compensation.

AMENDMENT TO THE OMNIBUS PLAN

- The Board recommends the amendment, by ordinary resolution, to Roots’ Omnibus Equity Incentive Plan (the “**Omnibus Plan**”) to increase the number of Shares available for issuance under the Omnibus Plan by a further 2,000,000 Shares.

RECEIVING THE ANNUAL FINANCIAL STATEMENTS

Our audited consolidated financial statements for Fiscal 2019, including the auditors’ report thereon, have been prepared and will be sent to registered and beneficial Shareholders who have requested that these materials be sent to them. Our audited consolidated financial statements for Fiscal 2019 are also available on SEDAR at www.sedar.com and our website at investors.roots.com.

ELECTION OF THE BOARD OF DIRECTORS

The Board has determined that eight directors will be elected at the Meeting. See “Election of Directors” on page 12 for more information.

Mr. Eric Zinterhofer, who has been a director of Roots since December 2015, will not be standing for election. Searchlight has, instead, nominated Phil Bacal to stand for election for the first time as new a member of the Board. In addition, the Board has nominated Ms. Meghan Roach, our President & Chief Executive Officer, to stand for election for the first time as a new member of the Board.

The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as directors by the Shareholders:

- Mary Ann Curran
- Gregory David
- Richard P. Mavrinac
- Meghan Roach
- Joel Teitelbaum

The Board recommends that you vote **FOR** the election of each of the following persons who have been nominated by Searchlight and who have been proposed by the Board for election as directors by the Shareholders:

- Phil Bacal
- Erol Uzumeri

The Board recommends that you vote **FOR** the election of the following person who has been nominated by the Founders and who has been proposed by the Board for election as a director by the Shareholders:

- Dale H. Lastman, C.M.

Directors appointed at the Meeting will serve, subject to our articles of incorporation ("**Articles**") and the *Canada Business Corporations Act* ("**CBCA**"), until the end of the next annual shareholder meeting or until their successors are elected or appointed. With the exception of Phil Bacal and Meghan Roach, all of the proposed directors were appointed as directors of Roots at our Annual Meeting of Shareholders held on June 14, 2019.

APPOINTMENT OF THE AUDITORS

If you are a Shareholder, you can vote on the appointment of the auditors and authorizing the Board to set the auditors' compensation. The Board recommends that you vote **FOR** the re-appointment of our current auditors, KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants, as our auditor, and authorizing the Board to set KPMG LLP's compensation.

The auditors will serve until the end of the next annual shareholder meeting or until a successor is appointed. KPMG LLP have been our auditors since December 2015.

AMENDMENT TO THE OMNIBUS PLAN

If you are a Shareholder, you can vote on the ordinary resolution substantially in the form set forth in Appendix A (the "**Omnibus Plan Resolution**") to approve the amendment to the Omnibus Plan to increase the number of Shares available for issuance under the Omnibus Plan by a further 2,000,000 Shares as more particularly described in this Circular under the heading "Amendment to the Omnibus Plan".

The Board recommends that you vote **FOR** the amendment to the Omnibus Plan at the Meeting.

To be effective, the Omnibus Plan Resolution must be approved by at least a majority of votes cast thereon at the Meeting.

CONSIDERING OTHER BUSINESS

We will consider any other business that may properly come before the Meeting. As of the date of this Circular, we are not aware of any changes to the items above or any other business to be considered at the Meeting. If there are changes or new items, you or your proxyholder can vote your Shares on these items as you or your proxyholder sees fit. If any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy to vote in respect of those matters in accordance with their judgment.

VOTING INFORMATION

WHO CAN VOTE

We are authorized to issue an unlimited number of Shares. As of June 17, 2020, there were 42,124,451 issued and outstanding Shares.

Each Share you own as of the close of business on June 9, 2020, the record date for the Meeting, entitles you to one vote on each of the matters to be acted upon at the Meeting, or any adjournment or postponement thereof, by proxy. The right to vote by proxy at the Meeting is limited to Shareholders who own Shares as of the above record date for the Meeting.

The directors and officers of Roots are not aware of any person or company that beneficially owns, directly or

indirectly, or exercises control or direction over more than 10% of the total outstanding Shares, other than Searchlight, which beneficially owns, directly or indirectly, or exercises control or direction over 20,519,887 Shares, which represents approximately 48.7% of our issued and outstanding Shares.

HOW TO VOTE

Registered Shareholder Voting

You are a registered shareholder ("**Registered Shareholder**") if your name appears on your Share certificate or on the register maintained by our transfer agent, Computershare Investor Services Inc. Your proxy form indicates if you are a Registered Shareholder. If you are a Registered Shareholder, you may vote by proxy in advance of the Meeting. See below for details on each voting option.

Voting by Proxy

Registered Shareholders have four options to vote by proxy:

- ***By Mail***

Complete, date and sign the enclosed form of proxy and return it to our transfer agent, Computershare Investor Services Inc., in the envelope provided so that it arrives no later than 10:00 a.m. (Toronto time) on July 22, 2020. This will ensure your vote is recorded.

- ***By Telephone*** (only available to Registered Shareholders resident in Canada or the United States)

Call 1-866-732-8683 and follow the instructions. You will need your 15-digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required information must be entered by 10:00 a.m. (Toronto time) on July 22, 2020. If you vote by telephone, you cannot appoint anyone other than the directors named on your proxy form as your proxyholder.

- ***On the Internet in advance of the Meeting***

Go to www.investorvote.com and follow the instructions on screen. You will need your 15-digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 10:00 a.m. (Toronto time) on July 22, 2020.

- ***By Fax***

Complete, date and sign the enclosed form of proxy and return it by fax to 1-866-249-7775, so that it arrives no later than 10:00 a.m. (Toronto time) on July 22, 2020.

Signing the enclosed form of proxy gives authority to Erol Uzumeri or Dale H. Lastman, each of whom is a director of Roots, to vote your Shares at the Meeting. **You may appoint someone other than the above-named directors to vote your Shares by writing the name of the person that you wish to appoint, who need not be a Shareholder, in the blank space provided on the form of proxy.** It is important to ensure that any other person you appoint is aware that he or she has been appointed to vote your Shares.

The persons named on the form of proxy must vote or withhold from voting your Shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted in favour of the election of directors to the Board, the appointment of the auditors and authorizing the directors to set the auditors' compensation and the Omnibus Plan Resolution.

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect

to other matters which may properly come before the Meeting.

As of the date of this Circular, management of Roots knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the person named in your form of proxy will vote on them in accordance with their best judgment.

Revoking Your Proxy

If you are a Registered Shareholder and wish to revoke your proxy, you may revoke a vote you made by proxy by:

- voting again on the Internet before 10:00 a.m. (Toronto time) on July 22, 2020;
- completing a proxy form that is dated later than the proxy form you are changing and mailing it to Computershare Investor Services Inc. so that it is received at the address indicated before 10:00 a.m. (Toronto time) on July 22, 2020; or
- making a request in writing stating that you wish to revoke your proxy, before any vote in respect of which the proxy has been given or taken. The written request can be from you or your authorized attorney. This statement must be deposited at the registered office of Computershare Investor Services Inc. at the address listed below, or delivered in any other manner provided by law, no later than 10:00 a.m. (Toronto time) on July 22, 2020, or two business days immediately preceding any adjournment or postponement of the Meeting.

Computershare Investor Services Inc.
100 University Avenue
8th Floor, North Tower
Toronto, Ontario
M5J 2Y1 Canada

Non-Registered or Beneficial Shareholder Voting

Information in this section is very important to non-registered or beneficial owners of Shares. You are a non-registered or beneficial owner if your Shares are held in the name of an intermediary such as a bank, trust company, securities broker, depository (such as CDS Clearing and Depository Services Inc.) or other intermediary ("**Beneficial Shareholder**"). Applicable Canadian securities laws require intermediaries to seek voting instructions from Beneficial Shareholders. Accordingly, you will have received from your intermediary a voting instruction form for the number of Shares you hold.

Voting Instruction

Beneficial Shareholders are encouraged to vote their Shares in advance of the Meeting. You can do so by following the instructions on the voting instruction form provided by your intermediary.

Each intermediary has its own procedures, which should be carefully followed to ensure that your Shares are voted at the Meeting. The persons named on the voting instruction form must vote for or withhold from voting your Shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, voting instruction forms received will be voted in favour of the election of directors to the Board, the appointment of the auditors and authorizing the directors to set the auditors' compensation and the Omnibus Plan Resolution.

The persons named in the voting instruction form you receive will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.

If you are a Beneficial Shareholder and have not received a package containing a voting instruction form or form of proxy, please contact your intermediary.

As of the date of this Circular, management of Roots knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the voting instruction form will vote on them in accordance with their best judgment.

Revoking Your Voting Instruction

If you are a Beneficial Shareholder and wish to revoke your voting instructions, please contact your intermediary well in advance of the Meeting.

Delivery of Proxy-Related Materials

Proxy-related materials will be sent by Roots to the intermediaries and not directly to Beneficial Shareholders. Roots intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 (request for voting instructions) to “objecting beneficial owners”.

Additional Voting Information

Our transfer agent, Computershare Investor Services Inc., counts and tabulates the votes.

For general Shareholder enquiries, you can contact the transfer agent:

- by mail at:
Computershare Investor Services Inc.
100 University Avenue
8th Floor, North Tower
Toronto, Ontario M5J 2Y1
Canada
- by telephone – within Canada and the United States at 1-800-564-6253, and from all other countries at 1-416-263-9200;
- by fax at 1-888-453-0330; or
- by e-mail at service@computershare.com.

How to Attend and Participate at the Meeting

In order to attend the Meeting, Registered Shareholders, duly appointed proxyholders (including Beneficial Shareholders who have duly appointed themselves as proxyholder) and guests (including Beneficial Shareholders who have not duly appointed themselves as proxyholder) must log in to access the webcast or teleconference as set out below:

Dial-in Number:	1-888-231-8191 (Toll-Free North America) or 1-647-427-7450 (International)
Conference ID:	5885918
Webcast:	Available on the Events and Presentations section of the Company’s investor website at investors.roots.com .

Shareholders will be able to submit questions following the conclusion of the formal business of the Meeting through the live audio webcast or teleconference platform by following the instructions provided during the Meeting.

As in-person attendance at the Meeting will not be possible, shareholders should not appoint a proxyholder, other than the proxyholders named in the proxy form or voting instruction form, to participate and vote on their behalf at the Meeting.

Roots believes that the ability to participate in the Meeting in a meaningful way remains important despite the decision to hold this year's Meeting through electronic means. Shareholders will have substantially the same opportunity to submit questions at the Meeting as in past years when the annual shareholders' meeting was held in person.

For those that plan on accessing the live audio webcast or teleconference, please allow ample time prior to the Meeting. The Meeting will begin promptly at 10:00 a.m. (Toronto time) on Friday, July 24, 2020, unless otherwise adjourned or postponed.

ABOUT ROOTS CORPORATION

Established in 1973, Roots is a premium outdoor-lifestyle brand. We unite the best of cabin and city through unmistakable style built with uncompromising comfort and quality. We offer a broad range of products designed for life's everyday adventures including: women's and men's apparel, leather goods, footwear, accessories, and kids, toddler and baby apparel. Starting from a little cabin in Algonquin Park, Canada, Roots has grown to become a global brand. As at May 2, 2020, we operated 114 corporate retail stores in Canada, two corporate retail stores in the United States, 115 partner-operated stores in Taiwan, 37 partner-operated stores in China, two partner-operated stores in Hong Kong and a global eCommerce platform, roots.com.

ELECTION OF DIRECTORS

GENERAL

The Articles provide that the Board shall consist of a minimum of three (3) and a maximum of fifteen (15) directors. The Board determines the number of directors to be elected at a meeting of Shareholders. The Board has determined that, at the present time, there will be eight (8) directors, each of whom is to be elected at this Meeting and who will hold office until the end of the next annual meeting of Shareholders or until their successors are elected or appointed.

The director biographies on pages 15 to 22 of this Circular describe the directors who are proposed for election, along with their ownership of Shares.

Pursuant to an investor rights agreement between the Company, Searchlight and the Founders (the "**Investor Rights Agreement**") entered into in connection with our Initial Public Offering on October 25, 2017 (the "**IPO**"), Searchlight and the Founders were granted the exclusive right to nominate a number of directors as described below.

Searchlight Nomination Rights

The Investor Rights Agreement provides that Searchlight (including its permitted affiliates) was initially entitled to nominate 40% of our directors (rounded up to the next whole member) and will continue to be entitled to nominate such percentage of our directors for so long as they, as a group, own, control or direct at least 40% of our outstanding Shares (on a non-diluted basis), provided that this percentage will be reduced:

- to 30% of our directors (rounded up to the next whole member) once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 40% but not less than 30% of our outstanding Shares (on a non-diluted basis);
- to 20% of our directors (rounded up to the next whole member) once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 30% but not less than 20% of our outstanding Shares (on a non-diluted basis);
- to 10% of our directors (rounded up to the next whole member) once Searchlight (including its

permitted affiliates), as a group, own, control or direct less than 20% but not less than 10% of our outstanding Shares (on a non-diluted basis); and

- to none of our directors once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 10% of our outstanding Shares (on a non-diluted basis).

Founders Nomination Rights

The Investor Rights Agreement provides that the Founders are collectively entitled to nominate one director for so long as the Founders (including its permitted affiliates), as a group, own, control or direct 10% or more of our outstanding Shares (on a non-diluted basis).

Pursuant to the Investor Rights Agreement, Searchlight and the Founders each exercise their respective nomination rights by submitting their nominees to our Board, which reviews the proposed nominations together with the remaining director nominations, determined solely by the Board or the Governance, Compensation and Nominating Committee (the “**GCN Committee**”), to be elected by the Shareholders at the Meeting.

The foregoing summary is qualified in its entirety by reference to the provisions of the Investor Rights Agreement. Any capitalized terms used but not defined in this summary are defined in our Annual Information Form. A copy of the Investor Rights Agreement is available under the Company’s profile on SEDAR at www.sedar.com and a summary of further details has been included in the Company’s most recent Annual Information Form, which is also available under the Company’s profile on SEDAR at www.sedar.com.

All nominees have established their eligibility and willingness to serve as directors. Five of the eight nominees are independent within the meaning of applicable securities laws. All nominees, with the exception of Phil Bacal, are currently directors of Roots. Management does not believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy (or voting instruction form) may vote for another nominee at their discretion (subject to Searchlight’s and the Founders’ nomination rights as described above). Each director shall hold office until the next annual meeting of Shareholders or until the director resigns or a successor is elected or appointed.

ADVANCE NOTICE PROVISIONS

We have included certain advance notice provisions with respect to the election of our directors in our by-laws (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings of our Shareholders; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th

day before the applicable meeting.

A copy of our by-laws is available under the Company's profile on SEDAR at www.sedar.com.

INDIVIDUAL AND MAJORITY VOTING POLICY

The Board believes that each of its members should carry the confidence and support of our Shareholders. To this end, the Board has adopted an individual and majority voting policy that requires that Shareholders be able to vote in favour of, or withhold from voting, separately for each nominee for director and that, in an uncontested election of directors, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election must immediately tender his or her resignation to the chair of the Board following the applicable meeting or, if the affected director is the chair, to each member of the GCN Committee. Any resignation received by the chair of the Board will be promptly referred to the GCN Committee for consideration. An "uncontested election" means an election where the number of nominees for directors is equal to the number of directors to be elected.

The GCN Committee will, promptly following the resignation but in any event within 30 days of the applicable Shareholders' meeting, consider the offer of resignation and will recommend to the Board whether or not to accept it. The GCN Committee will recommend that the Board accept the resignation absent exceptional circumstances that would warrant the applicable director to continue to serve on the Board.

The Board will act on the GCN Committee's recommendation promptly following its receipt thereof and, in any event, within 90 days of the applicable Shareholders' meeting. The Board will accept the GCN Committee's recommendation absent exceptional circumstances. If a resignation is accepted, the Board may, subject to applicable law, our Articles and the Investor Rights Agreement, appoint a new director to fill any vacancy created by the resignation, reduce the size of the Board or call a meeting of Shareholders to appoint a replacement. A resignation will be effective upon its acceptance by the Board. We will promptly issue a news release with the Board's decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

DIRECTOR NOMINEE BIOGRAPHIES

PHIL BACAL⁽¹⁾

Not Independent⁽²⁾



Ontario, Canada

Director since:
N/A

Principal Occupation:

Mr. Bacal is a Managing Director of Searchlight Capital Partners.

Other Activities:

Prior to joining Searchlight in 2012, Mr. Bacal worked at The Catalyst Capital Group in Toronto, Ontario, as an associate from 2010 to 2012 and in investment banking at Credit Suisse in London, UK, as an analyst from 2007 to 2010. Mr. Bacal currently serves as a member of the board of directors of B Communications Ltd. and TouchTunes Entertainment, a part of the Octave Group. Mr. Bacal received an HBA from the Richard Ivey School of Business at the University of Western Ontario. Mr. Bacal previously served on our Board from December 2015 to October 2017.

Public Board Memberships During Last Five Years:

B. Communications Ltd. (2019 to Present)

Public Board Interlocks:

None

Committees (if elected):

None

Meetings Attended in Fiscal 2019:

N/A

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership ⁽⁵⁾	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	Nil	Nil	N/A	N/A	N/A



Ontario, Canada

Director since:
June 2018

Principal Occupation:

Ms. Curran is the Chief Executive Officer of Busy Bees North America. Busy Bee's is the world's premier provider of early childhood education and care with centres in Canada, the United States, the United Kingdom, Ireland, Italy, Singapore, Malaysia and Australia. In Canada, Busy Bees operates as BrightPath Early Learning Inc., which Ms. Curran has led since 2012.

Other Activities:

Between 1998 and 2010, Ms. Curran served in multiple roles at Jones Apparel Group Canada, where, after initially serving as its Vice President and Chief Financial and Operating Officer, Ms. Curran was promoted to President and Chief Executive Officer. Prior to her role with Jones Apparel Group Canada, Ms. Curran served in various strategy and finance leadership roles with Abitibi-Price. Prior thereto, she held both planning and analysis and auditing positions with PepsiCola Canada Inc. and Price Waterhouse. Ms. Curran served as a director of the Toronto Rehabilitation Institute, is a Chartered Professional Accountant and holds a Master of Business Administration degree from York University and a Bachelor of Business Administration degree from Wilfrid Laurier University. Ms. Curran also holds an ICD.D designation from the Institute of Corporate Directors.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

Audit Committee

Meetings Attended in Fiscal 2019:

Board Meetings – 7 of 7 (100%)

Audit Committee Meetings – 4 of 4 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	15,233	\$20,565	\$300,000	June 15, 2023	In Progress



Ontario, Canada

Director since:
October 2017

Principal Occupation:

Mr. David is the chief executive officer of GRI Capital Inc., a private investment management firm, and has been with the company and its affiliates since 2003.

Other Activities:

Mr. David provided financial and strategic advisory services to private and public companies from 2000 to 2003. Previously, he worked at Claridge Inc. from 1998 to 2000 and at McKinsey & Co. from 1996 to 1998. Mr. David also currently serves on the board of Dollarama Inc., a position he has held since 2004. Mr. David received a Bachelor of Commerce degree from Queen's University, a Bachelor of Common Law and a Bachelor of Civil Law degree from McGill University and a Master of Business Administration with Distinction from Harvard Business School.

Public Board Memberships During Last Five Years:

Dollarama Inc. (2004 to Present)

Public Board Interlocks:

None

Committees:

GCN Committee

Meetings Attended in Fiscal 2019:

Board Meetings – 6 of 7 (86%)

GCN Committee Meetings – 6 of 6 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	58,724	\$79,277	\$300,000	October 25, 2022	In Progress



Ontario, Canada

Director since:
October 2017

Principal Occupation:

Mr. Lastman is the chair and a partner at Goodmans LLP. He practices corporate, commercial and securities law and provides counsel in connection with public offerings, mergers and acquisitions, and business restructurings.

Other Activities:

Mr. Lastman is a Director of Maple Leaf Sports & Entertainment Ltd. and RioCan Real Estate Investment Trust, and is also an Alternate Governor for the NHL and NBA. In 2019, Mr. Lastman was elected Chair of the Board of Governors of the CFL. He also serves as the Governor representing the Toronto Argonauts in the CFL. Mr. Lastman was appointed Chair of the Baycrest Board of Directors in 2018 and also serves as an honorary trustee of the Hospital for Sick Children. In 2017, he was named a Member of the Order of Canada. He has also been appointed by the Minister of National Defence as an Honorary Captain of the Royal Canadian Navy and awarded the rank of an Honorary Detective by the Toronto Police Service. Mr. Lastman previously served on our Board from December 2015 to March 2017.

Public Board Memberships During Last Five Years:

RioCan Real Estate Investment Trust (2004 to Present)

Public Board Interlocks:

None

Committees:

GCN Committee

Meetings Attended in Fiscal 2019:

Board Meetings – 7 of 7 (100%)

GCN Committee Meetings – 6 of 6 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	72,317	\$97,628	\$300,000	October 25, 2022	In Progress



Ontario, Canada

Director since:
October 2017

Principal Occupation:

Mr. Mavrinac is currently a corporate director.

Other Activities:

Mr. Mavrinac served as the Chief Financial Officer of George Weston Limited and Executive Vice President of Loblaw Companies Limited from 2003 to 2007. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 and held a variety of senior financial positions. In 1996, he assumed the role of Senior Vice President, Finance for George Weston Limited and Loblaw Companies Limited. Mr. Mavrinac is currently a member of the boards of TerrAscend Corp. and Canopy Rivers Corporation. Mr. Mavrinac has a Bachelor of Commerce degree from the University of Toronto and is a Chartered Professional Accountant.

Public Board Memberships During Last Five Years:

TerrAscend Corp. (2017 to Present)
Canopy Rivers Corporation (2018 to Present)

Public Board Interlocks:

None

Committees:

Audit Committee (Chair)

Meetings Attended in Fiscal 2019:

Board Meetings – 7 of 7 (100%)
Audit Committee Meetings – 4 of 4 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	69,886	\$94,346	\$300,000	October 25, 2022	In Progress



Ontario, Canada

Director since:
May 2020

Principal Occupation:

Ms. Roach is currently the President & Chief Executive Officer of Roots, a position she has held since May 2020.

Other Activities:

Prior to her appointment as President & Chief Executive Officer of Roots, Ms. Roach served as the Interim Chief Executive Officer of Roots from January 2020 to May 2020 and, prior to that, as the Interim Chief Financial Officer from August 2019 to January 2020. Ms. Roach came to Roots from her Managing Director role at Searchlight Capital Partners where she served in multiple capacities from 2012 to 2020. Prior to Searchlight, Meghan was a member of the private equity investment team at the Ontario Teachers' Pension Plan from 2008 to 2010, after beginning her career with KPMG LLP. Ms. Roach has an MBA with first class distinction from the University of Oxford, an Honours Bachelor of Commerce with first class distinction from Queen's University, and a CPA, CA designation. Meghan served on the Roots Board of Directors from December 2015 to October 2017 and is currently on the Boards of M&M Food Market and the Holland Bloorview Kids Rehabilitation Hospital Foundation.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

None

Meetings Attended in Fiscal 2019:

N/A

SHARE OWNERSHIP					
Shares Owned or Controlled	Restricted/Performance Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership ⁽⁵⁾	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	Nil	Nil	\$2,000,000	May 25, 2025	In Progress



Ontario, Canada

Director since:
April 2017

Principal Occupation:

Mr. Teitelbaum is currently the chairman and chief executive officer of iStore Inc., a retail and wholesale licensor of personal electronics and tech accessories, a position he has held since 2010.

Other Activities:

Mr. Teitelbaum was previously the president of La Senza International, now a subsidiary of L Brands Inc., from 1998 to 2010. In 1994, Mr. Teitelbaum launched the La Senza brand in the UK where he remained managing director until 1998. Earlier in his career, Mr. Teitelbaum held various senior management positions at Dylex Limited, including at their Club Monaco division. Mr. Teitelbaum received a degree in general studies from Marianopolis College in Montreal, Quebec. He also studied for a B.A. in Economics at Concordia University in Montreal, Quebec.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

Audit Committee

Meetings Attended in Fiscal 2019:

Board Meetings – 7 of 7 (100%)

Audit Committee Meetings – 4 of 4 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Restricted/Deferred Share Units ⁽⁶⁾	Market Value ⁽⁴⁾	Minimum Share Ownership	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil	79,794	\$107,722	\$300,000	October 25, 2022	In Progress



Ontario, Canada

Chairman since:
December 2015**Principal Occupation:**

Mr. Uzumeri is a founding partner of Searchlight Capital Partners, L.P., and is jointly responsible for overseeing the firm's activities with the two other founding partners.

Other Activities:

Prior to co-founding Searchlight in 2010, Mr. Uzumeri was the head of Private Equity for the Ontario Teachers' Pension Plan. Mr. Uzumeri is currently Chairman of the board of M&M Food Market and serves on the boards of Mitel Networks and the Sick Kids Hospital Foundation. Mr. Uzumeri graduated from the University of Toronto with a Bachelor of Science degree in Honours Industrial Engineering and received a Master of Science degree in Finance from the London Business School.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

GCN Committee (Chair)

Meetings Attended in Fiscal 2019:

Board Meetings – 7 of 7 (100%)

GCN Committee Meetings – 6 of 6 (100%)

SHARE OWNERSHIP					
Shares Owned or Controlled	Deferred Share Units	Market Value ⁽⁴⁾	Minimum Share Ownership ⁽⁵⁾	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
Nil ⁽⁷⁾	Nil	Nil	N/A	N/A	N/A

Notes:

- (1) Except as described below, none of the director nominees of Roots, as at the date of this Circular, is or has been within the 10 years before the date of this Circular, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order (as defined below) that was issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, (b) was subject to an order that was issued after the existing or proposed director or executive officer 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, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Meghan Roach is an executive officer of our U.S. subsidiary, RTS USA Corp. (f/k/a Roots USA Corporation), a position she has held since January 2020. On April 29, 2020, Roots announced the liquidation of RTS USA Corp. pursuant to Chapter 7 of Title 11 of the United States Code. The filing has resulted in the permanent closure of Roots stores in Boston, Washington and Chicago, as well as the pop-up location in Woodbury Common, New York.

No director nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder. No director nominee has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in deciding whether to vote for a nominee.

- (2) Phil Bacal and Erol Uzumeri are considered non-independent directors as a result of their relationship with Searchlight.
- (3) Meghan Roach is considered a non-independent director as she is the President & Chief Executive Officer of Roots.
- (4) Reflects the market value of Shares, Restricted Share Units ("RSUs"), Performance Share Units ("PSUs") and Deferred Share Units ("DSUs"). Market Value of Shares, RSUs, PSUs and DSUs represents the number of Shares, RSUs, PSUs and DSUs held as of June 17, 2020 multiplied by the closing price of the Shares on the Toronto Stock Exchange ("TSX") on June 17, 2020, of \$1.35.
- (5) As non-independent directors, Phil Bacal, Erol Uzumeri and Meghan Roach do not receive compensation in their

capacity as directors of Roots. Accordingly, Phil Bacal, Erol Uzumeri and Meghan Roach are not subject to the Director Share Ownership Guidelines. As Meghan Roach is the President & Chief Executive Officer of Roots, Ms. Roach is subject to the Executive Share Ownership Guidelines. See “Director Compensation – Director Share Ownership Guidelines” and “Executive Compensation – Governance Policies”.

- (6) Figure includes 15,985 RSUs granted to Joel Teitelbaum in connection with his appointment to the Board prior to the IPO and 63,809 DSUs granted from April 2018 through May 2020. The value of the RSUs and the DSUs is calculated based on the closing price of the Shares on the TSX on June 17, 2020, of \$1.35.
- (7) Erol Uzumeri disclaims beneficial ownership of the 20,519,887 Shares held by Searchlight.

BOARD AND COMMITTEE ATTENDANCE

The following table provides a summary of each director’s attendance at Board and Committee meetings in Fiscal 2019.

Name ⁽¹⁾	Board (7 meetings)	Audit Committee (4 meetings)	GCN Committee (6 meetings)	Overall Attendance	
Mary Ann Curran	7 of 7 (100%)	4 of 4 (100%)	–	11 of 11	100%
Gregory David	6 of 7 (86%)	–	6 of 6 (100%)	12 of 13	92%
Jim Gabel ⁽²⁾	6 of 6 (100%)	–	–	6 of 6	100%
Dale H. Lastman	7 of 7 (100%)	–	6 of 6 (100%)	13 of 13	100%
Richard P. Mavrincac	7 of 7 (100%)	4 of 4 (100%)	–	11 of 11	100%
Joel Teitelbaum	7 of 7 (100%)	4 of 4 (100%)	–	11 of 11	100%
Erol Uzumeri	7 of 7 (100%)	–	6 of 6 (100%)	13 of 13	100%
Eric Zinterhofer	7 of 7 (100%)	–	–	7 of 7	100%
TOTAL	98%	100%	100%	–	99%

Note:

- (1) Meghan Roach and Phil Bacal did not serve as directors of Roots during any part of Fiscal 2019.
- (2) Jim Gabel served on our Board until his departure on January 3, 2020. Accordingly, Mr. Gabel’s board meeting attendance in the above table reflects Mr. Gabel’s attendance from February 2, 2019 to January 3, 2020.

AMENDMENT TO THE OMNIBUS PLAN

Roots is asking Shareholders to pass the Omnibus Plan Resolution and thereby approve the Board’s amendment to the Omnibus Plan to increase the fixed number of Shares available for issuance under the Omnibus Plan by a further 2,000,000 Shares. In order to be passed, the Omnibus Plan Resolution requires approval by more than 50% of the votes cast by Shareholders at the Meeting. The persons named in the form of proxy intend to vote **FOR** the amendment to the Omnibus Plan.

The increase of 2,000,000 Shares to the total number of Shares available for issuance under the Omnibus Plan requires Shareholder approval pursuant to the amendment provisions of the Omnibus Plan and the requirements of the TSX. If the Omnibus Plan Resolution is passed, the total number of Shares available for issuance under the Omnibus Plan will increase from 1,679,220 Shares to 3,679,220 Shares, representing approximately 4.0% and 8.7%, respectively, of the issued and outstanding Shares as at June 17, 2020.

The purpose of the Omnibus Plan is to promote the alignment of the interests of the directors, officers and employees of Roots and/or its subsidiaries with those of the Shareholders. An increase in the number of Shares available for issuance under the Omnibus Plan will allow Roots to continue to grant awards under the Omnibus Plan to achieve that purpose, as well as to motivate the participants to achieve Roots’ annual business and strategic objectives and to more closely align interests of participants with those of the Shareholders. The Board continues to believe that the ability to grant awards under the Omnibus Plan is a key component of Roots’ total compensation program.

For a further description of the Omnibus Plan, see “Executive Compensation – Components of Compensation – Long -Term Incentive Plans”.

OUR APPROACH TO CORPORATE GOVERNANCE

GENERAL

We recognize that good corporate governance plays an important role in our overall success and in enhancing shareholder value. The disclosure set out below describes our approach to corporate governance.

THE ROLE OF THE BOARD

Our Board is responsible for supervising the management of our business and affairs, including providing guidance and strategic oversight to management. Our Board has adopted a formal mandate in the form set forth in Appendix B that includes the following:

- appointing the Chief Executive Officer;
- appointment, evaluation and development of senior management and succession planning;
- approving the corporate goals and objectives that the Chief Executive Officer is responsible for meeting and reviewing the performance of the Chief Executive Officer against such corporate goals and objectives;
- taking steps to satisfy itself as to the integrity of the Chief Executive Officer and other senior executive officers and that the Chief Executive Officer and other senior executive officers create a culture of integrity throughout the organization; and
- reviewing and approving management's strategic and business plans.

Our Board has adopted a written position description for the Chair of the Board, which sets out the Chair's key responsibilities, including, among others, duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, director development and communicating with Shareholders and regulators. Our Board has adopted a written position description for our lead director. See "– Meetings of Independent Directors and Conflicts of Interest".

Our Board has adopted a written position description for each of our committee chairs which sets out each of the committee chair's key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

Our Board has adopted a written position description for our Chief Executive Officer which sets out the key responsibilities of our Chief Executive Officer, including, among other duties, in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to our Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to our Board for consideration and supervising day-to-day management and communicating with Shareholders and regulators.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

Roots is committed to strong corporate governance policies and practices. Our policies and practices continue to be developed having regard to the external environment and externally cited best practices to ensure that our governance practices are comprehensive, relevant, effective and transparent. We have adopted the following corporate governance policies to date, certain of which are available on our website at investors.roots.com:

- Code of Conduct;
- Corporate Governance Guidelines;
- Disclosure Policy;
- Insider Trading Policy;
- Majority Voting Policy;

- Whistleblower Policy; and
- Diversity Policy.

COMPOSITION OF OUR BOARD AND BOARD COMMITTEES

Under our Articles, our Board is to consist of a minimum of three (3) and a maximum of fifteen (15) directors as determined from time to time by the directors. Our Board currently consists of eight (8) directors, the majority of whom are considered to be independent under Canadian securities laws and all of whom are resident Canadians. Under the CBCA, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by Shareholders present in person or by proxy at a meeting of Shareholders and who are entitled to vote. The directors will be elected by Shareholders at each annual meeting of Shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed.

Certain aspects of the composition and functioning of our Board are governed by the terms of the Investor Rights Agreement. See also “Election of Directors”. The nominees for election by Shareholders as directors will be determined by the GCN Committee in accordance with the provisions of applicable corporate law, the Investor Rights Agreement and the charter of the GCN Committee. See also “Committees of our Board – Governance, Compensation and Nominating Committee”.

DIRECTOR INDEPENDENCE

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of our Board, be reasonably expected to interfere with a director’s independent judgment. Based on information provided by each director nominee concerning his or her background, employment and affiliations, our Board has determined that, of the eight directors nominated for election to our Board, Erol Uzumeri, Phil Bacal and Meghan Roach are not considered to be “independent” within the meaning of applicable securities laws as a result of their respective relationships with us or Searchlight, as applicable. Certain members of our Board are also members of the board of directors of other public companies (see “Election of Directors – Director Nominee Biographies”). Our Board has not adopted a director interlock policy but is keeping informed of other public directorships held by its members.

MEETINGS OF INDEPENDENT DIRECTORS AND CONFLICTS OF INTEREST

Our Board believes that given its size and structure, including the fact that a majority of our directors are independent, it is able to facilitate independent judgment in carrying out its responsibilities. To enhance such independent judgment, the independent members of the Board hold in-camera meetings with members of management and the non-independent directors not in attendance, as part of regularly scheduled Board meetings. Open and candid discussion among the independent directors is facilitated by the relatively small size of the Board and great weight is attributed to the views and opinions of the independent directors. Our Board has not appointed an independent Chair; however, Dale H. Lastman has been appointed as lead director by our Board and is responsible for ensuring that the directors who are independent of management have opportunities to meet without management present, as required. The lead director shall be appointed and replaced from time to time by the Board. Discussions are led by the lead director who provides feedback subsequently to the Chair.

A director who has a material interest in a matter before our Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors are also required to comply with the relevant provisions of the CBCA regarding conflicts of interest.

COMMITTEES OF OUR BOARD

Our Board has established two committees: the Audit Committee and the GCN Committee. All members of the Audit Committee will be persons determined by our Board to be independent directors.

Audit Committee

Our Audit Committee consists of three directors, each of whom are persons determined by our Board to be independent and financially literate within the meaning of NI 52-110. Our Audit Committee is currently comprised of:

- Richard P. Mavrinac (Chair);
- Mary Ann Curran; and
- Joel Teitelbaum.

Each of our Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of our Audit Committee, see “Election of Directors – Director Nominee Biographies”.

Our Board has adopted a written charter for the Audit Committee that sets out the purpose, composition, authority and responsibility of our Audit Committee, consistent with NI 52-110. The Audit Committee assists our Board in discharging its oversight of:

- the quality and integrity of our financial statements and related information;
- the independence, qualifications and appointment of our external auditor;
- our disclosure controls and procedures, internal control over financial reporting and management’s responsibility for assessing and reporting on the effectiveness of such controls;
- our risk management processes;
- monitoring and periodically reviewing our whistleblower policy; and
- transactions with our related parties.

Our Audit Committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority, in its sole discretion and at our expense, to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and responsibilities. Our Audit Committee also has direct communication channels with the Chief Financial Officer and our external auditors to discuss and review such issues as our Audit Committee may deem appropriate.

Additional information about our Audit Committee, as required by NI 52-110, is in our Annual Information Form, which is available on SEDAR at www.sedar.com.

External Auditor Service Fee

For Fiscal 2019 and Fiscal 2018, we incurred the following fees by our external auditor, KPMG LLP:

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>
Audit fees ⁽¹⁾	\$415,000	\$437,500
Audit-related fees ⁽²⁾	\$—	\$45,000
Tax fees ⁽³⁾	\$36,500	\$36,128
Total fees paid	\$451,500	\$516,628

Notes:

- (1) Fees for audit service and interim reviews, in each case on an accrued basis.
- (2) Audit-related fees are primarily fees and costs related to internal controls over financial reporting and French translation services.
- (3) Fees for tax compliance, tax advice and tax planning.

The Audit Committee Charter provides that the Audit Committee must pre-approve the retaining of the auditors for any non-audit service. The Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the auditors for any non-audit service to the extent permitted by law, but pre-approval by such member or members so delegated must be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

Governance, Compensation and Nominating Committee

Our GCN Committee is comprised of three directors, two of whom are persons determined by our Board to be independent directors, and is charged with reviewing, overseeing and evaluating our corporate governance, compensation and nominating policies. Our GCN Committee is currently comprised of:

- Erol Uzumeri (Chair);
- Gregory David; and
- Dale H. Lastman.

No member of our GCN Committee is an officer of Roots, and as such, our Board believes that the GCN Committee is able to conduct its activities in an objective manner.

Our Board believes that the members of the GCN Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the GCN Committee's mandate. All members of the GCN Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other publicly traded entities. For additional details regarding the relevant education and experience of each member of our GCN Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see "Election of Directors – Director Nominee Biographies".

Our Board has adopted a written charter for the GCN Committee in the form set forth in Appendix C that sets forth the purpose, composition, authority and responsibility of our GCN Committee consistent with our Corporate Governance Guidelines. On April 2, 2019, the Board amended the charter to include a diversity policy mandate. Our GCN Committee's purpose is to assist our Board in:

- the appointment, performance, evaluation and compensation of our senior executives;
- the recruitment, development and retention of our senior executives;
- maintaining talent management and succession planning systems and processes relating to our senior management;
- developing a compensation structure for our senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;

- establishing policies and procedures designed to identify and mitigate risks associated with our compensation policies and practices;
- assessing the compensation of our directors;
- developing benefit, retirement and savings plans;
- developing our corporate governance guidelines and principles and providing us with governance leadership;
- identifying and overseeing the recruitment of candidates qualified to be nominated as members of our Board;
- reviewing the structure, composition and mandate of Board committees; and
- evaluating the performance and effectiveness of our Board and of our Board committees.

Our GCN Committee is responsible for establishing and implementing procedures to evaluate the performance and effectiveness of our Board, committees of our Board and the contributions of individual Board members. Our GCN Committee also takes reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of our Board, committees of our Board, individual Board members, our chair and committee chairs. The assessment addresses, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. Our Board receives and considers the recommendations from our GCN Committee regarding the results of the evaluation of the performance and effectiveness of our Board, committees of our Board, individual Board members, our chair and committee chairs. In identifying new candidates for our Board, the GCN Committee will consider what competencies and skills our Board, as a whole, should possess and assess what competencies and skills each existing director possesses, considering our Board as a group, and the personality and other qualities of each director, as these may ultimately determine the boardroom dynamic. Our GCN Committee is also responsible for orientation and continuing education programs for our directors (see "Orientation and Continuing Education"). Following the adoption of our Diversity Policy (as defined below), the GCN Committee is also responsible for monitoring adherence to the Diversity Policy. See "Diversity".

For information on the process by which the GCN Committee and the Board determine the compensation of our directors and executive officers, see "Director Compensation" and "Executive Compensation" below.

DIRECTOR TERM LIMITS AND OTHER MECHANISMS OF BOARD RENEWAL

Directors are to be elected at each annual meeting of Shareholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed or elected, and will be eligible for re-election. Other than the nominees which may be nominated by Searchlight and the Founders pursuant to their nomination rights as described above, nominees will be nominated by the GCN Committee, in each case for election by Shareholders as directors in accordance with the provisions of our constating documents and applicable corporate and securities laws. All nominees who are nominated, whether by Searchlight, the Founders or the GCN Committee, will be included in the proxy-related materials to be sent to Shareholders prior to each annual meeting of Shareholders.

Our Board has not adopted director term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the GCN Committee of our Board will seek to maintain the composition of our Board in a way that provides, in the judgment of our Board, the best mix of skills and experience to provide for our overall stewardship. Our GCN Committee is also expected to conduct a process for the assessment of our Board, each committee and each director regarding his, her or its effectiveness and performance, and to report evaluation results to our Board. See also "Diversity".

ORIENTATION AND CONTINUING EDUCATION

To maintain reasonable assurance that every new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities, the GCN Committee has implemented an orientation program for new directors under which a new director will meet with the chair, the lead director, members of senior management and our secretary. New directors will be provided with comprehensive orientation and education as to the nature and operation of Roots and our business, the role of our Board and its committees, and the contribution that an individual director is expected to make. The GCN Committee is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of our business remains current. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the GCN Committee's mandate.

BOARD, COMMITTEE AND DIRECTOR EVALUATIONS

The GCN Committee is responsible for assessing the effectiveness of the Board, its committees and the performance of each member of the Board. In fulfilling this responsibility, the GCN Committee generally prepares a questionnaire to be completed by each director. The questionnaire generally includes self, peer, board and committee evaluations focused on several topics including: Board structure, operations and dynamics; corporate governance; strategy and plans; management and human resources; risk management; finance matters; shareholder communications; and policies and procedures. Questionnaires are collected on a confidential basis and the results are then summarized in a report to the Chair of the GCN Committee. The GCN Committee will then review the report and develop recommendations to the Board for consideration. Upon reviewing the report and recommendations, the Board will decide whether necessary action is required in respect thereof.

ETHICAL BUSINESS CONDUCT

We have adopted a written code of conduct (the “**Code of Conduct**”) that applies to all of our directors, officers and employees. The objective of the Code of Conduct is to provide guidelines for maintaining our and our subsidiaries' integrity, reputation, honesty, objectivity and impartiality. The Code of Conduct addresses conflicts of interest, protection of our assets, confidentiality, fair dealing with Shareholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to our best interests or that may give rise to real, potential or the appearance of conflicts of interest. Our Board has ultimate responsibility for the stewardship of the Code of Conduct and it monitors compliance through the GCN Committee. Directors, officers and employees are required to annually certify that they have not violated the Code of Conduct.

The Code of Conduct is available on our website at investors.roots.com and on SEDAR at www.sedar.com.

DIVERSITY

We recognize the value and benefits of diversity in the Board and senior management. We believe that having a diverse Board can offer breadth and depth of perspectives, experience and expertise that achieves effective stewardship and enhances our Board's performance. We value diversity of abilities, experience, perspective, education, gender, background, race and national origin. Accordingly, the Board has adopted a written diversity policy (the “**Diversity Policy**”) which outlines its approach to achieving and maintaining diversity on our Board and ensures that our recruitment practices reflect our commitment to diversity.

The composition of our Board and senior management team is shaped by not only the selection criteria established by the GCN Committee but also diversity characteristics outlined in the Diversity Policy. We believe that “diversity” is, among other things, any characteristic or quality that can be used to differentiate groups and people from one another and includes gender, age, race, nationality, culture, language, geographic representation and other ethnic distinctions, education, disability, sexual orientation, regional and

industry experience, and perspective. Each of these characteristics are considered as part of our Board's overall annual evaluation of director nominees for election or re-election. Gender, however, is of particular importance to us in ensuring diversity within the Board. We recognize that gender diversity is a significant aspect of diversity and acknowledge the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom and among the senior management team.

It is an objective of the Diversity Policy that diversity be considered in determining the optimal composition of the Board and senior management. We are committed to a merit-based system for Board and senior management composition within a diverse and inclusive culture that solicits multiple perspectives and views and is free of conscious or unconscious bias or discrimination. Recommendations concerning director nominees and senior management hires are, foremost, based on merit and performance using objective criteria, but due consideration is given to diversity (including the level of representation of members of designated groups) in identifying and selecting candidates.

In assessing recommendations for director nominees and senior executives, the Diversity Policy requires the GCN Committee to not only have regard to competencies and skills but also to whether a pool of qualified candidates will enhance the diversity and needs of the Board and senior management. The Diversity Policy establishes the objective of having a pool of director candidates that is comprised of at least 50% women. The GCN Committee plans to review the effectiveness of the policy annually and will recommend any changes in order to meet diversity objectives. As of the date of this Circular, 2 of 8 members on our Board (25%) are female. No member of the Board currently self-identifies as a member of visible minorities or a member of other designated groups.

Similar to our approach regarding the Board composition, we believe that having a diverse senior management and executive team offers depth of perspective, enhances management operations and fosters better leadership. This is evidenced by the fact that, as of the date of this Circular, 2 of 3 (67%) of our executive officers and 5 of 8 of our senior management team (63%) are female. In addition, one of our executive officers self-identifies as a visible minority and another identifies as a member of the LGBTQ2+ Community. Accordingly, we have not adopted a target regarding the number of females in executive officer positions or senior management positions. Despite this, we will continue follow a balanced approach in identifying the factors to be considered when determining the make-up of our executive and senior management teams and expect to recruit and select candidates that represent, among other factors, gender diversity, level of representation of members of designated groups, and business understanding and experience. We will also consider other factors including experience, leadership capabilities, innovative thinking and strategic agility.

The Diversity Policy is available on our website at investors.roots.com.

DISCLOSURE POLICY

The Board has adopted a Disclosure Policy to deal with the timely dissemination of all material information. The Disclosure Policy, which will be reviewed annually, establishes consistent guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, directly and through its committees, reviews and approves the contents of major disclosure documents, including annual and interim consolidated financial statements, prospectuses, the annual information form, management's discussion and analysis and the management information circular. The Company seeks to communicate to its Shareholders through these documents as well as by means of news releases, its website and investor relations calls and meetings.

Disclosure Committee

A Disclosure Committee comprised of senior management of the Company oversees the Company's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective controls and procedures are in place to allow the Company to satisfy all of its continuous disclosure obligations, including certification requirements. The Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Disclosure Policy are in compliance with regulatory requirements. Our Audit Committee is responsible for reviewing our disclosure relating to our financial reporting.

DIRECTOR COMPENSATION

DIRECTOR FEES

Our director compensation program is designed to attract and retain the most qualified individuals to serve on our Board. Our Board, on the recommendation of the GCN Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on our Board, each director, other than a director who is a Roots employee or a director nominee of Searchlight who is a partner, principal, member of, or employee of Searchlight (each, an "**Excluded Director**"), was entitled to be compensated during Fiscal 2019 as indicated below:

Type of Fee	Amount
Board Retainer..... Chair	\$ Nil
Board Member	\$ 100,000
Lead Director	\$ 15,000
Committee Retainer..... Audit Committee Chair	\$ 15,000
Governance, Compensation and Nominating Committee Chair	\$ Nil
Audit Committee Membership	\$ 5,000
Governance, Compensation and Nominating Committee Membership	\$ 4,000
Meeting Fees..... Board / Committee Meeting	\$ Nil

All directors are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

Director Deferred Share Unit Plan

We have established a Director Deferred Share Unit Plan (the "**DSU Plan**") which allows our directors, other than Excluded Directors, to elect to take all or a portion of their annual Board retainer in the form of DSUs. Each such director wishing to make such an election is required to elect to receive all or a portion of his or her annual Board retainer in DSUs no later than the end of the calendar year preceding the year in which such election is to apply. Participation by the eligible directors in the DSU Plan is entirely voluntary.

A DSU is a unit, equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company, to an account in the name of the director. When dividends (other than share dividends) are paid on Shares, additional DSUs will automatically be granted to each director who holds DSUs on the record date for such dividends. Following the end of an eligible director's tenure as a member of the Board, the director will receive a payment in cash equal to the fair market value of the Shares represented by his or her DSUs on the director's elected redemption date. Each director's elected redemption date will not be earlier than the date the director's tenure as a member of the Board ceases and will not be later than December 15th of the year following the year in which the director's tenure as a member of the Board ceases.

Certain directors elected to receive board and committee fees in the form of DSUs in respect of fiscal 2020. Given the unprecedented circumstances created by the COVID-19 pandemic, each of our directors has elected to forego director compensation in respect of the first quarter of fiscal 2020.

DIRECTOR SHARE OWNERSHIP GUIDELINES

We have established director share ownership guidelines for directors (other than Excluded Directors) to further align the interests of such directors with those of our Shareholders. The ownership guidelines establish minimum equity ownership levels for each of our directors, other than Excluded Directors, based on a multiple of their annual Board retainer. Such directors will be expected to meet the prescribed ownership levels within five years of the later of (i) completion of the IPO and (ii) the date of their appointment to the Board. Shares and the value of DSUs and other share-based awards (including RSUs granted before closing of the IPO) will

be included in determining an individual's equity ownership value. The ownership guideline for the directors, other than the Excluded Directors, is 3.0x their Board retainer, which currently equates to \$300,000. Each director that is subject to the ownership guidelines is encouraged to elect to receive a portion of their Board retainer in the form of DSUs until such ownership guidelines have been met.

DIRECTORS' HEDGING POLICY

Our insider trading policy prohibits all directors of Roots from selling "short" or selling "call options" on any of our securities and from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to such directors as compensation or of any other securities of Roots held directly or indirectly by such person.

DIRECTOR COMPENSATION TABLE

The following table sets out the compensation that was earned by, paid to, or awarded to directors (other than Excluded Directors) during Fiscal 2019 under the compensation arrangements described above. Jim Gabel, Erol Uzumeri and Eric Zinterhofer did not receive any compensation in Fiscal 2019 for serving as a director of Roots.

NAME	FEES EARNED				TOTAL (\$)	ALLOCATION OF TOTAL FEES		
	BOARD RETAINER (\$)	BOARD LEAD DIRECTOR & COMMITTEE CHAIR RETAINER (\$)	COMMITTEE MEMBER RETAINER (\$)	ALL OTHER COMPENSATION (\$) ⁽¹⁾		IN CASH (\$)	IN DSUs (\$) ⁽²⁾	IN SHARES (\$)
Mary Ann Curran	100,000	—	5,000	—	105,000	78,750	26,250	—
Gregory David	100,000	—	4,000	—	104,000	—	104,000	—
Dale H. Lastman	100,000	15,000	4,000	—	119,000	—	119,000	—
Richard P. Mavrinac	100,000	15,000	—	—	115,000	—	115,000	—
Joel Teitelbaum	100,000	—	5,000	—	105,000	—	105,000	—

Notes:

- (1) There were no share-based awards, option-based awards, non-equity incentive plan compensation, or any other compensation paid to the directors.
- (2) Reflects the fair value of DSUs granted to the directors during Fiscal 2019 based on the fair market value of the Shares underlying the DSUs on the date of grant.

OUTSTANDING SHARE-BASED AWARDS

The following table sets out information on the outstanding DSUs and RSUs held by non-management directors as of February 1, 2020.

NAME ⁽¹⁾	SHARE-BASED AWARDS		
	NUMBER OF SHARE-BASED AWARDS THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED ⁽³⁾
Mary Ann Curran	—	—	\$17,626
Gregory David	—	—	\$66,788
Dale H. Lastman	—	—	\$86,001
Richard P. Mavrinac	—	—	\$83,110
Joel Teitelbaum ⁽²⁾	—	—	\$105,775

Notes:

- (1) Jim Gabel was, and Erol Uzumeri and Eric Zinterhofer are, Excluded Directors and did not receive any share-based compensation in their capacities as members of the Board during Fiscal 2019. For information regarding share-based awards granted to Jim Gabel in his capacity as President and Chief Executive Officer of Roots prior to his departure on January 3, 2020, see "Executive Compensation".
- (2) Joel Teitelbaum's figure includes 15,985 RSUs granted to Mr. Teitelbaum in connection with his appointment to the Board prior

to the IPO and 40,579 DSUs held by him as of February 1, 2020.

- (3) For the purposes of attributing a market value to the Shares underlying the share-based awards, being DSUs and RSUs, the value is calculated based on the closing price per Share of \$1.87 on January 31, 2020, the last trading day of Fiscal 2019. This amount may not represent the actual value of the share-based awards upon distribution, as the value of the Shares underlying these awards may be of greater or lesser value on vesting based on the market value of the Shares at that time.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

NAME	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽¹⁾
Mary Ann Curran	\$26,250
Gregory David	\$104,000
Dale H. Lastman	\$119,000
Richard P. Mavrinac	\$115,000
Joel Teitelbaum	\$105,000

Note:

- (1) This amount may not represent the actual value of the share-based awards upon distribution, as the value of the Shares underlying these awards may be of greater or lesser value on vesting based on the market value of the Shares at that time. DSUs granted under the DSU Plan vest immediately although holders thereof are not entitled to receive a payment in respect of the value of their DSUs until their tenure on the Board ceases.

EXECUTIVE COMPENSATION

INTRODUCTION

The following discussion describes the significant elements of the compensation that the Board has adopted for our Named Executive Officers (“NEOs”). The Board is confident that the policies and practices in place support our overarching strategic business and financial objectives, while enabling us to attract, retain and motivate our executive team as we continue to grow.

NAMED EXECUTIVE OFFICERS FOR FISCAL 2019

Our NEOs in respect of Fiscal 2019 were the following individuals:

Named Executive Officer	Title	Date of Hire
Meghan Roach ⁽¹⁾	Chief Executive Officer	January 2020
Mona Kennedy	Chief Financial Officer	January 2020
James Connell ⁽²⁾	Chief eCommerce and Customer Experience Officer	December 1997
Jim Gabel ⁽³⁾	Former President and Chief Executive Officer	February 2016
Jim Rudyk ⁽⁴⁾	Former Chief Financial Officer	January 2016
Almira Cuizon ⁽⁵⁾	Former Vice President, Retail Operations	December 2016
Nancy Lepler ⁽⁶⁾	Former Chief Merchandising Officer	April 2019

Notes:

- (1) Meghan Roach was appointed as Interim Chief Executive Officer of Roots on January 3, 2020 following the departure of Jim Gabel. The Board determined that engaging Ms. Roach to serve as Interim Chief Executive Officer on a temporary secondment basis from Searchlight (where Ms. Roach was serving as a managing director) was the best option for the Company in the circumstances. Prior to Ms. Roach's appointment as Interim Chief Executive Officer, she served as Interim Chief Financial Officer of Roots from August 6, 2019 to January 6, 2020 following the resignation of Jim Rudyk. On May 25, 2020, the Board appointed Ms. Roach as the permanent President & Chief Executive Officer. See “Employment Agreements, Termination and Change of Control Benefits”.
- (2) Prior to his promotion in November 2018, Mr. Connell served as the Vice President, eCommerce and Marketing of Roots since 2011.
- (3) Jim Gabel left Roots on January 3, 2020.

- (4) Jim Rudyk left Roots on August 9, 2019.
- (5) Almira Cuizon left Roots on October 11, 2019.
- (6) Nancy Lepler left Roots on December 5, 2019.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

We operate in a highly competitive and evolving market. To succeed in this market and achieve our strategic business and financial objectives, we need to attract, retain and motivate a highly talented executive team. Our executive compensation program is designed to achieve the following objectives:

- provide compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to our success;
- motivate our executive team to achieve our strategic business and financial objectives;
- align the interests of our executive officers with those of our Shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of our business; and
- provide incentives that encourage appropriate levels of risk-taking by our executive team.

We offer our executive officers short-term compensation in the form of base salary and an annual bonus, and long-term incentives which, prior to completion of the IPO, was awarded in the form of stock options under the Legacy Equity Incentive Plan or the Legacy Employee Option Plan (each as defined below). Following completion of the IPO, we have and expect to continue to grant to our executive officers long-term incentives consisting of stock options, PSUs and/or RSUs under the Omnibus Plan. We believe that these equity-based compensation awards motivate our executive officers to achieve our strategic business and financial objectives, and also align their interests with the long-term interests of our Shareholders.

While we have determined that our current executive officer compensation program is effective at attracting and maintaining executive officer talent, we evaluate our compensation philosophy and compensation program on an ongoing basis and plan to continue to review the compensation of our executive team on an annual basis to ensure that we are providing competitive compensation opportunities. As part of this review process, we expect to be guided by the philosophy and objectives outlined above, as well as by other factors which may become relevant, such as the cost to us if we were required to find a replacement for a key employee.

Compensation-Setting Process

The GCN Committee is responsible for assisting our Board in fulfilling its governance and supervisory responsibilities, and overseeing our human resources, succession planning, and compensation policies, processes and practices. The GCN Committee is also responsible for ensuring that our compensation policies and practices provide an appropriate balance of risk and reward consistent with our risk profile.

Our Board has adopted a written charter for the GCN Committee setting out its responsibilities for administering our compensation programs and reviewing and making recommendations to our Board concerning the level and nature of the compensation payable to our directors and executive officers. The GCN Committee's oversight includes reviewing objectives, evaluating performance and ensuring that total compensation paid to our executive officers, personnel who report directly to our CEO and various other key officers and managers is fair, reasonable and consistent with the objectives and philosophy of our compensation program. See also "Our Approach to Corporate Governance – Committees of our Board – Governance, Compensation and Nominating Committee."

Our CEO makes recommendations to the GCN Committee each year with respect to the compensation for the other NEOs.

The GCN Committee meets annually to review the compensation program and make recommendations for any changes to the Board, as appropriate. During Fiscal 2019, the GCN Committee recommended to the Board that, in light of weaker financial performance, it should temporarily freeze salary increases in respect of our executive officers and other senior management leaders. The freeze was approved by the Board and made effective in respect of Fiscal 2019. In addition, the GCN Committee increased the annual bonus target for certain of the executive officers and changed the method by which short-term incentive targets for certain of our executive officers is measured.

As part of the GCN Committee's annual review of the compensation program, the committee may engage an independent compensation consultant to evaluate the Company's executive compensation program against market practice. In fiscal 2017, the Company hired Willis Towers Watson ("WTW"), an independent compensation consultant, to assist with the development of a compensation framework for Fiscal 2018 and beyond. WTW's mandate was to provide independent advice to the GCN Committee on executive compensation matters, including identifying an applicable compensation comparator group (see "Use of Market Data" below), benchmarking executive compensation, reviewing short-term and long-term incentive plan design vehicles and metrics, assessing compensation risk and compensation governance. WTW provided periodic advice to the GCN Committee with respect to such compensation matters and in response to other GCN Committee requests. At the end of Fiscal 2019, the GCN Committee retained the services of WTW to help the Company determine the appropriate compensation levels and framework in respect of the temporary appointment of an Interim Chief Executive Officer. WTW did not provide any other services to the Company, our directors or management and the Company did not retain any other compensation consultants in Fiscal 2018 or Fiscal 2019.

The fees billed by WTW during Fiscal 2018 and Fiscal 2019 are provided in the table below:

	Fiscal 2019	Fiscal 2018
Executive Compensation-Related Fees ⁽¹⁾	\$6,235.35	\$—
All Other Fees ⁽²⁾	\$—	\$—
Total Fees	<u>\$6,235.35</u>	<u>\$—</u>

Notes:

- (1) Represents the aggregate fees billed by WTW for services related to determining compensation for any of the Company's directors and executive officers. Does not include fees billed by WTW in respect of services performed to determine the appropriate compensation levels and framework in respect of the temporary appointment of an Interim Chief Executive Officer, as such services were completed and fees in respect thereof were billed in fiscal 2020.
- (2) Represents the aggregate fees billed for all other services provided by WTW that are not reported under "Executive Compensation-Related Fees".

RISK AND EXECUTIVE COMPENSATION

In reviewing our compensation policies and practices each year, the GCN Committee seeks to ensure that our executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The GCN Committee also seeks to ensure that the Company's compensation practices do not encourage excessive risk-taking behaviour by our executive team.

There are a number of features of our executive compensation program that we believe help ensure an appropriate level of risk taking:

- Effective goal-setting process designed around realistic mid-term goals that are challenging but not excessive;
- The use of at-risk pay and share ownership guidelines for non-interim executive officers which encourages our executive officers to think like Shareholders and make decisions that drive the long-term sustainable success of Roots, consistent with our strategic business and financial objectives;
- Our clawback policy which allows for recoupment of incentive awards granted to executive officers;
- Maximum annual bonus opportunities are capped to ensure that short-term risks are aligned with

our risk profile and long-term value creation; and

- Our anti-hedging policy that prohibits equity participants from entering into certain types of hedging or equity monetization transactions, where individuals benefit from volatility (and potentially drops) in the price of our Shares.

The Board's most recent review of the compensation framework determined that we have a responsible and effective approach to risk management and compensation governance and concluded that all compensation plans are well balanced and do not encourage excessive risk-taking behaviour. The risk assessment will be conducted on a regular basis.

GOVERNANCE POLICIES

The Board has established a number of policies which we believe are in the best interests of our Shareholders. The policies are also widely observed in the market among other listed companies.

Share Ownership Guidelines

Our executive officers, including the NEOs, are expected to maintain a significant equity investment in Roots to align their interests with those of our Shareholders, and mitigate against the likelihood of inappropriate risk-taking.

The share ownership guidelines define a minimum equity ownership level based on a multiple of base salary in accordance with the executive officer's level of seniority. Executive officers are expected to meet the prescribed ownership levels within five years of October 25, 2017 (the closing of our IPO), or the date of their appointment to an executive position, whichever is later.

In assessing progress towards the guideline, Shares that are beneficially owned along with the value of RSUs will be counted.

The following table shows the share ownership guidelines that apply to our current NEOs as at June 17, 2020:

Level	Named Executive Officer	Share Ownership Guideline (% salary)	Date at which Share Ownership Guideline is to be met	Has Share Ownership Guideline been met?
President & Chief Executive Officer	Meghan Roach	400%	May 25, 2025	In Progress
Chief Financial Officer	Mona Kennedy	200%	January 6, 2025	In Progress
Chief eCommerce and Customer Experience Officer	James Connell	100%	October 25, 2022	In Progress

Trading Restrictions

Roots has a comprehensive insider trading policy which applies to all of our directors and employees, including our executive officers. The policy:

- prohibits trading in our securities while in possession of material undisclosed information about the Company; and
- prohibits individuals from entering into certain types of hedging transactions involving the securities of the Company, such as short sales, puts and calls.

In addition, our executive officers, including the NEOs, are only permitted to trade in the Company's securities, including the exercise of stock options, during prescribed trading windows.

Clawback Policy

Roots has a clawback policy which applies to incentive awards made to executive officers, including the NEOs.

The Board has defined a number of reasons for which it may pursue a clawback of an executive officer's incentive awards. Under our clawback policy, a clawback may be triggered if an executive officer:

- engages in misconduct that results in the need to restate our financial statements, where the individual received an award calculated on the achievement of those financial statements and the award received would have been lower had the financial statements been properly reported;
- commits a material breach of our Code of Conduct;
- engages in gross negligence, fraud, theft, dishonesty or willful misconduct; or
- is convicted of a criminal offence or certain statutory offences.

The clawback policy requires that when a clawback is triggered, the executive officer must repay all of the incentive payments received over a specified period preceding the triggering event. The GCN Committee will continue to keep this policy under review as part of its regular risk review.

USE OF MARKET DATA

We operate in a highly competitive and evolving market. As a result, it is important to regularly assess the market competitiveness of our executive compensation program in order to attract and retain a highly talented executive team. The compensation levels, compensation mix, incentive design and pay range opportunities are reviewed annually by the GCN Committee in order to ensure alignment with market practice and our overall business strategy.

When assessing compensation levels, multiple reference points are used. The primary reference for the NEOs is our *North American Proxy Peer Group*, which is described below, though a specific percentile is not targeted. There are many factors that are taken into account when determining compensation, including:

- each executive officer's knowledge, skills and performance;
- motivating executive officers to achieve our strategic business and financial objectives;
- aligning the interest of the executive officers to those of our Shareholders; and
- providing incentives that encourage appropriate levels of risk-taking.

As a result of the limited number of autonomous Canadian public companies in our industry, a broader *North American Proxy Peer Group* was developed. This peer group is comprised of approximately two-thirds Canadian and one-third U.S. retail companies, with similar financial scope and a strong consumer brand. The following criteria were applied when selecting this peer group:

- **Geography:** Canada and the United States
- **Ownership Structure:** Publicly-traded
- **Industry:** Similar retail / consumer-related industries (e.g. textiles, apparel & luxury goods, specialty stores, apparel retail)
- **Similar financial scope:** revenue, profitability and market capitalization
- **Strong consumer brand**
- **Companies with retail stores who sell their own brand**
- **North American / international operations**

The following companies are included in the *North American Proxy Peer Group*, which did not change from Fiscal 2018:

NORTH AMERICAN PROXY PEER GROUP		
Canadian Peers (n = 7)	Aritzia Inc.	Lululemon Athletica Inc.
	Canada Goose Holdings Inc.	Reitmans (Canada) Ltd.
	DAVIDs TEA Inc.	Sleep Country Canada Holdings Inc.
	Indigo Books & Music Inc.	
U.S. Peers (n = 4)	Duluth Holdings Inc.	Perry Ellis International, Inc.
	J.Jill, Inc.	Tilly's, Inc.

We also reviewed industry specific data and Canadian and United States retail data obtained from various surveys.

COMPONENTS OF COMPENSATION

The compensation of our executive officers includes three major elements: (i) base salary; (ii) short-term incentives, consisting of an annual bonus; and (iii) long-term equity incentives, consisting of stock options, PSUs and/or RSUs granted from time to time under the Omnibus Plan. Perquisites and benefits do not comprise a significant element of compensation for our executive officers.

Meghan Roach was appointed as Interim Chief Executive Officer of Roots effective January 3, 2020, and also served as the Interim Chief Financial Officer of Roots from August 6, 2019 to January 6, 2020, in each case pursuant to a secondment agreement between Roots, Ms. Roach and her employer, Searchlight. Ms. Roach did not receive any compensation from Roots for services provided by her to Roots in respect thereof. On May 25, 2020, the Board appointed Ms. Roach as the permanent President & Chief Executive Officer of Roots. See "Employment Agreements, Termination and Change of Control Benefits".

Base Salaries

Base salary is provided as a fixed source of compensation for our executive officers. Base salaries are determined on an individual basis taking into account the scope of the executive officer's responsibilities and their prior experience. Base salaries are reviewed annually by the Board and may be increased based on the executive officer's success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. In addition, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

Annual Bonuses

Annual bonuses are designed to motivate our executive officers to meet our short-term strategic business and financial objectives generally and our annual financial performance targets in particular. Annual bonus targets are set as a percentage of the relevant executive officer's base salary, which varies based on his or her position (ranging between 40% to 80% of base salary). Individual annual bonus payouts will be higher or lower than the target amount depending on the level of achievement of the applicable performance targets and it is possible for no annual bonus to payable to a NEO in respect of a particular year. We currently make annual bonus payments in cash and anticipate continuing to do so in the future. Bonus payments are determined by the Board on the recommendation of the GCN Committee. Our Chief Executive Officer makes recommendations to the GCN Committee each year with respect to annual bonuses for the other NEOs.

Named Executive Officer	Fiscal 2019 Target Bonus (% base salary)
Meghan Roach	N/A
Mona Kennedy	N/A
James Connell	60%
Jim Gabel	80%
Jim Rudyk	75%
Almira Cuizon	40%
Nancy Lepler	60%

KEY FEATURES OF FISCAL 2019 BONUS

- Target: 40% - 80% of base salary
- Maximum payout: 150% of target
- Measures: Revenue, Adjusted EBITDA and Individual Performance
- Payments relating to Adjusted EBITDA and Revenue applied separately
- Paid in cash
- Subject to clawback

For all executive officers, the Board established individual performance goals. As Jim Gabel and Jim Rudyk left Roots prior to the end of Fiscal 2019, their bonuses in respect of Fiscal 2019 were determined based on their respective entitlements set out in their respective employment agreement. Pursuant to the terms of Meghan Roach's secondment arrangements with Roots, and due to the temporary nature of her interim appointments, Ms. Roach was not entitled to receive a bonus in respect of Fiscal 2019 in her roles as Interim Chief Financial Officer (from August 6, 2019 to January 6, 2020) or Interim Chief Executive Officer (from January 3, 2020 to February 1, 2020). See "Employment Agreements, Termination and Change of Control Benefits" below. As Mona Kennedy was appointed as Chief Financial Officer near the end of Fiscal 2019, she was not entitled to receive a bonus in respect of Fiscal 2019. Given the unprecedented circumstances created by the COVID-19 pandemic, along with other cost-saving measures, Roots decided to temporarily reduce the base salaries of each of its executive officers by 25% and not pay annual bonuses in respect of Fiscal 2019. As such, James Connell will not receive any bonus in respect of Fiscal 2019.

See "Summary Compensation Table" and "— Executive Compensation Changes for Fiscal 2020".

LONG-TERM INCENTIVE PLANS

Omnibus Equity Incentive Plan

In connection with the IPO, we established the Omnibus Plan. The Omnibus Plan provides eligible participants with compensation opportunities that encourages ownership of our Shares, enhances our ability to attract, retain and motivate our executive officers and other key management and incentivizes them to increase the long-term growth and equity value of our Company in alignment with the interests of our Shareholders. The material features of the Omnibus Plan are summarized below.

Administration and Eligibility

The Omnibus Plan is administered by our Board, provided that the Board may, in its discretion, delegate its administrative powers under the Omnibus Plan to the GCN Committee. Employees of the Company and its designated affiliates are eligible to participate in the Omnibus Plan. Non-employee directors are not eligible to participate in the Omnibus Plan.

Shares Subject to the Omnibus Plan and Participation Limits

The maximum number of Shares that are available for issuance under the Omnibus Plan is 1,679,220, which represents approximately 4.0% of the issued and outstanding Shares as at February 1, 2020. Subject to Shareholders passing the Omnibus Plan Resolution at the Meeting, the maximum number of Shares available for issuance under the Omnibus Plan will increase to 3,679,220, representing approximately 8.7% of the issued and outstanding Shares as of February 1, 2020.

Shares underlying Options that have expired or have been cancelled will become available for subsequent issuance under the Omnibus Plan. Shares underlying RSUs, PSUs and Dividend Share Units (as defined below) that have expired or have been cancelled or settled in cash or without issuing Shares from treasury will become available for subsequent issuance under the Omnibus Plan.

As at February 1, 2020, 533,367 Options and 172,015 RSUs have been granted under the Omnibus Plan (net of cancelled awards) representing approximately 1.7% of the issued and outstanding Shares as of that date, and 973,838 Shares remain available for future issuance under the Omnibus Plan, representing approximately 2.3% of the issued and outstanding Shares as of that date. As of June 17, 2020, 1,514,810 Options and 161,170 RSUs have been granted under the Omnibus Plan (net of cancelled awards) representing approximately 4.0% of the issued and outstanding Shares as of that date, and 3,240 Shares remain available for future issuance under the Omnibus Plan, representing approximately 0.01% of the issued and outstanding Shares as of that date. If the Shareholders pass the Omnibus Plan Resolution at the Meeting, the number of Shares that will remain available for future grant under the Omnibus Plan would be 2,003,240, which represents approximately 4.7% of the issued and outstanding Shares as of June 17, 2020. No PSUs have been granted under the Omnibus Plan to date.

No more than 5% of the outstanding Shares may be issued under the Omnibus Plan or pursuant to any other security-based compensation arrangements of the Company to any one person. The number of Shares that may be (i) issued to insiders of the Company within any one-year period, or (ii) issuable to insiders of the Company at any time, in each case, under the Omnibus Plan alone, or when combined with all of the Company's other security-based compensation arrangements, cannot exceed 10% of the outstanding Shares.

Options

The exercise price for Options will be determined by our Board, which may not be less than the fair market value of a Share (being the closing price of a Share on the TSX on the last trading day immediately prior to the applicable date (the "**Market Value**")) on the date the Option is granted. Options will vest in accordance with the vesting schedule established on the grant date.

Options must be exercised within a period fixed by our Board that may not exceed 10 years from the date of grant, provided that if the expiry date falls during or within 10 business days immediately following a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period. The Omnibus Plan also provides for earlier expiration of Options upon the occurrence of certain events, including the termination of a participant's employment.

In order to facilitate the payment of the exercise price of the Options, the Omnibus Plan has a cashless exercise feature (with a full deduction from the number of Shares available for issuance under the Omnibus Plan). The participant may elect to receive (i) an amount in cash equal to the cash proceeds realized upon the sale of the Shares underlying the Options by a securities dealer in the capital markets, minus the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer, (ii) a number of Shares that is equal to the number of Shares underlying the unexercised Options, minus the number of Shares sold by a securities dealer in the capital markets as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer, or (iii) a combination of (i) and (ii).

RSUs and PSUs

An RSU is a right to acquire a Share or a cash payment equal to the Market Value thereof that generally becomes vested, if at all, following a period of continuous employment. PSUs are similar to RSUs, but their vesting is, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the Board.

The terms and conditions of grants of RSUs or PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to the awards, will be set out in the participant's grant agreement.

In the case of PSUs, the performance-related vesting conditions may include financial or operational performance of the Company, total shareholder return, individual performance criteria or other criteria as determined by our Board, which will be measured over a specified period.

Subject to the achievement of the applicable vesting conditions, on the settlement date of an RSU or PSU, the Company will either (i) issue from treasury the number of Shares covered by the RSUs or PSUs and related Dividend Share Units, or (ii) deliver to the participant an amount in cash that is equal to the number of Shares underlying the RSUs or PSUs and related Dividend Share Units, minus any applicable withholding taxes, multiplied by the Market Value as at the settlement date.

Dividend Share Units

When dividends (other than share dividends) are paid on Shares, additional share units ("**Dividend Share Units**") will be automatically granted to each participant who holds RSUs or PSUs on the record date for such dividends. This treatment does not apply to Options. The number of Dividend Share Units to be granted to a participant is equal to the aggregate number of RSUs and PSUs held by the participant on the relevant record date multiplied by the amount of the dividend paid by the Company on each Share, and then divided by the Market Value of the Shares on the dividend payment date. Dividend Share Units granted to a participant will be subject to the same vesting conditions applicable to the related RSUs or PSUs.

Termination of Employment

Unless otherwise determined by our Board, upon a participant's resignation or termination of employment without cause, all rights, title and interest in awards granted to the participant under the Omnibus Plan that are unvested on the termination date will be forfeited. Options that have vested as of the termination date may be exercised until the earlier of (i) 30 days after the termination date (in the event of a resignation) or 90 days after the termination date (in the event of a termination without cause), and (ii) the expiry date of the Options, after which time all remaining vested Options will expire.

Unless otherwise determined by our Board, upon termination of a participant's employment for cause, all rights, title and interest in awards granted to the participant under the Omnibus Plan, whether vested or unvested on the termination date, will be forfeited.

Unless otherwise determined by our Board, upon a participant's termination of employment as a result of death, retirement or disability, all rights, title and interest in Options granted to the participant under the Omnibus Plan which are unvested on the date of death, retirement or disability, as applicable, will be forfeited. Options that have vested as of the date of death, retirement or disability, as applicable, may be exercised until the earlier of 12 months after the date of death, retirement or disability, as applicable, and the expiry date of the Options, after which time all Options will expire.

Unless otherwise determined by our Board, upon a participant's termination of employment as a result of death, retirement or disability, a pro rata portion of the participant's unvested RSUs and PSUs will vest and be settled (assuming target performance was achieved in respect of PSUs).

Change of Control

Unless otherwise determined by our Board, if a participant's employment is terminated without cause or the participant resigns with good reason, in each case, within 12 months following a change of control of the Company, all RSUs and PSUs granted to the participant under the Omnibus Plan will immediately vest and be settled (based on the performance achieved up to the termination date in respect of PSUs) and all Options will immediately vest and be exercisable until the earlier of 12 months after the termination date and the expiry date of the Options, after which time all Options will expire.

In the event of a change of control of the Company, our Board has the authority to take all necessary steps to ensure the preservation of the economic interests of the participants in, and to prevent the dilution or enlargement of, any awards granted under the Omnibus Plan, including ensuring that the Company or any

entity which is or would be the successor to the Company or which may issue securities in exchange for the Shares upon the change of control will assume each outstanding award, or provide each participant with new, replacement or amended awards which will continue to vest following the change of control on similar terms and conditions as provided in the Omnibus Plan, failing which all outstanding awards will vest and be settled (having regard to the performance achieved prior to the change of control in respect of PSUs) or be exercisable, as applicable, prior to the date on which the change of control is consummated.

Adjustments

In the event of any share dividend, share split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the capital of the Company affecting Shares (collectively, "**Adjustment Events**"), our Board will make such proportionate adjustments, if any, as it deems appropriate to reflect such change with respect to the number or kind of securities subject to outstanding awards under the Omnibus Plan, the exercise price of outstanding Options and the number of RSUs or PSUs granted to a participant, in order to preserve the proportion of the rights and obligations of the participants under the Omnibus Plan.

Amendment or Discontinuance

Our Board may amend, suspend or terminate the Omnibus Plan, or any portion thereof, subject to applicable law and stock exchange rules that requires the approval of shareholders or any governmental or regulatory body, provided that no such action may be taken that adversely alters or impairs any rights of a participant under any award previously granted by the Company without the consent of such affected participant.

Notwithstanding the above, our Board will be able to make certain amendments to the Omnibus Plan or to any award outstanding thereunder without seeking shareholder approval, including housekeeping amendments, amendments to comply with applicable law or stock exchange rules, amendments to reduce or restrict participation or amendments to the vesting, termination or early termination provisions of the Omnibus Plan. However, the following types of amendments will not be able to be made without obtaining shareholder approval:

- increasing the number of Shares reserved for issuance under the Omnibus Plan;
- increasing the length of the period after a blackout period during which Options may be exercised;
- permitting the participation of non-employee directors in the Omnibus Plan;
- removing or exceeding the insider participation limit;
- reducing the exercise price of an Option, except pursuant to an Adjustment Event;
- extending the expiry date of an award, except for an automatic extension of an award that expires during or shortly following a blackout period;
- permitting awards to be transferred or assigned other than for normal estate settlement purposes;
or
- amending the amendment provision under the Omnibus Plan.

Assignment

Except as required by law, the rights of a participant under the Omnibus Plan are not transferable or assignable.

Burn Rate

The following table provides the number of Options and RSUs granted under the Omnibus Plan for Fiscal 2019, Fiscal 2018 and Fiscal 2017, expressed as a percentage of the weighted average number of Shares outstanding during the applicable fiscal year ("**Burn Rate**").

FISCAL YEAR	NUMBER OF OPTIONS AND RSUS GRANTED	WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	BURN RATE
Fiscal 2019	1,051,418	42,122,962	2.50%
Fiscal 2018	178,578	42,057,881	0.42%
Fiscal 2017	300,649	41,980,500	0.72%

Legacy Equity Incentive Plan

Our Legacy Equity Incentive Plan is a part of a legacy compensation program pursuant to which four former executive officers and one current director of the Company were granted time-based stock options or performance-based stock options to purchase shares in the capital of the Company and/or RSUs that provide rights to acquire shares in the capital of the Company, which generally become vested subject to the attainment of time vesting conditions and the satisfaction of other conditions to vesting as determined by the plan administrator. No additional awards will be made under the Legacy Equity Incentive Plan, but stock options and RSUs previously granted under the plan remain outstanding in accordance with their terms and continue to be governed by the provisions of the Legacy Equity Incentive Plan.

As at February 1, 2020, there were outstanding under the Legacy Equity Incentive Plan stock options to purchase an aggregate of 220,931 Shares held by one participant, which represents approximately 0.52% of the issued and outstanding Shares on such date, and 15,985 RSUs outstanding held by one participant, which represents approximately 0.04% of the issued and outstanding Shares on such date. The Burn Rate for the Legacy Equity Incentive Plan in Fiscal 2017 was 0.03%.

Time based stock options granted under the Legacy Equity Incentive Plan generally vest as to 20% on each anniversary of the applicable grant date. Any stock option that is not vested on a participant's death, disability, retirement, voluntary resignation or termination by the Company (with or without cause), is forfeited and cancelled and may not be exercised. If a participant is terminated with cause, such participant's stock options, whether or not vested, will be immediately forfeited and cancelled and may not be exercised. Subject to earlier expiration in connection with a termination of employment as provided for under the Legacy Equity Incentive Plan, stock options granted thereunder have a ten-year term. In order to facilitate the payment of the exercise price of the stock options, the Legacy Equity Incentive Plan has a cashless exercise feature. In addition to exercising vested stock options for Shares under the Legacy Equity Incentive Plan, a participant may elect to receive (i) an amount in cash per stock option equal to the cash proceeds realized upon the sale of Shares by a securities dealer in the capital markets, less the applicable exercise price and any applicable withholding taxes, (ii) an aggregate number of Shares that is equal to the number of Shares underlying the vested stock options minus the number of Shares sold by a securities dealer in the capital markets as required to realize cash proceeds equal to the applicable exercise price and any applicable withholding taxes, or (iii) a combination of (i) and (ii). The transfer cost incurred to sell the Shares will be deducted from the net proceeds payable to the participant.

None of the NEOs currently have any outstanding RSUs under the Legacy Equity Incentive Plan.

Legacy Employee Option Plan

Our Legacy Employee Option Plan is a part of a legacy compensation program pursuant to which certain employees of the Company were granted stock options to purchase shares in the capital of the Company. No additional awards will be made under the Legacy Employee Option Plan, but stock options previously granted under the plan remain outstanding in accordance with their terms and continue to be governed by the provisions of the Legacy Employee Option Plan.

As at February 1, 2020, there were outstanding under the Legacy Employee Option Plan stock options to purchase an aggregate of 444,439 Shares, which represents approximately 1.06% of the issued and outstanding Shares on such date. The Burn Rate for the Legacy Employee Option Plan in Fiscal 2017 was 1.2%.

Stock options granted under the Legacy Employee Option Plan generally vest as to 1/3 on each of the first, second and third anniversaries of the completion of the IPO. Any stock option that is not vested as of a participant's death, disability, retirement, voluntary resignation or termination by the Company (with or without cause), is forfeited and cancelled and may not be exercised. If a participant is terminated with cause, such participant's stock options, whether or not vested, will be immediately forfeited and cancelled and may not be exercised.

Subject to earlier expiration in connection with a termination of employment as provided for under the Legacy Employee Option Plan, the stock options granted thereunder generally expire eleven years after the grant date. In addition to exercising vested stock options for Shares under the Legacy Employee Option Plan, a participant may elect to receive (i) an amount in cash per stock option equal to the cash proceeds realized upon the sale of Shares by a securities dealer in the capital markets, less the applicable exercise price and any applicable withholding taxes, (ii) an aggregate number of Shares that is equal to the number of Shares underlying the vested stock options minus the number of Shares sold by a securities dealer in the capital markets as required to realize cash proceeds equal to the applicable exercise price and any applicable withholding taxes, or (iii) a combination of (i) and (ii). The transfer cost incurred to sell the Shares will be deducted from the net proceeds payable to the participant.

Benefit Plans

We provide our executive officers with life, disability, health and dental insurance programs and paid time off on the same basis as other employees. We offer these benefits consistent with local market practice.

Perquisites

We generally do not offer significant perquisites as part of our compensation program, unless otherwise described below under “– Employment Agreements, Termination and Change of Control Benefits”.

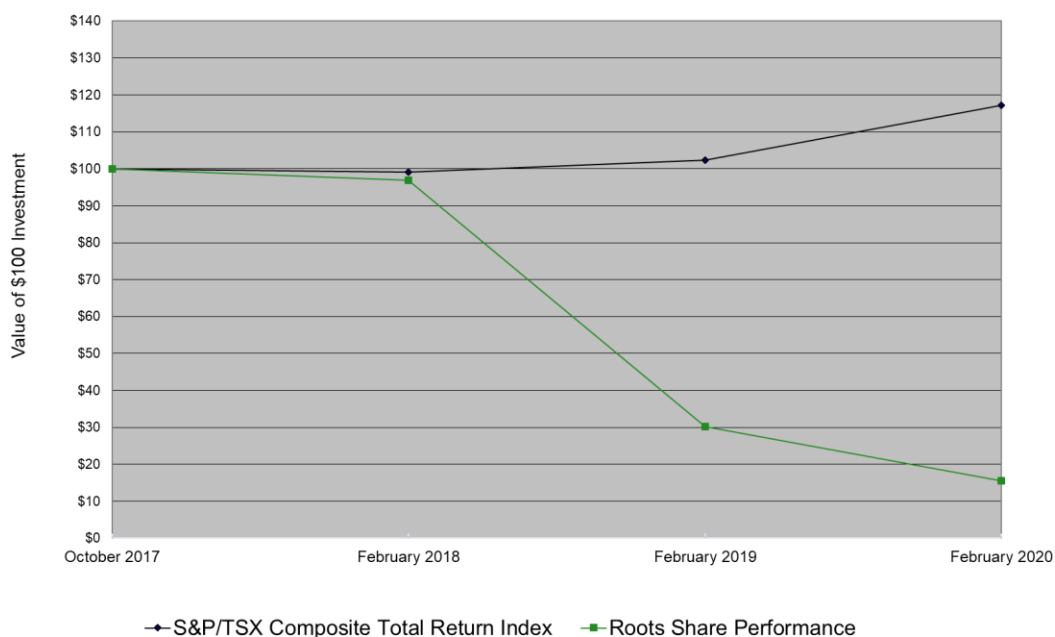
Executive Compensation Changes for Fiscal 2020

Given the unprecedented circumstances created by the COVID-19 pandemic, along with other cost-saving measures, Roots decided to temporarily reduce the base salaries of each of its executive officers by 25%. In addition, in connection with Ms. Roach's appointment to President & Chief Executive Officer, Ms. Roach has agreed to forego her base salary and any bonus payments in respect of fiscal 2020, except for minimum wages required solely for statutory compliance purposes under the *Employment Standards Act, 2000* (Ontario), from the effective date of her appointment to December 31, 2020. In connection with Ms. Roach appointment as President & Chief Executive Officer during fiscal 2020, Ms. Roach received a one-time grant of 421,500 stock options, which will vest fully over three (3) years: 1/3 on each of the first, second and third anniversaries of the grant date. See “– Employment Agreements, Termination and Change of Control Benefits”.

PERFORMANCE GRAPH

The following graph compares the Company's cumulative total shareholder return to the S&P/TSX Composite Total Return Index, assuming reinvestment of any dividends and considering a \$100 investment on October 25, 2017, being the date of the IPO. The S&P/TSX Composite Total Return Index tracks the share prices of the largest companies on the TSX measured by market capitalization. Stocks included in this index cover all sectors of the economy and are not significantly weighted in the retail or any other comparable industry and are therefore not directly comparable to Roots.

Cumulative Total Shareholder Return
October 25, 2017 to February 1, 2020



During the period covered by the performance graph, our Shares have both outperformed and underperformed the S&P/TSX Composite Total Return Index. However, throughout Fiscal 2018 and Fiscal 2019, our Shares largely underperformed the S&P/TSX Composite Total Return Index.

Executive officer compensation is not strongly correlated to Shareholder returns in the short term, in part because equity-based incentives are calculated at the time of grant using grant date fair values, which do not reflect the actual value of compensation received when such incentives vest or are settled. In the longer term, executive officer compensation is directly impacted by the Company's Share price performance.

Fiscal 2018 represented our first full fiscal year as a public company. As such, there is limited history of our Shares trading on the TSX, and it may not be possible to draw conclusions from the existing trends. Aside from base salaries, our compensation program is designed to include short-term incentives that align with the near-term targets of the business as well as long-term incentives that are tied to successful execution against our long-term growth strategy.

SUMMARY COMPENSATION TABLE

The table below shows the compensation paid to the NEOs in respect of the Company's three most recently completed fiscal years:

Name and Principal Position	Fiscal Year	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Non-Equity Incentive Plan Compensation		All Other Compensation ⁽³⁾	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans		
Meghan Roach <i>President & Chief Executive Officer⁽⁴⁾</i>	2019	—	—	—	—	—	—	—
Mona Kennedy <i>Chief Financial Officer⁽⁵⁾</i>	2019	\$23,461 ⁽⁶⁾	—	—	—	—	\$60,000 ⁽⁶⁾	\$83,461
James Connell <i>Chief eCommerce and Customer Experience Officer</i>	2019	\$253,051	\$50,607	\$168,612	—	—	—	\$472,270
	2018	\$253,051	\$25,297	\$25,302	\$56,943	—	—	\$360,593
	2017	\$244,494	—	\$341,833	\$123,854	—	—	\$710,181
Jim Gabel <i>Former President & Chief Executive Officer⁽⁷⁾</i>	2019	\$487,250	\$158,351	\$157,910	—	—	\$658,492	\$1,462,003
	2018	\$527,850	\$79,174	\$79,177	\$202,721	—	—	\$888,922
	2017	\$510,000	—	\$515,470	\$455,007	—	—	\$1,480,477
Jim Rudyk <i>Former Chief Financial Officer⁽⁸⁾</i>	2019	\$255,098	\$78,028	\$77,810	—	—	—	\$410,936
	2018	\$390,150	\$39,012	\$39,014	\$164,613	—	—	\$632,789
	2017	\$382,500	—	\$257,733	\$365,630	—	—	\$1,005,863
Almira Cuizon <i>Former Vice President, Retail Operations⁽⁹⁾</i>	2019	\$180,317	\$49,348	\$49,211	—	—	—	\$278,876
	2018	\$246,750	\$24,672	\$24,672	\$55,525	—	—	\$351,619
	2017	\$235,000	—	\$56,699	\$119,045	—	—	\$410,744
Nancy Lepler <i>Former Chief Merchandising Officer⁽¹⁰⁾</i>	2019	\$144,230	\$74,997	\$160,357	—	—	\$150,392	\$529,976

Notes:

- (1) With the exception of Mona Kennedy, the value of share-based awards, comprised of RSUs only, is calculated based on the closing price per Share of \$4.51, the closing price on the date before the RSUs were granted on April 5, 2019 in respect of Fiscal 2019, and \$12.77, the closing price on the date before the RSUs were granted on April 23, 2018 in respect of Fiscal 2018. The value of share-based awards, comprised of RSUs only, granted to Ms. Kennedy, is calculated based on the closing price per Share of \$3.28, the closing price on the date before the RSUs were granted on June 17, 2019.
- (2) Reflects the grant date fair value of stock options that were granted in Fiscal 2019, Fiscal 2018 and Fiscal 2017 (determined in accordance with the Black-Scholes valuation model). For Fiscal 2019: the Black-Scholes valuation used the following assumptions: expected volatility (33.0% - 34.1%); risk-free interest rate (1.34% - 1.60%); and expected term (5.5 years - 6.5 years). For additional details, see our consolidated financial statements for Fiscal 2019. See "Additional Information". For Fiscal 2018: the Black-Scholes valuation used the following assumptions: expected volatility (27.0% - 32.5%); risk-free interest rate (2.21% - 2.27%); and expected term (6 years - 6.5 years). For additional details, see our consolidated financial statements for Fiscal 2018. See "Additional Information". For Fiscal 2017: the Black-Scholes valuation used the following assumptions: expected volatility (31.0% - 40.0%); risk-free interest rate (1.36% - 2.08%); and expected term (4.5 years - 10.5 years). For additional details, see our consolidated financial statements for Fiscal 2017. See "Additional Information".
- (3) None of the NEOs are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their base salary.
- (4) Meghan Roach was appointed as Interim Chief Executive Officer of Roots effective January 3, 2020, and also served as the Interim Chief Financial Officer of Roots from August 6, 2019 to January 6, 2020, in each case pursuant to a secondment agreement between Roots, Ms. Roach and her employer, Searchlight. Ms. Roach did not receive any compensation from Roots for services provided by her to Roots in respect thereof. On May 25, 2020, the Board appointed Ms. Roach as the permanent President & Chief Executive Officer of Roots. See "Employment Agreements, Termination and Change of Control Benefits".
- (5) Mona Kennedy was appointed Chief Financial Officer of the Company effective January 6, 2020. Accordingly, compensation paid or payable to Ms. Kennedy in respect of Fiscal 2019 reflects Ms. Kennedy's actual compensation earned or received from January 6, 2020 to February 1, 2020.
- (6) On an annualized basis, Ms. Kennedy's salary is \$305,000. Amount provided under the "All Other Compensation" column reflects a one-time signing bonus awarded to Ms. Kennedy in connection with her appointment to Chief Financial Officer.
- (7) Jim Gabel left Roots effective January 3, 2020. Amounts provided under the "All Other Compensation" column reflect Mr. Gabel's severance and benefits entitlements payable in connection with his departure. See "Employment Agreements, Termination and Change of Control Benefits".
- (8) Jim Rudyk left Roots effective August 9, 2019.
- (9) Almira Cuizon left Roots effective October 11, 2019.
- (10) Nancy Lepler left Roots effective December 5, 2019. Amounts provided under the "All Other Compensation" column reflect the payment of certain relocation expenses.

Termination and Change of Control Benefits

For a summary of the termination and change of control benefits provided under each long-term incentive plan, please refer to the section “– Components of Compensation – Long-Term Incentive Plans” above. For a summary of the termination benefits provided under the NEOs’ employment agreements, please refer to the section “Employment Agreements, Termination and Change of Control Benefits” below.

Securities Authorized for Issuance Under Equity Compensation Plans

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS AND RIGHTS ⁽¹⁾⁽²⁾	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS ⁽¹⁾⁽²⁾	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE ⁽¹⁾⁽²⁾
Equity compensation plans previously approved by Shareholders	Stock Options: 1,198,737 RSUs: 183,780	Stock Options: \$5.92 RSUs: N/A	973,838
Equity compensation plans not previously approved by Shareholders	N/A	N/A	N/A
Total	Stock Options and RSUs: 1,198,737	Stock Options: \$5.92 RSUs: N/A	973,838

Notes:

- (1) As at February 1, 2020.
- (2) Includes (i) Options and RSUs under the Omnibus Plan, and (ii) stock options and RSUs under the Legacy Equity Incentive Plan and Legacy Employee Option Plan.

EMPLOYMENT AGREEMENTS, TERMINATION AND CHANGE OF CONTROL BENEFITS

We have written employment agreements with each of our NEOs and each executive is entitled to receive compensation established by us as well as other benefits in accordance with plans available to the most senior employees. Descriptions of the employment agreements in respect of each of our NEOs is provided below.

Meghan Roach, President & Chief Executive Officer

In connection with the departure of Jim Gabel as the Company’s Chief Executive Officer on January 3, 2020, the Board determined that engaging Ms. Roach to serve as Interim Chief Executive Officer on a temporary secondment basis from Searchlight (where Ms. Roach was serving as a managing director) was the best option for the Company in the circumstances. The Board’s determination to appoint Ms. Roach was based in part on her extensive qualifications and significant relevant experience (including acting as Interim Chief Financial Officer of the Company). It was the intention of the Board that Ms. Roach continue to serve as Interim Chief Executive Officer while the Company conducted a formal executive search to identify a permanent Chief Executive Officer. After completing the formal executive search, the Board appointed Meghan Roach as the Company’s permanent President & Chief Executive Officer effective May 25, 2020.

Pursuant to the terms of the secondment agreement entered into between the Company, Meghan Roach and Searchlight (the “**Secondment Agreement**”), Ms. Roach was appointed to serve as the Company’s Interim Chief Financial Officer and, subsequently, as the Company’s Interim Chief Executive Officer, in each case on a temporary secondment basis until permanent appointments were made. During Ms. Roach’s period of service as Interim Chief Financial Officer and Interim Chief Executive Officer, she did not receive any compensation from Roots in respect of such service. Due to the temporary nature of the arrangement, Ms. Roach remained employed by Searchlight and continued to receive benefits, perquisites and compensation from Searchlight pursuant to the terms of her employment agreement with Searchlight. Ms. Roach did not enter into an employment agreement with the Company or its subsidiaries in respect of her appointments to Interim Chief Financial Officer or Interim Chief Executive Officer and, as such, no compensatory plans or arrangements with respect to a termination, change of control, resignation or retirement existed with the Company or its subsidiaries during Fiscal 2019. In connection with this arrangement, the Company implemented formal guidelines and procedures designed to eliminate conflicts of interest and to assist Ms.

Roach in the exercise of her fiduciary obligations with respect to the Company and its stakeholders.

Following Ms. Roach's appointment as Interim Chief Financial Officer effective August 6, 2019, the Board conducted a formal executive search to identify a permanent Chief Financial Officer, which was completed on January 6, 2020 with the appointment of Mona Kennedy as permanent Chief Financial Officer, at which time Ms. Roach was appointed the Company's Interim Chief Executive Officer.

On May 25, 2020, in connection with the appointment of Meghan Roach as the Company's permanent President & Chief Executive Officer, Ms. Roach formally resigned from her position at Searchlight and entered into an employment agreement with Roots. Meghan Roach's employment agreement provides for base salary, an annual performance bonus, benefits and participation in the Omnibus Plan. Given the unprecedented circumstances created by the COVID-19 pandemic, however, Ms. Roach has agreed to forego her base salary and any bonus payments in respect of fiscal 2020, except for minimum wages required solely for statutory compliance purposes under the *Employment Standards Act, 2000* (Ontario), from the effective date of her appointment to December 31, 2020. In connection with Ms. Roach's appointment as President & Chief Executive Officer, Ms. Roach (i) received a one-time grant of 421,500 stock options, and (ii) is expected to receive a one-time grant of 421,500 stock options in the first quarter of fiscal 2021, each of which will vest fully over three (3) years: 1/3 on each of the first, second and third anniversaries of the applicable grant date.

The employment agreement with Meghan Roach also specifies the amounts or items payable, including severance, to Ms. Roach in the event that she is terminated without cause or resigns with good reason. The payment of severance to Meghan Roach is conditioned on her execution of a release of claims.

If Meghan Roach is terminated without cause or resigns with good reason, then in addition to her accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, we will pay Meghan Roach severance equal to her annual base salary, plus her annual cash bonus incentive entitlement (if any) calculated pro rata for the period up to the termination date based on the achievement of the incentive bonus target to such date. Unless otherwise agreed between us and Meghan Roach, severance will be paid (i) as to 50% on the termination date, and (ii) as to the remaining 50%, on a regular payroll basis in equal instalments over a period of 12 months.

If Meghan Roach's employment is terminated with cause or due to her resignation without good reason, she will not be entitled to any severance, notice or payment in lieu of notice or similar payment in respect of such termination or resignation, other than payment of her accrued but unpaid base salary and vacation pay up to the termination date and any payments required by applicable employment standards legislation.

Meghan Roach's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of her employment, including non-competition and non-solicitation provisions which are in effect during Meghan Roach's employment and for the 6 months and 18 months following the termination of her employment, respectively.

Mona Kennedy, Chief Financial Officer

Mona Kennedy's employment agreement provides for base salary, an annual performance bonus, benefits and participation in the Omnibus Plan.

The employment agreement with Mona Kennedy also specifies the amounts or items payable, including severance, to Ms. Kennedy in the event that she is terminated without cause or resigns with good reason. The payment of severance to Mona Kennedy is conditioned on her execution of a release of claims.

If Mona Kennedy is terminated without cause, then in addition to her accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, we will pay Mona Kennedy severance equal to her annual base salary, plus her annual cash bonus incentive entitlement (if any), calculated pro rata for the period up to the termination date based on the achievement of the incentive bonus target to such date. Unless otherwise agreed between us and Mona Kennedy, severance will be paid (i) as to 50% on the

termination date, and (ii) as to the remaining 50%, on a regular payroll basis in equal instalments over a period of 12 months.

If Mona Kennedy's employment is terminated with cause or due to her resignation, she will not be entitled to any severance, notice or payment in lieu of notice or similar payment in respect of such termination or resignation, other than payment of her accrued but unpaid base salary and vacation pay up to the termination date and any payments required by applicable employment standards legislation.

Mona Kennedy's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of her employment, including non-competition and non-solicitation provisions which are in effect during Mona Kennedy's employment and for the 6 months and 18 months following the termination of her employment, respectively.

James Connell, Chief eCommerce and Customer Experience Officer

James Connell's employment agreement provides for base salary, an annual performance bonus and benefits. James Connell also participates in the Omnibus Plan and the Legacy Employee Option Plan.

The employment agreement also specifies the amounts or items payable, including severance, to James Connell in the event that he is terminated without cause. The payment of severance to James Connell is conditioned on his execution of a release of claims.

If James Connell is terminated without cause, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, we will pay to James Connell (i) his annual cash bonus incentive entitlement (if any) calculated pro rata for the period up to the termination date based on achievement of the incentive bonus target to such date, and (ii) as severance, (a) an amount equal to one and one half of the aggregate of (x) his base salary as at the termination date, (y) the annual value of his automobile allowance (if any) as at the termination date, and (z) the average of all annual incentive bonuses paid or payable to James Connell for the two full fiscal years completed immediately prior to the termination date (the "**Severance Compensation**"), plus (b) an amount equal to one-twelfth of the Severance Compensation multiplied by the number of completed years of employment by James Connell following February 1, 2015, provided that, the total severance payable is subject to a maximum of two times the Severance Compensation. James Connell's severance is payable on a regular payroll basis in approximately equal installments over the period of time following the termination date equal to 18 months plus one additional month for each year of completed employment by James Connell following February 1, 2015, up to a maximum of 24 months, and ending once the severance has been fully paid.

If James Connell's employment is terminated with cause or due to his resignation, he will not be entitled to any severance, notice or payment in lieu of notice or similar payment in respect of such termination or resignation, other than payment of his accrued but unpaid base salary and vacation pay up to the termination date and any payments required by applicable employment standards legislation.

James Connell's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during James Connell's employment and for the 6 months and 12 months following the termination of his employment, respectively.

Jim Gabel, Former President and Chief Executive Officer

In connection with Jim Gabel's departure, he is receiving severance equal to \$658,492 (which figure includes Mr. Gabel's cash bonus incentive entitlement calculated pro rata for the period up to the termination date based on the achievement of the incentive bonus target to such date). Mr. Gabel's severance is payable (i) as to 50% shortly following his termination date, and (ii) as to the remaining 50%, on a regular payroll basis in equal instalments over the 12-month severance period. Mr. Gabel's severance payment was conditioned on the execution of a release of claims.

Certain Options and RSUs granted to Jim Gabel will also continue to vest on their applicable vesting date and will remain exercisable until the end of the 12-month severance period. Mr. Gabel's benefits are also being continued during the 12-month severance period. The incremental value associated with such continued vesting and benefits entitlements is valued at approximately \$40,000.

Jim Gabel's employment agreement contained customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following his departure, including non-competition and non-solicitation provisions which are in effect for the 4 months and 18 months following the termination of his employment, respectively.

Jim Rudyk, Former Chief Financial Officer

In connection with Jim Rudyk's resignation, he received payment of his accrued but unpaid base salary and vacation pay up to the date of resignation, as well as payments required by applicable employment standards legislation.

Jim Rudyk's employment agreement contained customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following his departure, including non-competition and non-solicitation provisions which are in effect for 6 months and 18 months following his departure, respectively.

Almira Cuizon, Former Vice President, Retail Operations

In connection with Almira Cuizon's resignation, she received payment of her accrued but unpaid base salary and vacation pay up to the date of resignation, as well as payments required by applicable employment standards legislation.

Almira Cuizon's employment agreement contained customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following her departure, including non-competition and non-solicitation provisions which are in effect for 9 months following her departure.

Nancy Lepler, Former Chief Merchandising Officer

In connection with Nancy Lepler's resignation, she received payment of her accrued but unpaid base salary and vacation pay up to the date of resignation, as well as payments required by applicable employment standards legislation.

Nancy Lepler's employment agreement contained customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following her departure, including non-competition and non-solicitation provisions which are in effect for 6 months and 18 months following her departure, respectively.

The table below shows the incremental payments that would be made to our current NEOs under the terms of their employment agreements upon the occurrence of certain events, if such events were to occur on February 1, 2020.

Name and Principal Position	Event	Severance	Other Payments ⁽¹⁾	Total
Meghan Roach ⁽²⁾ <i>President & Chief Executive Officer</i>	N/A	N/A	N/A	N/A
Mona Kennedy <i>Chief Financial Officer</i>	Termination without cause or resignation with good reason	\$305,000	\$11,144	\$316,144
James Connell <i>Chief eCommerce and Customer Experience Officer</i>	Termination without cause	\$646,154	\$40,263	\$686,417

Notes:

- (1) Amounts reflect the NEO's benefits coverage for their severance period.
- (2) Meghan Roach was seconded to the Company from Searchlight during Fiscal 2019 on an interim basis pursuant to the terms of her secondment arrangement and, accordingly, would not have been entitled to receive incremental payments from Roots upon a termination or resignation from Roots for any reason. During Fiscal 2020, Ms. Roach became the permanent President & Chief Executive Officer of Roots. A general description of the incremental payments that would be made to Ms. Roach under the terms of her employment agreement upon the occurrence of certain events are described above.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets out information on all outstanding option-based awards held by each of our NEOs as of February 1, 2020. By virtue of these stock options and subject to the applicable vesting restrictions under the Long-Term Incentive Plans, the NEOs have the right to acquire Shares.

NAME AND PRINCIPAL POSITION	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION-BASED AWARDS		
		OPTION EXERCISE PRICE	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS ⁽¹⁾
Meghan Roach ⁽²⁾ <i>President & Chief Executive Officer</i>	—	—	—	—
Mona Kennedy ⁽³⁾ <i>Chief Financial Officer</i>	—	—	—	—
James Connell <i>Chief eCommerce and Customer Experience Officer</i>	107,096	\$6.26	6/7/2028	\$0
	6,270	\$12.77	4/23/2028	\$0
	107,037	\$4.51	4/5/2029	\$0
Jim Gabel <i>Former President & Chief Executive Officer</i>	220,931	\$4.67	2/24/2026	\$0
	31,142	\$12.00	10/25/2027	\$0
Jim Rudyk ⁽⁴⁾ <i>Former Chief Financial Officer</i>	—	—	—	—
Almira Cuizon ⁽⁵⁾ <i>Former Vice President, Retail Operations</i>	—	—	—	—
Nancy Lepler ⁽⁶⁾ <i>Former Chief Merchandising Officer</i>	—	—	—	—

Notes:

- (1) The value of unexercised in-the-money options is calculated based on the closing price per Share of \$1.87 on January 31, 2020, the last trading day of Fiscal 2019, less the exercise price.
- (2) Meghan Roach was seconded to the Company from Searchlight during Fiscal 2019 on an interim basis pursuant to the terms of her secondment arrangement. In connection therewith, Ms. Roach did not receive any compensation from Roots in respect of such service. Accordingly, Ms. Roach did not receive any option-based awards in respect of Fiscal 2019. During Fiscal 2020, Ms. Roach became the permanent President & Chief Executive Officer. See "Employment Agreements, Termination and Change of Control Benefits".
- (3) Mona Kennedy commenced her employment with Roots near the end of Fiscal 2019. Accordingly, Ms. Kennedy did not receive any option-based awards in respect of Fiscal 2019.
- (4) Jim Rudyk resigned from the Company effective August 6, 2019. In connection therewith, all unvested and vested but unexercised options held by Mr. Rudyk were cancelled.
- (5) Almira Cuizon resigned from the Company effective October 11, 2019. In connection therewith, all unvested and vested but unexercised options held by Ms. Cuizon were cancelled.
- (6) Nancy Lepler resigned from the Company effective December 5, 2019. In connection therewith, all unvested and vested but unexercised options held by Ms. Lepler were cancelled.

The following table sets out information on all unvested RSUs held by each of our NEOs as of February 1, 2020. There are no DSUs held by any of our NEOs.

NAME AND PRINCIPAL POSITION	NUMBER OF RSUs THAT HAVE NOT VESTED	SHARE-BASED AWARDS		
		PERFORMANCE CYCLE	MARKET OR PAYOUT VALUE OF RSUs THAT HAVE NOT VESTED ⁽¹⁾	MARKET OR PAYOUT VALUE OF VESTED RSUs NOT PAID OUT OR DISTRIBUTED
Meghan Roach ⁽²⁾ <i>President & Chief Executive Officer</i>	—	—	—	—
Mona Kennedy ⁽³⁾ <i>Chief Financial Officer</i>	—	—	—	—
James Connell <i>Chief eCommerce and Customer Experience Officer</i>	991	April 23, 2018 to April 22, 2020	\$1,853	N/A
	990	April 23, 2018 to April 22, 2021	\$1,851	
	3,741	April 5, 2019 to April 4, 2020	\$6,996	
	3,740	April 5, 2019 to April 4, 2021	\$6,994	
Jim Gabel <i>Former President & Chief Executive Officer</i>	3,100	April 23, 2018 to April 22, 2020	\$5,797	N/A
	11,704	April 5, 2018 to April 4, 2020	\$21,886	
Jim Rudyk ⁽⁴⁾ <i>Former Chief Financial Officer</i>	—	—	—	—
Almira Cuizon ⁽⁵⁾ <i>Former Vice President, Retail Operations</i>	—	—	—	—
Nancy Lepler ⁽⁶⁾ <i>Former Chief Merchandising Officer</i>	—	—	—	—

Notes:

- (1) The market value of RSUs that have not vested is calculated based on the closing price per Share of \$1.87 on January 31, 2020, the last trading day of Fiscal 2019.
- (2) Meghan Roach was seconded to the Company from Searchlight during Fiscal 2019 on an interim basis pursuant to the terms of her secondment arrangement. In connection therewith, Ms. Roach did not receive any compensation from Roots in respect of such service. Accordingly, Ms. Roach did not receive any RSUs in respect of Fiscal 2019. During Fiscal 2020, Ms. Roach became the permanent President & Chief Executive Officer. See "Employment Agreements, Termination and Change of Control Benefits".
- (3) Mona Kennedy commenced her employment with Roots near the end of Fiscal 2019. Accordingly, Ms. Kennedy did not receive any RSUs in respect of Fiscal 2019.
- (4) Jim Rudyk resigned from the Company effective August 6, 2019. In connection therewith, all unvested RSUs held by Mr. Rudyk were cancelled.
- (5) Almira Cuizon resigned from the Company effective October 11, 2019. In connection therewith, all unvested RSUs held by Ms. Cuizon were cancelled.
- (6) Nancy Lepler resigned from the Company effective December 5, 2019. In connection therewith, all unvested RSUs held by Ms. Lepler were cancelled.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table indicates, for each of our NEOs, the value of the option-based awards vested in accordance with their terms during Fiscal 2019 and the value of the annual bonuses paid in respect of Fiscal 2019:

NAME AND PRINCIPAL POSITION	OPTION-BASED AWARDS – VALUE VESTED OR EARNED DURING THE YEAR ⁽¹⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR
Meghan Roach ⁽²⁾ <i>President & Chief Executive Officer</i>	—	—
Mona Kennedy <i>Chief Financial Officer</i>	—	—
James Connell <i>Chief eCommerce and Customer Experience Officer</i>	—	—
Jim Gabel <i>Former President & Chief Executive Officer</i>	—	—
Jim Rudyk <i>Former Chief Financial Officer</i>	—	—
Almira Cuizon <i>Former Vice President, Retail Operations</i>	—	—
Nancy Lepler <i>Former Chief Merchandising Officer</i>	—	—

Notes:

- (1) Includes time vesting stock options that vested under the Legacy Equity Incentive Plan, Legacy Employee Option Plan, and Omnibus Plan during the fiscal year. The value of time vesting stock options vested during the fiscal year is calculated based on the closing price of the Shares on the applicable vesting date less the exercise price and is included in the table where the applicable closing price of the Shares exceeds the exercise price.
- (2) Meghan Roach was seconded to the Company from Searchlight during Fiscal 2019 on an interim basis pursuant to the terms of her secondment arrangement. In connection therewith, Ms. Roach did not receive any compensation from Roots in respect of such service. Accordingly, Ms. Roach did not receive any option-based awards or annual bonuses in respect of Fiscal 2019. During Fiscal 2020, Ms. Roach became the permanent President & Chief Executive Officer. See “Employment Agreements, Termination and Change of Control Benefits”.

OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as described below, none of our directors, executive officers, employees, former directors, former executive officers or former employees or any of our subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Circular or at any time since the beginning of the most recently completed financial year been indebted to us or any of our subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by us or any of our subsidiaries.

AGGREGATE INDEBTEDNESS

PURPOSE	TO US OR OUR SUBSIDIARIES	TO ANOTHER ENTITY
Share purchases	\$584,621 ⁽¹⁾	—
Other	—	—

Note:

- (1) Represents a loan from the Company to Jim Rudyk at the time of his hiring in connection with his purchase of the equivalent of 214,193 Shares from Searchlight at a price of \$4.67 per share prior to the IPO and the pre-closing capital changes as described in our Management’s Discussion and Analysis (see “Additional Information”). The purchase for the shares was paid using \$500,000 in cash and a \$500,000 loan from the Company. The loan is to be repaid at the earlier of six years from the date of the loan (January 2022) and upon a liquidity sale of the Company. Interest accrues at a rate of 4% per annum and is payable at the start of each calendar year following the date of the loan. Mr. Rudyk resigned from the Company effective August 6, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

NAME AND PRINCIPAL POSITION	INVOLVEMENT OF COMPANY OR SUBSIDIARY	LARGEST AMOUNT OUTSTANDING DURING FISCAL 2019	AMOUNT OUTSTANDING AS AT JUNE 18, 2020	FINANCIALLY ASSISTED SECURITIES PURCHASES DURING FISCAL 2019	SECURITY FOR INDEBTEDNESS	AMOUNT FORGIVEN DURING FISCAL 2019
Securities Purchase Programs						
Jim Rudyk ⁽¹⁾ <i>Former Chief Financial Officer</i>	Roots is the lender	\$584,621	\$584,621	—	—	—

Note:

- (1) Represents a loan from the Company to Jim Rudyk at the time of his hiring in connection with his purchase of the equivalent of 214,193 Shares from Searchlight at a price of \$4.67 per share prior to the IPO and the pre-closing capital changes as described in our Management's Discussion and Analysis (see "Additional Information"). The purchase for the shares was paid using \$500,000 in cash and a \$500,000 loan from the Company. The loan is to be repaid at the earlier of six years from the date of the loan (January 2022) and upon a liquidity sale of the Company. Interest accrues at a rate of 4% per annum and is payable at the start of each calendar year following the date of the loan. Mr. Rudyk resigned from the Company effective August 6, 2019.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the directors and executive officers of Roots, no director or executive officer of the Company, any proposed nominee for election as director of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Circular and in our most recent Annual Information Form under the heading "Interest of Management and Others in Material Transactions", there are no material interests, direct or indirect, of any of our directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction since the commencement of our most recently completed financial year or in any proposed transaction that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

SHAREHOLDER PROPOSALS

There are no shareholder proposals to be considered at the Meeting. The CBCA permits certain eligible shareholders to submit shareholder proposals to us, which proposals may be included in a management information circular relating to an annual meeting of shareholders. The final date by which we must receive shareholder proposals for our annual meeting of shareholders to be held in 2021 is March 28, 2021.

ADDITIONAL INFORMATION

The Company is a reporting issuer under the applicable legislation of all of the provinces and territories of Canada and is required to file financial statements and information circulars with the various securities commissions. The Company has filed its Annual Information Form with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under NI 52-110.

Additional copies of our latest Annual Information Form, this Circular and our consolidated financial statements and management's discussion and analysis can be obtained upon request from the General Counsel and Corporate Secretary of Roots by writing to:

Roots Corporation
1400 Castlefield Avenue
Toronto, Ontario, M6B 4C4, Canada

Financial information is provided in our audited consolidated financial statements and management's discussion and analysis for our most recently completed financial year. Additional information about or relating to the Company can also be found at investors.roots.com and on SEDAR at www.sedar.com.

CONTACTING THE BOARD OF DIRECTORS

Shareholders, employees and other interested parties may communicate directly with the Board through the Lead Independent Director by writing to:

Lead Independent Director
Roots Corporation
1400 Castlefield Avenue
Toronto, Ontario, M6B 4C4, Canada

BOARD APPROVAL

The contents and sending of this Circular to Shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate securities regulatory authorities have been approved by the Board.

On behalf of the Board of Directors,



Meghan Roach
President & Chief Executive Officer

Toronto, Ontario
June 18, 2020

APPENDIX A
OMNIBUS PLAN RESOLUTION

WHEREAS on June 18, 2020, the board of directors (the “**Board**”) of Roots Corporation (the “**Company**”) approved an amendment to the Omnibus Equity Incentive Plan of the Company (the “**Omnibus Plan**”) as more particularly described in the management information circular of the Company dated June 18, 2020 (the “**Circular**”).

UPON MOTION DULY MADE AND SECONDED, BE IT RESOLVED THAT:

1. The amendment to the Omnibus Plan to increase the number of common shares of the Company (the “**Shares**”) available for issuance under the Omnibus Plan by an additional 2,000,000 Shares, from 1,679,220 to 3,679,220, as more particularly described in the Circular, is hereby authorized and approved; and
2. Any one director or officer of the Company be and is hereby authorized and directed, for and in the name of and on behalf of the Company, to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

APPENDIX B
MANDATE OF THE BOARD OF DIRECTORS

1. Introduction

The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) of Roots Corporation (the “**Company**”) are elected by the shareholders of the Company and are responsible for the stewardship of the Company. The purpose of this Mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Board are prescribed and/or governed by the Canada Business Corporations Act and the constating documents of the Company, and applicable agreements, including the investor rights agreement between the Company and certain of its shareholders (the “**Investor Rights Agreement**”). Certain of the provisions of the Board Mandate may be modified or superseded by the provisions of the Investor Rights Agreement. In the event of a conflict between this Board Mandate and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.

2. Chair of the Board

The Board will appoint an independent director to act as Chair of the Board (the “**Chair**”). If the Board determines that this is not appropriate in the circumstances and instead appoints a non-independent director to act as Chair of the Board, the Board will also appoint an independent director to act as lead director (the “**Lead Director**”). Either an independent Chair of the Board or the Lead Director will act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties. The Chair of the Board and the Lead Director, as applicable, may be removed at any time at the discretion of the Board.

3. Board Size

The constating documents of the Company provide that the Board shall be comprised of a minimum of three (3) Directors and a maximum of fifteen (15) Directors. Pursuant to the Investor Rights Agreement, the Board shall initially be comprised of seven (7) Directors. The Board shall periodically review its size in light of its duties and responsibilities from time to time. Applicable residency requirements will be complied with in respect of the composition of the Board.

4. Independence

The Board shall be comprised of a minimum of two (2) independent Directors. A Director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

5. Role and Responsibilities of the Board

The Board is responsible for supervising the management of the business and affairs of the Company and is expected to focus on guidance and strategic oversight with a view to increasing shareholder value.

In accordance with the Canada Business Corporations Act, in discharging his or her duties, each Director must act honestly and in good faith, with a view to the best interests of the Company. Each Director must also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6. Board Meetings

- (a) In accordance with the constating documents of the Company, meetings of the Board may be held at such times and places as the Chair may determine and as many times per year as necessary to effectively carry out the Board's responsibilities. The non-employee Directors may meet without senior executives of the Company, as required. The independent Directors may meet without senior executives of the Company and any non-independent Directors, as required.
- (b) The Chair shall be responsible for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.
- (c) The Chair (or other Directors as delegated by the Chair from time to time) may invite, at its discretion, any other individuals to attend its meetings. Senior executives of the Company shall attend a meeting if invited by the Chair (or another Director delegated by the Chair).

7. Delegations and Approval Authorities

- (a) The Board shall appoint the chief executive officer of the Company (the "CEO") and delegate to the CEO and other senior executives the authority over the day-to-day management of the business and affairs of the Company.
- (b) The Board may delegate certain matters it is responsible for to the committees of the Board, currently consisting of the Audit Committee, and the Governance, Compensation and Nominating Committee. The Board may appoint other committees, as it deems appropriate, subject to compliance with the Investor Rights Agreement and to the extent permissible under applicable law. The Board will, however, retain its oversight function and ultimate responsibility for such matters and associated delegated responsibilities.

8. Strategic Planning Process and Risk Management

- (a) The Board shall adopt a strategic planning process to establish objectives and goals for the Company's business and shall review, approve and modify as appropriate the strategies proposed by senior executives to achieve such objectives and goals. The Board shall review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business and affairs.
- (b) The Board, in conjunction with management, shall be responsible to identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. Pursuant to its duty to oversee the implementation of effective risk management policies and procedures, the Board may delegate to applicable Board committees the responsibility for assessing and implementing appropriate policies and procedures to address specified risks, including delegation of financial and related risk management to the Audit Committee and delegation of risks associated with compensation policies and practices to the Governance, Compensation and Nominating Committee.

9. Succession Planning, Appointment and Supervision of Senior Executives

- (a) The Board shall approve the corporate goals and objectives of the CEO and review the performance of the CEO against such corporate goals and objectives. The Board shall take steps to satisfy itself as to the integrity of the CEO and other senior executives of the Company and that the CEO and other senior executives create a culture of integrity throughout the organization.
- (b) The Board shall approve the succession plan for the Company, including the selection, appointment, supervision and evaluation of the senior executives of the Company, and shall also approve the compensation of the senior executives of the Company upon recommendation of the Governance, Compensation and Nominating Committee.

10. Financial Reporting and Internal Controls

The Board shall review and monitor, with the assistance of the Audit Committee, the adequacy and effectiveness of the Company's system of internal control over financial reporting, including any

significant deficiencies or changes in internal control and the quality and integrity of the Company's external financial reporting processes.

11. Regulatory Filings

The Board shall approve applicable regulatory filings that require or are advisable for the Board to approve, which the Board may delegate in accordance with Section 7(b) of this mandate. These include, but are not limited to, the annual audited financial statements, interim financial statements and related management's discussion and analysis accompanying such financial statements, management proxy circulars, annual information forms, offering documents and other applicable disclosure.

12. Corporate Disclosure and Communications

The Board will seek to ensure that corporate disclosure of the Company complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed. In addition, the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues.

13. Corporate Policies

The Board shall adopt and periodically review policies and procedures designed to ensure that the Company and its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity.

14. Review of Mandate

The Board may, from time to time, permit departures from the terms of this Board Mandate, either prospectively or retrospectively. This Board Mandate is not intended to give rise to civil liability on the part of the Company or its Directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

The Board may review and recommend changes to the Board Mandate from time to time and the Governance, Compensation and Nominating Committee may periodically review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration.

APPENDIX C
GOVERNANCE, COMPENSATION AND NOMINATING COMMITTEE CHARTER

1. Responsibility

The Governance, Compensation and Nominating Committee (the “**Committee**”) is responsible for:

- regularly assessing the effectiveness of the Corporation’s Board of Directors (the “**Board**”), each of its committees and individual members;
- identifying candidates qualified for election or appointment to the Board, other than candidates nominated by certain shareholders pursuant to the investor rights agreement dated October 25, 2017 between the Corporation and such shareholders (the “**Investor Rights Agreement**”);
- determining the number of directors and composition for each of the committees of the Board;
- assisting in orienting and educating directors and assessing their performance on a regular basis;
- developing the Corporation’s approach to governance of the Corporation and recommending to the Board governance principles to be followed by the Corporation;
- the appointment, performance, evaluation and compensation of the Corporation’s senior executives;
- the recruitment, development and retention of the Corporation’s senior executives;
- discharging the Board’s responsibilities relating to compensation and benefits of the Corporation’s senior executives, including reviewing for approval to the Board the adoption of or any material change in any of the Corporation’s executive compensation, benefit, retirement or savings plans;
- establishing policies and procedures designed to identify and mitigate risks associated with the Corporation’s compensation policies and practices;
- overseeing the Corporation’s talent management, succession planning systems and processes relating to senior executives;
- assessing and reporting to the shareholders on executive and director compensation; and
- performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Members

The Board must appoint a minimum of three directors to be members of the Committee. The majority of the members of the Committee shall be independent and a majority shall be residents of Canada.

For the purpose of this Charter, a director is “independent” if he or she would be independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as the same may be amended or replaced from time to time.

3. Chair

Each year, the Board shall appoint one member to be Chair of the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

4. Tenure

Each member shall hold office until his or her term as a member of the Committee expires or is

terminated.

5. Quorum, Removal and Vacancies

A majority of the Committee's members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

6. Duties

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

(a) Board Succession Plan

The Committee shall develop and maintain, as required, a Board succession plan.

(b) Establish and Assess Director Qualifications

The Committee shall from time to time establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership, having in mind the skills and competencies the Board as a whole should possess. The Committee shall regularly assess the competencies and skills of the Board.

(c) Identify Candidates for Nomination as a Director

The Committee shall develop and recommend to the Board from time to time a list of candidates for Board election or appointment with a view to enhancing the independence, quality and diversity of nominees to be elected by the shareholders at the annual general meeting of shareholders. The Committee should determine if each such candidate would be an independent director.

The Chair of the Committee, with the assistance of the Chair of the Board and one or more other directors appointed by the Board, should approach candidates for Board membership including nominees put forth for nomination pursuant to the terms of the Investor Rights Agreement, if any, to:

- explore the candidates' interest in joining the Board and seek their consent to act as a director;
- assess the candidates' skills and competencies;
- assess whether the pool of candidates further diversity as outlined in the Corporation's Diversity Policy; and
- confirm that interested candidates understand the role of a director and the contribution a director is expected to make to the Board, including the commitment of time and energy that the Corporation expects of its directors.

The Committee shall from time to time consider the appropriate size of the Board with a view to facilitating proper decision-making.

(d) Orientation and Continuing Education of Directors

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Corporation and their responsibilities and duties as directors; and
- the Corporation provides appropriate continuing education opportunities for directors.

(e) Recruit Directors for Board Committees and Filling Vacancies

The Committee will recommend to the Board those directors that the Committee considers

qualified for appointment to the Audit Committee, the Governance, Compensation and Nominating Committee and other committees of the Board. Where a vacancy occurs at any time in the membership of any committee of the Board, the Committee will recommend to the Board a director to fill such vacancy.

(f) Performance Assessment of the Board, Board Committees and Individual Directors

The Committee will review, on an annual basis, the effectiveness and performance of the Board, and all committees of the Board.

The Committee will evaluate directors on a regular basis to assess their suitability for re-election.

(g) Develop Approach to Governance of the Corporation

The Committee has the authority and responsibility to review the Corporation's overall approach to governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandates and charters of the Board and committees of the Board and recommend to the Board the adoption of or amendments to such mandates or charters;
- examine the size and composition of the Board and recommend a Board size and composition that facilitates effective decision-making;
- study and recommend the implementation of structures and procedures to ensure that the Board can function independently of management and without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management present;
- develop processes and protocols for dealing with related party transactions and conflicts of interest;
- monitor the relationship between officers and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Corporation;
- be available as a forum for addressing the concerns of individual directors;
- work with the President and Chief Executive Officer and other members of management to ensure that the Corporation has a healthy governance culture; and
- monitor developments in the area of governance and undertake other initiatives that may be desirable to maintain the highest standards of governance.

(h) Code of Conduct

The Committee shall monitor the effectiveness of the Corporation's Code of Conduct (the "Code") to confirm that it appropriately addresses, among other things, conflicts of interest, opportunities, confidentiality, fair dealing, protection and proper use of the Corporation's assets, compliance with applicable laws and the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code. A copy of the Code shall be posted on the Corporation's website. The Committee shall approve any material waivers of the Code that are sought by directors or officers of the Corporation. It is acknowledged that the Audit Committee receives periodic reporting on any material matters arising from known or suspected violations of the Code.

(i) Timely Disclosure, Confidentiality and Securities Trading Policy

The Committee shall monitor the effectiveness of the Corporation's policies addressing the timely disclosure of material information, the confidentiality of material undisclosed information and the prohibitions against trading in securities of the Corporation and other issuers while in possession of undisclosed information that is material to the Corporation or

other such issuers.

(j) Succession Planning

The Committee shall review the Corporation's organizational structure, consider succession planning for senior executives and recommend policies and principles for the selection and performance review of the senior executives including the President and Chief Executive Officer, as well as policies regarding succession in the event of an emergency or the retirement of the President and Chief Executive Officer and for the appointment, training and monitoring of other senior executives.

(k) Incentive Compensation Plans and Equity-Based Plans

The Committee shall:

- make recommendations to the Board with respect to the adoption and amendment of executive incentive compensation plans and equity-based plans, including share purchase plans and dividend reinvestment plans, if any;
- approve any employment inducement option awards or other equity compensation awards under plans approved by the Board;
- approve all stock options granted under any stock option or other equity compensation plan adopted by the Corporation, including the entitlement, vesting, exercise price and all other matters relating to such plans; and
- approve all senior executive compensation and incentive bonus plans and all awards under such plans.

(l) Employment Agreements

The Committee shall review and approve the terms of employment of the senior executives of the Corporation that are directly employed by the Corporation.

(m) Assessment and Compensation of the President and Chief Executive Officer

The Committee shall:

- together with the President and Chief Executive Officer, develop a position description for the President and Chief Executive Officer, setting out the President and Chief Executive Officer's authority and responsibilities;
- oversee the duties of the President and Chief Executive Officer to ensure appropriate supervision and management of any potential conflicts of interest between the President and Chief Executive Officer, the Corporation and its affiliates, and the Corporation's shareholders;
- review and approve the corporate goals and objectives that are relevant to the compensation of the President and Chief Executive Officer; and
- evaluate the performance of the President and Chief Executive Officer in meeting his or her goals and objectives.

When determining the long-term incentive component of the compensation of the President and Chief Executive Officer, if any, the Committee shall consider the Corporation's performance, relative shareholder return and the value of similar incentive awards granted to senior executives of comparable organizations.

(n) Compensation of Senior Executives

The Committee shall approve the corporate goals, objectives and compensation of senior executives and may periodically assess the senior executive compensation in light of the Corporation's performance, relative shareholder return and compensation paid to senior executives of comparable organizations.

(o) Compensation of Board Members

The Committee shall review, and recommend to the Board, the compensation to be paid to the directors and to members and chairs of Board committees.

(p) Disclosure of Executive Compensation

The Committee shall be responsible for reviewing all public disclosure relating to executive compensation, including the Compensation Discussion and Analysis contained in the Corporation's management proxy circular.

7. Reporting

The Committee shall report to the Board on:

- the effectiveness of the Board and all committees of the Board, other than the Governance, Compensation and Nominating Committee;
- the approval of any stock option or other equity-based grants under any stock option or other equity compensation plan of the Corporation;
- all senior executive incentive bonus plans and grants thereunder;
- the review of the corporate goals and objectives relevant to the compensation of senior executives;
- the effectiveness of the Committee and the Corporation vis-à-vis the Diversity Policy;
- the compensation of senior executives;
- any material benefit, retirement or savings plans matters;
- the compensation to be paid to directors and to the members and chairpersons of Board committees;
- the preparation of the Corporation's management proxy circular; and
- all other material matters dealt with by the Committee.

8. Review and Disclosure

The position descriptions for the Corporation's President and Chief Executive Officer, Chief Financial Officer, Chair of the Board, the Lead Independent Director and this Charter shall be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes. This Charter shall also be posted on the Corporation's website.

9. Frequency of Meetings and *in camera* Sessions

The Committee shall meet as frequently as the Committee deems appropriate to accomplish its mandate. Following each meeting of the Committee, the Committee members shall meet alone in a private session (without management or others present).

10. Retention of Experts

The Committee may engage such special executive compensation, legal, accounting or other experts, without Board approval and at the expense of the Corporation, as it considers necessary to perform its duties.



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