

Urbana Corporation  
Management Information Circular

May 6, 2022

**Solicitation of Proxies**

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation by management (“Management”) of Urbana Corporation (“Urbana” or the “Corporation”) of proxies to be used at the annual meeting of shareholders (the “Meeting”) of Urbana to be held on June 15, 2022 at 11:00 a.m. (Toronto time) at Vantage Venues, 150 King Street West, 27<sup>th</sup> Floor, Toronto, Ontario M5H 1J9 and at any adjournment or postponement thereof. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited by telephone, facsimile and/or in person. The costs of the solicitation will be borne by Urbana.

**Who can vote?**

Holders of common shares of Urbana (the “Common Shares”) as at the close of business on April 18, 2022 are entitled to vote. Each Common Share entitles the holder thereof to one vote. As of April 18, 2022, Urbana had 10,000,000 Common Shares issued and outstanding. Holders of the non-voting Class A shares of Urbana (the “Class A Shares”) may attend the Meeting but are not entitled to vote at meetings of shareholders of Urbana except as provided by law and will not be entitled to vote on any matter at the Meeting.

**Exercise of Discretion by Proxies**

If a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting or any adjournment or postponement thereof, the Common Shares represented by any proxy received by Management will be voted for, withheld from voting or voted against, as appropriate, the matter by the persons named in the enclosed form of proxy or voting instruction form in accordance with the direction of the shareholder appointing them. **In the absence of any direction to the contrary, it is intended that the shares represented by proxies received by Management will be voted: (a) “For” the election of each of the directors referred to in this Circular; and (b) “For” the appointment of Deloitte LLP as the auditor of Urbana.** The enclosed form of proxy or voting instruction form confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the accompanying Notice of Meeting, but which may properly come before the Meeting or any adjournments or postponements thereof and with respect to amendments to or variations of matters identified in the notice of Meeting. As at the date hereof, Management knows of no such amendment, variation or other matters to come before the Meeting other than the matters referred to in the notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended that the person appointed as proxy will vote on such other business in such manner as such person then considers to be proper.

**Appointment of Proxy Holder**

The persons specified in the enclosed form of proxy or voting instruction form are directors and/or senior officers of Urbana. **Each holder of Common Shares has the right to appoint a person or company (who need not be a shareholder of Urbana) other than the person(s) designated by Management in the enclosed form of proxy or voting instruction form, as applicable, to attend and act on the shareholder’s behalf at the Meeting or at any adjournment or postponement thereof.** Such right may be exercised by striking out the name(s) of the specified person(s) and inserting the name of the shareholder’s nominee in the space provided, or by completing another appropriate form of proxy or voting instruction form.

In the case of registered holders of Common Shares, the completed, dated and signed form of proxy should be sent in the business reply envelope provided or otherwise to Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, by fax at 416-368-2502 (North American Toll Free 1-866-781-3111), or by email at [proxyvote@tmx.com](mailto:proxyvote@tmx.com). To be effective, a proxy must be received by TSX Trust Company no later than June 13, 2022 at 5:00 p.m. (Toronto time), or in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays and Sundays excepted, prior to the time of reconvening the adjourned or postponed Meeting.

You are a non-registered (beneficial) shareholder if your shares are registered in the name of a nominee or intermediary such as a securities broker, trustee or financial institution. Your nominee or intermediary is required to ask for your voting instructions before the Meeting. Please contact your nominee or intermediary if you did not receive a request for voting instructions. You may vote your Common Shares by following the instructions on your voting instruction form. We ask that you return your voting instructions at least one business day in advance of the proxy deposit date noted on your voting instruction form. If you have questions regarding voting your Common Shares, please contact your nominee or intermediary. Urbana is sending proxy related materials directly to non-objecting beneficial shareholders and will pay the costs for intermediaries to deliver proxy-related materials to objecting beneficial shareholders.

In light of the ongoing public health concerns related to the COVID-19 pandemic and in order to support public health efforts in managing COVID-19, Urbana intends to comply with any social distancing rules in effect at the time of the Meeting. A video of the Meeting will be posted to the Corporation's website as soon as practicable after the Meeting. Shareholders are urged to vote on the matters before the Meeting by proxy. Shareholders may submit questions to the Corporation in advance of the Meeting by email at [AGM@urbanacorp.com](mailto:AGM@urbanacorp.com). Questions so submitted will, subject to verification by Urbana of shareholder identity and confirmation of the question's relevance to the business of the Meeting, be addressed at the Meeting or via direct contact with the shareholder depending on content. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 pandemic.

### **Revocation of Proxy**

A registered shareholder who has given a proxy may revoke it by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing, or by transmitting, by electronic means, a revocation signed by the shareholder or the shareholder's attorney authorized in writing, to or at the registered office of Urbana at any time up to and including the last business day preceding the day of the Meeting, or the reconvening of any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or the reconvening of any adjournment or postponement thereof, or by any other manner permitted by law. The registered office of Urbana is located at 150 King Street West, Suite 1702, Toronto, Ontario, Canada, M5H 1J9. If you are a non-registered shareholder, please contact your nominee or intermediary for instructions on how to revoke your voting instructions.

### **Voting Shares and Principal Holders of Voting Shares**

Urbana has fixed April 18, 2022, as the record date for shareholders entitled to receive notice of the Meeting (the "Record Date"). As at the Record Date, Urbana had authorized capital consisting of an unlimited number of Common Shares, an unlimited number of Class A Shares and an unlimited number of preferred shares. As at the Record Date, Urbana had outstanding 10,000,000 Common Shares, 32,409,100 Class A Shares and no preferred shares. At the Meeting, holders of Common Shares are entitled to one vote in respect of each Common Share held.

To the best knowledge of the directors and officers of Urbana, as at the Record Date, two shareholders of Urbana beneficially own or exercise control or direction over more than 10% of the Common Shares. Thomas

S. Caldwell beneficially owns or directly or indirectly exercises control or direction over 4,791,361 Common Shares, representing approximately 47.9% of the outstanding Common Shares. Brendan T. N. Caldwell beneficially owns or directly or indirectly exercises control or direction over 1,075,233 Common Shares, representing approximately 10.8% of the outstanding Common Shares.

### **Restricted Shares**

Holders of Class A Shares are not entitled to vote at meetings of shareholders of Urbana except as provided by law and will not be entitled to vote on any matter at the Meeting. In certain circumstances, if a take-over bid is made for the Common Shares, a holder of Class A Shares may, at his or her option, and for the purpose of tendering to such take-over bid, convert any or all of the Class A Shares then held by such holder into Common Shares on the basis of one Common Share for each Class A Share so converted during a specified period of time.

### **Notice-and-Access**

This year, as permitted by Canadian securities regulators, we are using “notice-and-access” procedures to deliver the Circular to both registered and non-registered shareholders. This means that the Circular is being posted online for you to access, rather than being mailed out. You will still receive a form of proxy or a voting instruction form in the mail so you can vote your Common Shares, but instead of automatically receiving a paper copy of this Circular, you will receive a “notice-and-access” notification with information about how you can access the Circular electronically and how to request a paper copy. Notice-and-access gives shareholders more options, substantially reduces our printing and mailing costs, and is environmentally friendly as it reduces paper and energy consumption.

## **MATTERS TO BE BROUGHT BEFORE THE MEETING**

### **1. Placement of Financial Statements before the Meeting**

Management will place before the Meeting the financial statements of the Corporation for the year ended December 31, 2021, together with the auditor’s report thereon. The financial statements are available on Urbana’s website at [www.urbanacorp.com/financial-information](http://www.urbanacorp.com/financial-information) and on SEDAR at [www.sedar.com](http://www.sedar.com). No vote of shareholders is required or will be taken with respect to this item.

### **2. Election of Directors**

A board of five directors is to be elected at the Meeting. Each director holds office until the next annual meeting of shareholders or until a successor is duly elected or appointed. Each nominee is voted for on an individual basis. The persons named in the enclosed form of proxy or voting instruction form, as applicable, intend to vote **FOR** the election of each of the nominees named below unless otherwise directed. All of the nominees are currently members of the board of directors of Urbana (the “Board”) and have been since the years indicated in the table below.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy or voting instruction form reserve the right to vote for another nominee in their discretion. The directors must be elected by an affirmative vote of a plurality of the votes cast, either in person or by proxy, at the Meeting on the matter. Plurality voting means that the five nominees receiving the greatest number of “FOR” votes will be elected to the Board. Notwithstanding the foregoing, the Board has adopted the following majority voting policy for uncontested elections of directors: if any proposed nominee as a director receives more “withhold” than “for” votes, the Board will promptly consider asking that nominee to resign as a director and it is anticipated that such a request will be made barring unusual circumstances.

The following table sets forth the name of each nominee, his or her principal occupation and the office with Urbana currently held by him or her, the year each nominee became a director of the Corporation, the number of Common Shares and Class A Shares beneficially owned directly or indirectly or over which control or direction is exercised by each of them as of the Record Date and the percentage of outstanding Common Shares and Class A Shares this represents.

Name and Position with Urbana	Principal Occupation	Year Became Director	Number and % of Securities Beneficially Owned, Controlled or Directed	
			Common Shares	Class A Shares
Thomas S. Caldwell (Ontario, Canada) <i>Director, CEO and President</i>	Portfolio Manager Caldwell Investment Management Ltd. Investment Fund Manager and Portfolio Manager	1980	4,791,361 (47.9%)	301,200 (0.9%)
Beth Colle <sup>(1)(2)</sup> (Ontario, Canada) <i>Director</i>	Retired Marketing Executive	2006	Nil	45,920 (0.1%)
George D. Elliott <sup>(1)(2)</sup> (Ontario, Canada) <i>Director</i>	Retired Lawyer	2011	19,000 (0.2%)	Nil
Michael B. C. Gundy (Ontario, Canada) <i>Director</i>	President Gundy Inc. Business Consulting Firm	1984	78,100 (0.8%)	Nil
Charles A. V. Pennock <sup>(1)(2)</sup> (Ontario, Canada) <i>Director</i>	Principal Origin Merchant Partners Investment Bank	2015	6,000 (0.1%)	20,000 (0.1%)

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the GNC Committee (as defined below under the heading “Statement of Executive Compensation”).

The information as to shares beneficially owned, controlled or directed, not being within the knowledge of Urbana, has been furnished by the nominees.

### 3. Appointment of Auditor

Management proposes that Deloitte LLP be reappointed as the auditor of Urbana to hold office until the close of the next annual meeting of shareholders and that the directors be authorized to fix the remuneration of the auditor. In the absence of a contrary instruction, the persons specified in the enclosed proxy form or voting instruction form intend to vote **FOR** the appointment of Deloitte LLP as the auditor of Urbana, to hold office until the next annual meeting of shareholders or until its successor is appointed and the fixing of the auditor’s remuneration by the Board. The appointment of Deloitte LLP as the auditor of Urbana and the fixing of the auditor’s remuneration by the Board requires an affirmative vote of a plurality of the votes cast, either in person or by proxy, at the Meeting on the matter.

### 4. Other Business

If other items of business are properly brought before the Meeting, you or your proxyholder can vote on such matters. Management is not aware of any other items of business to be considered.

## STATEMENT OF EXECUTIVE COMPENSATION

The Board has a Governance, Nominating and Compensation Committee (the “GNC Committee”) which, among other matters, (a) reviews and recommends the compensation of the Chief Executive Officer (the “CEO”) and the other executive officers of the Corporation, (b) recommends the compensation of the

directors of the Corporation, and (c) has the authority to make recommendations to the Board with respect to equity and incentive based plans and with respect to any other compensation matters that require approval of the Board. The significant factors considered by the GNC Committee in establishing the compensation of directors and approving the compensation of the CEO and other executive officers are described below under the heading “Compensation and Nomination of Directors”.

The GNC Committee members are: Beth Colle, George D. Elliott and Charles A. V. Pennock, each of whom is independent and has direct experience that is in some way relevant to GNC Committee responsibilities with respect to director and executive compensation. The GNC Committee members have significant experience in various fields including investment banking in the case of Mr. Pennock, law in the case of Mr. Elliott, and marketing and business consulting in the case of Ms. Colle.

The GNC Committee has considered the risks associated with Urbana’s compensation policies and practices and determined that such risks are not material in relation to the income or assets of Urbana given that (i) the directors receive relatively low annual fees set by the Board which are only supplemented when extra assignments are taken on by individual directors, (ii) there are no employee incentive programs in place or in prospect, and (iii) the CEO’s cash compensation is paid by the Investment Manager (as defined below under the heading “Investment Manager and Investment Management Agreement”), and not by Urbana. As part of an overall effort to control costs associated with the compensation of its executive officers, Urbana operates with four named executive officers (“NEOs”), as defined in Form 51-102F6 – *Statement of Executive Compensation*. Further details regarding the significant elements of compensation earned by Urbana’s NEOs and directors, directly or indirectly, are set out in the footnotes to the Summary Compensation Table and the Director Compensation Table below.

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. Urbana monitors the private investments it makes on an ongoing basis, at least quarterly, including by reviewing financial statements, engaging in discussions with management and monitoring market and industry conditions. When Management makes a private company investment, members of the Board will vet the investment opportunity when the potential investment exceeds certain transaction size thresholds. Any investment over \$1 million in a start-up investee, or over \$5 million in an established private investee must be approved by the Board. Subsequent to investment, Management and/or Urbana directors may act as directors of the investee company or participate in its board of advisors or provide attention to the affairs of the investee from time to time or on an ongoing basis. The Investment Manager provides services to assist with this work such as asset valuation analysis.

The Corporation invests part of its portfolio in publicly marketable securities to provide growth, income and liquidity. For some years, Urbana has invested a significant portion of its portfolio (generally in excess of 50% of its investable assets) in liquid North American equities. This part of the Urbana portfolio generates dividends, but is available for sale to generate proceeds that can be redeployed to private or less liquid investments as opportunities present themselves.

As at December 31, 2021, the NEOs of the Corporation were: (i) the CEO, who did not receive compensation from the Corporation in his capacity as the CEO of the Corporation, (ii) the chief financial officer (the “CFO”), (iii) the General Counsel and Secretary of the Corporation, who received compensation in excess of \$150,000 from the Corporation, and (iv) one other individual, who provided services through a management services company to a subsidiary of the Corporation in connection with the liquidation of the subsidiary’s business, and received compensation in excess of \$150,000 from the subsidiary for such services.

The directors and officers of the Corporation are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of the equity securities of the Corporation held directly or indirectly by the directors or officers.

The following table summarizes the compensation paid directly by Urbana to its NEOs in respect of services provided to Urbana in the last three completed financial years:

**SUMMARY COMPENSATION TABLE**

<b>Name and principal position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Thomas S. Caldwell <sup>(1)</sup> (CEO and Director)	2021	N/A	N/A	N/A	N/A	N/A	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	Nil	Nil
Sylvia V. Stinson <sup>(2)</sup> (CFO)	2021	231,250	N/A	N/A	N/A	N/A	Nil	231,250
	2020	150,000	N/A	N/A	N/A	N/A	Nil	150,000
	2019	117,500	N/A	N/A	N/A	N/A	Nil	117,500
Harry K. Liu <sup>(3)</sup> (General Counsel and Secretary)	2021	201,514	N/A	N/A	N/A	N/A	Nil	201,514
	2020	162,541	N/A	N/A	N/A	N/A	Nil	162,541
	2019	150,060	N/A	N/A	N/A	N/A	Nil	150,060
Mark Lerohl <sup>(4)</sup> (Consultant)	2021	N/A	N/A	N/A	N/A	N/A	Nil	Nil
	2020	135,417	N/A	N/A	N/A	N/A	3,750	139,167
	2019	135,417	N/A	N/A	N/A	N/A	3,750	139,167

<sup>(1)</sup> Mr. Thomas S. Caldwell is an employee of Urbana and the Investment Manager. In respect of the financial years 2021, 2020 and 2019, Mr. Caldwell received directly from the Investment Manager \$42,363, \$Nil and \$Nil, respectively. These amounts represent 0.7%, 0% and 0% of the annual management fee paid by Urbana to the Investment Manager in 2021, 2020 and 2019 respectively. Mr. Caldwell received this compensation for managing Urbana’s investment portfolio with the Investment Manager pursuant to the IMA Agreement (as defined and further described under the heading “Investment Manager and Investment Management Agreement” below). All such compensation was attributable to portfolio management services indirectly provided through the Investment Manager to Urbana by Mr. Caldwell. All other activities performed by Mr. Caldwell in his capacity as CEO and director of Urbana in the stated years were not compensated. Mr. Caldwell received no compensation directly from the Corporation or from the Investment Manager for his services as CEO or director of the Corporation in the stated years.

<sup>(2)</sup> From January 1, 2019 to February 28, 2019, Ms. Stinson was paid \$23,333 by CSL (as defined below under the heading “Investment Manager and Investment Management Agreement”) for her services to the Corporation pursuant to an administrative services agreement dated January 1, 2016 between CSL and Urbana. All compensation received by Ms. Stinson from CSL was attributable to CFO services performed for Urbana. Effective March 1, 2019, Urbana’s chief financial officer became an employee of Urbana and CSL no longer provides chief financial officer services to Urbana. In 2019 (March 1 to December 31), 2020 and 2021, Ms. Stinson was paid, respectively, \$117,500, \$150,000 and \$231,250 directly by the Corporation.

<sup>(3)</sup> Mr. Liu provides legal and corporate secretarial services to the Corporation as a service provider, including acting as the general counsel and secretary of the Corporation. He renders invoices periodically to the Corporation for the services he has provided to the Corporation. The GNC Committee reviews his compensation annually.

<sup>(4)</sup> Radar Capital Inc. (“RCI”) became a subsidiary of Urbana on August 1, 2019. For the periods from August 1, 2019 to December 31, 2019 and from January 1, 2020 to May 31, 2020, Mr. Lerohl was paid \$139,167 and \$139,167 respectively in his capacity as the CEO of RCI. Mr. Lerohl ceased to be an officer of RCI on May 31, 2020. In 2020 (June 1 to December 31) and 2021, Lerohl Consulting Inc., a company that is controlled by Mr. Lerohl, was paid, respectively, pursuant to a consulting agreement dated June 1, 2020, \$253,750 and \$414,583 for services provided to

RCI out of which Lerohl Consulting Inc. paid all associated expenses incurred in respect of performing the services. These services include overseeing the day-to-day operations of RCI, assisting with the disposition of RCI's investments and overseeing the distribution of the company's residual assets.

The following table shows the compensation paid to the directors of Urbana for their services as directors of Urbana in the financial year ended December 31, 2021, except for Mr. Thomas S. Caldwell whose compensation for service as a director, being \$Nil, is fully reflected in the Summary Compensation Table above.

#### DIRECTOR COMPENSATION TABLE

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Beth Colle	31,500 <sup>(1)</sup>	N/A	N/A	N/A	N/A	6,250 <sup>(2)</sup>	37,750
George D. Elliott	34,000 <sup>(3)</sup>	N/A	N/A	N/A	N/A	30,000 <sup>(4)</sup>	64,000
Michael B. C. Gundy	25,000	N/A	N/A	N/A	N/A	Nil	25,000
Charles A. V. Pennock	50,000 <sup>(5)</sup>	N/A	N/A	N/A	N/A	36,250 <sup>(6)</sup>	86,250

<sup>(1)</sup> Consists of a director fee of \$25,000, a fee of \$4,000 for serving as an Audit Committee member and a fee of \$2,500 for serving as the chair of the GNC Committee.

<sup>(2)</sup> In 2021, Beth Colle received \$6,250 for serving as a director of Highview Financial Holdings Inc. ("Highview"), a company in which the Corporation has a 73.4% equity interest.

<sup>(3)</sup> Consists of a director fee of \$25,000, a fee of \$5,000 for serving as the Lead Director and a fee of \$4,000 for serving as an Audit Committee member.

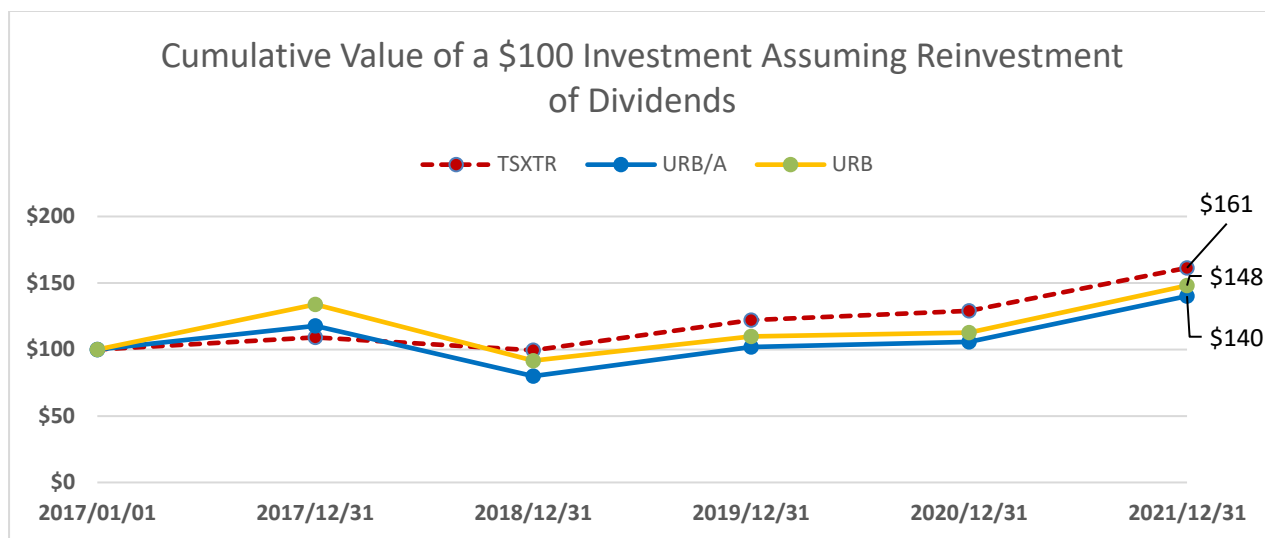
<sup>(4)</sup> In 2021, George D. Elliott received \$30,000 for serving as a director of RCI, a subsidiary of the Corporation.

<sup>(5)</sup> Consists of a director fee of \$25,000, a fee of \$12,500 for serving as the chair of the Audit Committee and a fee of \$12,500 as remuneration for services in respect of a special project.

<sup>(6)</sup> In 2021, Charles A. V. Pennock received \$30,000 for serving as a director of RCI, a subsidiary of the Corporation and \$6,250 for serving as a director of Highview..

#### PERFORMANCE GRAPH

The following performance graph compares the total cumulative return of a \$100 investment in the Common Shares and Class A Shares from January 1, 2017 to December 31, 2021 with the cumulative return on the S&P/TSX Composite Total Return Index for the same period. All dividends are assumed to be reinvested. A \$100 investment made on January 1, 2017 would by December 31, 2021 have grown to \$148 for Common Shares, \$140 for Class A Shares and \$161 for the S&P/TSX Composite Total Return Index. During this period, the total cumulative shareholder return for \$100 invested in Common Shares was \$48 or 48% based on the market price of Common Shares and \$40 or 40% for Class A Shares based on the market price of Class A Shares, as compared to \$61 or 61% for the S&P/TSX Composite Total Return Index. There is no correlation between the trends, if any, shown in the performance graph and the Corporation's executive compensation as described above.



### INDEPENDENT DIRECTORS

The Board has affirmatively determined that all members of the Board (other than Thomas S. Caldwell, who is considered not to be independent because he is the Chief Executive Officer and controlling shareholder of Urbana, and Michael B. C. Gundy, who is considered not to be independent because he is a director of the Investment Manager) are independent in that each of them has no material relationship with the Corporation, that is, a relationship which could, in the Board’s view, be reasonably expected to interfere with the exercise of the member’s independent judgment. In making this determination, the Board considered, among other things, that none of those individuals (i) is, or has been within the last three years, an employee or member of management of the Corporation or its subsidiaries or related to any member of management, (ii) is related to the Corporation’s controlling shareholder, (iii) is associated with the Corporation’s auditor or has any family member that is associated with the Corporation’s auditor, (iv) receives any direct or indirect compensation (including to family members) from the Corporation except in connection with Board related work, (v) works or has worked at a company for which any member of our management was a member of the compensation committee, or (vi) has any material business or other relationship with the Corporation, its subsidiaries or its controlling shareholder. Shareholders and others may communicate with our independent directors by addressing their concerns in writing to our Corporate Secretary or, marked “Private and Confidential”, to our lead director Mr. George D. Elliott, at Suite 1702, 150 King Street West, Toronto, Ontario M5H 1J9. Our directors have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships that may affect the Board’s determination as to their independence and, depending on the nature of the change, a director may be asked to resign as a result.

Because our Chairman is also our CEO and controlling shareholder, the Board has appointed George D. Elliott as the lead director of the Corporation. The lead director is responsible for ensuring the independent functioning of the Board, including establishing, in consultation with the CEO, the agenda for each Board meeting, acting as spokesperson for the independent directors collectively in communications with the Chairman and presiding over meetings of the independent directors. The agenda for each Board meeting and each committee meeting affords an opportunity for the independent directors to meet separately and the independent directors regularly exercise that opportunity. In 2021, our independent directors held four in camera meetings, at which 100% of the independent directors attended. All committees are composed solely of independent directors. Currently, none of Urbana’s directors serve as a director of any other reporting issuer except for George D. Elliott, who also serves as a director of Candente Copper Corp., a reporting issuer with its shares listed for trading on the Toronto Stock Exchange, and Charles A. V. Pennock, who also serves as a director and chair of the audit committee of Limestone Boat Company Limited, a reporting issuer with



its shares listed for trading on the TSX Venture Exchange. The following table shows the number of committee and board meetings that each director attended in 2021:

BD – Board of Directors      AC – Audit Committee (as defined below)      GNCC – GNC Committee

<b>Director</b>	<b>Meetings attended in 2021</b>
Thomas S. Caldwell	7 of 7 BD
Beth Colle	7 of 7 BD 4 of 4 AC 2 of 2 GNCC
George D. Elliott	7 of 7 BD 4 of 4 AC 2 of 2 GNCC
Michael B. C. Gundy	7 of 7 BD
Charles A. V. Pennock	7 of 7 BD 4 of 4 AC 2 of 2 GNCC

## **ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS**

Each new director receives a comprehensive orientation from the Chairman, including an overview of the role of the Board, the Board committees and each individual director, the nature and operation of Urbana’s business and the contribution and time commitment the new director is expected to make. The orientation will include access to senior management of Urbana and the facilities of Urbana. The lead director will also meet with each new director to orient that director on the independent operation and functioning of the Board. The Board will consider from time to time appropriate continuing education for the directors, which may include presentations from management, site visits and presentations from industry experts. Each director is also expected to maintain the necessary level of expertise to perform his or her responsibilities as a director.

## **TERM LIMITS**

Urbana does not impose term limits on its directors. It is the Corporation’s view that this arbitrary mechanism for removing directors can result in valuable, experienced directors being forced to leave the Board and that the nomination and voting process will produce directors who are able to make a meaningful contribution.

## **COMPENSATION AND NOMINATION OF DIRECTORS**

The responsibilities of the GNC Committee include establishing the compensation of directors and approving the compensation of the CEO and other executive officers, as well as making recommendations for nominees to the Board (as discussed below under the heading “Selection of Directors and Diversity”). In establishing the compensation of the directors and approving the compensation of the CEO and other executive officers, the GNC Committee will examine the time commitment, responsibilities and risks associated with being a director or holding the particular executive office, and compensation paid by companies similar to Urbana. Other important factors for evaluating performance of the executive officers are the achievement of corporate objectives and Corporation and individual performance. The GNC Committee is also responsible for annually evaluating and reporting to the Board on the performance and effectiveness of the Board, each of its committees and each of its directors. In conducting that evaluation, the GNC Committee considers the Corporate Governance Guidelines (as described below under the headings “Corporate Governance Practices” and “Board Mandate”), applicable committee charters and position descriptions, and the contributions individual members are expected to make. The GNC Committee also monitors changes in the area of corporate governance and recommends any changes it considers appropriate.

## **SELECTION OF DIRECTORS AND DIVERSITY**

Urbana seeks as directors committed individuals who have a high degree of integrity, sound practical and commercial judgment, a belief in and an affinity for the special culture of the Corporation and an interest in the long term best interests of the Corporation and its shareholders.

With this goal in mind, each year the Board determines what competencies and skills the Board as a whole should possess, taking into account our particular business and the competencies and skills each existing director possesses.

The Board makes these determinations at a time suitable for the GNC Committee to reflect them in its recommendations for nominees to the Board. In making its recommendations, the GNC Committee also considers the competencies and skills any new nominee may possess, the independence requirements and the requirements for any distinctive expertise.

The combination of qualities that the Corporation seeks in its directors and senior management severely restricts the availability of suitable individuals. Given these limiting and significant considerations, diversity of race, gender, national origin, sexual orientation or similar categorizations are not generally factors in the Corporation's choice of directors or senior management. As a result, the Corporation does not have a formal diversity policy in respect of the Board or senior management or regarding the identification and nomination of female directors, fixed percentages or targets for any selection criteria, and is not considering establishing any such measurable objectives. Currently, the Corporation has one female director (20% of the Board members) and one female executive officer (33.3% of the Corporation's executive officers).

## **CORPORATE GOVERNANCE PRACTICES**

To create a framework that ensures the effective governance of the Corporation, the Board has approved and adopted a set of Corporate Governance Guidelines (the "Guidelines") that includes the Board's mandate and a Code of Business Conduct and Ethics (the "Code"). The Board has also established an audit committee (the "Audit Committee") and the GNC Committee and approved and adopted written charters for these committees. Copies of these charters, the Guidelines and the Code are available for review on our website at [www.urbanacorp.com](http://www.urbanacorp.com) under the heading "Corporate Governance" in the "Corporate Information" section. For more information on the Audit Committee, please see "Audit Committee Disclosure" starting on page 24 of the Corporation's annual information form dated March 23, 2022, which has been posted on our website at [www.urbanacorp.com](http://www.urbanacorp.com) and under the Corporation's profile at [www.SEDAR.com](http://www.SEDAR.com). The full text of the Audit Committee's charter is also contained in the Corporation's annual information form dated March 23, 2022 as Schedule "A". The Board has also approved and adopted (i) a Conflicts of Interest and Related Party Transactions Policy, (ii) a set of Complaint Procedures for Accounting and Auditing Matters, (iii) a Privacy Policy and (iv) a Communications Policy.

## **BOARD MANDATE**

The Corporate Governance Guidelines include the Board's mandate which states that "the directors' primary responsibility is to act in good faith and to exercise their business judgment in what they reasonably believe to be the best interests of the shareholders of Urbana". In fulfilling its responsibilities, the Board is, among other matters, responsible for the following:

- Appointing the CEO and other executive officers;
- Monitoring and evaluating the performance of the CEO and the other executive officers against the approved Corporate Mission and Values and corporate objectives;
- Succession planning;
- Approving, on an annual basis, Urbana's Corporate Mission and Values and corporate objectives;

- Satisfying itself that Urbana is pursuing a sound strategic direction in accordance with the approved corporate objectives;
- Reviewing operating and financial performance results relative to established corporate objectives;
- Ensuring that it understands the principal risks of Urbana’s business, and that appropriate systems to manage these risks are implemented;
- Ensuring that the materials and information provided by Urbana to the Board and its committees are sufficient in their scope and content and in their timing to allow the Board and its committees to satisfy their duties and obligations;
- Reviewing and approving Urbana’s annual and interim financial statements and related management’s discussion and analysis, annual information form, annual report and management information circular;
- Monitoring the effectiveness of Urbana’s internal control and management information systems;
- Approving any securities issuances and repurchases by Urbana;
- Declaring dividends;
- Approving the nomination of directors;
- Approving the charters of the Board committees and approving the appointment of directors to Board committees and the appointment of the Chairs of those committees;
- Adopting a communications policy (including ensuring the timeliness and integrity of communications to shareholders); and
- Adopting a privacy policy.

The Board has delegated to management responsibility for the Corporation’s day to day operations, including for all matters not specifically assigned to the Board or any committee of the Board.

The responsibilities of the Chair of the Board and the CEO are described in the Corporate Governance Guidelines. The guidelines provide for the establishment of an audit committee and a governance, nominating and compensation committee. The responsibilities of the Chair of each of these committees are described in the charter of each of these committees.

### **ETHICAL BUSINESS CONDUCT**

The Board has approved a Code of Business Conduct and Ethics (the “Code”, as defined above under the heading “Corporate Governance Practices”), which is available for review on our website at [www.urbanacorp.com](http://www.urbanacorp.com) under the heading “Corporate Governance” in the “Corporate Information” section . The Board is responsible for monitoring compliance with the Code. Among other things, the Code requires every director and officer of Urbana to be scrupulous in seeking to avoid any actual, potential or perceived conflict of interest and to regularly consider whether any may exist. In conjunction with the Audit Committee, the Board established a set of Complaint Procedures for Accounting and Auditing Matters pursuant to which violations of the Code can be reported confidentially or anonymously and without risk of recrimination. The Board also adopted a Conflicts of Interest and Related Party Transactions Policy to provide guidance to the directors and officers on how to address conflicts. Pursuant to this policy, if any material transaction or relationship that could give rise to a conflict of interest arises, the individual must immediately advise the Chair of the Audit Committee in writing and not take any action to proceed unless and until the action has been approved by the Audit Committee. This policy also provides that all material related party transactions (as defined in the policy) are subject to review and approval by the Corporation's Audit Committee.

### **INVESTMENT MANAGER AND INVESTMENT MANAGEMENT AGREEMENT**

Urbana has retained Caldwell Investment Management Ltd. (the “Investment Manager”) to manage its portfolio assets as described below in accordance with the investment objective of Urbana as from time to time disclosed by Urbana in its continuous disclosure filings, pursuant to an investment management and

advisory agreement made between Urbana and the Investment Manager dated December 6, 2019 and as amended on April 1, 2021 (the “IMA Agreement”). The Board has determined that 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.

The Investment Manager is a wholly-owned subsidiary of Caldwell Financial Ltd. (“CFL”), a company controlled by Thomas S. Caldwell, a principal holder of Urbana’s Common Shares (see above under the heading “Voting Shares and Principal Holders of Voting Shares”). The Investment Manager and its affiliates provide full service investment management and advisory services to financial institutions, public and private pension funds, endowment funds, foundations and private family accounts. The Investment Manager is also the manager of (i) the Caldwell Mutual Funds, a group of open-end multi-series unit trusts marketed separately from other funds managed by the Investment Manager and (ii) Caldwell Growth Opportunities Fund, an open-end unit trust offered on a private placement basis.

Pursuant to the IMA Agreement, the Investment Manager manages the investments of the Corporation with complete discretion and is authorized with respect to managing the Corporation’s investments to 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. The IMA Agreement provides that the Investment Manager is entitled to a fee equal to 2.0% per annum of the market value of the Corporation’s investment portfolio (the “IM Fee”), and, with the exception of normal course issuer bid purchases, the Investment Manager will pay a fee to Caldwell Securities Ltd. (“CSL”) to cover all charges for brokerage, trade execution and other necessary investment-related services rendered directly or indirectly for the benefit of the Corporation by CSL. The IM Fee is accrued daily and paid monthly (prior to April 1, 2021, quarterly) in arrears. For the year ended December 31, 2021, the Investment Manager earned \$6,955,664 (HST inclusive) of investment management fees from Urbana. From the beginning of the current financial year to the Record Date, the Investment Manager has earned IM Fees of \$2,303,664 (HST inclusive) from Urbana. The IMA Agreement further provides that 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 the IMA Agreement, the Investment Manager shall disclose it to the Corporation which in consultation with the Corporation’s independent directors will resolve the conflict disclosed by the Investment Manager on a basis satisfactory to such directors.

The name and municipality of residence of each of the directors and executive officers of the Investment Manager are as follows:

<b>Name and Municipality of Residence</b>	<b>Position and Office Held with the Investment Manager</b>
Thomas S. Caldwell Toronto, Ontario	Director and Chairman
Brendan T. N. Caldwell Toronto, Ontario	Director, Chief Executive Officer, President and Director
Michael B. C. Gundy Toronto, Ontario	Director
Paula Amy Hewitt Mississauga, Ontario	Director
Sally Haldenby-Haba Etobicoke, Ontario	Secretary and Chief Financial Officer
Grant Patterson Toronto, Ontario	Chief Compliance Officer

CSL, a registered broker and investment dealer, handles Urbana’s portfolio transactions. Pursuant to the IMA Agreement, the Investment Manager pays a fee to CSL to cover all charges for brokerage and trade execution,

with the exception of fees related to normal course issuer bid purchases, and other necessary investment-related services rendered directly or indirectly for the benefit of the Corporation by CSL. As a result, in the absence of written instructions from Urbana to the contrary, the Investment Manager is directed to place trade orders with CSL because of the benefits Urbana derives from CSL and the zero commission arrangement with Urbana.

During 2021, pursuant to an administrative services agreement between Urbana and CSL effective as of March 1, 2019, as amended on April 1, 2021, Urbana paid CSL \$364,764 (HST inclusive) for administrative services, including investor relations, information technology services, professional corporate office services, and office and conference room access for Urbana's staff, directors and officers.

CSL is a wholly-owned subsidiary of CFL. Thomas S. Caldwell beneficially owns or directly or indirectly controls or directs 2,397,534 common shares of CFL, the sole shareholder of the Investment Manager and of CSL, representing 59.9% of the common shares of CFL.

Brendan T. N. Caldwell beneficially owns or directly or indirectly controls or directs 1,159,393 common shares of CFL representing 29.0% of the common shares of CFL.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

#### Aggregate Indebtedness

The table below shows the aggregate indebtedness outstanding as at April 18, 2022 in connection with the purchase of securities of the Corporation and all other indebtedness of all executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries.

<b>AGGREGATE INDEBTEDNESS (\$)</b>		
<b>Purpose</b>	<b>To the Corporation or its Subsidiaries</b>	<b>To Another Entity</b>
Share purchases	280,973	Nil
Other	Nil	Nil

#### Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

The table below shows each individual who is, or at any time during the 2021 financial year was, a director or executive officer of the Corporation, or a proposed nominee for election as a director of the Corporation, and each associate of any such director, executive officer or proposed nominee, who is, or at any time since the beginning of the 2021 financial year has been, indebted to the Corporation or any of its subsidiaries.

<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS</b>						
<b>Name and Principal Position</b>	<b>Involvement of Corporation or Subsidiary</b>	<b>Largest Amount Outstanding During 2021 (\$)</b>	<b>Amount Outstanding as April 18, 2022 (\$)</b>	<b>Financially Assisted Securities Purchases During 2021</b>	<b>Security for Indebtedness</b>	<b>Amount Forgiven During 2021 (\$)</b>
<i>Securities Purchase Programs</i>						
George D. Elliott Director and nominee for election as director	Lender	50,216	50,238	Nil	Urbana shares purchased using the borrowed funds	Nil

Michael B. C. Gundy Director and nominee for election as director	Lender	26,989	97,522	Nil	Urbana shares purchased using the borrowed funds	Nil
Charles A. V. Pennock Director and nominee for election as director	Lender	72,635	72,666	Nil	Urbana shares purchased using the borrowed funds	Nil
Sylvia V. Stinson Chief Financial Officer	Lender	61,254	61,291	Nil	Urbana shares purchased using the borrowed funds	Nil
<b><i>Other Programs</i></b>						
N/A						

The Corporation, as lender, has entered into a loan agreement with each of Messrs. Pennock, Gundy and Elliott and Ms. Stinson, as borrowers (the “Borrowers”), dated January 9, 2020, January 29, 2020, March 11, 2020 and October 7, 2021, respectively. Each of these loan agreements provides the Borrower with a revolving credit facility of up to \$100,000 (the “Facility”). Under each of these loan agreements: (a) the Borrower may use the Facility for the sole purpose of purchasing Common Shares or Class A Shares of the Corporation, (b) the applicable interest rate of the Facility is the interest rate used by the Canada Revenue Agency to calculate taxable benefits for employees and shareholders from interest-free and low-interest loans, (c) the shares of the Corporation purchased with funds borrowed under the Facility are held in a broker’s account as security for the indebtedness incurred under the Facility, and (d) the Facility maturity date is the earliest of (i) the death of the Borrower; (ii) the second anniversary of the date on which the Borrower ceases to be a director, officer or advisory board member of the Corporation by reasons other than death; (iii) the date of the occurrence of an Event of Default as defined in the loan agreement; and (iv) the tenth anniversary of the date of the first advance made under the Facility. As at the date hereof, Messrs. Elliott, Gundy and Pennock and Ms. Stinson have purchased, respectively, 19,000 Common Shares, 29,900 Common Shares, 6,000 Common Shares & 20,000 Class A Shares, and 3,000 Common Shares & 15,000 Class A Shares of the Corporation with funds borrowed under their respective Facility.

#### **ADDITIONAL INFORMATION**

Urbana shall provide to any person or company, upon request to the CFO by phone at (416) 595-9106 ext. 240 or by email at [sstinson@urbanacorp.com](mailto:sstinson@urbanacorp.com), one copy of (i) Urbana’s current annual information form, together with any document, or the pertinent pages of any document, incorporated therein by reference, (ii) the most recently filed comparative annual financial statements of Urbana together with the report of the auditor thereon and any interim financial statements of Urbana that have been filed for any period after the end of its most recently completed financial year, as well as the related management’s discussion and analysis and (iii) the management information circular of Urbana in respect of the most recent annual meeting of its shareholders. Urbana may require the payment of a reasonable charge when the request is made by someone who is not a shareholder of Urbana, unless securities of Urbana are in the course of a distribution under a short form prospectus, in which case such documents will be provided free of charge. Financial information is provided in Urbana’s comparative annual financial statements and management’s discussion and analysis for the year ended December 31, 2021. Additional information regarding Urbana is also available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or at the Corporation’s website [www.urbanacorp.com](http://www.urbanacorp.com).

## FORWARD-LOOKING STATEMENTS

Certain information contained in this Circular constitutes forward-looking information, within the meaning of applicable Canadian securities laws, which is information relating to possible events, business, operations, financial performance, conditions or results of operations of the Corporation, which are based on assumptions about future economic conditions and courses of action and which are inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “scheduled”, “may”, “will”, “project”, “predict”, “potential”, “target”, “intend”, “could”, “might”, “should”, “believe”, and similar words or phrases (including negative or grammatical variations) or statements that certain actions, events or results “may”, “could”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation or grammatical variation thereof. Forward-looking information in this Circular includes, but is not limited to, statements with respect to: the Corporation’s investment approach, objectives and strategies, including its focus on specific sectors; the ability to achieve and maintain long-term performance; the structuring of its investments and its plans to manage its investments; the timing for the disposition of investments and the performance of such investments; the Corporation’s compensation policies; the Corporation’s financial performance; the Corporation’s ability to manage relevant conflicts of interest; the Corporation’s ability to meet its liquidity and debt needs; any purchases under the Corporation’s normal course issuer bid; and its expectations regarding the performance of certain sectors.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Corporation believes that the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in forward-looking information contained in this Circular include, but are not limited to: the nature of the Corporation’s investments; fluctuations in the value of investments; the available opportunities and competition for its investments; the availability of good values in many major companies and the Corporation’s ability to realize on such values; the concentration of its investments in certain industries and sectors; the Corporation’s dependence on its management team; risks affecting the Corporation’s investments; factors affecting and fluctuations in markets; private entity investing; limited liquidity of certain assets; any impact of the COVID pandemic; global political and economic conditions; investments by the Corporation in private issuers which have illiquid securities; management of the growth of the Corporation; exchange rate fluctuations; and other risks and factors referenced in the Corporation’s most recently filed management’s discussion and analysis including under the heading “Business Objectives and Strategies, and Risk Factors” and the Corporation’s annual information form dated March 23, 2022 under the heading “DESCRIPTION OF THE BUSINESS – Risk Factors”.

Although the Corporation has attempted to identify important factors that could cause actual events or results to differ materially from those described in forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. Readers are cautioned that the foregoing list of risks and factors is not exhaustive. Forward-looking information provides information about management’s current expectations and plans and to allow investors and others to get a better understanding of the Corporation’s operating environment. The forward-looking information contained in this Circular is provided as at the date of this Circular, based upon the opinions and estimates of management and information available to management as at the date of this Circular, and the Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking information contained in this Circular.

**APPROVAL BY THE BOARD OF DIRECTORS**

The board of directors of Urbana has approved the contents and sending of this management information circular.

May 6, 2022

A handwritten signature in black ink, appearing to read "Thomas S. Caldwell". The signature is written in a cursive style with a large initial 'T'.

Thomas S. Caldwell, C.M.  
President and CEO