

ENHANCED CORPORATE GOVERNANCE POLICY

Scope and Purpose

Badger Daylighting Ltd. (the “**Corporation**”) has adopted and will continue to engage in corporate governance practices which comply, in all material respects, with the governance rules and guidelines of the Canadian Securities Administrators and applicable securities legislation, as amended, from time to time. As corporate governance policies will continue to develop over time, the Corporation and its Board of Directors will continue to monitor such developments and adopt, where appropriate, such corporate governance policies to enhance its existing practice.

Majority Voting

The Board has adopted a policy that requires, in an uncontested election of directors, that shareholders will be able to vote in favour of, or to withhold from voting, separately for each director nominee. Further:

1. Any director must immediately tender his or her resignation to the Board if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election.
2. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant shareholders' meeting. The Board shall accept the resignation absent exceptional circumstances.
3. The resignation will be effective when accepted by the Board;
4. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered.
5. The Corporation shall promptly issue a news release with the Board's decision, a copy of which must be provided to TSX. If the Board determines not to accept a resignation, the news release must fully state the reasons for that decision.

Subject to any corporate law restrictions, the Board may leave any resultant vacancy unfilled until the next annual shareholders' meeting, or it may fill the vacancy through the appointment of a new director whom the Board considers would merit the confidence of the shareholders, or it may call a special meeting of shareholders at which there shall be presented a nominee or nominees to fill the vacant position or positions.

Say on Pay

The Board of Directors shall adopt an advisory “say on pay” shareholder resolution for executive and Board compensation and shall include this advisory resolution in its annual information circular distributed to Badger's shareholders.

Board Meetings

1. **Board Meetings:** The Board of Directors shall have at least four regularly scheduled meetings each year. At these meetings, the Board of Directors shall review and discuss (amongst other things) management reports on the Corporation's performance, the Corporation's plans, risks, objectives and prospects and any immediate issues facing the Corporation. The Board may also call special meetings to act on matters as required.
2. **Committee Meetings:** Committee chairs, in consultation with committee members, determine the frequency (consistent with the committee's mandate) and length of the meetings. Each committee chair reports to the Board of Directors on the results of each meeting.
3. **Agendas:** The Chairman of the Board and the President and Chief Executive Officer shall establish the agenda for each Board of Directors meeting. Each committee chair, in consultation with management, develops the committee's agendas. Any Board member may suggest the inclusion of items on the agenda in advance of the meeting.
4. **Meeting Materials Distributed in Advance:** Information and data that are important to the Board of Directors' understanding of business issues are, to the extent possible, to be distributed to the Board of Directors before each Board of Directors meeting in sufficient time to ensure adequate opportunity exists for members' review. Management shall also use its best efforts to make this material as concise as possible while still providing the desired information and focusing attention on critical issues to be considered by the Board of Directors.
5. **Non-Directors at Board Meetings:** The Board of Directors believes that there is value in having certain members of senior management or advisors attending Board of Directors meetings to provide information and opinion to assist the directors in their deliberations. Attendance by non-directors shall be determined by any one of the Chief Executive Officer, the Chairman of the Board or the Lead Director (if appointed). Such attendees shall participate in only those portions of the Board of Directors meetings for which their participation is requested. The Chief Executive Officer shall attend each Board of Directors meeting in person provided that participation by telephone will be permitted with the approval of the Chairman of the Board and the Lead Director (if appointed).
6. ***In Camera* Meetings:** As a standing agenda item, the independent directors shall have an "in camera" session without management at every regularly scheduled Board and committee meeting, and at other meetings when deemed appropriate. The Chairman of the Board or the Lead Director (if applicable) shall discuss with the Chief Executive Officer any matters raised in these meetings that are relevant for management.

Directors Attendance

1. It is expected that members of the Board of Directors shall attend all meetings of the Board of Directors.
2. In the event a director attends less than 75% of the meetings of the Board of Directors in a fiscal year, such director shall forthwith tender his resignation to the Nominating Committee. However, if such director provides the Board of Directors (excluding such director) with adequate reason for

the lack of attendance, the Board of Directors shall have the discretion, acting reasonably, to waive this requirement.

3. The Nominating Committee shall consider such resignation and make a recommendation to the Board of Directors as to whether to accept it or not, having regard to all matters it deems relevant.
4. A director who tenders his resignation pursuant to this policy shall not participate in any meetings to consider whether such resignation shall be accepted.
5. The Board of Directors may fill any vacancy resulting from a resignation pursuant to this policy in accordance with the Corporation's by-laws and articles.

Officers' Board Membership

Management members of the Board of Directors must tender to the Board their resignation as a director immediately upon ceasing to be an officer of the Corporation with such resignation to be effective upon its acceptance by the Board. The Board shall determine whether or not to accept the resignation within 15 days after the date of such event.

Any former officer of the Corporation nominated and serving on the Board of Directors will be considered to be an inside director (i.e. not independent) for purposes of corporate governance until such time as the applicable regulatory cooling off periods have been met and the outside directors determine that sufficient distance has been established from the officer's former executive duties to make the officer independent to the Corporation.

Chairman of the Board and Chief Executive Officer

The Board of Directors has determined to separate the positions of the Chairman of the Board and the Chief Executive Officer, although the Board of Directors, in its discretion, may appoint the same individual to both positions. The CEO shall be appointed by the Board of Directors, after consideration of recommendations received from the Nominating Committee. The Chairman of the Board shall be appointed by the independent directors, after consideration of recommendations received from the Nominating Committee. The Board of Directors has approved and shall periodically review a position description for each of the Chairman of the Board and the Chief Executive Officer.

Lead Director

The Board has adopted a policy that, if the Chairman of the Board is not an independent director, an independent director shall be appointed as the Lead Director.

Director's Term

Shareholders shall elect directors annually to serve one year terms (i.e. until the next annual shareholders meeting of the Corporation).

Significant Shareholder Independence

The Mandate of the Corporation's Board of Directors provides that two-thirds of the Corporation's directors shall be "Independent" as such term is defined therein. In addition, all but one director representing this two-thirds majority shall be Independent of any and all significant shareholders of the Corporation.

A "**significant shareholder**" is a person or company who holds a sufficient number of the voting rights attached to all outstanding voting securities of the Corporation to affect materially the control of the Corporation, and, if a person or company holds more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, the person or company is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the Corporation.

Officers and Directors Share Ownership Guidelines

1. Each executive officer of the Corporation and any other officer of the Corporation as determined by the Board of Directors from time to time shall, within 5 years from the date of appointment as an officer and thereafter until ceasing to be an officer, own, directly or indirectly, at least that number of common share of the Corporation ("**Common Shares**") equal to 3 times the officer's base salary in the case of the President/Chief Executive Officer, and 1.5 times the officer's base salary in the case of all other officers.
2. Each director of the Corporation shall, within five years from the date of appointment as a director and thereafter until ceasing to be a director, own, directly or indirectly, at least that number of Common Shares equal to 5 times the director's base annual retainer.
3. For purposes of these share ownership guidelines, any deferred share units held by an officer or director shall be included in the calculation of the number of Common Shares owned by such officer or director. Additionally, the valuation of deferred share units and Common Shares shall be determined on an annual basis as the greater of the fair market value at (i) the date of grant or purchase, as the case may be, and (ii) December 31. As used herein, the fair market value shall be the closing trading price of the Common Shares on the Toronto Stock Exchange during the last day on which the Common Shares traded on such exchange prior to such particular date.

Puts, Calls, Short Sales and other Equity Monetization Practices

Directors and officers of the Corporation shall not engage in short selling of, or trading in puts, calls or options of Common Shares or other securities of the Corporation. Notwithstanding the foregoing, directors and officers may sell a share which such person does not own if such person owns another security convertible into Common Shares or an option or right to acquire Common Shares sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the Common Share so associated to the purchase; or (ii) transfers the convertible security, option or right, if transferable, to the purchaser.

For the purposes of this restriction, "**short selling**" means selling securities not owned or not fully paid for by the person; a "**call**" means an option transferable by delivery to demand delivery of a specified number or amount of securities at a fixed price within a specific time, but does not include an option or

right to acquire securities of the entity that granted the option or right to acquire; and a “put” is defined as an option transferable by delivery to deliver a specified number or amount of securities at a fixed price within a specified time.

Other Directorships

1. The Corporation values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a directors’ time and availability, and may also present conflict issues. As a result, directors should advise the chair of the Nominating Committee before accepting any new membership on other boards of directors.
2. Further, any director who experiences, or plans to make, a material change in his or her primary employment status shall notify the Chair of the Board of Directors and the Chair of the Nominating Committee as soon as possible. The Nominating Committee has the responsibility to assess the continued appropriateness of Board of Directors membership under such circumstances, such as whether any potential for conflicts of interest may arise due to a change in employment status. The Nominating Committee shall provide recommendations on the member’s continued service to the Corporation as a director. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board of Directors. In appropriate circumstances, the director’s resignation may be required.
3. A director who holds a full-time executive position shall not sit on the board of more than two other publicly traded companies.
4. Unless otherwise determined by the Board of Directors, a director who does not hold a full-time executive position shall not sit on the board of more than three other publicly traded companies. The Board of Directors will consider the director’s attendance record and contributions in making any final determination of whether a director is over boarded.
5. No more than two directors shall sit together on the same board or committee of another publicly traded company and two directors may sit together on no more than two other publicly traded companies.

Mandatory Retirement Policy

In order to assist the Corporation with managing director terms and succession planning, a director who turns 70 prior to an annual meeting of the Corporation’s shareholders shall not be eligible to be nominated to re-election at that annual meeting. Notwithstanding the foregoing, at the request of the Nominating Committee and if ratified by the Board of Directors, a director may continue to serve after the normal retirement age if he or she is an executive officer of the Corporation or otherwise possesses special qualifications that the Nominating Committee and Board of Directors determine would be of benefit to the Corporation.

Risk Management Oversight

The Board of Directors shall ensure that management of Badger conducts a thorough analysis of Badger's enterprise risk management practices, identifies the principal risks of Badger's business and seeks to ensure that those risks are effectively managed. Among other things, the Board shall review and approve a comprehensive set of risk management policies and systems designed to work together with supporting corporate standards and operating guidelines developed by management.

The Board of Directors shall ensure that areas of risk for Badger are properly defined, managed and measured against Badger's risk tolerance and risk appetite. The Board of Directors shall ensure that any area of risk oversight delegated to a committee of the Board of Directors is appropriately delegated. The Board of Directors shall review with management, at least annually, Badger's enterprise risk management framework and Badger's policies and practices to control significant risks, as well as Badger's performance against the approved enterprise risk management metrics.

At least annually, management shall report to the Board of Directors on developments and progress made on its strategies for managing the key business risks including: cyber security and sensitive data loss, service disruption, customer retention, changes to the regulatory environment in which Badger operates and declining volume of usage for key service offerings. A comprehensive listing of risk factors applicable to the Badger's business shall be provided in Badger's AIF and Management's Discussion and Analysis ("MD&A").

Policy on Engagement with Shareholders on Governance Matters

The Board of Directors believes that it is important to have regular and constructive engagement directly with its shareholders to allow and encourage shareholders to express their views on governance matters directly to the Board outside of the annual meeting. These discussions are intended to be an interchange of views about governance and disclosure matters that are within the public domain and will not include a discussion of undisclosed material facts or material changes.

The Board will develop practices to increase engagement with its shareholders as is appropriate for its shareholder base and size. Examples of engagement practices include meeting with the company's larger shareholders and organizations representing a group of shareholders, as well as creating conduits for communication with smaller shareholders on an ongoing basis.

The Board recognizes that shareholder engagement is an evolving practice in Canada and globally, and will review this policy annually to ensure that it is effective in achieving its objectives.

Document Control Information

This Enhanced Corporate Governance Policy was approved by the Board of Directors of the Corporation and may be further amended at any time, subject to approval by the Board of Directors.

Approved by Board of Directors: Yes

Originally dated: March 31, 2015

Last amended: March 27, 2018

Last reviewed: March 27, 2018