



Stack Capital Group Inc.

Annual Information Form

For the Year ended December 31, 2024

March 12, 2024

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General Information

This is the annual information form of Stack Capital Group Inc. for the year ended December 31, 2024 (the “AIF”). In this AIF, references to “Stack,” “Stack Capital,” the “Company,” and “we” mean Stack Capital Group Inc. as applicable (unless the context otherwise requires). Unless stated otherwise, all information contained in this AIF is at, or for, the fiscal year ended, December 31, 2024. Certain capitalized terms and phrases used in this AIF are defined in the “Glossary” contained in Appendix A hereto. All references to “dollars” or “\$” are to Canadian currency, unless noted otherwise. Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

The disclosure in this AIF is supplemented throughout the year by, and is to be read in context with, subsequent continuous disclosure filings including press releases, material change reports, financial statements and management discussion and analysis. This AIF contains information which the Company believes, in context, is not material (or, due to the passage of time, is no longer material), has not been included in this AIF.

Cautionary Note Regarding Forward-Looking Information

This AIF contains “forward-looking statements” and “forward-looking information” within the meaning of applicable securities laws (collectively, “forward-looking statements”). Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, plans and objectives of the Company. Particularly, statements regarding future results, performance, achievements, prospects or opportunities of the Company are forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate” or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements are based on the opinions and estimates of the Company as of the date such statements are made, and they are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to the following factors described in greater detail in “Risk Factors”: limited operating history or revenues; long-term nature of investment; unknown merits and risks of future investments; broad discretion over its capital; competition and technology risks; substantial loss of capital; investors are not entitled to vote on the Company’s proposed investments; legal proceedings; potential lack of investment diversification; financial market fluctuations and deterioration of political, economic and market conditions; failure to execute the Company’s investment strategies; pace of completing investments; control or significant influence risk; minority investments; ranking of Company investments and structural subordination; follow-on investments; prepayments of debt investments; risks upon disposition of investments; bridge financings; reliance on key personnel and risks associated with the Management Agreement; effect of fees; Performance Fee could induce the Manager to make speculative investments; reliance on the performance of underlying assets; operating and financial risks of investments; allocation of personnel; potential conflicts of interest; the liability of the Manager is limited and the Company and the Manager have not been represented by separate legal counsel; reputation; valuation methodologies involve subjective judgments; foreign security risk; foreign exchange risks; investments in private issuers; opinions from independent investment banks or accounting firms are not contemplated; illiquid assets; competitive market for investment opportunities; use of leverage; credit risk; tax risks; regulatory changes; resources could be wasted in researching investment opportunities that are not ultimately completed; material, non-public information; and use of the Custodian and/or a broker to hold assets; return on investment is not guaranteed; potential volatility of the price of the Common Shares; dilution; limited control; the Warrants may not be “*in the money*”; financial reporting and other public company requirements; not subject to the SPAC rules of the TSX; and trading price of the Common Shares relative to book value. These factors and assumptions

are not intended to represent a complete list of the factors and assumptions that could affect the Company. These factors and assumptions, however, should be considered carefully.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements contained herein, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Corporate Structure

Incorporation and Registered Office

Stack Capital Group Inc. is an investment holding company governed by the *Canada Business Corporations Act*. The Company was incorporated on April 1, 2021.

The Company's head and registered office is located at 155 Wellington St. W, Suite 3140, Toronto, Ontario, M5V 3H1. The Company is a reporting issuer in all provinces and territories of Canada.

Intercorporate Relationships

As of the date of this AIF, the Company has no subsidiaries. The Company may, from time to time form subsidiary entities to make investments. SC Partners Ltd. (the "Manager") acts as the Company's administrator and is responsible to source and advise with respect to all investments for the Company. The Manager is a corporation incorporated under the *Business Corporations Act* (Ontario) on January 22, 2021. The Manager's head and registered office is located at 155 Wellington St. W, Suite 3140, Toronto, Ontario, M5V 3H1.

General Development of the Business

On June 16, 2021, the Company completed an initial public offering of 8,335,000 units ("Units") of the Company at a price of \$12.00 per Unit for aggregate gross proceeds of \$100,020,000. Each Unit consisted of one Common Share and one-half of an IPO Warrant. Each IPO Warrant entitled the holder to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price per share of \$15.00 until June 16, 2024. Cash costs of issuance were \$6,618,871. Prior to the completion of the initial public offering, the Company did not carry on any business other than pursuing the initial public offering.

The resulting 4,167,500 IPO Warrants issued in conjunction with the initial public offering were valued at \$6,152,983, estimated using relative value method, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 30%; a risk-free interest rate of 0.54% and an expected life of three years. The difference between the value assigned to the IPO Warrants and the total amount of proceeds was allocated to Common Shares.

Concurrent with the closing of the Company's initial public offering on June 16, 2021, certain directors and officers of the Manager, being the Management Investors, purchased an aggregate of 583,334 Units, for total gross proceeds of \$7,000,008, on a non-brokered, private placement basis at a price of \$12.00 per Unit (the "Management Investment"). As part of the terms of the Management Investment, each Management Investor agreed to a five-year voluntary lock-up and will retain all of the Units acquired at the time during such period, subject to certain customary exceptions.

The resulting 291,667 IPO Warrants issued in conjunction with the Management Investment were valued at \$430,623, estimated using relative value method, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 30%; a risk-free interest rate

of 0.54% and an expected life of three years. The difference between the value assigned to the IPO Warrants and the total amount of proceeds was allocated to Common Shares.

On July 7, 2021, the Company issued 175,000 Common Shares and 454,000 IPO Warrants pursuant to the partial exercise of the over-allotment option granted to the syndicate of agents in connection with the Company's initial public offering. Pursuant to the partial exercise of the over-allotment option, the agents purchased an additional 175,000 Common Shares at a price of \$11.20 per Common Share and an additional 454,000 IPO Warrants at a price of \$1.60 per IPO Warrant, for total gross proceeds of \$2,686,400. Cash costs of issuance were \$147,752.

The resulting 454,000 IPO Warrants issued in conjunction with the over-allotment exercise were valued at \$523,462, estimated using relative value method, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 30%; a risk-free interest rate of 0.66% and an expected life of 2.95 years. The difference between the value assigned to the IPO Warrants and the total amount of proceeds was allocated to IPO Warrants.

On September 12, 2022, the Company issued 139,440 Common Shares as partial consideration in the purchase of common shares of Prove Identity, Inc.

The Common Shares and IPO Warrants began trading on the TSX under the symbols "STCK" and "STCK.WT", respectively, on June 16, 2021 pursuant to the TSX's Sandbox initiative for the listing of new issuers (the "TSX Sandbox"). On August 8, 2022, the Company exited the TSX Sandbox, which further solidified its status on the TSX. On June 16, 2024, all of the outstanding IPO Warrants expired without any IPO Warrants being exercised.

On October 30, 2024 the Company completed the main tranche of a best efforts financing and issued a total of 1,437,839 units for gross proceeds of \$15,816,229 at a price of \$11.00 per unit. Each unit was comprised of one Common Share and one-half of one Warrant. The second tranche of this best efforts financing closed on November 22, 2024, where the Company issued a total 78,069 units for gross proceeds of \$858,759 with the same price and terms of the first tranche.

The resulting 757,948 Warrants issued in conjunction with the best efforts financing were valued at \$1,933,368, estimated using relative value method, using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility from 35.73%; a risk-free interest rate of 3.1% and an expected life of 3 years.

During the quarter ended December 31, 2023, the TSX approved the Company's application to implement a Normal Course Issuer Bid ("NCIB"). Under the terms of this NCIB, the Company could purchase and cancel up to a maximum of 449,000 Common Shares, representing 5.0% of the issued and outstanding Common Shares as of November 7, 2023, commencing November 17, 2023 and ending no later than November 16, 2024. Following the expiry of this NCIB on November 16, 2024, the NCIB was renewed. Under this renewed NCIB, the Company may purchase up to 531,000 Common Shares, being 5% of the issued and outstanding Common Shares as of November 11, 2024, commencing November 18, 2024 and ending no later than November 17, 2025. Purchases under renewed NCIB are (and under the previous NCIB, were) made through the facilities of the TSX and/or alternative Canadian Trading Systems in accordance with applicable regulatory requirements at a price per Common Share representative of the market price at the time of acquisition. The actual number of Common Shares which may be purchased pursuant to the renewed NCIB and the timing of any such purchases is determined by management of the Company. Daily purchases under the renewed NCIB are generally limited to 1,153 Common Shares, other than block purchases. For the year ended December 31, 2024, the Company repurchased and cancelled under the previous NCIB and the renewed NCIB a total of 40,600 Common Shares for an aggregate purchase price of \$417,796. In connection with the renewed NCIB, the Company has entered into an automatic share purchase plan with a designated broker to facilitate the purchase of Common Shares under the renewed NCIB, including at times when the Company would ordinarily not be permitted to purchase its Common Shares due to regulatory restrictions or self-imposed blackout periods. Shareholders can obtain a copy of

the Notice of Intention to Make a Normal Course Issuer Bid filed by the Company with regulators in relation to the renewed NCIB by requesting a copy in writing from the Company at 155 Wellington St. W, Suite 3140, Toronto, Ontario, M5V 3H1.

In connection with the completion of the Company's initial public offering and the Management Investment, the Company adopted the Voluntary Measures, which are incorporated herein by reference.

Since completing the Company's initial public offering and the Management Investment, the Company made three investments during 2021 (Varo Money, Inc., FNEX Ventures LLC – Series 103 with its value derived from Space Exploration Technologies Corp. and Bolt Financial Inc.). During 2022, the Company made five additional investments, acquiring securities of Prove Identity Inc., Hopper Inc., Newfront Insurance Holdings, Inc., GoEuro Corp., and Locus Robotics Corp. During 2023, the Company made two additional investments in Hopper Inc. and GoEuro Corp. During 2024, the Company made additional investments in Locus Robotics Corp., Canva, Inc., Shield AI, Inc, and Coreweave, Inc. The Company continues to review its near-term investment opportunities and anticipates continuing to deploy capital throughout 2025. For further details, see the Company's most recent management discussion and analysis, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

As at the date hereof, the Company has no employees.

Description of the Business

Overview

The Company is an investment holding company. The Company is focused on investing in growth to late-stage private issuers (each, a "Portfolio Company" and collectively, the "Portfolio Companies"), with long-term growth potential, located primarily in, or with customers, suppliers or business primarily conducted in or dependent on, Canada and/or the United States. The Company will not be investing in private businesses smaller than \$100 million in enterprise value, land, cryptocurrencies, metals or similar natured assets or businesses who earn a majority of their revenue from such assets. More specifically, the Company is seeking to democratize the investing landscape by providing retail and institutional investors with an opportunity to gain exposure to companies the Manager believes are some of the most innovative and disruptive private businesses in the world. The Manager believes that shareholders will have the opportunity to benefit from the attractive nature of the diversified private investment portfolio; participate in the wealth being created within the private market; and have liquidity due to the listing of the Common Shares on the TSX.

Depending on the circumstances of each individual investment opportunity, the Company's investments may range from a minority ownership position to a significant influence position, including control. The Company intends to use its ownership position to have an active role in its Portfolio Companies' growth and development by providing to them strategic advice, industry experience as public market participants, board or advisory representation and/or through any other means as determined by the Manager. Given that private companies may have a liquidity event, including becoming a public issuer or being acquired by a public issuer, the Company is not precluded from continuing to hold an investment in an entity that has ultimately become a public issuer.

The Manager is the Company's exclusive manager pursuant to the Management Agreement between the Company and the Manager, source and advise with respect to all investments on behalf of the Company, manage such investments and otherwise direct the Company's affairs and manage the Company's business.

The Company entered into a Custody Agreement with TD Securities Inc. as the Custodian, pursuant to which the Custodian acts as the custodian of the Company's investment portfolio, as constituted from time to time, and certain other assets of the Company.

Business Objective

The Company's business objective is to maximize its long-term capital appreciation by seeking to achieve superior risk-adjusted investment performance. The Company intends to invest in equity, debt and/or other

securities of growth to late-stage private operating businesses in furtherance of the Company's business objective, with such investment tailored to the specific needs and opportunities of the Portfolio Company.

The Company intends to invest in 15 to 20 growth to late stage private operating businesses located primarily in, or with customers, suppliers or business primarily conducted in or dependent on, Canada and/or the United States. The Company also intends to support the growth and development of its Portfolio Companies through active ownership, leveraging its financial strength and the Manager's industry experience and business contact network. Active ownership will be an integral part of the Company's investment strategy and the support extended to Portfolio Companies may be provided by way of board representation; board observer rights; strategic, financial, governance and capital market support; and/or preparing the Portfolio Company for potential corporate transactions.

For the purposes of executing its business objective, the Company defines "active ownership" to include using the Company's rights and ownership position to influence the activities or behaviours of its Portfolio Companies. In this regard, actions taken by the Company could include regular engagement with its Portfolio Companies with the explicit intention of influencing a Portfolio Company's strategy and practices but may also extend to a wider range of engagement through different influence processes such as board representations or board observer rights in order to support their growth and development. The Company's goal is to take a longer-term perspective towards maximizing the return on each of its investments and therefore, the Company's ownership will generally not be limited to a specific timeframe.

The anticipated rewards from taking a long-term investment perspective can be significant. The Manager believes that long term vehicles such as the Company, with its structure, are well-suited to generating outperformance on behalf of its shareholders, and relative to peers by reducing transaction fees, deferring capital gains tax, and keeping capital invested to compound over time.

More specifically, the Company will seek to achieve its business objective by applying the following investment principles:

- it will invest with a long-term perspective; the Company's permanent capital base is better suited to long-term investing in private issuers as compared to private equity funds, which typically have holding periods of three to eight years;
- it will invest in private issuers, however, as private issuers may become public over time, or may be acquired by a public issuer in the future, the Company will not be precluded from continuing to hold an investment in an entity that ultimately becomes a public issuer;
- it will take a concentrated approach to portfolio construction;
- it may invest across the capital structure, including equity, debt and/or other securities; tailoring its investments, where appropriate, to the needs of each Portfolio Company;
- it will invest in high-quality businesses or those that the Manager believes have the potential to be high-quality businesses;
- it will work for continuous improvement in the performance of Portfolio Companies through active ownership and the leveraging of its financial strength, the Manager's industry experience, and business contact network; and
- it will seek to promote and encourage best-in-class governance practices at the Portfolio Companies.

Managing Portfolio Companies

The Company intends to take an active role in overseeing its Portfolio Companies. The expected degree of influence will depend, in part, on the Company's ownership position of each investment amongst other factors. The Company's expected ownership positions may vary from minority positions to control positions; however, following any investment, the Company and the Manager (and/or their respective representatives, where applicable) will endeavour to work in a hands-on and constructive manner with each Portfolio Company in an effort to create sustainable long-term value. In particular, the Company's active ownership will be focused on enhancing value in the following four primary areas:

- *Capital Markets*: capital support to pursue key strategic initiatives; source of permanent capital in subsequent financings; communication strategies; and access to investors;
- *Capital Structure Support*: appropriate use of leverage; help source and optimize financing options; help with capital allocation decisions including capital expenditure programs, share buybacks and dividends;
- *Governance*: adopt best practices and strong board composition; augment management team (when required); optimize management incentive structures and overall alignment with investors; and improve reporting and public disclosure; and
- *Strategy*: evaluation of revenue enhancements; mergers and acquisitions/non-core asset divestitures; the setting of corporate priorities; exploration of cost efficiencies and asset utilization opportunities.

Investment Selection

To identify potential investments, the Company will principally rely on the expertise of the Manager. The Manager has a mandate to identify, review, advise on and provide recommendations with respect to investment opportunities for the Company that meet its business objective. The Manager will be expected to identify and evaluate all of the investment opportunities for the Company and will conduct the initial suitability screen when evaluating potential investments for the Company.

The Company will seek to target private investment opportunities that fall under the following three categories:

Growth Stage: Recognized as the time when private issuers work to refine their business model, capture market share, and start to generate revenues. These issuers primarily have revenue of \$10 to \$50 million with significant annual growth rates. Growth stage issuers are focused on maturing their product offering, making it more robust, or adding additional features. Significant capital investments fuel market growth, which at times may result in substantial financial operating losses. Risks in this stage are generally centered on execution, competition, regulation, market size, and scalability of technology.

- Revenue levels of \$10 to \$50 million (or more)
- High growth rate (i.e. greater than 100% per annum)
- Increased product development and concept stabilization
- Execution risk

Late Stage: Issuers are focused on scaling their business through marketing and sales and may begin to focus on cash flows as growth rates begin to mature. With annual revenue in excess of \$50 million, capital investments are made to foster further growth and development through new products and technologies and by penetrating new markets. The likelihood of a late-stage issuer failing declines as the customer base, product line, and revenues grow.

- Revenue levels > \$50 million
- Medium growth rate (i.e. greater than 25% per annum)
- Strong focus on maintaining market share, if total market growth is slowing
- Reduced failure risk
- Moving closer to an exit

Liquidity/Initial Public Offering Stage: At this point, the value of a private issuer is monetized through a liquidity event with either an initial public offering or an acquisition by another issuer. Annual revenue has typically hit \$200 million or more with a stabilizing growth rate.

- Revenue levels of >\$200 million
- Stabilizing growth rate (i.e. greater than 10% per annum)
- Exit expenses and legal complexities
- Lock-up features

By investing in companies that fall within the above categories, the Manager believes the Company will reduce its risk, increase its liquidity, and maximize the likelihood of positive returns to its shareholders.

The Company and the Manager have established detailed investment criteria to facilitate the evaluation and due diligence of each investment opportunity. These criteria address both the fundamental merit of a potential investment, as well as the corresponding risks, and specifically focus on the following:

- strength of revenues (both established and growing);
- strong growth potential;
- ability to build and extend market share in large total addressable markets;
- strength of the management team; its background and board of directors and advisors; and its alignment with investors;
- ability to increase top-line growth opportunities, both organic and inorganic; the visibility of top-line growth; and the opportunity for re-investment of capital in support of further growth opportunities;
- track record of operational excellence and execution, along with competitive leadership within its industry; and
- assessment of overall corporate health and risks, including risk mitigation strategies.

The Manager believes that it will maintain a margin of safety by investing in private issuers that have strong relative growth rates, strong balance sheets, and attractive multiples compared to their publicly listed peers.

The Manager and the Company will conduct a thorough due diligence process when evaluating any investments prior to a recommendation from, or decision of, the Manager to make an investment. This generally will include consultations with the members of the Advisory Board and the Manager's network of current and former management teams, consultants, competitors, investment bankers and senior executives to help assess, among other things, the industry dynamics, the character of the management team and the viability of the business plan. More specifically, due diligence in respect of a particular investment opportunity will typically include, among other items as deemed necessary from time to time: review of historical and projected financial information; on-site visits; interviews with management, employees, customers and vendors; review of material agreements; background checks; and research relating to the businesses' management, industry, markets, products and services, and competitors.

Competitive Strengths

The Company operates in a competitive environment, based on a variety of factors such as investment performance, brand recognition, business reputation, financial strength, level of fees, and investor alignment. Notwithstanding the current landscape, the Company believes its competitive strengths, including its investment strategy and approach, along with its corporate structure and experienced management team, differentiate it from its peers and provide for a highly unique platform to realize its objectives. The following is the Company's view of its competitive strengths:

- *Access to the private equity asset class:* The Company is democratizing access to private equity investments by allowing retail and institutional investors to gain indirect investment exposure to growth to late stage private operating businesses.
- *Long-term investment perspective:* By emphasizing a long-term perspective, the Company expects to be able to make the commitments necessary to allow investments to realize their full potential, maximizing absolute returns by exploiting opportunities in a market that the Manager believes is increasingly short-term focused and unwilling or unable to sustain short-term volatility.
- *Liquid public structure:* As a TSX-listed corporation, the Company's structure provides its investors with increased liquidity as compared to the alternatives of traditional venture capital and private equity investments, which typically have defined hold periods and limited methods to redeem or trade value.
- *Active management:* The Company believes in active management to positively influence the activities and/or behaviour of its Portfolio Companies. The Manager believes that active

management is not only an effective means to minimize investment risks and maximize returns, but it is also expected to enable the Company to forge stronger relationships with the Portfolio Companies, as the Company believes that issuers prefer to deal with entities that democratize investment access.

- *Flexible mandate*: The Company is expected to have the benefit of utilizing a flexible investment mandate, with the capability to invest across the capital structure, tailoring its investments to the needs of Portfolio Companies.
- *Experienced leadership*: The Company has built an accomplished and experienced management team, Board and Advisory Board to execute on its investment and operational strategy. The management team has collectively invested a significant amount of their personal capital (through the Management Investment) and has agreed to voluntarily lock-up and retain all of the Common Shares and IPO Warrants (until the IPO Warrants expired) held upon the completion of the Company's initial public offering and the Management Investment by the Management Investors until June 16, 2026, subject to certain limited exceptions, showing their confidence and alignment with investors (see "Escrowed Securities and Securities Subject to Contractual Restriction on Transfer").
- *Optimal structure*: The Company operates with a permanent capital base and, as such, management believes it is well positioned to maximize investment returns on behalf of its shareholders in the future. Permanent capital is expected to allow the Company and the Manager to focus on the growth of each underlying Portfolio Company, without having to concern itself with the liquidity needs of investors in a Portfolio Company. The Company also believes that permanent capital structures are the preferred choice of issuers. The structure is also expected to provide the Company with the stability necessary to weather downturns in the economy, in the most effective manner possible.
- *Competitive compensation structure*: The Company is structured as an externally managed business and, as such, is subject to paying the Management Fee and, if earned, the Performance Fee. Given the exclusive nature of the private equity opportunities that the Company will seek to invest in, the Manager believes that the Management Fee and the Performance Fee (subject to a permanent high water mark) are competitive in comparison to other private equity opportunities in the marketplace, and on par with the fees charged by many conventional mutual fund or liquid alternative investment entities.

Notwithstanding the Company's long-term investment horizon, it may, from time to time, seek to monetize any of its investments. The conditions under which it may sell all or part of an investment include, but are not limited to: (i) the investment maturing, or reaching/exceeding the Manager's assessment of its fair value; (ii) a change in corporate or operational strategy that differs from its original investment thesis; (iii) an opportunity arising to achieve liquidity on attractive terms; or (iv) identifying another investment opportunity that offers a more attractive risk-adjusted return profile, where additional capital is needed to make the investment. The Board will also be required to approve each proposed investment monetization of the Company's investment in a Portfolio Company having expected gross proceeds that are greater than 15% of Total Assets.

Investment Restrictions

Each of the Company's portfolio investments is subject to a concentration restriction that prohibits the Company from making an investment if, after giving effect to such investment, such investment would exceed 20% of the Total Assets on the closing date of such investment (the "Investment Concentration Restriction"). The Company will at all times utilize one or more custodians to hold its assets. See "Custodian" for further details.

Use of Leverage

The Company does not currently intend on using leverage to achieve its business objective. However, in certain circumstances the Company may benefit from this increased flexibility. Therefore, the Company is authorized to borrow to maintain liquidity or for general working capital purposes, all in accordance with its

business objective and investment strategies. The Company may borrow up to an amount not exceeding 20% of the Total Assets, measured at the time of borrowing.

Calculation of Total Assets and Book Value

The total assets of the Company on a particular date will be equal to the aggregate fair value of the assets of the Company on such date, without deduction of liabilities, expressed in Canadian dollars (the “Total Assets”). The book value of the Company on a particular date will be equal to the aggregate fair value of the assets of the Company on such date, less the aggregate carrying value of the liabilities, excluding any deferred taxes, if applicable, of the Company, expressed in Canadian dollars (the “Book Value”). If the Company has any consolidated subsidiary entities, should the Company ever do so, the assets and liabilities of its consolidated subsidiaries (net of any minority interest) will be included for the purposes of calculating the Book Value.

The fair value of the assets of the Company is determined by the Company in accordance with the procedures described below, subject to the Board’s discretion, and always in accordance with IFRS 13 – *Fair Value Measurement*. Assets are valued at market prices provided by independent pricing sources, except to the extent that the market prices are not readily available or do not reflect the fair value of such assets. If market prices are not readily available or if it is determined, following procedures approved by the Board, that market prices do not reflect the fair value of such assets, the Company will value such assets in accordance with policies and procedures approved by the Board. Assets that may be valued using fair value pricing include, but are not limited to: (i) an unlisted security; (ii) a restricted security; (iii) a security whose trading has been suspended or which has been de-listed from its primary trading exchange; (iv) a security that is thinly traded; (v) a security whose issuer is in default or bankruptcy proceedings for which there is no current market quotation; (vi) a security affected by extreme market conditions; (vii) a security affected by currency controls or restrictions; and (viii) a security affected by a significant event (e.g., an event that occurs after the close of the markets on which the security is traded). Foreign currency-denominated investments will be valued using foreign currency exchange rates provided by independent sources.

The Company is categorized as an investment entity under IFRS 10 and reports the Company’s investments in its financial statements on that basis. The determination as to whether an entity can be categorized as an investment entity under IFRS 10 is based primarily on the definition of an “investment entity” as set out in paragraph 27 of IFRS 10, which provides that an investment entity is an entity that: (a) obtains funds from one or more investors for the purpose of providing those investors with investment management services; (b) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and (c) measures and evaluates the performance of substantially all of its investments on a fair value basis. An entity is required to consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. IFRS 10 provides that an investment entity should have the following typical characteristics:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests.

The Company meets all of the above characteristics to satisfy the definition of an investment entity, and therefore qualifies as an investment entity under IFRS 10. As such, all investments, including those that the Company has or may have control or significant influence over, are valued at fair value in accordance with the valuation policies described above.

The Manager

Pursuant to the terms of the Management Agreement, the Manager acts as the Company’s exclusive manager and sources and advises with respect to all investments for the Company, actively manages such investments and otherwise directs our affairs and manages our business.

The Board has a role in approving significant investments made by the Company, and a summary of all Company investments will be discussed on a consistent basis at Board meetings. Board approval will be required for each initial investment in a Portfolio Company made by the Company which has an acquisition cost that is greater than 10% of Total Assets at the date of investment. The Board will also be required to approve each divestment of a Company's investment in a Portfolio Company having expected gross proceeds that are greater than 15% of Total Assets. In connection with the Manager's advice and recommendations to the Board with respect to a particular investment, the Manager will also provide advice relating to the use of leverage. Should it be determined to proceed with an investment, the Manager will arrange for the investment to be made and thereafter manage such investment on the Company's behalf.

Manager Experience

The Manager has an experienced executive team – complemented by the Company's Board and Advisory Board – that the Company and the Manager believe can provide unique value in sourcing, evaluating, managing and realizing value from private investments. The Manager believes it has assembled a unique team with investment and business-building experience to drive returns for the Company's shareholders in the attractive and growing private equity market, all via a permanent capital structure that will competitively advantage the Company in making long-term investment decisions and position the Company as a shareholder of choice for prospective Portfolio Companies.

Duties and Services Provided by the Manager

Pursuant to the Management Agreement, the Manager has the authority to manage the Company's affairs and day-to-day activities. The Manager may delegate certain of its powers to third parties, where, at the discretion of the Manager, it would be in the Company's best interests to do so. The Manager's duties and services include:

- Sourcing, structuring, advising and actively managing potential investment opportunities
- Undertaking due diligence before formally committing to an investment
- Providing ongoing monitoring of investments made by the Company, including, where appropriate, playing an active role in the Portfolio Company's growth and development through strategic advice, industry experience as public market participants, board or advisory representation and/or other means
- Advising and making recommendations on potential dispositions (or another form of monetization) of the Company's investments
- Carrying out all of the Company's capital market activities
- Authorizing the payment of operating expenses
- Preparing the Company's financial statements and financial and accounting information
- Ensuring compliance with applicable laws and regulatory requirements, including regulatory and shareholder reporting
- Negotiating contracts with third-party providers of services, including registrars, transfer agents, auditors, printers and others

The Manager will provide advice to the Company and its subsidiaries in accordance with the Company's investment objective. The services performed by the Manager are conducted only by officers, employees and designated third-parties who have appropriate experience and qualifications.

Details of the Management Agreement

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties diligently, honestly and in good faith and in the Company's best interests and to exercise the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. The Management Agreement provides that the Manager and its directors, officers, securityholders, employees and agents will not be liable to the Company in any way for any default, failure or defect in the Company's investments or for any act performed, or failure to act, by the Manager within the scope of the authority conferred on the Manager by the Management Agreement, if it has satisfied the duties and the standard of care, diligence and skill set forth in the Management Agreement. The Manager will incur liability, however,

in cases of wilful misconduct, bad faith, gross negligence, breach of the Manager's standard of care or by any material breach or material default by it of its obligations under the Management Agreement.

The term of the Management Agreement commenced on June 16, 2021 and continues for ten years until June 16, 2031, and automatically renews unless terminated prior thereto or a notice of non-renewal is provided by the Company or the Manager. The Management Agreement will be automatically renewed for successive five-year terms at the expiration of the initial term and any renewal term, unless either the Company (at the direction of the Board) or the Manager notifies the other in writing of non-renewal at least twelve (12) months prior to the expiration of the initial term or a renewal term.

The Management Agreement may be terminated by the Company at any time upon approval of a majority of the Company's independent directors upon the occurrence of any of the following: (a) in the event of a breach by the Manager of any material term of the Management Agreement that is not cured within 60 days of written notice of such breach to the Manager (or such longer period, not to exceed 120 days, as may be reasonably required in the circumstances to cure such breach if such breach may be cured); (b) in the event of the commission (as determined by a court of competent jurisdiction with all rights of appeal having expired) by the Manager of any act constituting bad faith, wilful malfeasance, gross negligence or reckless disregard of its duties under the Management Agreement; or (c) if any proceedings in insolvency, bankruptcy, receivership or liquidation are taken against the Manager or if the Manager makes an assignment for the benefit of its creditors, commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act (Canada)* or declares itself or is declared to be insolvent.

The Management Agreement may also be terminated by the Company at any time on or after June 16, 2027 (each, a "No Cause Termination Right"): (i) upon: (A) approval of two-thirds of the Company's independent directors occurring on or after June 16, 2027; and (B) twelve months' prior written notice to the Manager being given after the approval of the Company's independent directors is obtained; or (ii) in the event of the successful completion of an amalgamation or other business combination transaction or "formal take-over bid" (as such term is defined in *the Securities Act (Ontario)*) following which, there is a change of control of the Company on or after June 16, 2027, upon twelve months' prior written notice to the Manager being given after the business combination transaction or "formal take-over bid" is completed.

The Management Agreement may be terminated by the Manager at any time: (a) on or after June 16, 2027 upon not less than twelve (12) months' prior written notice to the Company given on or after June 16, 2027; (b) in the event of a breach by the Company of any material term of the Management Agreement that is not cured within 60 days of written notice of such breach to the Company (or such longer period, not to exceed 120 days, as may be reasonably required in the circumstances to cure such breach if such breach may be cured) (a "Material Company Breach"); or (c) if any proceedings in insolvency, bankruptcy, receivership or liquidation are taken against the Company or if the Company makes an assignment for the benefit of its creditors, commits any act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act (Canada)* or declares itself, or the Company is declared to be, insolvent.

Upon the termination of the Management Agreement by the Company pursuant to a No Cause Termination Right, upon termination of the Management Agreement by the Manager pursuant to a Material Company Breach or in connection with the expiration of the initial term or the then current renewal term of the Management Agreement as a result of the Company providing a non-renewal notice to the Manager, the Company will pay to the Manager, in immediately available funds on the date of termination or expiration, an amount equal to three times the sum of the following, plus applicable taxes: (a) the greater of: (i) the total amount of the Management Fee received and/or earned by the Manager pursuant to the Management Agreement during the twelve (12) consecutive completed calendar months occurring on or prior to the termination/expiration date; and (ii) an amount equal to 1.5% of the Book Value of the Company at the close of business on the termination/expiration date; and (b) the average of the two largest Performance Fee amounts received and/or earned by the Manager pursuant to the Management Agreement during the five (5) consecutive completed calendar years occurring on or prior to the termination/expiration date.

Subject to the ability of the Manager to delegate its powers and duties, the Management Agreement (and any interest in the Management Agreement) may not be assigned or subcontracted by either party without the prior written consent of the other party. Any amendment, supplement or modification of the Management Agreement may only be executed by the Company if and when approved by a majority of the Company's independent directors. In addition, the Manager and each of its directors, officers, securityholders, employees and agents will be indemnified by the Company to the fullest extent permitted by law for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced, or other claim that is made against the Manager, or any of its directors, officers, securityholders, employees and agents, in the exercise of its duties as the Company's manager, except those resulting from the Manager's wilful misconduct, bad faith, gross negligence, breach of the Manager's standard of care or material breach or default by the Manager of its obligations under the Management Agreement.

Any direct or indirect change of control of the Manager will be subject to the prior approval of a majority of the Company's independent directors. The services to be provided by the Manager under the Management Agreement are not exclusive to the Company and, subject to the provisions described under “– Non-Competition Arrangements” and “– Allocation of Investment Opportunities” below, the Management Agreement does not limit or restrict the Manager, its affiliates, or any of the directors, officers, shareholders or employees of the Manager or its affiliates, from carrying on business ventures for its own account and for the account of others, including providing similar services to others.

Management Fee and Performance Fee

As compensation for the provision of the services to be provided to the Company by the Manager, the Company will pay the Management Fee and, if applicable, the Performance Fee, in each case, together with any applicable sales taxes thereon, to the Manager.

The management fee (the “Management Fee”) is a monthly amount equal to 1/12 of 1.5% of the Book Value of the Company, plus any sales taxes thereon, calculated and accrued at the beginning of each month based on the Book Value of the Company as at the end of the immediately preceding month. The Management Fee in respect of a month is payable by the Company to the Manager on or before the tenth (10th) day following the last day of such month.

The performance fee (the “Performance Fee”) is calculated and accrued quarterly and paid for the period from the completion of the Company's initial public offering to December 31, 2021 and for each consecutive one-year period thereafter (each, a “Calculation Period”). The amount of the Performance Fee shall be determined as of the end of the last day of each Calculation Period (each a “Determination Date”) with respect to the time-weighted average Common Shares of the Company outstanding during such Calculation Period. All calculations with respect to the Performance Fee are made to four decimal places. The Performance Fee for a Calculation Period, if any, is paid within 30 days after the Company issues its year-end audited financial statements for such Calculation Period (the actual date of the payment of the Performance Fee for a Calculation Period, the “PF Payment Date”).

The Performance Fee is payable in cash, or at the option of the Manager, a portion of the Performance Fee may be applied to the subscription of Common Shares. If the Manager elects to have the Performance Fee applied to a subscription of Common Shares, such election must be made no later than December 15 of the applicable Calculation Period in respect of which the Performance Fee is to be paid. The number of Common Shares to be issued will be calculated based on market price (the “Market Price”), being the volume-weighted average trading price of the Common Shares on a recognized stock exchange for the 5 trading days prior to but excluding the PF Payment Date for the Calculation Period in respect of which the Performance Fee is to be paid and for purposes of calculating the Performance Fee in respect of subsequent Calculation Periods thereafter will be deemed to be outstanding as of the first day of such Calculation Period regardless of the date of actual issuance. In no instance will a portion of the Performance Fee be applied to a subscription and issuance of Common Shares if: (a) after such issuance, the Manager and its affiliates would own more than 49% of the outstanding equity capital of the Company; or (b) such issuance is not in compliance with the rules or policies of the stock exchange upon which Common Shares are then listed for

trading (including the TSX, and the review and receipt of approval of the TSX as required under such rules or policies). The Manager will agree to apply to the subscription of Common Shares no less than 30% of the Performance Fee earned during the five year period following the completion of the Company's initial public offering, further demonstrating alignment and confidence in the Company, and increasing the Management Investors' investment in the Company beyond the original Management Investment. The maximum number of Common Shares subject to issuance in payment of a portion of the Performance Fee is limited to 891,833 (being 8.33% of the total issued and outstanding Common Shares at December 31, 2024). For TSX purposes, the subscription of Common Shares in payment of a portion of the Performance Fee is a security based compensation arrangement and subject to the TSX rules governing security based compensation arrangements.

The Performance Fee for a Calculation Period will be equal to the product of:

- (a) the number of time-weighted average Common Shares outstanding during such Calculation Period (calculated before taking into account any Common Shares issuable in payment of a Performance Fee for such Calculation Period); and
- (b) 15% of the amount by which the sum of:
 - (i) the Book Value per Share of the Company at the end of such Calculation Period (calculated before taking into account the Performance Fee payable for the period ending on the Determination Date for such Calculation Period), plus
 - (ii) the total amount of distributions paid on the Common Shares during such Calculation Period and all consecutive immediately preceding Calculation Periods, if any, in respect of which no Performance Fee was paid divided by the weighted average number of Common Shares outstanding during such Calculation Periods;

exceeds:

- (iii) the High Water Mark.

The "High Water Mark" will be (a) in respect of the initial Calculation Period, the gross proceeds of the Company's initial public offering, together with the gross proceeds from the Management Investment on the completion of the Company's initial public offering, divided by the aggregate number of Common Shares outstanding on the completion of the Company's initial public offering, and (b) in respect of any Calculation Period thereafter, (x) the highest Book Value per Share on any preceding Determination Date for a Calculation Period in respect of which a Performance Fee was paid (calculated after taking into account the Performance Fee, if any, in respect of such Calculation Period, including any Performance Fee which is applied to the subscription and issuance of Common Shares) or (y) if no Performance Fee has yet been paid, the High Water Mark in respect of the initial Calculation Period.

Ongoing Fees and Expenses

The Manager is responsible for its own day-to-day operating expenses, including in connection with the provision of the services for the Company (including discovery and evaluation of investment opportunities, other than third-party costs and expenses), compensation of its personnel and the cost of office space, office supplies, communications, telephone, news, quotation and computer equipment, utilities and other normal overhead expenses. The Manager also bears fees and expenses payable to any person to which it has delegated any of its obligations.

Other than as set out below, the Company is responsible for its own operating expenses including: (i) all expenses incurred in connection with trading and the acquisition, holding or disposition of investments, including taxes, brokerage fees and commissions, agency/underwriting commissions and discounts, expenses related to indemnification obligations, and legal, accounting, investment banking, consulting, information services and other professional fees; (ii) all costs and expenses relating to investment transactions that are not consummated, and legal, accounting, investment banking, consulting, information services and other professional fees related thereto; (iii) entity-level taxes; (iv) all costs and fees relating to the preparation of financial statements, audits, financial and tax reports, portfolio valuations, tax returns and

other reports and continuous disclosure materials, including fees and out-of-pocket expenses of any service company retained to provide accounting and bookkeeping services; (v) all ongoing legal and compliance costs (including stock exchange fees and listing fees) and the costs of prosecuting or defending any legal action for or against any of the Company, the Board, any subsidiary through which the Company makes an investment from time to time and its board of directors, the Manager or any of its affiliates relating to the affairs of the Company; (vi) all fees, costs and expenses related to all governmental filings of the Company or its subsidiaries; (vii) expenses of the directors, including directors' fees and travel expenses; (viii) expenses related to maintenance of corporate records and books of account, including, without limitation, accounting and auditing fees, disbursements and company secretarial expenses; (ix) expenses related to organization and conduct of directors' and shareholders' meetings and the preparation and distribution of all reports to, and other communications with, shareholders, expenses related to issuing and transferring shares and paying dividends or making other distributions thereon, extraordinary expenses and other similar expenses; (x) fees payable to the transfer agent, custodian(s) or any other third party service provider of the Company; and (xi) costs relating to any credit facilities, insurance premiums and any extraordinary expenses which the Company may incur or which may be incurred on the Company's behalf from time to time, as applicable.

Any arrangements for additional services to be provided to the Company or its subsidiaries by the Manager or any affiliates thereof that have not been described in this AIF will be on terms that are no less favourable to the Company or its subsidiaries than those available from arm's length persons (within the meaning of the Tax Act) for comparable services, and the Company or such subsidiary, as the case may be, will pay all expenses associated with any such additional services.

Allocation of Investment Opportunities

The Company and the Manager entered into the Business Opportunity Allocation Agreement to govern the allocation of business opportunities between the parties in respect of certain investment opportunities and monetization events (the "Business Opportunity Allocation Agreement"). Within the markets described in the Company's business objectives and investment strategies, the Manager will not compete with the Company except as permitted by the Business Opportunity Allocation Agreement.

Pursuant to the Business Opportunity Allocation Agreement, the Manager agrees that it shall: (i) consider for investment by the Company any investment opportunity of which it becomes aware which may reasonably be determined to fit within the Company's business objective and investment strategies at the relevant time (each, an "Investment Opportunity"); and (ii) present to the Board each Investment Opportunity, provided it is not precluded from doing so pursuant to non-disclosure covenants, where the Manager is interested in pursuing the Investment Opportunity outside of the Company in whole or in part (either by the Manager, or by its directors, officers or owners or their respective affiliates, or for other persons on behalf of whom the Manager acts) (the "Manager Group"). The Manager will present each Investment Opportunity contemplated in (ii) above to the Board in writing or at a meeting of the Board where the Manager will specify the details of such Investment Opportunity and the details of pursuing such Investment Opportunity outside of the Company (each, a "Notice of Opportunity").

The Company shall have the first right to exclusively invest in an Investment Opportunity before any member of the Manager Group. With respect to an Investment Opportunity contemplated in (ii) above, the Company may exercise such first right to invest in the Investment Opportunity, either exclusively or with one or more members of the Manager Group as a co-investor (upon such terms and conditions as the Company and the Manager may agree), such exercise (and the manner of exercise) to be by way of approval by the Board (with any members of the Board who are not independent of the Manager, or who are otherwise conflicted, recused from voting). Within 7 days of receipt of a Notice of Opportunity involving an Investment Opportunity contemplated in (ii) above, the Board shall notify the Manager of its decision in respect of such Investment Opportunity, including whether it intends to pursue it, exclusively or together with one or more members of the Manager Group, or decline it. If the Board does not respond to the Notice of Opportunity provided by the Manager detailing an Investment Opportunity contemplated in (ii) above within 7 days of receipt of such Notice of Opportunity, then it will be deemed that the Company has declined its first right to invest in such

Investment Opportunity. Any member of the Manager Group shall be entitled to pursue on its own behalf any Investment Opportunity that the Company has declined or deemed to decline in accordance with the foregoing.

In addition, the Manager shall give the Company notice of the intention of a member of the Manager Group to dispose of any securities of any issuer in which it knows the Company is also invested and to cooperate with the Company in connection with such disposition of such securities in an orderly manner, subject to compliance with applicable laws and any additional terms and conditions of such investment agreed to by the Company and the Manager. The Manager shall give such notice of its intention to dispose of securities not less than 7 days before such disposition in the case of publicly traded securities and not less than 30 days in the case of securities that are not publicly traded.

The foregoing shall not apply to any investment or disposition made by the Manager that is directed by a fully managed account or similar account whereby such investment or disposition is not directed by a director, officer or employee of the Manager.

The Business Opportunity Allocation Agreement shall continue in force for so long as the Management Agreement is in effect. The Business Opportunity Allocation Agreement may be amended, restated or supplemented only by an instrument in writing executed by each of the Manager and the Company that is approved by: (a) a majority of the directors of the Company who are independent of the Manager; and (b) when required by applicable laws or the rules of the stock exchange on which the Common Shares are traded, the holders of such Common Shares in accordance with such applicable laws and/or stock exchange rules.

Owners, Officers and Directors of the Manager

The board of directors of the Manager currently consists of four members: Jeffrey Parks, Jason Meiers, Jimmy Vaiopoulos and Brian Viveiros, who collectively comprise the Management Investors who completed the Management Investment. The Manager is 100% owned, indirectly, by Jeffrey, Jason Meiers, Jimmy Vaiopoulos and Brian Viveiros. Directors are appointed to serve on the Manager’s board of directors until such time as they retire or are removed and their successors are appointed.

The following table sets forth information regarding the directors and executive officers of the Manager.

Name, Province or State and Country of Residence	Position/Title	Principal Occupation
Jeffrey Parks Ontario, Canada	Chief Executive Officer and Managing Director of the Manager	Chief Executive Officer of the Company and the Manager, and Managing Director of the Manager
Jason Meiers..... Ontario, Canada	Chief Investment Officer and Managing Director of the Manager	Chief Investment Officer of the Company and the Manager, and Managing Director of the Manager
Jimmy Vaiopoulos..... Ontario, Canada	Chief Financial Officer and Managing Director of the Manager	Chief Financial Officer of the Company and the Manager, and Managing Director of the Manager
Brian Viveiros..... Ontario, Canada	VP Corporate Development and Investor Relations, Corporate Secretary and Managing Director of the Manager	VP Corporate Development and Investor Relations and Corporate Secretary of the Company and the Manager, and Managing Director of the Manager

Brief biographies and the principal occupation during the past five years of the individuals listed above are set out under “Directors and Officers – Biographical Information Regarding the Directors and Executive Officers of the Company”.

The Manager’s sole engagement is its management of the Company pursuant to the terms of the Management Agreement. As such, each of the four members of management of the Manager, Jeffrey Parks, Jason Meiers, Jimmy Vaiopoulos and Brian Viveiros, have committed to the Company and the Manager to spend all or a substantial majority of their time and attention on the business and investment activities of the Company, having regard to the business needs and activities of the Company from time to time.

Non-Competition Arrangements

The Management Investors have entered into the Non-Competition Arrangements with the Company that restricts certain activities by them. Under the terms of the Non-Competition Arrangements, the Manager Group may not, directly or indirectly, carry on or be engaged in a business that competes with the Company or be affiliated with or have an economic interest in a competitive business, anywhere in Canada. These restrictions do not apply to the Manager Group in connection with any investments made by an individual which is part of the Manager Group or his or her affiliates prior to the completion of the Company’s initial public offering. The foregoing restrictions commenced on June 16, 2021 and end on the six-month anniversary of the earlier of: (a) the effective date of the termination or non-renewal of the Management Agreement; and (b) such date on which a Manager Group member ceases to be employed by the Manager or otherwise ceases to assist in providing services on behalf of the Manager.

Risk Factors

An investment in the Company carries a number of risks, many of which are inherent in the Company’s business, including the risk that the entire investment may be lost. In addition to all other information set out in the AIF, the following specific factors could materially adversely affect the Company’s future performance. Other risks and uncertainties that the Company does not currently consider to be material, or of which the Company is not currently aware, may become important factors that affect the Company’s future financial condition and results of operations. The occurrence of any of the risks discussed below could materially adversely affect the business, prospects, financial condition, results of operations or cash flow of the Company.

Risk Factors Related to the Business of the Company

Limited Operating History or Revenues

The Company only commenced operations following completion of its initial public offering in June 2021. As the Company lacks a meaningful operating history, there is a very limited basis upon which a potential investor can evaluate the Company’s ability to achieve its stated investment objective. The Manager itself is a recently formed company in 2021 and, as such, it has a limited history of operations and experience in investing or managing private investments of the type made on behalf of the Company. Although the Company expects to make additional investments in accordance with its business objective and investment strategies, the Company may be unable to complete any additional investments in the near term or otherwise in a timely manner. Uninvested funds will principally be invested in Permitted Low-Risk Investments which are not expected to generate significant operating revenues.

Long-Term Nature of Investment

An investment in the Company requires a long-term commitment with no certainty of return. Some investments to be made by the Company are not expected to generate current income. Therefore, the return of capital to the Company and the realization of gains, if any, from the Company’s investments will generally occur only upon the partial or complete realization or disposition of such investment. While an investment of the Company may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Company’s investments will not occur for a number of years after each such investment is made.

Unknown Merits and Risks of Future Investments

There is no basis for a prospective investor in the Company to evaluate the possible merits or risks of any particular future target company's operations, results of operations, cash flows, liquidity, financial condition or prospects. Although the Company will endeavour to evaluate the risks inherent in a particular investment, there can be no assurance that the Company will properly ascertain or assess all of the significant risks of such investment or that the Company will have adequate time or access to complete appropriate due diligence investigations. Furthermore, some of the risks may be outside of the Company's control and leave the Company with no ability to mitigate or control the chances that those risks will adversely impact the target company.

Broad Discretion over its Capital

Subject to the Voluntary Measures, the Company will have significant discretion as to the use of its funds for investments and could spend its capital in ways that do not enhance the value of the Common Shares. For example, the Company's investments may not yield a favourable rate of return or may even be lost in their entirety if the businesses in which the Company invests were to fail.

Competition and Technology Risks

The Company intends to hold investments in the securities of businesses that face intense competitive pressures within the markets in which they operate. Many factors, including market and technological changes, may erode the competitive advantages of the businesses in which the Company invests. Accordingly, the Company's future operating results will depend, to a degree, on whether or not those businesses are successful in protecting or enhancing their competitive positioning.

Substantial Loss of Capital

The investments made by the Company are speculative in nature and could experience a loss of all or substantially all of their investment in the Company. There can be no assurance that the Company will be able to make and realize investments or generate positive returns. There can also be no assurance that the returns generated, if any, will be commensurate with the risks of investing in the types of investments contemplated by the Company's investment objectives. As such, an investment in the Company should only be considered by persons who can afford a loss of their entire investment.

Investors in the Company Are Not Entitled to Vote on the Company's Proposed Investments

The Company will be relying on the Manager to source and identify suitable investments. Accordingly, investors will not be afforded the opportunity to either approve or oppose an investment opportunity of the Company. Thus, the Company may consummate any such investment even if a majority of the holders of its outstanding equity securities do not favour the particular investment.

Legal Proceedings

The Company or its Portfolio Companies may, from time to time, become party to a variety of legal claims and regulatory proceedings in Canada, the United States or elsewhere. The existence of such claims against the Company or its affiliates, portfolio investments, members of the Board or officers of the Company could have various adverse effects, including the incurrence of significant legal expenses defending such claims, even those claims without merit. The Company intends to manage day-to-day regulatory and legal risk primarily by implementing appropriate policies, procedures, and controls. Internal and external legal counsel are also expected to work closely with the Company to identify and mitigate areas of potential regulatory and legal risk.

Potential Lack of Investment Diversification

Other than the Investment Concentration Restriction, the Company does not have any specific limits on the holdings in securities of issuers, or in any one industry or size of issuer. Additionally, the Company primarily focuses on companies located in Canada and the United States. Accordingly, the securities in which the Company invests may not be diversified across many sectors and will be concentrated in specific regions or countries, such as Canada and the United States. The Company may also have a significant portion of investments in the securities of a single issuer.

A relatively high concentration of assets could result in a portfolio that may be more vulnerable to fluctuations in value resulting from adverse conditions that may affect the economy, a particular industry, or a segment of issuers than would otherwise be the case if the Company were required to maintain wide diversification. Consequently, significant declines in the fair value of the Company's larger investments will produce a material decline in the Company's reported earnings.

Financial Market Fluctuations and Deterioration of Political, Economic and Market Conditions

The Company will invest in growth to late-stage private operating businesses, with long-term growth potential, which private businesses may become public, or may be acquired by a public issuer. The Company would not be precluded from owning an investment in a public issuer. With respect to publicly traded issuers, fluctuations in the market price of such securities may negatively affect the value of such investments. In addition, general instability in the public debt market and other securities markets may impede the ability of businesses to refinance their debt through selling new securities, thereby limiting the Company's investment options with respect to a particular portfolio investment.

To the extent that the economy deteriorates for an extended period of time, one or more of the Company's investments could be materially harmed. In addition, the Company's investments may be affected by changes in political and market conditions, such as interest rates, restrictions or tariffs on trade, availability of credit, inflation rates, changes in laws, and national and international circumstances. Other developments, such as war and occupation, terrorism and related geopolitical risks, natural disasters, and public health emergencies, including an epidemic or pandemic, may lead to increased short-term market volatility, unusual liquidity concerns, and may have adverse long-term effects on world economies and markets generally, including Canadian, United States and other economies and securities markets. The effects of these or similar events on the economies and securities markets of countries cannot be predicted. These events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, fixed income markets, inflation and other factors relating to the portfolio investments of the Company. Unexpected changes in these factors could negatively impair the Company's financial condition, profitability, and cash flows, and may also have a negative effect on the valuation of, and the ability of the Company to exit or partially divest from, investment positions. Depending on economic and market conditions, the Company may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of any investment in the Company.

Failure to Execute the Company's Investment Strategies

Although the Company intends to make long-term investments that achieve superior risk-adjusted investment performance, this goal relies on the successful execution of its investment strategies. The successful execution of the Company's investment strategies is uncertain as it requires suitable opportunities, careful timing, and business judgment, as well as sufficient resources to make investments and restructure them, if required, notwithstanding difficulties experienced in a particular industry.

In addition, there is no assurance that the Company will be able to identify suitable or sufficient opportunities that meet its investment criteria and be able to make investments at attractive prices to supplement its growth in a timely manner, or at all.

Deciding as to the fundamental value and the value-enhancing potential of an investment may involve uncertainties and judgmental determinations. The Company may fail to value opportunities accurately or to consider all relevant factors that may be necessary or helpful in evaluating an opportunity. There may be certain liabilities, obligations, facts, or circumstances that are not discovered during the Company's due diligence prior to the completion of an investment.

The Company may fail to close on a potential investment opportunity for any number of reasons, including those beyond the Company's control. Failure to close on a potential investment may result in a loss of substantial management time and attention and of significant accounting, legal or other fees and expenses.

Further, the Company may underestimate the costs necessary to bring an investment up to standards established for its intended market position, may be exposed to unexpected risks and costs associated with its investments, and/or may be unable to quickly and effectively integrate new investments into its existing operations or exit from the investment on favorable terms.

Pace of Completing Investments

The Company's business is, with the assistance of the Manager, to identify suitable investment opportunities, pursuing such opportunities and consummating such opportunities. If the Company is unable to source and manage its investments effectively, it would adversely impact the Company's financial position and earnings. There can be no assurance as to the pace of finding and implementing investment opportunities.

Conversely, there may only be a limited number of suitable investment opportunities at any given time. This may cause the Company, while it deploys cash not yet invested, to hold significant levels of cash or cash equivalents. A lengthy period prior to which capital is deployed may adversely affect the Company's overall performance.

Control or Significant Influence Risk

Although the Company will endeavour to make investments that allow the Company to acquire control or exercise significant influence over management of its Portfolio Companies and the strategic direction of its portfolio, there can be no assurance that all investments will provide the Company with a degree of influence or control over their portfolio investments. In addition, the exercise of control over a Portfolio Company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over an investment could expose the assets of the Company to claims by such businesses, its shareholders and its creditors. While the Company intends to manage its investments in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Minority Investments

The Company may make minority equity investments in businesses in which the Company does not participate in the management or otherwise control the business or affairs of such businesses. The Company will monitor the performance of each investment and maintain an ongoing dialogue with each business management team; however, it will be the responsibility of the management of the business to operate the business on a day-to-day basis, and the Company may not have the right or ability to control or otherwise influence such business. The Company will not control the business and affairs of all Portfolio Companies. Accordingly, these companies may undertake activities which the Company does not believe is in their best interests.

Ranking of Company Investments and Structural Subordination

The Company will invest in private equity and debt securities, some of which may ultimately become public equity and debt securities. Portfolio investments may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which the Company invests. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which the Company is entitled to receive payments with respect to the debt instruments in which the Company invests. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio business, holders of debt instruments ranking senior to the Company's investment in that portfolio business would typically be entitled to receive payment in full before the Company receives any distribution. After repaying such senior creditors, such portfolio business may not have any remaining assets to use to repay its obligation to the Company. In the case of debt ranking equally with debt instruments in which the Company invests, the Company would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization, or bankruptcy of the relevant portfolio business.

Follow-On Investments

Following the initial investment in a business, the Company may be called upon to provide additional funds or have the opportunity to increase its investment in such business through the exercise of a warrant or other right to purchase securities or to fund additional investments through such business. There is no assurance that the Company will make follow-on investments or that the Company will have sufficient funds to make any such investment. Even if the Company has sufficient capital to make a desired follow-on investment, the Company may elect not to make such investment, as the Company may not want to increase its level of risk, the Company may prefer other opportunities or the Company may be restricted from doing so under its investment guidelines. Any decision by the Company not to make follow-on investments or its inability to make such follow-on investments may have a negative impact on the portfolio business in need of such investment, may result in a missed opportunity for the Company to increase its participation in a successful operation or may reduce the expected return on the investment.

Prepayments of Debt Investments

Debt investments made by the Company may be repaid or prepaid by Portfolio Companies prior to maturity. When this occurs, the Company will generally reinvest these proceeds in Permitted Low-Risk Investments, pending their future investment in new Portfolio Companies. This reinvestment will typically have substantially lower yields than the debt being prepaid and the Company could experience significant delays in reinvesting these amounts. Any future investment in a new portfolio business may also be at lower yields than the debt that was repaid. As a result, the Company's results of operations could be adversely affected if one or more Portfolio Companies elect to prepay amounts owed to the Company. Downward changes in interest rates may cause prepayments to occur at a faster than expected rate, thereby effectively shortening the maturity of the security and making the security less likely to be an income-producing instrument. Additionally, prepayments, net of prepayment fees (if any), could negatively impact the Company's return on equity.

Risks upon Disposition of Investments

In connection with the disposition of an investment in a Portfolio Company, the Company may be required to make representations about the business and financial affairs of the business or may be responsible as a selling securityholder for the contents of disclosure documents under applicable securities laws. The Company may be required to indemnify the borrowers, investors or purchasers of such investment or underwriters to the extent that any such representation turns out to be incorrect, inaccurate, or misleading.

Bridge Financings

From time to time, the Company may lend to businesses on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in the Company's control, that such long-term securities may not be issued and such bridge loans may remain outstanding. In such an event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Company.

Reliance on Key Personnel and Risks Associated with the Management Agreement

The management and governance of the Company depends on the services of certain key personnel, including the Manager and certain executive officers of the Company. The loss of the services of any key personnel could have a material adverse effect on the Company and materially adversely affect the Company's financial condition and results of operations.

The Company relies on the Manager with respect to the sourcing and advising with respect to its investments. Consequently, the Company's ability to achieve its investment objectives depends in large part on the Manager and its ability to identify and advise the Company on attractive investment opportunities. This means that the Company's investments are dependent upon the Manager's business contacts, its ability to successfully hire, train, supervise, manage and retain its personnel and its ability to maintain its operating systems. If the Company were to lose the services provided by the Manager or its key personnel or if the Manager fails to satisfactorily perform its obligations under the Management Agreement, the Company's investments and growth prospects may decline.

The Company may be unable to duplicate the quality and depth of management from the Manager if the Company were to source and manage its own investments or if it were to hire another manager. Prospective investors should not purchase any securities of the Company unless they are prepared to rely on the members of the Board, the Company's executive officers and the Manager. The Management Agreement may be terminated in certain circumstances and is only renewable on certain conditions. Accordingly, there can be no assurance that the Company will continue to have the benefit of the Manager's services, including its personnel, or that the Manager will continue to be the Company's manager. If the Manager should cease for whatever reason to be the manager of the Company, the cost of obtaining substitute services may be greater than the fees the Company will pay the Manager under the Management Agreement, and this may adversely affect the Company's ability to meet its objectives and execute its strategy which could materially and adversely affect the Company's cash flows, operating results and financial condition.

Effect of Fees

The Company is required to pay the Management Fee and Performance Fee, if any, to the Manager. From time to time, the payment of such fees will reduce the actual returns to holders of Common Shares. A portion of these fees will be payable to the Manager regardless of whether the Company produces positive investment returns.

Performance Fee Could Induce the Manager to Make Speculative Investments

The Performance Fee that may be payable to the Manager may create an incentive for the Manager to make or recommend investments that are more speculative or involve more risk than would be the case in the absence of such a compensation arrangement. The way in which the Performance Fee payable is determined may encourage the Manager to use or recommend the use of leverage to increase the return on the Company's investments. Increased use of leverage and the corresponding increased risk of replacement of that leverage at maturity could increase the likelihood of default, which could materially and adversely affect the Company's cash flows, operating results and financial condition.

Reliance on the Performance of Underlying Assets

The Company will not have any operations, activities, or other active businesses other than the acquisition, retention, and management of its investments. Accordingly, although the Company generally intends to take an active role in overseeing and monitoring its investments, factors unique to its Portfolio Companies, such as changes in operating performance, profitability, financial position, creditworthiness, management, strategic direction, achievement of goals, mergers, acquisitions, divestitures, or distribution policies, may affect the value of the Company's investments, and in turn, the overall performance of the Company. In addition, a decline in the state of the capital markets, changes in law and/or other events, could have a negative effect on the value of the Company's investments and the Company.

Changes that negatively impact the Company's portfolio investments could adversely affect the Company's ability to sell its investments for a capital gain or to otherwise earn revenue.

Operating and Financial Risks of Investments

Businesses in which the Company invests could deteriorate as a result of, among other factors, an adverse development in their business operations, a change in the competitive environment or an economic downturn. As a result, businesses that the Company expects to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress. In some cases, the success of the Company's investment strategy will depend, in part, on the ability of the Company to restructure and effect improvements in the operations of a business in which it has invested. The activity of identifying and implementing restructuring programs and operating improvements at businesses entails a high degree of uncertainty. There can be no assurance that the Company will be able to successfully identify and implement such restructuring programs and improvements.

Allocation of Personnel

The Manager's officers and employees may not be able to devote all of their business time and attention to the Company as they may be involved in other operations and businesses which the Manager undertakes from time to time. The Manager's officers and employees will devote such time and attention to the business of the Company as they reasonably consider necessary to effectively carry out the operations of the Company and satisfactorily perform its obligations under the Management Agreement.

Potential Conflicts of Interest

The Company will rely on the Manager's expertise in identifying and advising on investment opportunities, transaction execution and asset management capabilities. The Manager may also provide similar services to others. The services to be provided by the Manager under the Management Agreement are to be provided on a non-exclusive basis to the Company, and accordingly, there are no restrictions on the Manager from providing similar services to other entities or from engaging in other activities in the future (whether or not their investment objectives, strategies and policies are similar to those of the Company). The Company has entered into the Non-Competition Arrangements with the Management Investors, which addresses certain conflicts of interest. See "Description of the Business – The Manager – Non-Competition Arrangements". The Manager will allocate investment opportunities among the Company and the Manager's other clients and businesses in accordance with the Business Opportunity Allocation Agreement (see "Description of the Business – The Manager – Allocation of Investment Opportunities"). As a result of this agreement, the Company may, from time to time, be precluded from participating in an investment opportunity available to the Manager that would otherwise be compatible with the Company's investment objectives and restrictions. In addition, although allocation of investment opportunities will be made in accordance with the Business Opportunity Allocation Agreement, the Manager may encounter conflicts of interest when allocating investment opportunities among the Company and the Manager's other clients and businesses.

The Manager is not restricted from forming additional investment vehicles, entering into other management relationships, exercising investment responsibility, engaging in other business (or non-business) activities or directly or indirectly purchasing, selling, holding or otherwise dealing with any securities for the account of any such other business or for other clients (including, without limitation, for or on behalf of clients that invest or may invest in the Company). These activities may be in competition with the Company or involve substantial time and resources of the Manager. These activities, including the establishment of other investment vehicles which may be more, similarly or less concentrated than the Company, may give rise to additional conflicts of interest.

In addition, members of the Board will, from time to time, in their individual capacities, deal with parties with whom the Company may be dealing or may be seeking investments similar to those desired by the Company. It is possible that the interests of these persons could conflict with those of the Company. Applicable corporate law contains conflict of interest provisions requiring members of the Board to disclose their interests in certain contracts and transactions and to refrain from voting on those matters.

The Liability of the Manager is Limited and the Company and the Manager have not been Represented by Separate Legal Counsel

Under the Management Agreement, the Manager does not assume any responsibility other than to perform the obligations, duties and responsibilities described in the Management Agreement. As a result, the right of the Company to recover against the Manager may be limited to damages arising out of the performance or non-performance of the responsibilities explicitly set forth in the Management Agreement. In addition, the Management Agreement contains provisions exonerating the Manager and related persons from liability in connection with the performance of obligations under the Management Agreement or indemnifying the Manager or related persons under certain circumstances, even if the Manager has been negligent. These protections from liability may result in the Manager tolerating greater risks when making investment-related decisions or providing investment-related advice than would otherwise be the case, including when determining whether to use or advise with respect to leverage in connection with investments. See "Description of the Business – The Manager – Details of the Management Agreement".

The Company and the Manager have not been represented by separate legal counsel in connection with the structuring of the Company, its operations and contractual relationships, and such terms have not been negotiated at arm's length.

Reputation

The Company could be negatively impacted if there is misconduct or alleged misconduct by its personnel or those of the Manager or the Portfolio Companies in which the Company invests, including historical misconduct. Risks associated with misconduct at Portfolio Companies is heightened in cases where it does not have legal control or significant influence over a particular Portfolio Company or is not otherwise involved in actively managing a Portfolio Company. In such situations, given the Company's ownership position and affiliation with the Portfolio Company, it may still be negatively impacted from a reputational perspective through this association. In addition, even where the Company has control over a Portfolio Company, if it is a newly acquired Portfolio Company that the Company is in the process of integrating then the Company may face reputational risks related to historical or current misconduct or alleged misconduct at such Portfolio Company for a period of time.

There is a risk that employees of the Manager could engage in misconduct that adversely affects its reputation, business and ability to successfully execute its investment strategy and which, in turn, may harm the operations and financial condition of the Company. The Manager's business often requires that it deal with confidential matters relating to companies on which it may provide advice or invest. It is not always possible to detect or deter employee misconduct, and the precautions the Manager takes to detect and prevent these types of activities may not be effective in all cases. If any of the Manager's employees were to engage in misconduct or were to be accused of such misconduct, whether or not substantiated, the Manager's business and reputation could be adversely affected and a loss of investor confidence could result, which could materially adversely affect the Company.

Valuation Methodologies Involve Subjective Judgments

For purposes of IFRS-compliant financial reporting, the Company's financial assets and liabilities will be valued in accordance with IFRS. Accordingly, the Company is required to follow a specific framework for measuring the fair value of its assets and liabilities and, in its audited financial statement, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchical disclosure framework that ranks the observability of market inputs used in measuring financial instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

A portion of the Company's investment portfolio will be in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. The Company will value these securities quarterly at fair value as determined in good faith by the Company; however, the Company may be required to value its securities at fair value as determined in good faith by the Board to the extent necessary to reflect significant events affecting the value of its securities. The Company may utilize the services of an independent valuation firm to aid it in determining the fair value of these securities. The types of factors that may be considered in fair value pricing of the Company's investments include the nature and realizable value of any collateral, the portfolio business' ability to make payments and its earnings, the markets in which the portfolio investment does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private issuers, are inherently uncertain, such valuations may fluctuate over short periods of time and may be based on estimates, and the Company's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. The value of the Total Assets could be materially adversely affected if the

Company's determinations regarding the fair value of its investments were materially higher than the values it ultimately realizes upon the disposition of such securities.

From time to time, the Company will be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that the Company is required to adopt could result in a change in the valuation of the Company's assets and liabilities.

Due to a wide variety of market factors and the nature of certain securities to be held by the Company, there is no guarantee that the value determined by the Company or any third-party valuation agents will represent the value that will be realized by the Company on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the Company or any third-party valuation agents are inherently different from the valuation of the Company's securities that would be performed if the Company were forced to liquidate all or a significant portion of its securities, which liquidation valuation could be materially lower.

Foreign Security Risk

The Company's investment portfolio may include issuers, domestic or otherwise, with multinational organizations and who have significant foreign business and foreign currency risk. The value of these securities may be influenced by foreign government policies, lack of information about foreign corporations, political or social instability and the possible levy of foreign withholding tax.

Foreign Exchange Risks

The Company's reporting currency is the Canadian dollar. A portion of the Company's investments may include securities denominated in foreign currency. The Company may implement measures to hedge a portion of such foreign currency exposure. In the year the Company implemented a forward currency contract to hedge against fluctuations in the US dollar. Accordingly, the Book Value of the Company's portfolio may fluctuate depending on the rate of exchange between the Canadian dollar and such foreign currencies and the amount of any hedges in place. The Company may, from time to time, experience gains and losses resulting from the fluctuations of foreign currencies, which could impact the Company's financial condition, profitability, or cash flows.

Investments in Private Issuers

As the Company focuses on investing in growth to late-stage private issuers, the Company invests and will continue to invest in the securities of private issuers. Issuers whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. As minimal public information exists about private businesses, the Company could be required to make investment decisions on whether to pursue a potential investment in a private business on the basis of limited information, which may result in an investment in a business that is not as profitable as the Company initially suspected, if at all. The Company must, therefore, rely on its and the Manager's management team to obtain the information necessary to make an informed investment decision. The valuations ascribed to such private securities within the Company's portfolio will be measured at fair value in accordance with IFRS, and the resulting values may differ from values that would have otherwise been used had a ready market existed for the investment.

The valuation process for private securities is not based on publicly available prices and is, to a degree, subjective in nature. These valuations will be reflected in the Book Value of the equity securities of the Company.

Opinions From Independent Investment Banks or Accounting Firms Are Not Contemplated

The Company is not required to obtain an opinion from an independent investment bank or accounting firm that the price the Company is paying for a particular investment is fair to the Company from a financial point of view. If such an opinion is not obtained, shareholders will be relying on the judgment of the Board, the Company's executive officers and the Manager, who will determine fair market value based on standards generally accepted by the financial community. Except as required by law, the Company has no intention of

obtaining an opinion from an independent investment bank or accounting firm prior to making each of its investments.

Illiquid Assets

In accordance with the Company's business objective and investment strategies, the Company will invest in securities of growth to late-stage private issuers, that are either thinly traded or have no market at all. It is possible that the Company may not be able to sell portions of such positions without facing substantially adverse prices or may be required to sell such securities before their intended investment horizon, which could negatively impact the performance of investments and the Company's financial condition, profitability, and cash flows.

Furthermore, it is possible and expected that certain of the private issuer portfolio companies will consider having their securities listed with a stock exchange, as a means of creating liquidity for its investors. However, there can be no assurance that the listing of these securities will provide a viable exit mechanism, as these securities may experience low trading volumes and a low market capitalization at the time of intended disposal. Also, securities laws in Canada or elsewhere may impose an escrow or lock-in period on promoters' holdings in private businesses seeking listing through initial public offerings, which would reduce secondary market liquidity. Although the Company would generally endeavor to avoid or minimize such escrow or lock-in restrictions on its shareholdings in its portfolio investments, there can be no assurance that it will be able to do so.

Competitive Market for Investment Opportunities

The Company competes with a large number of other investors, such as private equity funds, mezzanine funds, investment banks and other equity and non-equity based public and private investment funds, and other sources of financing, including traditional financial services companies, such as commercial banks. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Company. In addition, certain competitors of the Company may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. There can be no assurance that the competitive pressures faced by the Company will not have a material adverse effect on its activities, financial condition, and results of operations. In addition, as a result of this competition, the Company may not be able to take advantage of attractive investment opportunities from time to time and there can be no assurance that it will be able to identify and make investments.

The success of the Company will depend on the availability of appropriate investment opportunities and the ability of the Company or the Manager to identify and source those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Company to invest all of the net proceeds of the Company's initial public offering and Management Investment (or proceeds received on any future disposition or other monetization of a Company investment) or that such investment opportunities will lead to completed investments by the Company. The Company will be competing with private equity funds, as well as mezzanine funds, institutional investors and, potentially, strategic investors, for prospective investments. As a result of this competition, there can be no assurance that the Company will be able to locate suitable investment opportunities, acquire such investments on acceptable terms, achieve an acceptable rate of return or fully invest the net proceeds of the Company's initial public offering and Management Investment (or proceeds received on any future disposition or other monetization of a Company investment).

Use of Leverage

The Company may borrow up to an amount not exceeding 20% of the Total Assets, measured at the time of borrowing. The risk to shareholders of the Company may increase if investments purchased with borrowed money decline in value. While the use of leverage can increase the rate of return, it can also increase the magnitude of loss in unprofitable positions beyond the loss which would have occurred if there had been no borrowings. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried. Leveraging will thus tend to magnify the losses or gains from investment activities.

If at any time an amount owed is called by a lender, the Company may be required to liquidate its investments to comply with the restriction or to repay the indebtedness. Such sales may occur at a time when the market for the securities of a portfolio investment is depressed, affecting the value of the portfolio investment and the return to the Company. In addition, the Company may not be able to renew loan facilities on acceptable terms.

There can be no assurance that the borrowing strategy employed by the Company will enhance returns, and it may, in fact, reduce returns.

Credit Risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company may be subject to credit risk on its financial assets, including loans receivable and corporate debt investments, such as bonds.

Tax Risks

There can be no assurances that the tax laws applicable to the Company under the Tax Act or under foreign tax regimes will not be changed in a manner which could adversely affect the Company's operating results or profitability.

Regulatory Changes

Certain industries, such as financial services, health care, and telecommunications, remain heavily regulated and may be more susceptible to an acceleration in regulatory initiatives in Canada, the United States and elsewhere. Investments in these sectors may be substantially affected by changes in government policy, and the Company cannot predict whether or not such changes will have a material adverse impact on the Company's investments or Company profitability.

Resources Could be Consumed in Researching Investment Opportunities that are not Ultimately Completed

The investigation of each specific investment opportunity and the negotiation, drafting and execution of the relevant agreements, disclosure documents and other instruments requires substantial management time and attention and substantial costs for accountants, lawyers, and others. In the event that the Company elects not to complete a specific investment, the costs incurred up to that point for the proposed transaction are not likely to be recoverable by the Company. Furthermore, in the event the Company reaches an agreement relating to a specific investment, it may fail to complete such an investment for any number of reasons, including those beyond the Company's control. Any such occurrence will likely also result in a loss to the Company of the related costs incurred for accountants, lawyers, and others.

Material, Non-Public Information

The Company may substantially participate in, or influence the conduct, affairs, or management of, a portfolio company. Directors, officers, employees, designees, associates or affiliates of the Company or the Manager may, from time to time, serve as directors of, or in a similar capacity with, a portfolio company. By reason of their responsibilities in connection with these and other activities, certain Company or Manager personnel may acquire confidential and/or material non-public information or be restricted from initiating transactions in certain securities. The Company will not be free to act upon any such information. In addition, these individuals may become subject to trading restrictions pursuant to the internal trading policies of such businesses. Due to these restrictions, the Company may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Use of Custodian and/or a Broker to Hold Assets

Some or all of the assets of the Company may be held in one or more margin accounts maintained by the Custodian. The Custodian or a broker appointed by the Company may also lend, pledge or hypothecate the assets of the Company. The Company may experience losses due to insufficient assets of the Custodian or such broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded, and which would adversely affect the total return to the Company.

Risk Factors Related to the Company's Securities

Return on Investment is Not Guaranteed

There can be no assurance regarding the amount of income to be generated by the Company's investments. The Common Shares are equity securities of the Company and are not fixed-income securities. Unlike fixed-income securities, there is no obligation of the Company to distribute to holders of Common Shares a fixed amount or to return the initial purchase price of a Common Share on a date in the future. The market value of the Common Shares will decline if the Company is unable to generate sufficient positive returns on its investment portfolio.

Potential Volatility of the Price of the Common Shares

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of its underlying investments; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) additions or departures of any of the executive officers and other key personnel of the Company or the Manager; (v) sales or perceived sales of additional Common Shares or securities convertible or exchangeable for Common Shares; (vi) the sale or purchase or attempted sale or purchase by a holder or prospective holder of a sizable quantity of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues affecting the Company's industry, target markets or the global economy in general.

Financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares.

There can be no assurance that fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations and the trading price of the Common Shares may be materially adversely affected.

Dilution

Where, in the opinion of the Board and management of the Company, additional capital is necessary or desirable to carry on the investment activities of the Company, the Company may create and issue additional securities at a price and otherwise on terms and conditions determined by the Board. Depending on the price at which such additional securities of the Company are offered for sale, the issuance of such additional securities may have a dilutive effect on the interests of shareholders. The number of Common Shares that the Company is authorized to issue is unlimited. Shareholders do not have any pre-emptive rights. The Company may, in its sole discretion, issue additional Common Shares or other securities from time to time (including pursuant to any equity-based compensation plans that may be introduced in the future), and the interests of shareholders may be diluted thereby. Further, the Company may from time to time finance portfolio investments using the Company's capital structure, including issuing Common Shares, to Portfolio Companies. This will dilute the interests of shareholders.

The Company cannot predict the size of future issuances of Common Shares or other securities or the effect that future issuances and sales of Common Shares or other securities will have on the market price

of the Common Shares. Issuances of a substantial number of additional Common Shares or other securities, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. The initial assembly of Portfolio Company investments were made using the net proceeds of the Company's initial public offering and the Management Investment. The Company expects that additional Portfolio Company investments will be financed using any proceeds received on or from monetizing existing Portfolio Company investments, by the issuance of Common Shares and/or securities convertible into or exchangeable for Common Shares or through implementation of a credit facility or similar indebtedness. The Company expects to be able to generate sufficient funds for future growth in net Portfolio Company investments by utilizing these sources of funds.

Limited Control

Holders of Common Shares will have limited control over changes in the Company's policies and operations, which increases the uncertainty and risks of an investment in the Company. The Board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to shareholders. Generally, the Board may amend or revise these and other policies without a vote of the holders of Common Shares. Holders of Common Shares will only have a right to vote, as a class, in the limited circumstances described elsewhere in this AIF. Holders of Warrants will not have any rights to vote (except in the case of an amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of Warrants as described elsewhere in this AIF), and consequently, the approval of holders of Warrants will not be required for the taking of any corporate action. The Board's broad discretion in setting policies and the limited ability of holders of Common Shares and the Warrants to exert control over those policies increases the uncertainty and risks of an investment in the Company.

The Warrants May Not Be "In The Money"

There can be no assurance that the market price of the Common Shares will exceed the exercise price of the Warrants, being \$11.00 per Common Share during the term of the Warrants or, if it does, that such price will be sustained. If the market price of the Common Shares does not exceed the exercise price of the Warrants, holders of Warrants may not be in a position to realize any economic benefit from the Warrants.

Financial Reporting and Other Public Company Requirements

The Company is subject to reporting and other obligations under applicable Canadian securities laws and rules of the TSX. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. In order to meet such requirements, the Company has appointed the Manager, pursuant to the Management Agreement to, among other things, establish systems, implement financial and management controls, reporting systems and procedures and hire qualified accounting and finance staff. However, if the Company or the Manager is unable to accomplish any such necessary objectives in a timely and effective manner, the Company's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the Common Shares.

The Company does not expect that the Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management

override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Not Subject to the SPAC Rules of the TSX

Although the Company has voluntarily adopted certain investor protection measures applicable to SPACs under the TSX's SPAC rules, even though the Common Shares are listed on the TSX, the Company is not otherwise subject to such rules and therefore shareholders are not afforded certain of the investor protection measures that are required of SPACs, including that: (a) shareholders do not have the right to pre-approve any investments by the Company; and (b) there is no mechanism for the Company to return funds to shareholders in the event that any of the net proceeds of the Company's initial public offering are not deployed within a fixed period of time.

Trading Price of the Common Shares Relative to Book Value

The Company cannot predict whether the Common Shares will trade at a discount from, a premium to, or at the Book Value. As a result, the return experienced by a shareholder may differ from the underlying financial performance of the Company's holdings.

The market price of the Common Shares at any given point may not accurately reflect the Company's long-term value. The market price of the Common Shares will be determined by, among other things, the relative demand and supply of the Common Shares in the market, the Company's investment performance and investor perception of the Company's overall attractiveness as an investment as compared with other investment alternatives.

The market price of the Common Shares will likely be affected by other factors outside of the control of the management of the Company, including but not limited to, global macroeconomic developments, and market perceptions and expectations regarding the attractiveness of various economies, industries or corporations in which the Company invests.

Dividends

The Company has not declared or paid any dividends since its incorporation on April 1, 2021 and does not currently anticipate paying any dividends on its Common Shares in the foreseeable future. The Company currently intends to use its future earnings and other cash resources for the operation and development of its business, but may declare and pay dividends in the future as the Board may determine. Any future determination to pay dividends on the Common Shares will be at the sole discretion of the Board and will depend on, among other things, the Company's earnings, investment opportunities, financial requirements for the Company's operations, the satisfaction of solvency tests imposed by applicable laws and regulations, corporate law requirements and other factors that the Board may deem relevant.

Description of Capital Structure

Authorized and Issued Share Capital

The Company's authorized share capital consists of an unlimited number of Common Shares, of which, as at the date hereof, there were 10,703,877 Common Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and to one vote in respect of each Common Share held at all such meetings.

The holders of Common Shares are entitled to receive dividends if, as and when declared by the Board out of the assets of the Company properly applicable to the payment of dividends in such amounts and payable in such manner as the Board may from time to time determine. Subject to the rights of the holders of any other class of shares of the Company entitled to receive dividends in priority to or concurrently with the holders of the Common Shares, the Board may, in its sole discretion, declare dividends on the Common Shares to the exclusion of any other class of shares of the Company.

In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Common Shares will, subject to the rights of the holders of any other class of shares of the Company entitled to receive assets of the Company upon such a distribution in priority to or concurrently with the holders of Common Shares, be entitled to participate in the distribution. Such distribution will be made in equal amounts per share on all the Common Shares at the time outstanding without preference or distinction.

Warrants

Each Warrant entitles the holder to acquire, subject to adjustment in certain circumstances, one Common Share at an exercise price per share of \$11.00, at any time prior to 4:00 p.m. (Toronto, Ontario time) on October 30, 2027 in accordance with the terms of a Warrant Indenture and as more fully described below. Following this, the Warrants expire and become null and void. The Warrants are exercisable, at the option of each holder, in whole or in part, by payment in full in cash for the number of Common Shares purchased upon such exercise.

The Warrants are governed by the terms and conditions as set forth in the Warrant Indenture. The Warrant Indenture provides for adjustment in the number of Common Shares issuable upon the exercise of the Warrants and/or exercise price of the Warrant upon the occurrence of certain events, including:

- (a) the issuance of Common Shares or securities exchangeable for or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of the Warrants);
- (b) the subdivision, re-division or change to the outstanding Common Shares into a greater number of shares;
- (c) the reduction, combination or consolidation of the outstanding Common Shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 90 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the Current Market Price, as defined in the Warrant Indenture, for the Common Shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of Common Shares of securities of any class (other than Common Shares), rights, options or warrants to subscribe for or purchase Common Shares or securities exchangeable or convertible into Common Shares, other than pursuant to a Rights Offering, as defined in the Warrant Indenture, or evidences of indebtedness or any property or other assets.

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (i) reclassifications of the Common Shares or a capital reorganization of the Company (other than as described in clauses (a) to (c) above);
- (ii) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another body corporate, trust, partnership or other entity; or
- (iii) the sale or conveyance (other than to a subsidiary of the Company) of the property and assets of the Company as an entirety or substantially as an entirety to another body corporate, trust, partnership or other entity.

No adjustment in the exercise price is required to be made unless such adjustment would change the exercise price by at least 1%.

No fractional Common Shares are issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional Common Shares. Holders of Warrants do not have any voting rights or any other rights held by a holder of Common Shares.

The Warrant Indenture provides that, from time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “special resolution”, defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants.

Market for Securities

Trading Price and Volume

The Common Shares trade on the TSX under the symbol “STCK”. The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX:

Month	High (\$)	Low (\$)	Volume
(2024)			
January	9.38	8.10	32,100
February	9.25	8.50	77,940
March	10.15	8.60	71,671
April	10.30	9.58	74,426
May	10.39	9.65	120,651
June	10.45	9.74	96,471
July	10.45	10.00	69,133
August	10.20	9.85	44,215
September	10.92	9.44	155,729
October	10.95	9.27	111,320
November	11.04	10.00	215,977
December	12.50	10.40	206,701

As at the date hereof, the Warrants do not trade on any exchange or market.

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

To the knowledge of the Company, as of the date hereof, no securities of any class of securities of the Company are held in escrow or subject to contractual restrictions on transfer or are anticipated to be held in escrow or subject to contractual restrictions on transfer other than as described below.

As part of the terms of the Management Investment, each Management Investor covenanted and agreed with the Company to voluntarily lock-up and retain all of the Common Shares and IPO Warrants (until the IPO Warrants expired) held upon the completion of the Company’s initial public offering and the Management Investment until June 16, 2026, provided that at any time or from time to time, a Management Investor: (i) may exercise such IPO Warrants, but continue to retain all Common Shares received upon each such exercise for the balance of the period; (ii) may transfer any of such Common Shares and/or IPO Warrants to a Permitted Holder that provides a similar covenant and agreement; (iii) may transfer any of such Common Shares and/or IPO Warrants in a transaction where the proposed acquirer agrees to acquire a *pro rata* share of the equity investment of all other equity investors of the Company; and (iv) may transfer any of such Common Shares and/or IPO Warrants and any Common Shares received upon exercise of such

IPO Warrants for the purpose of paying the exercise price payable in connection with the exercise of such IPO Warrants or for paying taxes due as a result of any such transfer.

The following table sets forth the number of Common Shares that are held in escrow or subject to a contractual restriction on transfer and the percentage that number represents of the outstanding Common Shares, in each case, as at December 31, 2024:

Designation of class	Number of Common Shares held in escrow or subject to a contractual restriction on transfer	Percentage of class
Common Shares	▶ (1)	▶ %
Common Shares	▶ (2)	▶ %

Notes:

- (1) Such Common Shares are held by the Management Investors, having been acquired pursuant to the Management Investment wherein the Management Investors voluntarily covenanted and agreed with the Company to generally retain all Common Shares and IPO Warrants (until the IPO Warrants expired) held by them upon the completion of the Company's initial public offering and the Management Investment until June 16, 2026.
- (2) Such Common Shares are held by the Management Investors and members of the Board, having been acquired pursuant to the private placement of units of the Company completed in October and November, 2024, wherein the Management Investors and members of the Board voluntarily covenanted and agreed not to directly or indirectly, offer, sell, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company held or acquired during the restriction period, directly or indirectly for a period of 120 days after the closing of such private placement, without the prior written consent of the co-lead agents of such private placement, such consent not to be unreasonably withheld or delayed. At the date hereof, the foregoing restriction has expired.

Directors and Officers

Directors and Executive Officers

The Company's articles of incorporation provide that the Company may have a minimum of one and a maximum of ten directors. Stack Capital's directors are responsible for supervising the management of the business and affairs of the Company. The number of directors is currently set at four, the majority of whom are independent under Canadian securities laws. The Company's articles of incorporation further provide that the Board is empowered to determine and fix from time to time, by ordinary resolution, the number of directors of the Company within the minimum and maximum numbers provided for in the Company's articles of incorporation.

The directors will be elected by shareholders at each annual meeting of the Company's 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 and will be eligible for re-election or re-appointment. The nominees for election by shareholders as directors will be determined by the Governance, Compensation and Nominating Committee in accordance with the provisions of applicable corporate law and the charter of the Governance, Compensation and Nominating Committee.

The following table sets forth information regarding the directors and executive officers of the Company:

Name and Municipality of Residence	Positions and Offices Held	Principal Occupation During the Past Five Years	Number and Percentage of Voting Securities⁽⁴⁾	Director or Officer Since⁽⁵⁾
John K. Bell ⁽²⁾⁽³⁾ Ontario, Canada	Director and Chairman	Chairman of Onbelay Capital Inc., and past Chair of Canopy Rivers Inc.	90,600 (0.85%)	April 2021 – Present

Name and Municipality of Residence	Positions and Offices Held	Principal Occupation During the Past Five Years	Number and Percentage of Voting Securities ⁽⁴⁾	Director or Officer Since ⁽⁵⁾
Jeffrey Parks ⁽¹⁾ Ontario, Canada	Director and Chief Executive Officer	Chief Executive Officer of the Company and the Manager, and Managing Director of the Manager. Portfolio Manager at Venator Capital Management.	119,600 (1.12%)	April 2021 – Present
Laurie Goldberg ⁽²⁾⁽³⁾ Manitoba, Canada	Director	Executive Chairman and Chief Executive Officer of People Corporation Inc.	38,334 (0.36%)	April 2021 – Present
Gerri Sinclair ⁽²⁾⁽³⁾ British Columbia, Canada	Director	British Columbia's Innovation Commissioner, Corporate Director and Strategic Consultant	16,576 (0.15%)	April 2021 – Present
Jason Meiers Ontario, Canada	Chief Investment Officer	Chief Investment Officer of the Company and the Manager, and Managing Director of the Manager. Managing Director at TD Securities.	625,000 (5.84%)	April 2021 – Present
Jimmy Vaiopoulos Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Company and the Manager, and Managing Director of the Manager. CFO of Hut 8 Mining Corp. and CFO of UGE International Ltd.	68,190 (0.64%)	April 2021 – Present
Brian Viveiros Ontario, Canada	VP Corporate Development and Investor Relations and Corporate Secretary	VP Corporate Development and Investor Relations and Corporate Secretary of the Company and the Manager, and Managing Director of the Manager. Director of Sales at Venator Capital Management.	26,900 (0.25%)	April 2021 – Present
Total:			985,203 (9.20%)	

Notes:

- (1) Mr. Parks is considered a non-independent director as he is the Chief Executive Officer of the Company and Manager.
- (2) Member of the Audit Committee. Mr. Bell is Chair of the Audit Committee.
- (3) Member of the Governance, Compensation and Nominating Committee. Ms. Sinclair is Chair of the Governance, Compensation and Nominating Committee.
- (4) Represents number of Common Shares beneficially owned, or controlled or directed, directly or indirectly. Percentages based on total outstanding Common Shares at December 31, 2023 of 8,951,245.
- (5) The Company does not impose a limit on director and officer term.

Biographical Information Regarding the Directors and Executive Officers of the Company

The following are brief biographies of Stack Capital's directors and executive officers.

John K. Bell – Independent Director; Chairman: Mr. Bell, FCPA, FCA, ICD.D, is the independent Chairman of the Board. Mr. Bell is Chairman of Onbelay Capital Inc., a private equity company. He is past Chair and founding Director of Canopy Rivers Corporation and past Chair and first independent Director of Canopy Growth Corporation (TSX and Nasdaq). He was the founder of ShredTech and grew it into a global giant in the mobile document shredding and recycling industry. After selling ShredTech in 1995, he purchased Polymer Technologies Inc. and grew it from a local plastics manufacturer to a global auto parts company before exiting in 2007. Mr. Bell also served as interim CEO and director of ATS Automation Tooling Systems Inc. (TSX), a global Automation Company with 4,500 employees and \$1.4 billion sales during its time of management and board renewal in 2007. Mr. Bell was the lead investor and Chairman of BSM Technologies Inc. First investing in 2006, he led board and management renewal leading to substantial and profitable

growth before successfully exiting in 2014. Mr. Bell has been a board member of a number of public, private, crown and not-for-profit companies, including the Royal Canadian Mint, The Healthcare of Ontario Pension Plan and Strongco Corporation. He is currently a Governor of The Stratford Festival.

Jeffrey Parks – *Director and Chief Executive Officer*: Mr. Parks is a director and Chief Executive Officer of the Company and brings over a decade of investment industry and portfolio management experience to the business. Over the past decade, he has successfully co-managed a North American long/short equity strategy, along with a North American yield mandate at Venator Capital Management Ltd. Mr. Parks has invested across capital structures, including high yield credit, convertible notes, preferred debt and equities. Mr. Parks has specialized in identifying compelling public and private investment opportunities, through extensive and diligent research. His experience has led him to uncover multiple investments that have added significant alpha to his portfolios while at Venator Capital. Mr. Parks is able to identify opportunities in their infancy and has actively worked with management teams to progress and grow their business operations. His experience with stock selection and unearthing information will be a strategic asset for the Company. Mr. Parks is a graduate of the Richard Ivey School of Business and is a CFA charterholder.

Laurie Goldberg – *Independent Director*: As Founder and Chairman of People Corporation, Mr. Goldberg is responsible for guiding the Board in the execution of its strategy. From People Corporation's inception in 2007, Mr. Goldberg led the organization to become the largest group benefit consulting and third party administration firm in Canada. In 2021, the firm was acquired for \$1.2 billion by the Goldman Sachs Merchant Banking Division. Mr. Goldberg was recognized as the EY Entrepreneur of the Year 2014 Prairies Division in the Professional and Financial Services category. Mr. Goldberg's experience also includes the position of Chief Operating Officer and Office of the President of Assante Corporation, formerly a TSX listed company. During his tenure with Assante, he led the organization to become one of the largest non-bank owned financial institutions in Canada, with over 2,500 employees and advisors, managing approximately \$22 billion in client assets. Assante's portfolio also included a leading sports and entertainment services organization in the United States. In 2003, the Canadian operations of Assante were sold for approximately \$900 million. Prior to joining Assante, Mr. Goldberg was a Managing Partner with Arthur Andersen (now Deloitte). Mr. Goldberg graduated with a Bachelor of Commerce (Honours) degree from the University of Manitoba and is a Chartered Accountant.

Gerri Sinclair – *Independent Director*: Ms. Sinclair's career includes more than 25 years' experience spanning the fields of Internet, mobile and digital media technologies, entrepreneurial business, and government policy. She was appointed British Columbia's Innovation Commissioner in 2020 where she is responsible for supporting the implementation of innovation and technology-related priorities and initiatives in the province. Ms. Sinclair is a former Managing Director at Kensington Capital Partners, a \$1.7 billion fund that focuses on private equity and venture capital, where she was the lead manager of its \$100 million BC Tech Fund. She was the founder and CEO of NCompass Labs, the Internet digital content management company acquired by Microsoft in 2001. She then joined the Microsoft Senior Executive team as Country Manager for Canada for MSN. A former IBM Consulting Scholar as well as a Visiting Scientist at IBM Research in New York, Ms. Sinclair was also the first President of the British Columbia Government Premier's Technology Council, and the founding director of the ExCITE lab at Simon Fraser University, the first digital media technology R&D centre in Canada. From 2006-2010, Ms. Sinclair was the Founder and CEO of the Centre for Digital Media at Great Northern Way Campus where she developed and directed an innovative graduate school program awarding a Master's Degree in digital entertainment, mobile/social media and video game design, and accredited by the four leading universities in Vancouver. She has served on several government and corporate boards, including Telus Corporation, TMX Group Limited, Canadian Pension Plan Investment Board (CPPIB), BC Telecom Inc., Vancouver Airport Authority (YVR), Ballard Power Inc., as well as Canada's Information Highway Advisory Council and the National Broadband Taskforce. Ms. Sinclair holds a Ph.D. in Renaissance drama as well as an honorary Doctor of Science in Computing Science from the University of British Columbia.

Jason Meiers – Chief Investment Officer: Mr. Meiers joined the Company following his long-term role as Managing Director at TD Securities. Mr. Meiers has over 20 years’ experience at TD Securities Inc., where he was the head of trading, and managed strategies including preferred shares, warrants, options, convertible debentures, long short equities, equities and merger arbitrage. During his career at TD Securities Inc., Mr. Meiers worked closely with investment banking, equity capital markets and management teams in various capacities such as pricing new issues, secondary blocks and capital structure, including share buybacks and special issuer bids. The group, led by Mr. Meiers, developed close ties with management teams resulting in many mandates for the firm leading to multiple financing and normal course issuer bid mandates. Mr. Meiers also strategically focused on specific companies which led to significant market share and trading volumes for the firm. Mr. Meiers’ long history of successfully working with management teams and fellow investors benefits the private market investments that is the focus of the Company. He holds a Bachelor of Arts degree from Western University.

Jimmy Vaiopoulos – Chief Financial Officer: Mr. Vaiopoulos joined the Company following his roles as the Interim Chief Executive Officer and Chief Financial Officer of Hut 8 Mining Corp., a TSX and Nasdaq listed blockchain infrastructure company. Mr. Vaiopoulos led Hut 8 as the first company to enter and exit the TSX Sandbox and raised over \$100 million in equity and debt and executed on a strategy to bring Hut 8 to an over \$1 billion market capitalization. Prior to this, he was the Chief Financial Officer of UGE International Ltd., a TSXV listed commercial solar solutions provider which operated globally. Mr. Vaiopoulos began his career with KPMG in both audit and advisory practices working with large private and public companies, crown corporations, and pension funds. During his experience with KPMG Advisory, he focused on due diligence for various mergers and acquisitions transactions, project finance, and research. He holds a Bachelor of Engineering Science degree from Western University and an Honours Business Administration degree from the Richard Ivey School of Business and is an active Chartered Accountant and a Chartered Professional Accountant.

Brian Viveiros – VP Corporate Development and Investor Relations and Corporate Secretary: Mr. Viveiros brought over 20 years of capital markets experience to the Company, having been primarily focused on business development initiatives across Canada over that time. In addition, Mr. Viveiros has also been actively involved in the creation and strategic development of various investment products such as hedge funds, liquid alternative funds, offshore funds, closed-end funds, private equity limited partnerships and flow-through limited partnerships. He holds a Bachelor of Arts degree in Economics from the University of Western Ontario.

Nomination of Directors

The Company has advance notice provisions in its by-laws (the “Advance Notice Provisions”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (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 of the Company. Nominations of persons for election to the Board may be made for any annual meeting of shareholders, or for any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors of the Company: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a requisition of the shareholders made in accordance with applicable law; or (c) by any person (a “Nominating Shareholder”): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the Company’s register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Board. To be timely, a Nominating Shareholder’s notice to the Board must be made: (a) in the case of an annual

meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors of the Company (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders, or an announcement thereof, re-start the initially required time periods for the giving of a Nominating Shareholder's notice as described above. For greater certainty, this means that a Nominating Shareholder who failed to deliver a timely Nominating Shareholder's notice in proper written form to the Board for purposes of the originally scheduled shareholders' meeting shall not be entitled to provide a Nominating Shareholder's notice for purposes of any adjourned or postponed meeting of shareholders related thereto as the determination as to whether a Nominating Shareholder's notice is timely is to be determined based off of the original shareholders' meeting date and not any adjourned or postponed shareholders' meeting date.

To be in proper written form, a Nominating Shareholder's notice to the Board must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director of the Company: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person for the past five years; (C) the status of such person as a "resident Canadian" (as such term is defined in the CBCA); (D) the class or series and number of shares which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (E) full particulars regarding any contract, agreement, arrangement, understanding or relationship, including without limitation, financial, compensation and indemnity related arrangements between the proposed nominee or any associate or affiliate of the proposed nominee and any Nominating Shareholder or any of its representatives; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors of the Company pursuant to applicable securities laws; and (b) as to the Nominating Shareholder giving the notice, among other things, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors of the Company pursuant to applicable securities laws. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed director nominee.

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, the discretion to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provisions.

Cease Trade Orders and Bankruptcies

None of the directors or executive officers of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was

subject to an order that was issued after the 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. 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.

None of the directors or executive officers of the Company, and no shareholder holding a sufficient number of securities to affect materially the control of the Company: (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the 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 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; (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

None of the directors or executive officers of the Company, and no shareholder holding a sufficient number of securities to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company is subject to various potential conflicts of interest because the Manager is controlled by insiders of the Company. The Company has entered into the Non-Competition Arrangements with the Management Investors, which addresses certain conflicts of interest. The Company relies upon the Manager to manage the Company’s business and to provide managerial skill. The directors and officers of the Manager may have a conflict of interest in allocating their time between the respective businesses and interests of the Manager and the Company, and other businesses or projects in which they may become involved. See “Description of the Business – The Manager – Allocation of Investment Opportunities” for details regarding the Company’s agreement with the Manager to govern the allocation of business opportunities between the parties in respect of certain investment opportunities and dispositions.

Jeffrey Parks, a director and officer of the Company and the Manager, will be required to disclose the nature and extent of his interest in, and is not entitled to vote on, any resolution to approve, any material contract or transaction or any proposed material contract or transaction between the Company and the Manager or any of its affiliates or any other entity in which Mr. Parks has an interest (unless the contract or transaction relates to his remuneration or an indemnity on liability insurance).

Generally, the directors and officers of the Company are aware of the existence of laws, as well as the Company’s policies, governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest, and the Company will rely upon such laws and policies in respect of any directors’ and officers’ conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable law and policies and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law as well as the policies.

Except as disclosed herein, to the best of the Company’s knowledge, there are no existing or potential material conflicts of interest between the Company and a director or officer of the Company. Certain directors and officers of the Company may serve as directors and officers of other entities, and therefore it

is possible that a conflict may arise between their duties to the Company and their duties as directors or officers of such other entities.

None of the directors of the Company are required to commit their full time to the Company's affairs and, accordingly, the directors may be susceptible to conflicts of interest in allocating their time among various business activities. The Company does not believe, however, that any fiduciary duties or contractual obligations of the directors would impair the Company's ability to meet its business objective. In the event the Company seeks to complete a transaction with a company that is affiliated with any director or officer of the Company, in accordance with applicable laws, any negotiations would be undertaken on behalf of the Company by a committee of independent directors.

Advisory Board

In addition to the Board, the Company maintains an Advisory Board to advise and assist management and the Board with identifying, evaluating and actively participating in the Company's investments. The Board may appoint and remove members of the Advisory Board at any time. The Advisory Board's role is advisory and the ultimate responsibility for the management of the Company's business and affairs rests with the Board and management. The Company has no obligation to adopt, or otherwise be bound to act upon, any recommendation of the Advisory Board, but has the ability to take the Advisory Board's recommendations under advisement. Any compensation for the members of the Advisory Board will be determined by the Board on a case-by-case method. There are three members of the Advisory Board: Bill Tai, Owais Qureshi and Brian Beattie. The following are brief biographies of the members of the Advisory Board.

Bill Tai – Advisory Board Member: Mr. Tai has over 30 years of experience as a venture capitalist in Silicon Valley and has been involved in 22 initial public offerings. Mr. Tai was employee #A001 at Taiwan Semiconductor Manufacturing Company Limited (TPE: 2330) and was among the first backers of Zoom Video Communications, Inc. (Nasdaq: ZM), Canva Pty Ltd., Dapper Labs Inc., TweetDeck (acquired by Twitter Inc. (NYSE: TWTR)), Color Health, Inc. and Wish.com (formerly known as ContextLogic Inc.; NASDAQ: WISH). Mr. Tai is the Founding Chairman of Treasure Data, Inc., which was successfully acquired by ARM Corp, Founding Chairman of IP Infusion Inc., Founding Chairman and Chief Executive Officer of iAsiaWorks, and a former director of eight publicly listed companies. Originally trained as a computer chip designer, Mr. Tai holds a BSEE Honors from the University of Illinois Urbana-Champaign, and an MBA from Harvard Business School.

Owais Qureshi – Advisory Board Member: Mr. Qureshi is a Director and Senior Portfolio Manager for the Canada Post Corporation Pension Fund. Mr. Qureshi manages and trades a Canadian and U.S. enhanced equity index portfolio with combined assets under management of \$3 billion. Mr. Qureshi is a CFA charter holder and holds a Master of Finance degree from the Rotman School of Management. Prior to this, Mr. Qureshi worked as a Portfolio Manager for TD Asset Management, where he was responsible for the daily management of approximately \$10 billion of discretionary structured investment portfolios spread over 19,000 high net worth accounts, which included all aspects of portfolio modeling and analysis, trading and risk management. Mr. Qureshi is an active member of the Toronto CFA Society.

Brian Beattie – Advisory Board Member: Mr. Beattie is the Chief Financial Officer at Volaris Group. Mr. Beattie has over 20 years of experience in finance and served as Chief Financial Officer for multiple organizations before joining Volaris Group in 2005. Besides overseeing the financial health of the company, he works closely with Volaris Group's legal and M&A team on all new acquisitions. Mr. Beattie is an expert on every stage of the mergers and acquisitions process. He has an HBA in Economics and Finance from the University of Toronto and is a Chartered Professional Accountant and a Chartered Accountant.

Audit Committee Information

Audit Committee

The Audit Committee consists of three directors, all of whom are persons determined by the Company to be both independent directors and financially literate within the meaning of NI 52-110. The Audit Committee is comprised of John K. Bell, who is Chair of this committee, Laurie Goldberg and Gerri Sinclair. Each of the 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 a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see “Directors and Officers – Biographical Information Regarding the Directors and Executive Officers of the Company”.

The Board has adopted a written charter for the Audit Committee, a copy of which is set out under Appendix B to this AIF, which sets out the Audit Committee’s responsibilities. The Audit Committee’s responsibilities include: (i) reviewing the Company’s procedures for internal control with the Company’s auditor and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the Company’s annual information form and management’s discussion and analysis; (iv) assessing the Company’s financial and accounting personnel; (v) assessing the Company’s accounting policies; (vi) reviewing the Company’s risk management procedures; (vii) reviewing any significant transactions outside the Company’s ordinary course of business and any legal matters that may significantly affect the Company’s financial statements; (viii) overseeing the work and confirming the independence of the external auditor; and (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. The Audit Committee charter is also published on the Company’s website (www.stackcapitalgroup.com).

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on an exemption from NI 52-110, in whole or in part, or has there been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board. The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Company’s independent external auditor, MNP LLP, and previous external auditor, PricewaterhouseCoopers LLP, billed the Company the following fees during 2024 and 2023:

Fee Category	Year Ended December 31, 2024	Year Ended December 31, 2023
Audit fees ⁽¹⁾	\$123,500	\$118,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	Nil	Nil
All other fees ⁽⁴⁾	Nil	24,674
	\$123,500	\$142,674

Notes:

1. Refers to the aggregate fees billed by the Company’s external auditor for audit services relating to the audit of the Company.
2. Refers to the aggregate fees billed for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under (1) above, as well as other audit-related services.
3. Refers to the aggregate fees billed for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
4. Refers to fees related to interim periods.

Promoters

The Manager has taken the initiative in founding and organizing the Company and may therefore be considered a promoter of the Company for the purposes of applicable securities legislation. The Manager does not beneficially own, or control or direct, directly or indirectly, any Common Shares or Warrants. The owners of the Manager, being the Management Investors, acquired Common Shares and Warrants under the Management Investment and the 2024 private placement of units as described under “General Development of the Business”. The Manager also acts as manager of the Company under the Management Agreement and thereby receives certain fees as described under “Description of the Business – The Manager – Management Fee and Performance Fee”.

Legal Proceedings and Regulatory Actions

There were no legal proceedings to which the Company was a party or of which any of the Company's property was subject during the year ended December 31, 2024 which is or was material to the Company, nor is the Company aware of any such legal proceedings being contemplated.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended December 31, 2024 or any other time that would likely be considered important to a reasonable investor making an investment decision about the Company. The Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended December 31, 2024.

Interest of Management and Others in Material Transactions

Other than as described elsewhere in this AIF, there are no material interests, direct or indirect, of any of the Company's 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 the Company's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the last three completed financial years, or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

Transfer Agents and Registrars

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office located in Toronto, Ontario, Canada. The transfer agent and registrar for the Warrants is Computershare Trust Company of Canada at its principal office located in Toronto, Ontario, Canada.

Custodian

TD Securities Inc., the investment banking subsidiary of a Schedule I bank, is the Custodian. Its head office is located at 66 Wellington St. W., Toronto, Ontario, M5K 1A1.

The Company entered into the Custody Agreement with the TD Securities Inc., pursuant to which TD Securities Inc. has been appointed to act as the Custodian of the Company's investment portfolio, as constituted from time to time, and certain other assets of the Company. The Custodian is responsible for the safekeeping of all of the investments and other assets of the Company delivered to it and will act as custodian of such assets. The Company reserves the right, in its discretion, to change the foregoing custodial arrangement, including, but not limited to, the appointment of a replacement custodian. Any replacement custodian that is retained by the Company will be an entity that would be qualified to act as: (i) a custodian for assets held in Canada; or (ii) a custodian for assets held outside Canada, as the case may be, in each case in accordance with Part 6 of National Instrument 81-102 – *Investment Funds* other than the requirements under subsections 6.2(3)(a) and 6.2(3)(b) of such instrument.

The Custodian may employ sub-custodians as considered appropriate in the circumstances in accordance with the terms of the Custody Agreement. The Custodian must obtain the written consent of the Company prior to the appointment of any sub-custodian, and any sub-custodians appointed from time to time must satisfy the requirements of Part 6 of National Instrument 81-102 – *Investment Funds* other than the requirements under subsections 6.2(3)(a) and 6.2(3)(b) of such instrument.

Material Contracts

Except for contracts entered into by the Company in the ordinary course of business or otherwise disclosed herein, the only material contracts entered into during the financial year ended December 31, 2024, or which remain in effect can reasonably be regarded as presently material are the following:

- (a) the Warrant Indenture (see "Description of Capital Structure – Warrants");

- (b) the Management Agreement (see “Description of the Business – The Manager – Details of the Management Agreement”);
- (c) the Business Opportunity Allocation Agreement (see “Description of the Business – The Manager – Allocation of Investment Opportunities”); and
- (d) the Custody Agreement (see “Custodian”).

Copies of the foregoing material contracts are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

Interests of Experts

The Company’s independent auditor, MNP LLP, who has issued an audit report dated March 12, 2025 in respect of the Company’s annual financial statements as of December 31, 2024, has advised that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Additional Information

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company’s information circular for its upcoming annual meeting of shareholders. Additional financial information is provided in the Company’s annual financial statements and management’s discussion and analysis for the year ended December 31, 2024. These documents and other information about the Company can be found on SEDAR+ under the Company’s profile at www.sedarplus.ca.

APPENDIX A – Glossary

“**Advance Notice Provisions**” has the meaning ascribed thereto under “Directors and Officers – Nomination of Directors”;

“**Advisory Board**” means the advisory board of the Company, as described under “Directors and Officers – Advisory Board”;

“**Audit Committee**” means the audit committee of the Board, as described under “Directors and Officers – Audit Committee Information”;

“**Board**” means the board of directors of the Company;

“**Book Value**” has the meaning ascribed thereto under “Description of the Business – Calculation of Total Assets and Book Value”;

“**Book Value per Share**” means, on any day, the Book Value of the Company on such day divided by the aggregate number of Common Shares that are outstanding on such day;

“**Business Opportunity Allocation Agreement**” has the meaning ascribed thereto under “Description of the Business – The Manager – Allocation of Investment Opportunities”;

“**Calculation Period**” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“**Common Shares**” means the common shares in the capital of the Company, as further described under “Description of Capital Structure – Common Shares”;

“**Custodian**” means TD Securities Inc., acting as custodian under the Custody Agreement;

“**Custody Agreement**” means the custody agreement between the Company and the Custodian made as of May 4, 2021 pursuant to which the Custodian provides certain custodial services to the Company in respect of the Company’s investment portfolio and certain other assets of the Company;

“**Designated Rating Organization**” means: (a) each of DBRS, Fitch, Moody’s, S&P, including their DRO affiliates; or (b) any other credit rating organization that has been designated under applicable Canadian securities legislation;

“**Determination Date**” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“**DRO affiliate**” has the same meaning as in section 1 of National Instrument 25-101 – *Designated Rating Organizations*;

“**Governance, Compensation and Nominating Committee**” means the governance, compensation and nominating committee of the Board;

“**High Water Mark**” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“**Investment Opportunity**” has the meaning ascribed thereto under “Description of the Business – The Manager – Allocation of Investment Opportunities”;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**IFRS 10**” means International Financial Reporting Standards 10 – *Consolidated Financial Statements*;

“**Investment Concentration Restriction**” has the meaning ascribed thereto under “Description of the Business – Investment Restrictions”;

“IPO Warrants” means the Common Share purchase warrants in the capital of the Company, as further described under “General Development of the Business”;

“Management Agreement” means the management agreement between the Company and the Manager made the 16th day of June, 2021, as amended, restated or supplemented from time to time, as further described under “Description of the Business – The Manager – Details of the Management Agreement”;

“Management Fee” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“Management Investors” means Jeffrey Parks, Jason Meiers, Jimmy Vaiopoulos and Brian Viveiros;

“Manager” means SC Partners Ltd., a corporation incorporated under the laws of the Province of Ontario;

“Manager Group” has the meaning ascribed thereto under “Description of the Business – The Manager – Allocation of Investment Opportunities”;

“Market Price” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“Material Company Breach” has the meaning ascribed thereto under “Description of the Business – The Manager – Details of the Management Agreement”;

“Members of the Immediate Family” means with respect to any individual, each parent (whether by birth or adoption), spouse, child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned persons, and each legal representative of such individual or of any aforementioned persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a person shall be considered the spouse of an individual if such person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Tax Act) of such individual, and a person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual;

“NI 52-110” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as amended from time to time;

“No Cause Termination Right” has the meaning ascribed thereto under “Description of the Business – The Manager – Details of the Management Agreement”;

“Notice of Opportunity” has the meaning ascribed thereto under “Description of the Business – The Manager – Allocation of Investment Opportunities”;

“Non-Competition Arrangements” means the non-competition arrangements embodied in the Management Agreement between the Company and the Management Investors as described under “Description of the Business – The Manager – Non-Competition Arrangements”;

“Performance Fee” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“Permitted Holders” means: (a) a Management Investor and any Members of the Immediate Family of such Management Investor; and (b) any person or entity controlled, directly or indirectly, by one or more persons referred to in clause (a);

“Permitted Low-Risk Investments” means: (a) an evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest, by (i) the government of Canada or the government

of a jurisdiction, (ii) the government of the United States, the government of one of the states of the United States, the government of another sovereign state, or a Permitted Supranational Agency, if, in each case, the evidence of indebtedness has a designated rating, or (iii) a Canadian financial institution or a financial institution that is not incorporated or organized under the laws of Canada or of a province or municipality thereof if, in either case, evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a Designated Rating Organization or its DRO affiliate have a designated rating; (b) commercial paper that has a term to maturity of 365 days or less and an approved credit rating and that was issued by a person or company other than a government or Permitted Supranational Agency; (c) money market mutual funds; and (d) deposits standing to the credit of the Company in the records of a bank or a credit union (including investments guaranteed by the Government of Canada or of a province or territory of Canada, deposits in or receipts, deposit notes, certificates of deposits, acceptances and other similar instruments issued, endorsed or guaranteed by a bank listed in Schedule I of the *Bank Act* (Canada));

“**Permitted Supranational Agency**” means the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development and the International Finance Corporation;

“**PF Payment Date**” has the meaning ascribed thereto under “Description of the Business – The Manager – Management Fee and Performance Fee”;

“**Portfolio Company**” means has the meaning ascribed thereto under “Description of the Business – Overview”;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval+ at www.sedarplus.ca;

“**SPAC**” means a Special Purpose Acquisition Corporation as contemplated in the TSX Company Manual;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder;

“**Total Assets**” has the meaning ascribed thereto under “Description of the Business – Calculation of Total Assets and Book Value”;

“**TSX**” means the Toronto Stock Exchange;

“**Units**” means those units of the Company sold under the Company’s initial public offering, which consisted of one Common Share and one-half of an IPO Warrant;

“**Voluntary Measures**” means certain measures adopted by the Company to address certain securities regulatory or public interest policy objectives, including the Investment Concentration Restriction and other measures more fully described in the Company’s long form prospectus dated June 9, 2021, which can be found on SEDAR+ under the Company’s profile on SEDAR+ at www.sedarplus.ca;

“**Warrant Agent**” means Computershare Trust Company of Canada, in its capacity as warrant agent under the Warrant Indenture;

“**Warrant Indenture**” means the warrant indenture between the Company and the Warrant Agent dated as of October 30, 2024, as further described under “Description of Capital Structure – Warrants”; and

“**Warrants**” means the Common Share purchase warrants in the capital of the Company, as further described under “Description of Capital Structure – Warrants”.

APPENDIX B – Audit Committee Charter

STACK CAPITAL GROUP INC.

AUDIT COMMITTEE CHARTER

1. Statement of Purpose

The Audit Committee (the “**Committee**”) of Stack Capital Group Inc. (“**Stack Capital**”) has been established by the Board of Directors of Stack Capital (the “**Board**”) for the purpose of overseeing the accounting and financial reporting processes of Stack Capital, including the audit of the financial statements of Stack Capital.

The Committee is responsible for assisting with the Board’s oversight of: (1) the quality and integrity of Stack Capital’s financial statements and related disclosure; (2) Stack Capital’s compliance with legal and regulatory requirements; (3) the independent auditor’s qualifications, performance and independence; and (4) the integrity of the internal controls at Stack Capital.

2. Committee Membership

Members

The Committee will consist of as many members of the Board as the Board may determine but, in any event, not less than three members, a majority of whom shall be resident Canadians. Members of the Committee will be appointed by the Board, taking into account any recommendation that may be made by the Governance, Compensation and Nominating Committee of the Board (the “**Governance, Compensation and Nominating Committee**”). Any member of the Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member if he or she ceases to meet the qualifications set out below. The Board will fill vacancies on the Committee by appointment from among qualified members of the Board, taking into account any recommendation that may be made by the Governance, Compensation and Nominating Committee. If a vacancy exists, the remaining members of the Committee may exercise all of its powers so long as there is a quorum and subject to any legal requirements regarding the minimum number of members of the Committee.

Chair

Each year, the Board will designate one of the members of the Committee to be the Chair of the Committee (the “**Chair**”), taking into account any recommendation that may be made by the Governance, Compensation and Nominating Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Board will adopt and approve a position description for the Chair which sets out his or her role and responsibilities.

Qualifications

All of the members of the Committee shall be selected based upon the following, to the extent that the following are required under the applicable law: (i) each member shall be an independent director; and (ii) each member shall be financially literate. For the purpose of this Charter, the terms “independent” and “financially literate” shall have the meanings attributed thereto in National Instrument 52-110 – *Audit Committees*, as the same may be amended or replaced from time to time.

Tenure

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

Ex Officio Members and Management Attendance

The Committee may invite, at its discretion, members of management of Stack Capital or its manager to attend any meetings of the Committee. Any member of management of Stack Capital or its manager will attend a Committee meeting if invited by the Committee. The Chairman of the Board, if not already a member of the Committee, will be entitled to attend each meeting of the Committee as an observer.

3. Committee Operations

Frequency of Meetings

The Chair, in consultation with the other members of the Committee, will determine the schedule and frequency of meetings of the Committee, provided that the Committee will meet at least once per quarter.

Agenda and Reporting to the Board

The Chair will establish the agenda for meetings in consultation with the other members of the Committee and the Chairman of the Board. To the maximum extent possible, the agenda and meeting materials will be circulated to the Committee members in advance to ensure sufficient time for study prior to the meeting. The Committee will report to the Board at the next meeting of the Board following each Committee meeting.

Minutes

Regular minutes of Committee proceedings will be kept and will be circulated to all Committee members and the Chairman of the Board (and to any other director that requests that they be sent to him or her) on a timely basis for review and approval.

Quorum

A quorum at any Committee meeting will be a simple majority.

Procedure

The procedure at Committee meetings will be determined by the Committee.

Transaction of Business

The powers of the Committee may be exercised at a Committee meeting where a quorum is present or by resolution in writing signed by all members of the Committee.

Absence of Chair

In the absence of the Chair, the Committee may appoint one of its other members to act as chair of that meeting.

Exercise of Power Between Meetings

Between meetings, and subject to any applicable law, the Chair or any member of the Committee designated for this purpose, may, if required in the circumstance, exercise any power delegated by the Committee. The Chair or other designated member will promptly report to the other Committee members in any case in which this interim power is exercised.

4. Committee Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board, and performing any other functions that may be necessary or appropriate for the performance of its duties.

Independent Auditor's Qualifications and Independence

- (i) The Committee must recommend to the Board at all appropriate times the independent auditor to be nominated or appointed for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Stack Capital and approve the compensation to be paid to the independent auditor.
- (ii) The Committee is directly responsible for overseeing the work of the independent auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Stack Capital, including the resolution of disagreements between Stack Capital management and the independent auditor regarding financial reporting. The independent auditor will report directly to the Committee, and the Committee will evaluate and be responsible for Stack Capital's relationship with the independent auditor.
- (iii) The Committee must pre-approve any permitted non-audit services to be provided by the independent auditor to Stack Capital or its subsidiaries, provided that no approval will be provided for any service that is prohibited under the rules of the Canadian Public Accountability Board or the Chartered Professional Accountants of Canada. The Committee may delegate to one or more of its members the authority to pre-approve those permitted non-audit services provided that any such pre-approval must be presented to the Committee at its next meeting and that the Committee may not delegate pre-approval of any non-audit internal control related services. The Committee may also adopt specific policies and procedures relating to pre-approval of permitted non-audit services to satisfy the pre-approval requirement provided that the procedures are detailed as to the specific service, the Committee is informed of each non-audit service and the procedures do not include the delegation of the Committee's responsibilities to Stack Capital management or pre-approval of non-audit internal control related services. The Committee will review with the lead audit partner whether any of the audit team members receive any discretionary compensation from the audit firm with respect to non-audit services performed by the independent auditor.
- (iv) The Committee will obtain and review with the lead audit partner and a more senior representative of the independent auditor, annually or more frequently as the Committee considers appropriate, a report by the independent auditor describing: (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry, review or investigation by governmental, professional or other regulatory authorities, within the preceding five years, respecting independent audits carried out by the independent auditor, and any steps taken to deal with these issues; and (c) in order to assess the independent auditor's independence, all relationships between the independent auditor and Stack Capital and the independent auditor's objectivity and independence in accordance with the rules, policies and standards applicable to auditors.
- (v) After reviewing the report referred to above and the independent auditor's performance throughout the year, the Committee will evaluate the independent auditor's qualifications, performance and independence. The evaluation will include a review and evaluation of the lead partner of the independent auditor. In making its evaluation, the Committee will take

into account the opinions of Stack Capital management and Stack Capital's internal auditors (or other personnel responsible for the internal audit function). The Committee will also consider whether, in order to assure continuing auditor independence, there should be a rotation of the audit firm itself. The Committee will present its conclusions to the Board.

- (vi) The Committee will review with the Board any issues that arise with respect to the performance and independence of the independent auditor and, where issues arise, make recommendations about whether Stack Capital should continue with that independent auditor.
- (vii) The Committee has the responsibility for approving the independent auditor's fees. In approving the independent auditor's fees, the Committee should consider, among other things, the number and nature of reports issued by the independent auditor, the quality of the internal controls, the impact of the size, complexity and financial condition of Stack Capital on the audit work plan, and the extent of internal audit and other support provided by Stack Capital to the independent auditor.
- (viii) The Committee will ensure the regular rotation of members of the independent auditor's team as required by law.
- (ix) The Committee will establish hiring policies for employees and former employees of its independent auditor.

Financial Statements and Financial Review

- (x) The Committee will review the annual audited financial statements and quarterly financial statements with management and the independent auditor, including management's discussion and analysis, before their release and their filing with securities regulatory authorities. The Committee will also review all news releases relating to annual and interim financial results prior to their public release. The Committee will also consider, establish, and periodically review policies with respect to the release or distribution of any other financial information, including earnings guidance and any financial information provided to ratings agencies and analysts, and review that information prior to its release.
- (xi) The Committee will review all other financial statements of Stack Capital that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities. The Committee may review the annual information form and management circular of Stack Capital prior to its filing.
- (xii) The Committee will meet separately and periodically with Stack Capital management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditor.
- (xiii) The Committee will oversee Stack Capital management's design and implementation of an adequate and effective system of internal controls at Stack Capital, including ensuring adequate internal audit functions. The Committee will review the processes for complying with internal control reporting and certification requirements and for evaluating the adequacy and effectiveness of specified controls. The Committee will review the annual and interim conclusions of the effectiveness of Stack Capital's disclosure controls and procedures and internal controls and procedures (including the independent auditor's attestation that is required to be filed with securities regulators).

- (xiv) The Committee will review with management and the independent auditor: (a) major issues regarding accounting principles and financial statement presentations, including critical accounting principles and practices used and any significant changes to Stack Capital's selection or application of accounting principles, and major issues as to the adequacy of Stack Capital's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by Stack Capital management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative generally accepted accounting principle ("GAAP") methods on the financial statements of Stack Capital and the treatment preferred by the independent auditor; (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of Stack Capital; and (d) the type and presentation of information to be included in earnings press releases (including any use of "pro forma" or "adjusted" non-GAAP information).
- (xv) The Committee will regularly review with the independent auditor any difficulties the auditor encountered in the course of its audit work, including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. The Committee will also review with the independent auditor any material communications with the independent auditor, including any management letter or schedule of unadjusted differences.
- (xvi) The Committee will review with Stack Capital management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on Stack Capital's financial statements.
- (xvii) The Committee will review with Stack Capital management and the independent auditor the scope, planning and staffing of the proposed audit for a current year. The Committee will also review the organization, responsibilities, plans, results, budget and staffing of any internal audit departments. In addition, management of Stack Capital's subsidiaries will consult with the Committee, or in the case of Stack Capital's publicly traded subsidiaries, the audit committees of those subsidiaries, on the appointment, replacement, reassignment or dismissal of personnel in the respective internal audit departments.
- (xviii) The Committee will meet with management to discuss guidelines and policies governing the process by which Stack Capital and its subsidiaries assess and manage exposure to risk and to discuss Stack Capital's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (xix) The Committee will review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on Stack Capital and any material reports or inquiries from regulatory or governmental agencies.
- (xx) The Committee will review with the Board any issues that arise with respect to the quality or integrity of Stack Capital's financial statements, compliance with legal or regulatory requirements, or the performance of the internal audit function.

Additional Oversight

- (xxi) The Committee will establish procedures for: (a) the receipt, retention and treatment of complaints received by Stack Capital regarding accounting, internal accounting controls, auditing matters or potential violations of law; and (b) the confidential, anonymous

submission by employees of Stack Capital of concerns regarding questionable accounting, internal accounting controls or auditing matters or potential violations of law. This will include the establishment of a whistleblower policy.

- (xxii) The Committee will annually review the expenses of the Chief Executive Officer and the Chief Financial Officer of Stack Capital.

5. Access to Advisors

The Committee may, in its sole discretion, retain counsel, auditors or other advisors in connection with the execution of its duties and responsibilities and may determine the fees of any advisors so retained. Stack Capital will provide the Committee with appropriate funding for payment of compensation to such counsel, auditors or other advisors and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

6. Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for monitoring developments with respect to financial reporting in general, and reporting to the Committee on any significant developments.

7. Committee Evaluation

The performance of the Committee will be evaluated by the Governance, Compensation and Nominating Committee as part of its annual evaluation of the Board committees.