

**INVESTMENT MANAGEMENT AND ADVISORY AGREEMENT**

**THIS AGREEMENT** made as of the 6<sup>th</sup> day of December, 2019.

**BETWEEN:**

**URBANA CORPORATION**, a corporation established under the laws of Ontario, (the "Corporation")

- and -

**CALDWELL INVESTMENT MANAGEMENT LTD.**, a corporation established under the laws of Ontario, (the "Manager")

**RECITALS:**

- A. The Corporation is a corporation established under the laws of Ontario that operates as an investment company.
- B. The Manager is engaged in the business of, amongst other things, acting as portfolio manager of managed accounts and investment fund manager of investment funds.
- C. The Manager is the investment manager and portfolio advisor of the Corporation and provides or causes to be provided to the Corporation, on the terms and conditions set forth in this Agreement, the investment management and CSL Services (defined below) which the Corporation requires in order to carry on its business as an investment company.
- D. The Corporation and the Manager entered into a predecessor agreement to the Agreement in 2011.
- E. The Corporation has recently examined the services the Manager is providing and the related compensation arrangements including the Manager's proposal that the Manager procure for the benefit of the Corporation, and at no cost to it, trade execution services by its affiliate Caldwell Securities Ltd. ("CSL"), trading ideas and trading infrastructure made available by CSL directly to the Corporation, analysis and valuation of private investments and prospective private investments of the Corporation by CSL and other support services CSL agrees to perform in connection with this Agreement (collectively, the "CSL Services").
- F. The Corporation's independent directors have received advice as to whether the Manager's compensation arrangements hereunder are consistent with arm's length compensation arrangements for similar investment vehicles in Canada and whether such compensation arrangements are reasonable to the shareholders of the Corporation.
- G. The Corporation's independent directors have determined that it is in the best interests of the Corporation to enter into this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

**1.00 Definitions and Interpretations**

1.01 In this Agreement:

- (a) “**affiliate**” has the meaning ascribed to it under the *Business Corporations Act* (Ontario) as amended from time to time;
- (b) “**Agreement**” means this agreement and the expressions “**herein**”, “**hereto**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Agreement and include any and all amendments made to this Agreement and, except where the context otherwise requires, not to any particular paragraph or subparagraph thereof;
- (c) “**Business Day**” means each day that the Toronto Stock Exchange is open for trading;
- (d) “**CSL Services**” has the meaning ascribed thereto in the recitals to this Agreement;
- (e) “**Custodian**” means State Street Trust Company Canada or such successor custodian as the Corporation shall appoint from time to time;
- (f) “**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (g) “**Shares**” means the shares of any class issued by the Corporation; and
- (h) “**Shareholder**” means a Person who owns directly or indirectly Shares of the Corporation.

**2.00 Appointment of the Manager**

2.01 The Corporation appoints the Manager as investment manager and portfolio advisor of the Corporation to provide or cause to be provided to the Corporation the portfolio advisory services, CSL Services and other services provided for in this Agreement and the Manager hereby accepts such appointment and agrees to act in such capacity and to provide or cause to be provided such services upon the terms set forth in this Agreement. The Corporation authorizes the Manager to have full access to the books and records and to whatever other information and material of the Corporation that the Manager requires to discharge its duties hereunder. The Manager covenants to keep confidential all information concerning the business and affairs of the Corporation which is not otherwise available to the public or is not required by law to be disclosed on lawful demand by regulatory authorities.

**3.00 Duties of the Manager**

3.01 Subject to section 2.01 hereof, effective January 1, 2020 (the “**Effective Date**”), the Manager will manage the investments of the Corporation with complete investment discretion and is authorized with respect to managing the Corporation’s investments to:

- (a) invest, reinvest, maintain in cash or cash equivalents, acquire, dispose of and otherwise manage, all or any part of the assets of the Corporation in accordance with its investment objectives and strategies as described in Schedule “B” hereto as amended from time to time;
- (b) subject to section 3.03(c), select and place orders with dealers, including related or affiliated dealers, to purchase, sell and otherwise trade in or deal with assets and negotiate the applicable terms, commissions and charges with such dealers;
- (c) instruct the Custodian to settle such trades as are directed by the Manager but the Manager shall have no authority with respect to the safekeeping of the Corporation’s assets and the Corporation alone is responsible for arranging for a custodian to be responsible for such matters;
- (d) retain third parties, which may include affiliates of the Manager, to perform any of the duties or obligations of the Manager under this Agreement subject to the requirements of section 4.01 hereof; and
- (e) To the extent not otherwise inconsistent with this Agreement, perform any and all other acts as may be in its judgment necessary or appropriate for the management of the Corporation’s investments, or are necessary to enable the Manager to carry out its obligations under this Agreement without obtaining the prior approval or direction of the Corporation.

3.02 The Manager agrees to pay a fee to CSL (the “CSL Fee”) to procure for the benefit of the Corporation, and at no cost to the Corporation, the CSL Services except that the Corporation shall pay for trade charges related to the purchases of the Corporation’s own securities by its designated broker under any normal course issuer bid the Corporation shall make. Subject to section 3.03 (b) the Manager is authorized, from time to time to negotiate adjustments to the CSL Fee, but the CSL Fee in any year shall not exceed 25% of the Management Fee to which CIM is entitled in that year under Schedule “A”.

3.03 The Manager represents and warrants that:

- (a) the Manager, as required by applicable securities laws, will ensure that all investments and recommendations made on behalf of the Corporation are suitable in light of the Corporation’s investment objectives.
- (b) the Corporation acknowledges that the Corporation and certain of its associated companies, including the Manager and CSL, share certain common directors officers and significant shareholders. In the event that a material conflict of interest arises in connection with the provision of services to the Corporation that is not already addressed in this Agreement, the Manager shall disclose it to the

Corporation which in consultation with the Corporation's independent directors will resolve the conflict disclosed by the Manager on a basis satisfactory to such directors.

- (c) when placing orders with dealers including CSL, the Manager shall seek to obtain best execution in accordance with the Manager's policy on best execution, which shall be provided to the Corporation together with amendments made from time to time and in accordance with applicable laws. The Corporation agrees that in the absence of written instructions from the Corporation to the contrary, the Manager is directed to place trade orders with CSL because of the benefits the Corporation derives from the CSL Services and the zero commission arrangement with the Corporation. In the event that the Corporation directs the Manager at any time to use a dealer other than CSL to effect transactions, the Corporation will pay the commission fees charged by the dealer and it acknowledges that the commission rates charged by the dealer will not be as favourable as what CIM may otherwise be able to obtain for the Corporation. The Manager may enter into arrangements with dealers or third parties to receive services in addition to execution services, for which brokerage commissions or a portion thereof ("soft dollars") may be used by the Manager to purchase legally permitted services. Such arrangements will only be entered into in accordance with the Manager's policies regarding soft dollars. The Manager shall, in seeking best execution and entering soft dollar arrangements, comply with all applicable laws, including National Instrument 23-101 and National Instrument 23-102.

#### **4.00 Delegation**

- 4.01 In connection with the duties of the Manager herein specified, the Manager may, subject to any limitation on delegation imposed by law, engage or employ any Persons as agents, representatives, employees or independent contractors including, without limitation, lawyers, bankers, investment advisors, notaries, registrars, underwriters, accountants, dealers in one or more capacities and any other advisors which the Manager deems advisable and may delegate any of the powers and duties of the Manager to any agents, representatives, officers, employees, independent contractors or other Persons. The fees of such Persons shall be borne as mutually agreed between the Manager and the Corporation.

#### **5.00 Standard of Care**

- 5.01 The Manager:
  - (a) shall exercise the powers and discharge the duties of their office honestly, in good faith and in the best interests of the Corporation; and
  - (b) shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- 5.02 The Manager agrees to comply with the securities laws, regulations, rules and policy statements of securities administrators insofar as such relate to its position as the Manager or its obligations hereunder.

**6.00 Fees and Expenses**

- 6.01 Effective as of January 1, 2020, the Corporation agrees to pay the Manager for providing investment management and portfolio advisory services as described in section 3.01 hereof, a fee as set forth in the attached Schedule "A". Such Schedule may be amended from time to time by mutual agreement of the parties and with the approval of the independent directors of the Corporation.
- 6.02 The Corporation will pay for all routine and customary expenses relating to the Corporation's operation, including, but not limited to, fees as agreed under section 4.01, registrar and transfer agency fees and expenses, custodian fees, auditing, legal and accounting fees, travel expenses, communication and marketing expenses, printing and mailing expenses, all interest expenses, subject to section 3.02, all brokerage and other fees relating to the purchase and sale of the assets of the Corporation, private placement report fees, expenses related to providing financial and other reports to Shareholders and convening and conducting meetings of Shareholders. The Corporation will be responsible for all taxes, assessments or other governmental charges levied against the Corporation.

**7.00 Liability and Indemnification of and by the Manager**

- 7.01 The Manager shall at all times be indemnified and saved harmless by the Corporation out of the assets of the Corporation from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Manager and also from and against all other costs, charges and expenses it sustains or incurs in or about or in relation to the affairs of the Corporation. The Manager shall not be liable to the Corporation or to any shareholder for any loss or damage relating to any matter regarding the Corporation, including any loss or diminution in the net asset value of the Corporation or its assets. Nothing herein shall be deemed to protect the Manager against any liability to the Corporation and its Shareholders in any circumstance where:
- (a) there has been negligence, wilful default or dishonesty on the part of the Manager; or
  - (b) the Manager has failed to fulfil its obligations as set forth in this Agreement.
- 7.02 The Manager shall at all times indemnify and save harmless the Corporation from and against all losses, damages and costs (including reasonable legal fees) incurred by the Corporation as a result of a breach by the Manager of this Agreement.
- 7.03 The Manager shall not be liable to the Corporation or any Shareholder for the act, omissions, receipts, neglects or defaults of any Person employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity, or for any loss, damage or expense caused to the Corporation through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Corporation shall be laid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Person with whom or which any monies, securities or property of

the Corporation shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Manager, or for any other loss, damage or misfortune which may happen in the execution by the Manager of its duties hereunder, except to the extent set out in the last sentence of section 7.01 hereof.

- 7.04 The Manager may rely and act upon any statement, report or opinion prepared by or any advice received from auditors, solicitors, notaries or other professional advisors of the Manager and shall not be responsible or held liable for any loss or damage resulting from relying or acting thereon if the advice was within the area of professional competence of the person from whom it was received and the Manager acted reasonably in relying thereon and the professional advisor was aware that his/her advice would be relied on by the Manager in carrying out his/her duties on behalf of the Corporation.

#### **8.00 Termination**

- 8.01 The Corporation shall have the right to terminate this Agreement upon giving the Manager not less than twelve (12) months' prior notice in writing.
- 8.02 After January 1, 2021, the Manager shall have the right to terminate this Agreement upon giving the Corporation twelve (12) months' prior notice in writing.
- 8.03 The termination of this Agreement in accordance with sections 8.01 and 8.02 hereof shall not result in any penalty or other fee. The Manager shall forthwith after termination of this Agreement deliver to the Corporation all records, documents and books of account which are in the possession or control of the Manager and relate directly or indirectly to the performance by the Manager of its obligations under this Agreement provided, however, that the Manager may retain notarial or other copies of such records, documents and books of account and the Corporation shall produce at its head office the originals of such records, documents and books of account whenever reasonably required to do so by the Manager for the purpose of legal proceedings or dealings with any governmental authorities.

#### **9.00 Non-Exclusive Services**

- 9.01 The services of the Manager to the Corporation pursuant to this Agreement are not exclusive and the Manager is free to render services to others and to engage in other activities.

#### **10.00 Prior Agreements**

- 10.01 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereto and supersedes any prior understandings and agreements between the parties with respect to the subject matter hereto. For clarity purposes, this Agreement cancels and replaces the Fund Management and Portfolio Management Agreement between the parties dated August 10, 2011 in its entirety, effective as at the end of December 31, 2019.

**11.00 Enurement**

11.01 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

**12.00 Amendments**

12.01 This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto.

**13.00 Notices and Other Communications**

13.01 All notices or other communications shall be forwarded in writing either by hand delivery or by prepaid registered mail and addressed, in the case of the Corporation to 150 King St. West, Suite 1702, Toronto, Ontario M5H 1J9 attention: CEO, and in the case of the Manager to 150 King Street West, Suite 1702, Toronto, ON M5H 1J9 attention: CEO, and any such notice or other communication so given shall, if hand delivered, be deemed to have been received when delivered and, if given by prepaid registered mail, be deemed to have been received on the fifth Business Day next following the date of mailing. The foregoing addresses may be altered from time to time by appropriate notice given in accordance with this section.

**14.00 Governing Law**

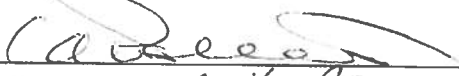
14.01 This Agreement shall be subject to and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**15.00 Nature of Agreement**


15.01 Nothing in this Agreement shall be deemed in any way or for any purpose to constitute either party a partner or agent of the other party to this Agreement in the conduct of any business or otherwise or a member of a joint venture or joint enterprise, with the other party to this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

**URBANA CORPORATION**

Per:   
Name: CHARLES A. V. PENNOCK  
Title: DIRECTOR

**CALDWELL INVESTMENT MANAGEMENT LTD.**

Per:   
Name: Brendan Caldwell  
Title: President



## **Schedule "A"**

### **Fees**

The Corporation shall pay the Manager a fee (the "Management Fee") of 2.00% per annum of the market value of the Corporation's investment portfolio, which is the sum of the market values of all investments as determined by the Corporation. The Management Fee is calculated and accrued daily and paid quarterly within 10 business days of the end of the preceding calendar quarter.

## **Schedule "B"**

### **Objectives and Strategies of the Corporation**

The Corporation's objectives and strategies are to seek out, and invest in, private investment opportunities for capital appreciation and to invest in publicly traded securities to provide growth, income and liquidity.

In respect of investments in private issuers:

- (a) the Corporation's independent directors must approve all transactions where a private investment is over \$5 million,
- (b) the Corporation's board of directors must approve any investment over \$1 million in a start-up private investee or over \$5 million in an established private investee, and
- (c) the Corporation's independent directors must approve all follow-on private investments in a related party.