



LOGISTEC

Notice of Annual and Special Meeting of Shareholders and Information Circular

May 6, 2020



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an Annual and Special Meeting of Shareholders of LOGISTEC Corporation will be held at the National Bank Tower, 600 de La Gauchetière Street West, 4th Floor, Montréal, Québec, on Wednesday, May 6, 2020, at 11:30 a.m., for the following purposes:

1. to receive and consider the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2019 and the report of the independent auditor thereon;
2. to elect directors;
3. to appoint the independent auditor and to authorize the directors to fix its remuneration;
4. to consider, and if deemed appropriate, adopt an ordinary resolution, the text of which is provided in Schedule B to the Information Circular, amending the Company's employee stock purchase plan;
5. to consider, and if deemed appropriate, adopt an ordinary resolution, the text of which is provided in Schedule C to the Information Circular, amending the Company's executive stock option plan; and
6. to transact such further business as may properly come before the meeting or any adjournment thereof.

An Information Circular and, upon request, a copy of the Annual Report, including audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2019, are forwarded with this notice.

In light of the ongoing public health concerns related to the COVID-19 outbreak and in order to comply with the measures imposed by the federal and provincial governments, the Company is encouraging shareholders and others not to attend the meeting in person. Shareholders are urged to vote on the matters before the meeting by proxy and to view the meeting online by way of a live webcast that will be available at <https://www.logistec.com/annual-meeting-webcast/>. Shareholders will be able to submit questions to management of the Company through the webcast at the conclusion of the meeting. The Company may take additional precautionary measures in relation to the meeting in response to further developments in the COVID-19 outbreak.

Dated at Montréal, Québec, this 17th day of March 2020.

By order of the Board,

(signed) Ingrid Stefancic

Ingrid Stefancic

Vice-President, Corporate and Legal Services
Corporate Secretary

NOTE: Shareholders are requested to complete, date and sign the enclosed form of proxy and return it by mail or deliver the same in the enclosed stamped addressed envelope. All instruments appointing proxies to be used at the meeting must be deposited at the office of the Company's transfer agent in Toronto, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, by 5:00 p.m. on May 4, 2020.

SOLICITATION OF PROXIES

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of LOGISTEC CORPORATION (“LOGISTEC,” “Company,” “we,” “us,” “our” and other similar expressions) for use at our Annual and Special Meeting of Shareholders (the “Meeting”) to be held on May 6, 2020 and at any adjournment thereof for the purposes set out in the accompanying notice of meeting. The cost of such solicitation will be borne by LOGISTEC.

Except as otherwise indicated, the information herein contained is given as of March 9, 2020. All dollar amounts appearing in the Circular are in Canadian dollars, except if another currency is specifically mentioned.

All instruments appointing proxies to be used at the Meeting must be deposited at the office of our transfer agent in Toronto, Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, by 5:00 p.m. on May 4, 2020.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed proxy instrument are directors of LOGISTEC. If you wish to appoint some other person or corporation (who need not be a shareholder) to represent you at the Meeting, you may do so either by inserting the name of such person or corporation in the blank space provided in the proxy instrument or by completing another proxy instrument and, in either case, depositing the completed proxy instrument as aforesaid.

You may revoke your proxy at any time before it is exercised. You may do this:

- (a) by signing a proxy instrument bearing a later date and depositing it as aforesaid; or
- (b) as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy instrument, by signing a written notice of revocation and delivering it to the Chairman or Secretary of the Meeting; or
- (c) by attending the Meeting in person and personally voting the shares represented by the proxy instrument; or
- (d) by an instrument in writing executed by you or by your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an officer or attorney thereof authorized in writing.

In light of the ongoing public health concerns related to the covid-19 outbreak and in order to comply with the measures imposed by the federal and provincial governments, the company is encouraging shareholders and others not to attend the meeting in person.

VOTING OF PROXIES

Shares represented by proxies in favour of management will be voted as specified therein. In the absence of such specifications, such shares will be voted for the election of directors, for the appointment of the independent auditor and for the amendments of the employee stock purchase plan and executive stock option plan. The enclosed form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters which may properly come before the Meeting. At the date of this Circular, our management is not aware that any such amendment, variation or other matter is to be presented for action at the Meeting. However, if other matters duly come before the Meeting, the persons named on the enclosed proxy form will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the proxy form with respect to such matters.

NON-REGISTERED SHAREHOLDERS

If your Class A Common Shares (the “Class A shares”) or your Class B Subordinate Voting Shares (the “Class B shares”), as the case may be, are not registered in your name, they are held through an intermediary, which is usually a trust company, a securities broker or another financial institution. These proxy-related materials are being sent to both registered holders and non-registered beneficial owners of the Class A shares and Class B shares.

Under applicable securities legislation, a beneficial owner of securities is a “non-objecting beneficial owner” (or “NOBO”) if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner’s behalf not objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation, and a beneficial owner is an “objecting beneficial owner” (or “OBO”) if such beneficial owner has or is deemed to have provided instructions objecting to same.

If you are a NOBO, the Company has sent these materials directly to you, and your name and address and information about your holdings of Class A shares and/or Class B shares have been obtained in accordance with applicable securities legislation from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The voting instruction form that is sent to NOBOs contains an explanation as to how you can exercise the voting rights attached to your Class A shares and/or Class B shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions as specified in the enclosed voting instruction form.

If you are an OBO, you received these materials from your intermediary or its agent (such as Broadridge), and your intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Class A shares and/or Class B shares. The Company has agreed to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form. The voting instruction form that is sent to an OBO by the intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Class A shares and/or Class B shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions to your intermediary as specified in the enclosed voting instruction form.

The Company has elected not to use the notice-and-access procedures under applicable securities legislation to send the proxy-related materials to registered holders and beneficial owners of the Class A shares and Class B shares.

In light of the ongoing public health concerns related to the COVID-19 outbreak and in order to comply with the measures imposed by the federal and provincial governments, the Company is encouraging shareholders and others not to attend the meeting in person.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

We have set the close of business on March 16, 2020, as the record date (the “Record Date”) for the purpose of determining shareholders entitled to receive notice of and vote at the Meeting and any adjournment thereof.

As at March 9, 2020, there were 7,382,422 Class A shares and 5,388,701 Class B shares outstanding. Each Class A share entitles the holder thereof to 30 votes and each Class B share entitles the holder thereof to one vote. The Class B shares entitle their holders to receive dividends in an amount per share equal to 110% of any dividend declared on each Class A share and to participate fully and equitably in any takeover bid for the Class A shares. In the event of liquidation, dissolution or winding up of LOGISTEC, the holders of Class A shares and Class B shares receive equally its remaining assets. Each Class A share is convertible at any time, at the option of the holder, into one Class B share. The Class B shares represent 2.4% of the total voting rights attached to all of LOGISTEC’s outstanding shares.

As at March 9, 2020, to the knowledge of our directors and senior executives, the following persons beneficially owned, directly or indirectly, or exercised control or direction over more than 10% of the voting rights attached to our Class A shares and/or our Class B shares:

	Class A Shares	% of the Class	Class B Shares	% of the Class	% Total Voting Rights
Sumanic Investments Inc.	5,802,578	78.6	6,600	0.1	76.7
Caisse de dépôt et placement du Québec	1,016,400	13.8	486,200	9.0	13.7
QV Investors Inc.	—	—	859,470	15.9	0.4
Van Berkom & Associates Inc.	—	—	733,284	13.6	0.3

The voting shares of Sumanic Investments Inc. are held as to 33 ⅓% by 3127419 Canada Inc., 33 ⅓% by 3127401 Canada Inc. and 33 ⅓% by 3127397 Canada Inc. The voting shares of 3127419 Canada Inc. are held as to 100% by Ms. Suzanne Paquin, the voting shares of 3127401 Canada Inc. are held as to 100% by Ms. Madeleine Paquin and the voting shares of 3127397 Canada Inc. are held as to 100% by Ms. Nicole Paquin.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT

Pursuant to the requirements of the *Business Corporations Act* (Québec), our directors will present to the Meeting the consolidated financial statements of LOGISTEC and its subsidiaries for the year ended December 31, 2019 and the independent auditor’s report thereon, but no action with respect thereto is required or proposed to be taken by the shareholders. Such consolidated financial statements and independent auditor’s report are included in our annual report that has been sent to the shareholders who requested it and can be provided upon written request to the Company and are available on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The articles of our Company provide that our Board of Directors (the “Board”) shall be comprised of at least three and no more than 21 directors. Pursuant to a resolution of our Board, the number of directors was set at 11. Management will therefore propose 11 nominees for election at the Meeting.

The term of office for which each nominee is a candidate will expire at our next annual meeting of the shareholders or when a successor is elected. **Unless instructions are given to abstain from voting with regard to the election of each director, it is the intention of the persons designated in the enclosed form of proxy to vote in favour of the election as directors of each nominee listed hereafter.** Should any nominee named herein for the office of director become unable or unwilling to accept nomination for election, the persons designated in the enclosed form of proxy intend to vote for the election in the place of such nominee or such other person as our management may recommend. Our management has no reason to believe that any of the nominees named herein will be unable or unwilling to serve if elected to office.

The Board adopted a majority voting policy in 2013 pursuant to which, with respect to uncontested elections, each nominee who receives more votes withheld than are voted in favour of him or her, such nominee will be expected to forthwith submit his or her resignation to the Board, effective on its acceptance by the Board. The Board will refer the resignation to the Governance and Human Resources Committee for consideration. The Board will promptly accept the resignation unless the Governance and Human Resources Committee recommends to the Board that there are circumstances warranting that such director continue to serve as a board member. In any event, the resignation will be accepted (or rejected) by the Board within 90 days of the meeting of shareholders. The majority voting policy can be provided by our Corporate Secretary upon written request.

The following table sets forth the names of all persons proposed to be nominated for election as directors, their office with us, their principal occupation, the year in which they became directors of LOGISTEC and the number of our Class A shares and Class B shares beneficially owned, directly or indirectly, or over which they exercised control or direction, as at March 9, 2020. The table also sets forth each director’s attendance record for our Board and Committee meetings held in 2019.

Mr. Michael J. Dodson, a new proposed director, has been involved in the transportation industry for his whole career, of which the last 15 were as a senior executive at Kinder Morgan, the largest independent terminal operator in North America. Mr. George R. Jones and Mr. Luc Sabbatini will not be standing for re-election.

Four of our proposed directors are presently also directors of other reporting issuers. James C. Cherry is a director of Cogeco Inc., Cogeco Communications Inc. and VOTI Detection Inc. Madeleine Paquin is a director of Air Canada. J. Mark Rodger is a director of Nova Scotia Power Incorporated, a subsidiary of Emera Inc. Dany St-Pierre is a director of Boralex Inc.



JAMES C.
CHERRY

Corporate Director

Mr. Cherry is a graduate of McGill University. He is a FCPA, FCA who has over 35 years of management experience in the international aerospace, defence and rail sectors. Over this period, he has worked in senior executive positions with Bombardier Inc., Oerlikon Aerospace Inc., CAE Inc. and ALSTOM Canada Inc. He was President and Chief Executive Officer at Aéroports de Montréal for 15 years. Mr. Cherry is the Chairman of the Board of LOGISTEC Corporation.



MICHAEL J.
DODSON

Corporate Director

Mr. Dodson developed his career in the transportation sector, namely in the air freight, rail and terminal operations. He most recently served as Chief Operating Officer of Kinder Morgan Terminals from 2010 to 2019, and had a senior executive role there since 2002. Prior thereto, he worked as a director of sales at Con-Way Air Express and CSX Transportation. Mr. Dodson holds a Bachelor of Arts in Economics from the University of Pittsburgh.



**SERGE
DUBREUIL**

Consultant and Corporate Director

Mr. Dubreuil joined LOGISTEC in 1972 after he obtained an industrial engineering degree from the École Polytechnique of the Université de Montréal. He was President of LOGISTEC Stevedoring Inc. from 1993 to 2011. He also is a graduate from the Directors Education Program delivered by McGill University and the Institute of Corporate Directors.



**CURTIS JAY
FOLTZ**

Consultant and Corporate Director

Mr. Foltz currently provides executive advisory services in the international maritime, port, logistics, and transportation sectors. He most recently served as Executive Director of the Georgia Ports Authority ("GPA") from 2010 to 2016. Prior to joining the GPA, he was Vice-President of Operations of CSX World Terminals. He also spent 13 years in management positions at Sea-Land Service. Mr. Foltz holds a Bachelor of Science in Business Administration and an MBA from East Carolina University.



**GEORGE
GUGELMANN**

Private Investor

Mr. Gugelmann developed his career in the banking sector, first with Bank of America and later with Citibank in New York, where he held the position of Vice-President, Private Banking. Mr. Gugelmann holds an MBA in Finance from Stanford University.



**MADELEINE
PAQUIN**

**President and Chief Executive Officer of
LOGISTEC Corporation**

Ms. Paquin has been President and CEO of LOGISTEC Corporation since 1996. She is a member of the Marine Industry Forum and the Marine Transportation Advisory Council. Ms. Paquin was appointed a Member of the Order of Canada in 2017. In February of 2019, she was inducted into the Cercle des Grands entrepreneurs du Québec. Ms. Paquin is a graduate of the Richard Ivey School of Business at the University of Western Ontario and of the École des Hautes Études Commerciales, Université de Montréal.



NICOLE
PAQUIN

**Vice-President, Information Systems
LOGISTEC Corporation**

Ms. Paquin is a member of a number of boards in the LOGISTEC group. With a Bachelor of Commerce from McGill University and an MBA from Richard Ivey School of Business, Ms. Paquin has worked in various positions at LOGISTEC since 1991 in the operations, on special projects and digital innovation.



SUZANNE
PAQUIN

President of Transport Nanuk Inc.

Ms. Paquin has over 25 years experience in the Canadian marine transportation industry. She also serves as President and CEO of NEAS Group Inc., a joint venture with an Inuit organization that offers sealift resupply and related services to diverse customers across the Eastern and Western Canadian Arctic. She currently serves as the Secretary for the St. Lawrence Ship Operators Association. Ms. Paquin holds a Bachelor of Commerce degree from McGill University.



J. MARK
RODGER

Senior Partner at Borden Ladner Gervais LLP

For the past 25 years, Mr. Rodger, specialized in the energy sector and infrastructure renewal, has served as counsel to a broad range of governmental, industrial and institutional clients as well as their boards of directors. Mr. Rodger has extensive corporate governance and electric utility M&A experience, as well as broad regulatory experience before the Ontario Energy Board and National Energy Board. Mr. Rodger holds a B.A. degree (with distinction) from the University of Toronto and a Law degree from the University of Windsor. He chairs LOGISTEC's Governance and Human Resources Committee.



DANY
ST-PIERRE

President of Cleantech Expansion LLC

Ms. St-Pierre is President of Cleantech Expansion LLC since 2013, a recognized renewable energy sector expert advising C-Level executives in the investment community worldwide on matters related to mergers and acquisitions, projects scouting and due diligence. Prior thereto, she held leadership roles at Nordex, Alstom, Siemens and Bombardier. Ms. St-Pierre is a Certified Corporate Director, being a graduate from the College of Corporate Directors of Université Laval. She holds a bachelor's degree in Business Administration from the Université du Québec and an MBA from Université Laval.



LUC
VILLENEUVE

Corporate Director

Mr. Villeneuve currently sits on several private and not-for-profit boards. Mr. Villeneuve, an FCPA, FCA, spent his career at Deloitte in various positions: Québec President, Board Member and Vice-President of Deloitte Canada. Furthermore, he has served as auditor for a number of Canadian public companies. Mr. Villeneuve holds a Bachelors' Degree in Business Administration from HEC Montréal. He also is a graduate from the Directors Education Program delivered by McGill University and the Institute of Corporate Directors. He chairs LOGISTEC's Audit Committee.

Name and office held in the Company	Principal occupation	Director since	Attendances at Board and Committee meetings	Class A shares	Class B shares
James C. Cherry, FCPA, FCA ⁽¹⁾⁽²⁾⁽³⁾ Chairman of the Board Ontario, Canada	Corporate Director	2011	Board=7/7 Audit=4/4 Governance=3/3	1,000	2,600
Michael J. Dodson Pennsylvania, USA	Corporate Director	—	—	—	—
Serge Dubreuil, Eng. ⁽²⁾⁽⁴⁾ Québec, Canada	Consultant Corporate Director	1995	Board=7/7 Audit=2/2 Pension=1/1	—	81,200
Curtis Jay Foltz ⁽²⁾⁽⁴⁾ North Carolina, USA	Consultant Corporate Director	2017	Board=7/7 Audit=4/4 Pension=1/1	—	1,400
George Gugelmann ⁽³⁾ Massachusetts, USA	Private Investor	1999	Board=7/7 Governance=3/3	16,000	37,000
Madeleine Paquin, C.M. ⁽¹⁾⁽⁴⁾⁽⁵⁾ President and CEO Québec, Canada	President and Chief Executive Officer LOGISTEC Corporation	1987	Board=7/7 Pension=1/1	3,680	49,450
Nicole Paquin ⁽⁵⁾ Vice-President, Information Systems Québec, Canada	Vice-President, Information Systems LOGISTEC Corporation	2004	Board=7/7	600	1,200
Suzanne Paquin ⁽¹⁾⁽⁵⁾ Vice-President Québec, Canada	President Transport Nanuk Inc. (Navigation company)	1987	Board=7/7	600	600

Name and office held in the Company	Principal occupation	Director since	Attendances at Board and Committee meetings	Class A shares	Class B shares
J. Mark Rodger ⁽¹⁾⁽³⁾ Ontario, Canada	Partner Borden Ladner Gervais LLP (Canadian law firm)	2015	Board=7/7 Audit=1/2 Governance=3/3	—	—
Dany St-Pierre ⁽³⁾⁽⁶⁾ Illinois, USA	President Cleantech Expansion LLC (Renewable energy sector expert)	2019	Board=4/4 Governance=1/2	—	—
Luc Villeneuve, FCPA, FCA ⁽¹⁾⁽²⁾⁽⁴⁾ Québec, Canada	Corporate Director	2018	Board=7/7 Audit=4/4 Pension=1/1	—	2,900

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Governance and Human Resources Committee

(4) Member of the Pension Committee. The Pension Committee's tasks were merged into the Audit Committee in May 2019.

(5) The voting shares of Sumanic Investments Inc. are held as to 33 ⅓% by 3127419 Canada Inc., 33 ⅓% by 3127401 Canada Inc. and 33 ⅓% by 3127397 Canada Inc. The voting shares of 3127419 Canada Inc. are held as to 100% by Ms. Suzanne Paquin, the voting shares of 3127401 Canada Inc. are held as to 100% by Ms. Madeleine Paquin and the voting shares of 3127397 Canada Inc. are held as to 100% by Ms. Nicole Paquin. Sumanic Investments Inc. owns 5,802,578 Class A shares and 6,600 Class B shares.

(6) Ms. Dany St-Pierre was appointed a director of LOGISTEC on May 9, 2019 and became a member of the Governance and Human Resources Committee on the same date.

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of LOGISTEC's Executive Compensation Program

LOGISTEC's executive compensation program is designed to motivate and reward sustained high levels of both employee performance and business results and to retain and reward leaders who create long-term value for our shareholders.

The elements of our executive compensation plan are structured to fulfill the following two objectives:

1. Attract and Retain

LOGISTEC uses compensation as a tool to attract and retain high performing executive talent by designing the competitive positioning of total compensation at a median level; that is, at the 50th percentile of corresponding positions in those companies we compare against for our compensation levels and practices. Total compensation for senior executives includes base salaries, an annual incentive bonus plan, long-term incentives and pension. All positions below the executive level include pension, base salary and annual bonus and also target the 50th percentile. LOGISTEC periodically benchmarks the base salary element as well as total compensation level against public data made available by compensation professionals, on Canadian publicly-traded companies with annual revenues, type of business and market capitalization comparable to ours. In discharging its mandate, the Governance and Human Resources Committee may engage, at LOGISTEC's cost, outside consultants to provide expertise and advice on matters relating to executive compensation. This information and advice may be used by the Governance and Human Resources Committee in connection with the development and oversight of compensation policies and programs.

The Governance and Human Resources Committee engaged two outside consultants in 2019, and also consulted public data prepared by compensation professionals. See the section entitled "Compensation Governance" on page 17 of this Circular for more detailed information.

2. Pay for Performance

The compensation of each of our senior executives is designed to reflect their individual performance and short and long-term Company results. Base salary increases and annual incentives achieved are directly impacted by how well each senior executive has performed as an individual as well as the overall business success. The design of our long-term incentives ensures that senior executive pay is highly correlated to Company performance and shareholder value.

Compensation Elements for Senior Executives

The following table summarizes the various elements of LOGISTEC’s executive compensation plan, how they are determined, and how each of them fits into our overall compensation philosophy. The compensation package for senior executives is composed of the following elements: base salary, annual incentive (bonus plan), long-term incentives, pension and other perquisites. The value of each element varies in accordance with the individual’s level in the organization and is regularly reviewed against competitive practice.

Compensation Element	Form	Performance Period	Determination of Element	Alignment/Fit With Overall Compensation Objectives
Base Salary	Cash	Annual	Salaries are benchmarked to the 50th percentile of comparable companies and are linked to the performance, scope of responsibilities and experience of each senior executive.	<ul style="list-style-type: none"> - Attract and retain highly qualified leaders: ensure base pay remains competitive. - Motivate high performance: base pay increases vary according to individual employee performance.
Annual Incentive – Bonus Plan	Cash	Annual	Target awards are based on the senior executive’s level in the organization and actual payouts are based on the achievement of corporate targets based on improvements year over year.	<ul style="list-style-type: none"> - Attract and retain highly qualified leaders. - Motivate high performance: level and payout of incentive awards varies according to improvement in Company performance.
Long-Term Incentives	Long-term incentive plan	Up to 7 years	Participation based on executive level and stated cash payout attained only upon achievement of predefined financial goals. Incentives expire if financial goals are not met during the specified time frame.	<ul style="list-style-type: none"> - Align senior executive and shareholder interests: attained only if specific challenging financial goals are met within the specified time frame. - Attract and retain highly qualified leaders.
Pension	Defined benefit and defined contribution pension plans		Pension benefit is based on pay and service and is designed to be market competitive. Supplemental Plan (Canada and USA) has additional provisions for senior executives.	<ul style="list-style-type: none"> - Attract and retain highly qualified leaders. - Attract experienced executives.

The Governance and Human Resources Committee considers the broad implications of the risks associated with the Company’s executive compensation elements. The Company has a balanced compensation program, between fixed and variable pay and between short and long-term incentives, with capped payout opportunities. The incentive awards are linked to financial performance, and the incentive programs reward results rather than specific projects or transactions. The overall compensation package has at-risk components meaning that the value of these pay elements varies from year to year depending on actual business results and individual performance. This Committee reviews and approves the design and administration of employee and senior executive compensation and benefit programs, balancing the interests of shareholders with the Company’s ability to attract, retain and appropriately reward its senior executives. The Committee reports to the Board its actions and decisions, including changes in compensation and benefit plans that would materially affect the Company’s financial performance, operating risks or long-term obligations.

The Company is a capital intensive business with significant capital expenditures that are paid back over a number of years. The capital expenditures make it difficult for any one senior executive, or several acting as a group, to make decisions for immediate short-term gains. The executive compensation mix has a significant long-term incentive portion, requiring a sustained high level of Company performance to achieve a payout. Thresholds to achieve are based on Company profit, which is driven by both revenue growth and cost management, and encourages prudent risk management rather than taking excessive risks. The Company wants senior executives to balance short-term profit maximization, long-term strategic positioning while maintaining a competitive advantage.

The Company does not have the present intention of making any significant changes to its current compensation program in the next financial year, except as described under “Long Term Incentives” below.

1. Base Salary

Providing a market competitive base salary is necessary to attract new talent as required, and it assists in retaining skilled executive talent. The Governance and Human Resources Committee periodically uses a review of market data to recommend to the Board of the Company the base salaries of the senior executives. Actual individual salary levels are determined according to a number of factors, including the individual's performance, responsibilities and experience. In establishing the base salary for each senior executive, the Company targets the market median (50th percentile) paid to comparable executive officers.

Base salaries are reviewed annually as part of our performance management process. All employees, including senior executives and the President and Chief Executive Officer (“CEO”), have annual individual objectives which guide and focus their work performance over the year. Performance against those objectives is assessed at year-end through performance review discussions with the senior executive's manager. Following the year-end assessment, a formal performance rating is recorded which may provide input for any increase to base salary.

Base salary increases for senior executives are recommended to the Governance and Human Resources Committee by the CEO after consultation with their managers (where the individual is not a direct report of the CEO). In the case of the CEO, the Governance and Human Resources Committee assesses her performance against her personal objectives and Company results and, based on that assessment, the Governance and Human Resources Committee makes a recommendation concerning any changes to base salary to the Board.

2. Annual Incentive – Bonus Plan

All non-unionized employees, including senior executives, participate in our bonus plan. This plan provides an opportunity for employees to earn an annual cash award based on the achievement of corporate targets.

The bonus formula for senior executives is as follows: the pre-tax profit for the current year must be at least 60% of the average of the previous two years' pre-tax profit in order that a bonus be paid. The maximum bonus is payable when the pre-tax profit for the current year is equal to or exceeds 110% of the best pre-tax profit achieved in a year within the previous two years. The maximum cash bonus for senior executives ranges between 30% and 150% of their base salary earned, depending on their position.

The ultimate award payable to a senior executive under the bonus plan is calculated as follows:

$$\frac{(\text{Pre-tax profit for the current year}) - (60\% \text{ of the average of the previous two years' pre-tax profit})}{$$

$$(\text{110\% of the best pre-tax profit achieved in a year within the previous two years}) - (60\% \text{ of the average of the previous 2 years' pre-tax profit})$$

$$\times \text{X \% awarded X base salary}$$

The Governance and Human Resources Committee has the authority to exercise discretion in adjusting bonus payouts up or down from the defined formula, based on its assessment of specific individual performance. This Committee has not exercised any discretion on this matter in the past financial year. The CEO also has an individual component based on attaining specific corporate objectives.

Following a year-end assessment, the Governance and Human Resources Committee reviews and approves the aggregate of all awards payable under the annual bonus plan.

3. Long Term Incentives

The purpose of our long-term incentives is firstly, to attract and retain senior executives to ensure the continued success and long-term growth of the Company and secondly, to reward senior executives who make a long-term commitment to us. We have in the past granted long-term incentives to senior executives through stock options awarded pursuant to our Executive Stock Option Plan (“ESOP”). It was decided to discontinue this approach in 2003, and in 2004 a long-term incentive plan (“LTIP”) was introduced by our Board and implemented. That LTIP ended on December 31, 2010, and the following one ended on December 31, 2015.

Long-Term Incentive Plan

The Board approved a new LTIP for both the CEO and the other senior executives of the Company, effective January 1, 2016 for a period of seven years. The stated bonus attainable by each participant is tied to LOGISTEC’s diluted earnings per share (“EPS”). A bonus under the LTIP requires, for all participants, the doubling of the average three-year EPS, over the next seven years or sooner. This translates into EPS going from an average of \$2.31 as of January 1, 2016, to \$4.62 at December 31, 2022, at the latest. Each participant earns 20% of the stated bonus when each of five specific average EPS thresholds are attained. The five thresholds are 20% increments of the original January 1, 2016 figures. The stated bonus will be made up of a 75% cash payment (“Cash Payout”), and 25% will be paid by the issuance of deferred stock units (“DSU”). The number of DSUs to be issued to the participants will be determined as follows: the dollar amount of the 25% stated bonus will be divided by the average closing trading prices of the Class B shares on the Toronto Stock Exchange during the month of December of the year in which the threshold was attained. DSU holders are credited with additional DSUs in respect of dividends declared and paid by the Company on its Class B shares. Said DSUs, as determined, will be attributed to the participants, but the actual payment of the DSUs may be made upon the earlier of: dismissal without cause, retirement, cessation of employment due to permanent disability, or death of the participant (“DSU Payment Date”). At that time, the DSU payment will be equal to the closing trading price of the Class B shares on the Toronto Stock Exchange on the DSU Payment Date, multiplied by the number of DSUs originally attributed to the participant. The Board of Directors may exercise discretion as to the timing of the DSU payments (such as payment prior to a participant’s departure). Fifty percent of the cumulative Cash Payout earned at the end of year 3 (2018) of the LTIP will be paid in 2019, and any balance of Cash Payout earned by the end of year 7 (2022) will be paid in 2023 (or earlier if all thresholds are attained). The CEO and senior executives must be in the employ of the Company when any payment is made, except if they are dismissed without cause, retired, cease their employment due to permanent disability, or pass away, in which case payment of the bonus earned will be made within 90 days of the event. In the event that a participant voluntarily leaves his employment or is dismissed with cause, the participant loses all entitlement to any earned bonus not paid out prior to the participant’s last working day, and shall not receive compensation regarding his participation in the LTIP. Departure of any participant will automatically end his participation in the LTIP. No thresholds were attained by the CEO or other senior executives since 2016 pursuant to this new LTIP. The Board has the authority to interpret and administer the LTIP as it deems appropriate.

In 2020, the Board, on the recommendation of the Governance and Human Resources Committee, decided to reintroduce option grants under the ESOP and introduce performance share unit grants under a newly-adopted performance share unit plan, as a component of long-term incentive compensation for certain senior executives of the Company. Initial grants of stock options, and performance share units to be settled in cash, are expected to occur at the end of March 2020.

4. Pension

Senior Management Pension Plan

Each senior executive participates in our Senior Management Pension Plan (“Pension Plan”), either as a participant in the defined benefit (“DB”) portion or as a participant in the defined contribution (“DC”) portion, save for U.S. residents who participate in a defined contribution 401(k) plan wherein the employer matches the employee’s contributions up to 5%.

The senior executives who participate in the DB portion contribute 5% of their salary up to a maximum of \$7,564 per year. For the senior executives participating in the DC portion of the Pension Plan, we contribute 9% of the annual base salary up to a maximum of \$27,230 per year and is non-contributory for employees whose annual base salary equals or exceeds \$302,556. Employees whose salaries are below the threshold contribute 3% of their salary.

Pension benefits, assuming that the senior executive takes pension at 65 years of age, are equal to 2% of the average salary of the last three consecutive years multiplied by the number of credited years of service up to a maximum of 35, or the pension acquired at the time of retirement for senior executives participating in the DB portion of the Pension Plan. The pension is payable for the lifetime of the senior executive and continues to the surviving spouse at rates set forth in the Pension Plan. The normal retirement age under the Pension Plan is 65. The Pension Plan provides for possible early retirement with reduced benefits when the employee reaches 55 years of age subject

to LOGISTEC's consent, and an unreduced pension at age 60, also subject to LOGISTEC's consent. The Pension Plan allows participants hired before January 1, 2005 to switch once, during their employment, from either the DB option to the DC option, or vice versa.

Under the Pension Plan, the pension benefit in Canada is limited to the maximum amount prescribed under the *Income Tax Act*. Due to these *Income Tax Act* maximums, the primary pension value for certain senior executives is derived from LOGISTEC's non-contributory Supplemental Retirement Plan for Senior Executives (the "Supplemental Plan").

The Supplemental Plan provides pension benefits which cover the difference between the benefits payable under the Pension Plan and the maximum pension benefits payable as prescribed by the *Income Tax Act*. Members of the Supplemental Plan can retire as early as 55, normally at 65, and no later than at 71 years of age. At the normal retirement date (at age 65), the member shall be entitled to the following benefits: an annual amount equal to the difference between (i) 2% of the average of the base salary over the last three years of continuous service immediately preceding retirement, multiplied by the number of years of credited service under the Pension Plan (but excluding any long-term disability period) and (ii) the annual maximum pension allowed, as prescribed by the *Income Tax Act*. If the maximum pension payable to a member pursuant to the Pension Plan is reduced or limited because the member is or has been a connected person as defined in the *Income Tax Act* during any period of credited service after December 31, 1991, the benefits payable under the Supplemental Plan will be increased by the difference between the annual maximum pension payable under the *Income Tax Act* and the annual maximum pension payable to the member, taking into account the rules applicable to connected persons under said *Income Tax Act*. As of December 31, 2019, the Supplemental Plan covered 17 Canadian senior executives.

LOGISTEC also adopted a non-contributory DC Supplemental Retirement Plan for senior executives in the USA (the "U.S. Supplemental Plan") effective January 1, 2013. The U.S. Supplemental Plan provides an annual contribution by the employer of an amount equal to a percentage of the senior executive's base salary as of April 1 of each year. The annual contribution is credited to the participant and is calculated on the quarterly performance of two indices: S&P 500 Index (60%) and Barclay's Aggregate Bond Index (40%). As of December 31, 2019, the U.S. Supplemental Plan covered three U.S. senior executives.

The combined cost to LOGISTEC of the Supplemental Plan and U.S. Supplemental Plan in 2019 was \$2,337,355.

Employee Pension Plan

All regular employees of LOGISTEC were given the opportunity to participate in the DC pension option introduced as of January 1, 2005 in the Employee Pension Plan. All employees hired since January 1, 2005 participate only in the DC pension option.

5. Other Compensation

Employee Stock Purchase Plan

All employees have an impact on LOGISTEC's success and share ownership enhances the linkage of employees' interests with those of shareholders. The Employee Stock Purchase Plan ("ESPP") provides a mechanism for eligible employees of LOGISTEC or any of its wholly owned subsidiaries, who have been employed for at least 24 months, to acquire Class B shares through payroll deductions. If the proposed amendment described under "Amendment of the Employee Stock Purchase Plan" is approved by the shareholders, all permanent employees of the Company and its wholly owned subsidiaries designated by the Board will be eligible to participate in the ESPP, and such employees will no longer need to have been continuously employed for at least 24 months prior to the purchase date to be eligible to participate in the ESPP.

Pursuant to our ESPP approved at our 1997 annual shareholders' meeting, 50,000 Class B shares had initially been reserved for issuance. Following a 3 for 1 stock split effected on May 12, 1999, the maximum number of Class B shares issuable pursuant to the ESPP was adjusted and increased to 150,000. At our 2012 annual shareholders' meeting, 150,000 additional Class B shares were reserved for issuance. Following a 2-for-1 stock split effected July 7, 2014, the maximum number of Class B shares issuable pursuant to the ESPP was adjusted and increased to 600,000 (representing 4.7% of our shares outstanding as of December 31, 2019).

The ESPP provides that the number of Class B shares issuable to insiders, at any time, under all security based compensation arrangements of LOGISTEC cannot exceed 10% of the issued and outstanding shares, and that the number of Class B shares issued to insiders, within any one year period, under all security based compensation arrangements cannot exceed 10% of the issued and outstanding shares.

The number of Class B shares issued to each eligible employee in any 12 month period depends on the duration of his continuous employment with LOGISTEC or any of its wholly owned subsidiaries, and will be issued in minimum lots of 50, according to the following scales: (i) for an eligible employee with less than five years of continuous service, the maximum number of Class B shares will be 600, (ii) for an eligible employee with at least five but less

than ten years of continuous service, the maximum number of Class B shares will be 1,200, and (iii) for an eligible employee with ten years or more of continuous service, the maximum number of Class B shares will be 1,800.

Of the employees designated by our Board as eligible to participate in the ESPP in 2019, 38 employees subscribed to an aggregate of 14,800 Class B shares. The subscription price for the Class B shares is the average high and low board lot trading prices of the Class B shares on the Toronto Stock Exchange during five days, consecutive or not, preceding the last Thursday of the month of May of the year in which the shares are issued (or the last Thursday of such other month as shall be determined by the Board, which shall be the month preceding the date of issuance), less a maximum 10% discount. Pursuant to the ESPP, the shares were issued on June 28, 2019 at a subscription price of \$37.57 per Class B share, for a total amount of \$556,036.

All but one of the subscribing eligible employees opted for the non-interest bearing loan made available to them by LOGISTEC for the share subscriptions, as determined by LOGISTEC, which represented an aggregate amount of \$297,780 on June 28, 2019 for said subscriptions. This amount is well below the \$2 million loan limit set in the ESPP. The maximum loan available to an eligible employee will depend on the normal salary and the duration of continuous service with LOGISTEC or any of its wholly owned subsidiaries, according to the following scales: (i) for an eligible employee with less than five years of continuous service, the maximum available loan will be limited to 6% of the base annual salary, (ii) for an eligible employee with at least five but less than ten years of continuous service, the maximum available loan will be limited to 7% of the base annual salary, and (iii) for an eligible employee with ten years or more of continuous service, the maximum available loan will be limited to 8% of the base annual salary, subject, in each case, to a limit equal to the subscription price for his shares.

The loans will be reimbursed over a period of 24 months by way of payroll deductions (except if maternity or sick leave) and these loans are full-recourse loans. Upon 30 days' written notice given to the eligible employee by LOGISTEC, the principal balance of the loan will become immediately due and payable and will bear 10% annual interest from the date of default until completion of payments should any of the following circumstances occur: (i) death or permanent disability of the employee, (ii) retirement or termination of employment of the employee (other than maternity leave), (iii) sale or seizure of the financed shares, (iv) bankruptcy or insolvency of the employee, and (v) revocation by the employee of his or her authorization to make payroll deductions. LOGISTEC will have the option to either allow the eligible employee who has been given notice to reimburse the loan or reimburse his financed LOGISTEC shares for the same price at which they had been purchased. The eligible employee may, at any time and from time to time, reimburse in whole or in part the loan granted under the ESPP prior to maturity, but his shares will remain subject to the retention period described below.

All shares acquired by an eligible employee are allotted and issued to the custodian appointed by LOGISTEC, acting on behalf of the eligible employee, and a certificate in respect thereof is registered in the name of the custodian. These shares are held by the custodian in escrow and may not be sold or transferred by the eligible employee for a period of 24 months following the date of purchase of the shares. All shares purchased under the ESPP with the proceeds of a loan are pledged and hypothecated in favour of the custodian to secure repayment of the loan. Notwithstanding such pledge, the employee is, until default, entitled to receive all dividends and other distributions payable in respect of the shares and to exercise all voting and other rights attached thereto.

Approval by a majority of the votes cast by the holders of voting shares present at a duly called shareholders meeting is required for the following amendments: (i) any increase to the number of Class B shares that may be issued under the ESPP, and (ii) any change to the class of persons eligible to purchase Class B shares under the ESPP. Subject to the preceding sentence, shareholder approval is not required for amendments to the ESPP. The amendments that can be made without shareholder approval may for example include, without limitation, formal minor or technical modifications to any of the provisions of the ESPP, corrections of any ambiguity, defective provision, error or omission in the provisions of the ESPP, changes to the restriction provisions of Class B shares, any change to the minimum lot size of shares that are issued to the eligible employees, and the addition of, or changes to, provisions relating to any form of financial assistance provided by LOGISTEC to participants that would facilitate the purchase of Class B shares under the ESPP. No amendment of the ESPP may contravene the requirements of any competent regulatory authority to which the ESPP or LOGISTEC may be subject to. The approval of holders of voting shares of an amendment may be given by way of confirmation at the next shareholders meeting after the amendment is made, provided that no Class B shares are issued pursuant to the amended terms.

As of December 31, 2019, a total of 406,300 Class B shares had been issued under the ESPP, leaving an unallocated balance of 193,700 Class B shares reserved for issuance (representing 1.5% of our shares outstanding as of such date).

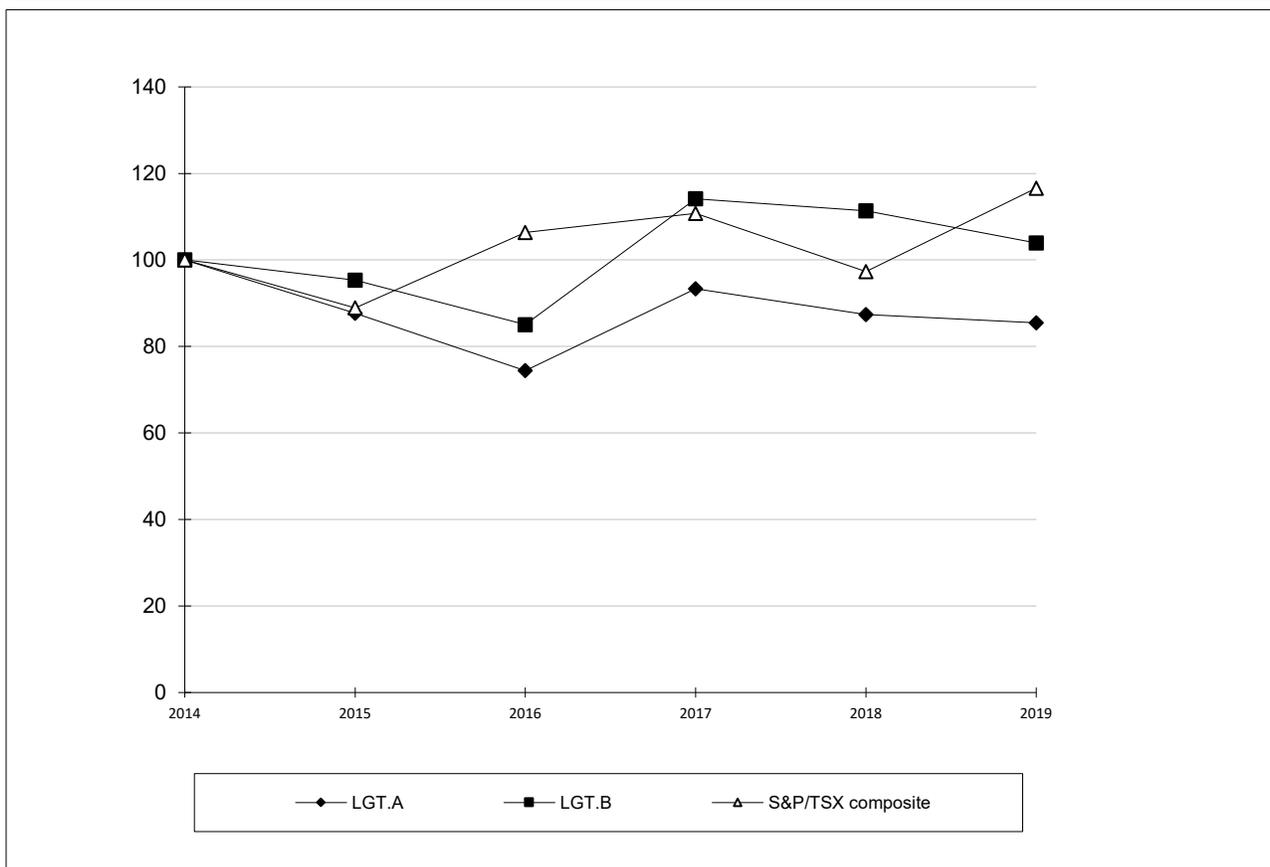
Perquisites

Senior executives benefit from automobile and parking benefits, payment of certain professional dues and club memberships. The 2019 annual value of perquisites of each of the CEO, Chief Financial Officer and the next three most highly compensated senior executives (the “Named Executive Officers” or “NEOs”) were in aggregate worth less than \$50,000 or 10% of the NEOs’ total salary for the year ended December 31, 2019.

PERFORMANCE GRAPH

The following chart and graph show the total cumulative return over five years for a shareholder of LOGISTEC on an investment of \$100 (assuming a reinvestment of dividends in Class A shares (LGT.A) or in Class B shares (LGT.B)) compared to the S&P/TSX composite index.

	2014	2015	2016	2017	2018	2019
LGT.A	100.00	87.71	74.40	93.35	87.35	85.44
LGT.B	100.00	95.31	85.06	114.13	111.33	103.96
S&P/TSX composite	100.00	88.91	106.38	110.78	97.28	116.61



LOGISTEC's total shareholder return decreased by 14.6% for the Class A shares and increased by 4.0% for the Class B shares, respectively, over the last five years. In comparison, NEO compensation over the same five-year period (base salary, annual bonus award and LTIP award) decreased by 11.4%. The NEO compensation compound annual decrease computes to 2.4%, compared to the 1.1% compound annual shareholder negative return for the same period. The NEO compensation and the cumulative shareholder return trended in the same direction. The decrease in the NEO compensation can be explained by the LTIP awards. No threshold of the LTIP was attained for any of the listed NEOs since 2016. As described earlier in this Circular, the bonus plan is based on profit before income taxes and the LTIP is based on EPS. The evolution of the compensation of NEOs of the Company has been subject to many changes, making the comparison with shareholders' return difficult. The Governance and Human Resources Committee is of the view that the Company has no control over the market price of its Class A shares and Class B shares.

COMPENSATION GOVERNANCE

The practices adopted by the Governance and Human Resources Committee of LOGISTEC, and validated by its Board, in determining the compensation for the Company's executive officers is discussed at length under the sections "Objectives of LOGISTEC's Executive Compensation Program" and "Compensation Elements for Senior Executives" earlier on. This Committee's responsibilities, powers and operating methods are also extensively covered therein.

There is no systematic practice in place for the review of director compensation, but rather an informal annual process whereby the Governance and Human Resources Committee ensures that compensation paid to directors is competitive and consistent with the responsibilities involved in being an effective director. The Governance and Human Resources Committee may hire, at the Company's cost, outside consultants to provide expertise and advice on matters relating to Board compensation.

The Governance and Human Resources Committee is composed of five independent Board members, namely George Gugelmann, George R. Jones, J. Mark Rodger, Luc Sabbatini and Dany St-Pierre. Mr. Rodger chairs the Committee and Mr. James C. Cherry, as Chairman of the Board, is an *ex officio* member of the Committee. Although said Committee members do not have direct experience relevant to executive compensation, they all have extensive business experience and/or sit on boards of other companies which, over the years, had them acquire relevant experience for their roles on this Committee.

Mr. James C. Cherry, FCPA, FCA has over 30 years of experience in general management, project management and financial management in the international aerospace, defence and rail sectors. Over this period, he has worked in senior executive positions with Bombardier Inc., Oerlikon Aerospace Inc., CAE Inc. and ALSTOM Canada Inc. He was President and CEO of Aéroports de Montréal from June 2001 to December 31, 2016. He is a corporate director, and currently serves on the board and is the Chair of the audit committee of Cogeco Inc., and also serves on the board of Cogeco Communications Inc. and VOTI Detection Inc.

Mr. George Gugelmann, a U.S. national, studied at Stanford University where he graduated with an MBA in Finance. He developed his career in the banking sector, first with Bank of America and later with Citibank in New York (NY), where he held the position of Vice-President, Private Banking. He currently manages financial assets and investments as a private investor.

Mr. George R. Jones earned an Executive MBA degree from the University of Western Ontario, as well as an Advanced Management AVIRA degree from INSEAD in Paris, France. Mr. Jones has been involved for most of his career with the Noranda companies in several divisions and in various senior executive positions, whilst developing management teams. He is currently a corporate director and trustee, as well as a performance consultant to senior executives.

Mr. J. Mark Rodger holds a B.A. degree (with distinction) from the University of Toronto and a Law degree from the University of Windsor. Called to the Ontario Bar in 1990, Mr. Rodger is a partner of the Canadian law firm Borden Ladner Gervais LLP since 2000. He is specialized in the energy sector and infrastructure renewal, and for the past 25 years has served as counsel to a broad range of governmental, industrial and institutional clients as well as their boards of directors. Mr. Rodger also brings to LOGISTEC extensive corporate governance and M&A experience, and currently serves on the board of Nova Scotia Power Incorporated.

Mr. Luc Sabbatini holds a Bachelor's degree in Business Administration (with a specialization in Marketing and Financial Management) from HEC Montréal. He is also a graduate of the Advanced Management Program at Harvard University and in 2004 was a recipient of the prestigious Top 40 Under 40 Award, honouring excellence in business leaders across Canada. Mr. Sabbatini's career in the communications industry led him to senior executive positions at Astral Media Radio and Astral Out-of-Home. When Bell Media acquired Astral on July 5, 2013, he was appointed President, Bell Media Sales until December 2014. Since January 5, 2015, he is the Chief Executive Officer of PBSC Urban Solutions Inc., the world leader in public bike sharing systems.

Ms. Dany St-Pierre holds a Bachelors' Degree in Business Administration – Marketing from the Université du Québec, and an MBA from Université Laval. She is also a Certified Corporate Director, being a graduate from the College of Corporate Directors of Université Laval. Currently a resident of Chicago, Illinois, Ms. St-Pierre is President of Cleantech Expansion LLC since 2013, a recognized renewable energy sector expert advising C-Level executives in the investment community worldwide on matters related to mergers and acquisitions, projects scouting, and due diligence. Prior thereto, she held leadership roles at Nordex, Alstom, Siemens and Bombardier, and conducted business in over 30 countries as a senior executive. She has expertise in ESG, international business, product and technology innovation, and M&A. She currently serves as a director for Boralex Inc. as well as a not-for-profit association.

More information about these directors and Governance and Human Resources Committee members can be found on page 6 of this Circular.

The mix of skill sets and experience of each Governance and Human Resources Committee member, as professionals, past senior executives in management positions as well as within the marine industry, which is LOGISTEC’s core business, allow them to properly carry out their responsibilities as Governance and Human Resources Committee members.

In 2019, PCI-Perrault Consulting Inc. (“Perrault”), a compensation consultant, was retained to assist LOGISTEC’s management and the Governance and Human Resources Committee in benchmarking CEO and President global remuneration. The benchmark used by Perrault consisted of North American companies in comparable lines of business, with an annual revenue between half to twice that of LOGISTEC’s. The companies included in the benchmark group were: Algoma Central Corporation, Casella Waste Systems, Inc., Ceres Global AG Corp., Exchange Income Corporation, Forward Air Corporation, Horizon North Logistics Inc., Mullen Group Ltd., Overseas Shipholding Group, Inc., Radiant Logistics, Inc., Student Transportation Inc. and US Ecology, Inc.

LOGISTEC management is not required to obtain either the Governance and Human Resources Committee or the Board’s approval prior to using compensation consultants’ services.

Normandin Beaudry (“Normandin”) was retained for various other matters.

The fees billed by both compensation consultants within the past two fiscal years for services rendered to us are as follows:

	2019	2018
Executive Compensation – Related Fees ⁽¹⁾	\$76,520	\$17,534
All Other Fees ⁽²⁾	\$191,557	\$269,790

⁽¹⁾ In 2019, Perrault billed \$37,805 for compensation benchmarking and Normandin \$38,715 for pension plan/actuarial services. In 2018, Perrault billed \$17,534.

⁽²⁾ In 2019, Normandin billed \$152,458 for pension plan/actuarial services and some compensation benchmarking for affiliated companies, and Perrault billed \$39,099 for salary scales and compensation analyses. In 2018, Normandin billed \$233,394 for pension plan/actuarial services for LOGISTEC and affiliated companies, and Perrault billed \$36,396 for comparative bonus analyses and compensation benchmarking.

There are currently no stock ownership requirements for senior executives of the Company, nor any anti-hedging policy on Company shares held by them.

NAMED EXECUTIVE OFFICER COMPENSATION FOR 2019

CEO Compensation

Ms. Madeleine Paquin, President and Chief Executive Officer

Annually, the Governance and Human Resources Committee reviews and assesses the competitiveness of the CEO’s compensation. The Governance and Human Resources Committee undertakes the following process to evaluate the CEO’s individual contribution to LOGISTEC’s performance. At the beginning of the year, the CEO provides the Governance and Human Resources Committee members with a self-evaluation of her performance against the prior year’s objectives. The Chair of the Governance and Human Resources Committee leads a discussion to carefully assess the CEO’s performance and finalize the evaluation. Based upon the recommendation of the Governance and Human Resources Committee, the total compensation of the CEO is approved by the Board.

At the beginning of each year, the Governance and Human Resources Committee works with the CEO to set her performance objectives for the following year. Ms. Paquin is a participant in LOGISTEC’s bonus plan, LTIP and ESPP.

Here are the various components comprising the CEO’s compensation:

(a) Base Salary

Effective April 1, 2019, Ms. Paquin’s annual salary was increased by 5.6% from \$600,000 to \$635,000 to reflect the market value of her role and her 2018 performance, and she was rated as having achieved her performance goals and expectations.

(b) Annual Bonus Plan

Under the bonus plan, Ms. Paquin’s maximum award level is 150% of base salary earned. Seventy-five percent of Ms. Paquin’s maximum award level is contingent upon corporate performance and 25% of Ms. Paquin’s maximum award level is attributable to her individual performance against specific goals and objectives, set annually as mentioned earlier.

(c) Long-Term Incentive Plan

Ms. Paquin did not earn any bonus pursuant to the LTIP in 2019. The maximum cumulative bonus the CEO can earn pursuant to the terms of the current LTIP is \$4 million.

The relative weightings of the various components of Ms. Paquin's total compensation as CEO, based on her target award levels under the bonus plan and LTIP, are set forth in the following table:

Compensation Component	Percentage of Total Compensation
Base Salary	34%
Bonus Plan	49%
LTIP	0%
All Other Compensation	17%
Total	100%

Other Named Executive Officer Compensation for 2019

Each year, the Governance and Human Resources Committee reviews the total annual compensation payable to the NEOs with respect to all elements of their compensation. The following table summarizes the NEOs' salary increases in 2019, maximum bonus and maximum cumulative award levels under the LTIP for 2019:

Name and principal position	Salary Increase	Annual Bonus Plan Maximum	Long-Term Incentive Plan Maximum
Jean-Claude Dugas Chief Financial Officer Assistant-Secretary	4.4%	60%	\$1,500,000
Kevin M. Bourbonnais President LOGISTEC Environmental Services Inc.	10.0%	100%	\$1,200,000
Rodney Corrigan President LOGISTEC Stevedoring Inc.	13.0%	100%	\$2,000,000
Frank Vannelli Senior Vice-President, Commercial and Business Development LOGISTEC Stevedoring Inc.	2.6%	60%	\$1,200,000

The Governance and Human Resources Committee reviewed with management the foregoing Compensation Discussion and Analysis. Based on that review and discussions with management, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company's 2019 Circular for the year ended December 31, 2019.

SUMMARY COMPENSATION TABLE

The following disclosure of executive compensation provides information on the compensation of LOGISTEC's NEOs during the year ended December 31, 2019.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽³⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽¹⁾	Long-term incentive plans ⁽²⁾			
Madeleine Paquin President and CEO	2019	625,577	—	—	903,774	—	314,400	—	1,843,751
	2018	586,538	—	—	373,422	—	536,000	—	1,495,960
	2017	543,269	—	—	338,833	—	227,700	—	1,109,802
Jean-Claude Dugas Chief Financial Officer Assistant-Secretary	2019	350,961	—	—	210,577	—	114,900	—	676,438
	2018	329,500	—	—	81,920	—	277,700	—	689,120
	2017	299,385	—	—	55,500	—	86,800	—	441,685
Kevin M. Bourbonnais ⁽⁴⁾⁽⁵⁾ President, LOGISTEC Environmental Services Inc.	2019	519,552	—	—	502,950	—	65,803	—	1,088,305
	2018	317,674	—	—	118,175	—	53,909	—	489,758
	2017	—	—	—	—	—	—	—	—
Rodney Corrigan President, LOGISTEC Stevedoring Inc.	2019	429,423	—	—	420,835	—	215,830	—	1,066,088
	2018	380,962	—	—	304,769	—	118,700	—	804,431
	2017	354,923	—	—	140,115	—	165,000	—	660,038
Frank Vannelli ⁽⁵⁾ Senior Vice-President, Commercial and Business Development, LOGISTEC Stevedoring Inc.	2019	418,180	—	—	250,908	—	110,554	—	779,642
	2018	399,542	—	—	239,726	—	105,219	—	744,487
	2017	388,002	—	—	124,815	—	102,514	—	615,331

⁽¹⁾ Bonus amounts earned in the year even though paid in the following year.

⁽²⁾ Bonus amounts earned in the year but are only paid pursuant to the terms of the LTIP, described on page 13.

⁽³⁾ Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total annual salary.

⁽⁴⁾ Kevin M. Bourbonnais joined LOGISTEC on March 1, 2018.

⁽⁵⁾ The amounts were converted into Canadian dollars by using the average exchange rate, namely 1.324 for 2019, 1.299 for 2018 and 1.296 for 2017.

INCENTIVE PLAN AWARDS

There were no option based or share based incentive plan awards outstanding as at December 31, 2019. The following table shows the incentive plan value vested or earned for the fiscal year ended December 31, 2019. For more details on the non-equity incentive plan compensation, please refer to the "Compensation Discussion and Analysis" section which deals with long-term incentives.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Madeleine Paquin President and CEO	—	—	—

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Jean-Claude Dugas Chief Financial Officer and Assistant-Secretary	—	—	—
Kevin M. Bourbonnais President, LOGISTEC Environmental Services Inc.	—	—	—
Rodney Corrigan President, LOGISTEC Stevedoring Inc.	—	—	—
Frank Vannelli Senior Vice-President, Commercial and Business Development, LOGISTEC Stevedoring Inc.	—	—	—

PENSION PLAN BENEFITS

Defined Benefit Plan

The following table shows the aggregate annual retirement benefits payable under the Pension Plan and the Supplemental Plan at year-end and upon retirement at age 65, based upon the DB pension provisions in effect during 2019. It also reflects the value of pension benefits earned in 2019.

Name	Number of years credited service ⁽¹⁾	Annual benefits payable (\$)		Accrued obligation at start of year (\$) ⁽²⁾⁽⁴⁾	Compensatory change (\$) ⁽⁵⁾	Non-compensatory change (\$) ⁽⁶⁾	Accrued obligation at year-end (\$) ⁽²⁾⁽⁷⁾
		At year-end ⁽²⁾	At age 65 ⁽²⁾⁽³⁾				
Madeleine Paquin President and CEO	35.32	359,900	362,800	5,922,800	314,400	1,128,500	7,365,700
Jean-Claude Dugas Chief Financial Officer Assistant-Secretary	18.89	96,500	133,500	1,604,300	114,900	296,000	2,015,200
Kevin M. Bourbonnais President, LOGISTEC Environmental Services Inc.	—	—	—	—	—	—	—
Rodney Corrigan President, LOGISTEC Stevedoring Inc.	9.00	42,700	106,300	671,500	188,600	205,900	1,066,000
Frank Vannelli Senior Vice-President, Commercial and Business Development, LOGISTEC Stevedoring Inc.	—	—	—	—	—	—	—

⁽¹⁾ Number of credited years of service in the Supplemental Plan. Number of years in the DB registered Pension Plan may be lower. Effective March 31, 2020, the service is subject to a maximum of 35 years under the plan provisions.

⁽²⁾ Benefits payable from the DB registered Pension Plan and Supplemental Plan.

⁽³⁾ Benefits payable at age 65. For the purpose of calculating the annual benefits payable, the final average earnings are calculated as at December 31, 2019 and the maximum pension as permitted by the Canada Revenue Agency is not projected.

⁽⁴⁾ Accrued obligation using a discount rate of 4.00%. The assumptions and methods used are the same as the assumptions used for the accounting disclosures as at December 31, 2018.

⁽⁵⁾ Includes the following items: service cost, determined at the beginning of the year, net of employee contributions, impact of pay-related experience (impact on the accrued obligation of differences between actual and projected earnings) and impact of amendments to the pension plans, if any.

⁽⁶⁾ Includes the following items: employee contributions, interest on accrued obligation, change in assumptions and non-pay-related experience (including changes to the maximum pension permitted by the Canada Revenue Agency different than previously assumed).

⁽⁷⁾ Accrued obligation using a discount rate of 3.25%. The assumptions and methods used are the same as the assumptions used for the accounting disclosures as at December 31, 2019.

Defined Contribution Plan

The following table shows the aggregate annual retirement benefits payable under the Pension Plan and U.S. Supplemental Plan at year-end, based upon the DC pension provisions in effect during 2019. It also reflects the value of pension benefits earned in 2019.

Name	Accumulated value at start of year (\$) ⁽¹⁾	Compensatory (\$) ⁽²⁾	Accumulated value at year-end (\$) ⁽³⁾
Madeleine Paquin President and CEO	603,000	—	705,000
Jean-Claude Dugas Chief Financial Officer Assistant-Secretary	341,000	—	377,800
Kevin M. Bourbonnais ⁽⁴⁾ President, LOGISTEC Environmental Services Inc.	234,745	65,803	392,434
Rodney Corrigan President, LOGISTEC Stevedoring Inc.	264,100	27,230	330,700
Frank Vannelli ⁽⁴⁾ Senior Vice-President, Commercial and Business Development, LOGISTEC Stevedoring Inc.	1,310,098	110,554	1,733,778

(1) As at December 31, 2018.

(2) Employer contributions, including deemed contributions to notional account, if applicable.

(3) As at December 31, 2019.

(4) The amounts were converted into Canadian dollars by using the average exchange rate for 2019, namely 1.324.

EMPLOYMENT CONTRACTS AND TERMINATION AND CHANGE OF CONTROL BENEFITS

Ms. Paquin, Mr. Dugas and Mr. Corrigan are employed at will by the Company and do not have employment agreements. LOGISTEC does not have any set policy governing severance payable for terminations of management employees. There are no pre-established commitments to any LOGISTEC employee in the event of a change of control of LOGISTEC. LOGISTEC uses employment agreements in specific new hire situations.

Ms. Paquin, Mr. Dugas and Mr. Corrigan benefit from the Supplemental Plan more fully described on page 14. In case of termination of employment prior to age 55, regardless of the reason, the NEO is not entitled to any payment under the Supplemental Plan. If the NEO voluntarily leaves his employment (unless he does so to retire), all his rights under the Supplemental Plan are extinguished. In case of termination of employment without cause as of age 55 but prior to retirement, the NEO retains his accumulated rights under the Supplemental Plan, with payment of the deferred pension made only when the NEO retires. In case of termination of the NEO for serious cause, he shall not be entitled to any rights under the Supplemental Plan, including the right to receive pension benefits. Any payment under the Supplemental Plan is subject to compliance by the NEO with a non-competition undertaking while he is receiving the Supplemental Plan benefits. The benefits are payable by the Company to the NEO by way of sixty (60) monthly instalments, as established by actuaries, beginning on the NEO's retirement date. During this 5-year period, the NEO cannot work in the field of cargo handling within Canada and the states of the East Coast of the United States where the Company carries on its activities at the NEO's termination or retirement date, as applicable. No waiver provisions are available.

Had Mr. Corrigan been terminated as at December 31, 2019, no benefits would have been payable to him under the Supplemental Plan. Had Ms. Paquin and Mr. Dugas been terminated without cause as at December 31, 2019, their accumulated rights payable at their retirement as provided for in the Supplemental Plan would hypothetically be \$7,365,700 and \$2,015,200, respectively.

Mr. Bourbonnais and Mr. Vannelli

Mr. Bourbonnais has an agreement governing the terms and conditions of his employment. In the event of termination of employment, he is entitled to a payment equal to twenty-four (24) months of base salary which would hypothetically be \$1,019,480 as at December 31, 2019.

Mr. Vannelli has an agreement governing the terms and conditions of his employment. In the event of termination of employment other than for cause, he is entitled to a payment equal to one year's base salary which would hypothetically be \$421,032 as at December 31, 2019.

Mr. Bourbonnais and Mr. Vannelli are eligible to participate in the Company's compensation and benefit plans available to senior executives, namely the bonus plan, LTIP, U.S. Supplemental Plan and perquisites and other group benefits available to all employees.

Mr. Vannelli's U.S. Supplemental Plan, more fully described on page 14, has the same termination provisions as the Supplemental Plan, except that in the case of termination of employment of Mr. Vannelli without cause as of age 62 (rather than 55) but prior to retirement, he retains his accumulated rights under the U.S. Supplemental Plan, with payment of the deferred pension made only when he retires.

Had Mr. Bourbonnais and Mr. Vannelli been terminated without cause as at December 31, 2019, their respective accumulated rights payable at retirement as provided for in their respective plans would hypothetically be \$392,434 and \$1,733,778.

EXECUTIVE STOCK OPTION PLAN

As mentioned earlier, although stock options were awarded in the past to senior executives, pursuant to the ESOP approved at our 1996 annual meeting of shareholders, this approach was discontinued in 2003 and, therefore, there was no option outstanding pursuant to the ESOP as of December 31, 2019. In 2020, the Board, on the recommendation of the Governance and Human Resources Committee, decided to reintroduce option grants under the ESOP as a component of long-term incentive compensation for certain senior executives of the Company.

Eligible participants under the ESOP currently are the directors, officers and senior executives of the Company and its affiliates. If the proposed amendments described under "Amendment of the Executive Stock Option Plan" are approved by the shareholders, directors will be removed as eligible participants under the ESOP and participation in the ESOP will be restricted to officers and senior executives of the Company and its wholly owned subsidiaries (instead of all affiliates).

As at December 31, 2019, there remains an unallocated balance of 180,000 Class B shares reserved for issuance (representing 1.4% of our shares outstanding as of December 31, 2019) out of the 580,000 Class B shares initially reserved for issuance under the ESOP (representing 4.5% of our shares outstanding as of December 31, 2019). If the proposed amendments described under "Amendment of the Executive Stock Option Plan" are approved by the shareholders, the total number of Class B shares reserved for issuance under the ESOP will be increased from 580,000 to 1,168,000 shares (representing 9.1% of our shares outstanding as of March 9, 2020), thereby increasing the number of Class B shares currently available for issuance, taking into account prior issuances, from 180,000 to 768,000 shares (representing 6.0% of our shares outstanding as of March 9, 2020)

Under the terms of the ESOP, no single person will be granted options covering more than 5% of the Company's issued and outstanding Class B shares. The number of Class B shares issuable to insiders at any time, under all security based compensation arrangements of the Company, as defined in the Toronto Stock Exchange Company Manual, cannot exceed 10% of the issued and outstanding shares of the Company. Furthermore, the number of Class B shares issued to insiders, within a one-year period, under all such security based compensation arrangements, cannot exceed 10% of the issued and outstanding shares of the Company.

The option price of any shares in respect of which an option may be granted under the ESOP cannot be less than the market price of the Class B shares at the time the option is granted. Market price is the average of the daily high and low board lot trading prices for the five days, consecutive or not, preceding the date of grant. Options granted under the ESOP are exercisable over a maximum period of seven years (ten years if the proposed amendments described under "Amendment of the Executive Stock Option Plan" are approved by the shareholders). No financial assistance is afforded to participants to facilitate their purchase of securities. No option is transferable by the optionee other than by will or the laws of descent.

An option will terminate on the earlier of the following dates: (a) its normal expiry date, being not more than seven years after the date the option was granted (ten years if the proposed amendments described under “Amendment of the Executive Stock Option Plan” are approved by the shareholders); (b) twelve months after the date of the optionee’s death during which period the option may be exercised only by the optionee’s legal representative or the person or persons to whom the deceased optionee’s rights under the option shall pass by will or the applicable laws of descent and distribution, and only to the extent such option had vested and the optionee therefore would have been entitled to exercise it at the time of death if the optionee’s employment, position as director, officer or senior executive of the Company had been terminated by the Company on such date (with unvested options being forfeited and terminated on the date of the optionee’s death); (c) three months after termination of the optionee’s employment or position as director, officer or senior executive of the Company during which three month period the optionee may exercise the option to the extent such option had vested and such optionee was therefore entitled to exercise it at the time of such termination (with unvested options being forfeited and terminated on the date of the optionee’s termination of employment or position) provided that, if the optionee shall die within such three month period, then such right shall be extended to six months following the death of the optionee.

In the event that options granted are surrendered, terminate or expire without being exercised in whole or in part, new options may be granted covering the Class B shares not purchased under such lapsed options.

The following types of amendments to the ESOP must be approved by the holders of a majority of voting shares: (i) an increase in the maximum number of Class B shares issuable under the ESOP (other than for standard anti-dilution purposes), (ii) a reduction in the subscription price of an option (other than for standard anti-dilution purposes), (iii) an extension of the term of an option, (iv) an extension of the automatic ten-day extension of an option period provided in the ESOP where the term of that option would otherwise have expired during, or within ten business days of, a Company-imposed blackout period, (v) a change to the class of persons eligible for grants of options under the ESOP, and (vi) an amendment to the ESOP to allow options to become transferable or assignable other than what is already allowed under the ESOP. Any other amendment to the ESOP does not require the approval of the shareholders.

The amendments that can be made without shareholder approval may for example include, without limitation, amendments related to: (i) formal minor or technical modifications to any of the provisions of the ESOP, (ii) corrections of any ambiguity, defective provision, error or omission in the provisions of the ESOP, (iii) changes to the vesting provisions of options, (iv) changes to the termination provisions of options which do not entail an extension beyond the original expiry date of the options, (v) additions of cashless exercise features to the ESOP which provide for the payment in cash or securities on exercise of options and which provide for a full deduction of the number of underlying voting shares from the reserve in such case, and (vi) the addition of, or changes to, provisions relating to any form of financial assistance provided by the Company to participants that would facilitate the purchase of Class B shares under the ESOP.

No options have been granted in the three most recently completed fiscal years and, therefore, the burn rate of the ESOP, obtained by dividing the number of options granted under the ESOP during the applicable fiscal year by the weighted average number of shares outstanding for the applicable fiscal year, was 0% for each of the three most recently completed fiscal years.

DIRECTOR COMPENSATION

The Board’s compensation is designed to attract and retain experienced directors, leading to the long-term success of the Company. This requires that directors be adequately and competitively compensated.

Non-executive directors receive an annual Board retainer of \$65,000. The Chairman of the Board receives an additional retainer of \$75,000 for the year and the Chairs of the Audit Committee, the Governance and Human Resources Committee and the Pension Committee, respectively, receive an additional retainer of \$10,000, \$7,500 and \$3,500 for the year. The Pension Committee tasks were merged into the Audit Committee in May 2019.

The annual fees are payable in cash or deferred share units (“DSUs”) under the Deferred Share Unit Plan for Non-Executive Directors (the “DSU Plan”) or a combination thereof, and are credited on April 1 and October 1 of each year. DSUs are notional units whose value is always equal to the value of the Class B Shares. Non-executive directors of LOGISTEC must receive a minimum of 20% of their annual basic retainer fee in DSUs. Until such time as any non-executive director attains the minimum share ownership guidelines requirement, he or she shall be paid 50% of his or her annual basic retainer fee in DSUs.

The following table summarizes all amounts of compensation provided to the directors in such capacity for the financial year ended December 31, 2019. Madeleine Paquin, who is also a NEO of the Company, received no compensation in her capacity as director of the Company. Her compensation can be found on page 18. Suzanne Paquin and Nicole Paquin are officers of LOGISTEC, and neither receives any compensation as a director of LOGISTEC or of any of its subsidiaries.

Name	Fees earned (\$)		Share and option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)	Allocation of Total Fees	
	Board retainer (\$)	Board Chair and Committee Chair retainer (\$) ⁽¹⁾						In cash (\$)	In DSUs (\$)
James C. Cherry	65,000	42,500	—	—	—	—	107,500	—	107,500
Serge Dubreuil	65,000	1,750	—	—	—	—	66,750	52,000	14,750
Curtis Jay Foltz	65,000	—	—	—	—	—	65,000	32,500	32,500
George Gugelmann	65,000	3,750	—	—	—	—	68,750	—	68,750
George R. Jones	65,000	37,500	—	—	—	—	102,500	70,000	32,500
Rudy Mack ⁽²⁾	32,500	—	—	—	—	—	32,500	16,250	16,250
J. Mark Rodger	65,000	3,750	—	—	—	—	68,750	16,250	52,500
Luc Sabbatini	65,000	—	—	—	—	—	65,000	32,500	32,500
Dany St-Pierre ⁽²⁾	32,500	—	—	—	—	—	32,500	16,250	16,250
Luc Villeneuve ^l	65,000	5,000	—	—	—	—	70,000	57,000	13,000

⁽¹⁾ On May 9, 2019, Mr. James C. Cherry replaced Mr. George R. Jones as Chairman of the Board, Mr. Luc Villeneuve replaced Mr. James C. Cherry as Chairman of the Audit Committee and Mr. J. Mark Rodger replaced Mr. George Gugelmann as Chairman of the Governance and Human Resources Committee.

⁽²⁾ Mr. Mack retired from the Board on May 9, 2019. Ms. Dany St-Pierre was appointed to the Board on May 9, 2019.

SHARE OWNERSHIP REQUIREMENTS FOR DIRECTORS

Under the Company's share ownership guidelines, non-executive directors are required to own a minimum of securities of LOGISTEC representing an amount equivalent in value to 1.5 times their annual basic retainer fee, namely \$97,500 through shares and/or DSUs. The value of the securities is based on the greater of the market value of the shares and/or DSUs and the purchase price of the securities. Such ownership must have been achieved by May 2021 or within five years of the date of the director's appointment, whichever occurs later.

Name	Number of Shares Owned		Number of DSUs Owned	Total Value of Shares and DSUs for Purposes of Guidelines ⁽¹⁾ (\$)	Value of Shares and DSUs Required to Meet Guidelines (\$)	Latest Date to Meet Share Ownership Requirements	Value Held as Multiple of Annual Retainer
	Class A Shares	Class B Shares					
James C. Cherry	1,000	2,600	3,405.71	241,685	97,500	Compliant	2.5 times
Serge Dubreuil	–	81,200	515.01	2,655,738	97,500	Compliant	27.2 times
Curtis Jay Foltz	–	1,400	1,103.22	111,119	97,500	Compliant	1.1 times
George Gugelmann	16,000	37,000	2,364.42	1,823,344	97,500	Compliant	18.7 times
George R. Jones	–	500	1,103.22	52,105	97,500	May 2021	0.5 times
Rudy Mack ⁽²⁾	–	1,600	673.06	73,874	97,500	N/A	0.8 times
J. Mark Rodger	–	–	1,630.49	52,991	97,500	May 2021	0.5 times
Luc Sabbatini	–	1,000	1,103.22	89,365	97,500	May 2021	0.9 times
Dany St-Pierre	–	–	428.41	13,923	97,500	May 2024	0.1 times
Luc Villeneuve	–	2,900	441.29	157,548	97,500	Compliant	1.6 times

⁽¹⁾ The amounts reported in this column represent the greater of: (i) the market value of the shares and/or DSUs (based on the March 9, 2020 Toronto Stock Exchange closing price of Class A shares (\$34.00) and Class B shares (\$32.50) and (ii) the purchase price of the securities.

⁽²⁾ Rudy Mack retired from the Board on May 9, 2019.

DSU PLAN

The Board has adopted the DSU Plan, which is intended to enhance the Company's ability to attract and retain high quality individuals to serve as members of the Board and to promote a greater alignment of interests between non-executive members of the Board and the shareholders of the Company. The Governance and Human Resources Committee is responsible for the administration of the DSU Plan.

DSUs are notional units whose value is always equal to the market value of the Class B Shares. No vesting conditions are attached to DSUs; they therefore vest at time of grant. DSU holders are credited with additional DSUs in respect of dividends declared and paid by the Company on its Class B Shares.

Only once a DSU holder ceases to be a member of the Board, does the Company settle the DSUs in cash on the relevant settlement date determined by the DSU holder. Any DSU that has not already been settled is automatically settled on the business day immediately following December 15 of the first calendar year commencing after termination of Board service. DSUs granted under the DSU Plan are not assignable or transferable other than by will or the laws of descent.

The Board may from time to time amend, suspend or terminate the DSU Plan in whole or in part. However, any such amendment, suspension or termination shall not adversely affect the rights of any DSU holder under the DSU Plan existing at the time of such amendment, suspension or termination without the consent of the affected DSU holder.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table shows the number of securities available for future issuance under the Company's equity compensation plans. There are no outstanding options, warrant or rights under such plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders	—	—	373,700 ⁽¹⁾
Equity compensation plans not approved by shareholders	—	—	—
Total	—	—	373,700 ⁽¹⁾

⁽¹⁾ Includes the 180,000 Class B shares reserved for issuance under the ESOP and the 193,700 Class B shares reserved for issuance under the ESPP.

INDEBTEDNESS TO LOGISTEC

The aggregate indebtedness to LOGISTEC of all our senior executives, directors and employees as at March 9, 2020 pursuant to the ESPP is \$261,345. There is no other indebtedness to LOGISTEC.

The indebtedness incurred in connection with our ESPP (the terms of which are described under the section "Employee Stock Purchase Plan") by our directors and officers is as presented in the following table:

Name and principal position	Involvement of LOGISTEC	Largest amount outstanding during 2019 (\$)	Amount outstanding as at March 9, 2020 (\$)	Financially assisted Class B shares purchased during 2019 (#)	Security for indebtedness	Amount forgiven during 2019 (\$)
Madeleine Paquin Director and President and CEO	Loan	50,800	25,930	1,800	—	—
Jean-Claude Dugas Chief Financial Officer Assistant-Secretary	Loan	28,400	14,438	500	—	—
Kevin M. Bourbonnais President, LOGISTEC Environmental Services Inc.	Loan	—	—	—	—	—
Rodney Corrigan President, LOGISTEC Stevedoring Inc.	Loan	7,532	13,914	250	—	—
Frank Vannelli Senior Vice-President, Commercial and Business Development, LOGISTEC Stevedoring Inc.	Loan	2,273	699	—	—	—
Stéphane Blanchette Vice-President, Human Resources	Loan	15,900	8,071	600	—	—
Marie-Chantal Savoy Vice-President, Strategy and Communications	Loan	15,000	7,315	500	—	—
Ingrid Stefancic Vice-President, Corporate and Legal Services Corporate Secretary	Loan	15,071	6,119	400	—	—

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange ("TSX"), LOGISTEC has in place corporate governance practices that are consistent with the requirements of National Policy 58-201 "Corporate Governance Guidelines" and National Instrument 58-101 "Disclosure of Corporate Governance Practices".

We recognize that our governance practices must evolve to respond to changes in the regulatory environment. Many regulatory changes have come into effect in the past years, including rules issued by the Canadian Securities Administrators ("CSA") relating to audit committees and disclosure of corporate governance practices. LOGISTEC is regularly adjusting its governance practices as regulatory changes come into effect and will continue to monitor these changes closely and consider amendments to its governance practices, if need be.

Corporate Governance Disclosure

The following compares LOGISTEC's governance practices against National Policy 58-201 and National Instrument 58-101 as required under form 58-101F1 "Corporate Governance Disclosure".

Our Governance

1. Board of Directors

- (a) Disclose the identity of directors who are independent.
- (b) Disclose the identity of directors who are not independent, and describe the basis for that determination.
- (c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.
- (d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.
- (e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.
- (f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.
- (g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

Our Board is composed of 12 members; of these, nine directors are considered to be independent⁽¹⁾: James C. Cherry, Serge Dubreuil, Curtis Jay Foltz, George Gugelmann, George R. Jones, J. Mark Rodger, Luc Sabbatini, Dany St-Pierre and Luc Villeneuve. The proposed nominee, Michael J. Dodson, is also independent.

Three directors are considered not independent, because of their relationship with either us or a significant security holder⁽²⁾: (i) Madeleine Paquin, CEO of LOGISTEC and officer of a significant security holder; (ii) Nicole Paquin, Vice-President, Information Systems of LOGISTEC and officer of a significant security holder; and (iii) Suzanne Paquin, Vice-President of LOGISTEC, officer of a joint venture and officer of a significant security holder.

The Board is composed of a majority of directors who are independent, and can thereby appropriately represent the interests of minority shareholders. More information about each director can be found on page 6 of this Circular.

The majority of LOGISTEC's directors, nine of 12, are independent directors.

See the description of directors' tenure as members of other corporate boards at page 6 of this Circular.

The Chairman of the Board is independent of management. In order to further ensure that the Board functions independently of management, the independent directors meet during scheduled Board meetings without the presence of non-independent directors and members of management. Five such meetings were held in 2019. Independent committee members also meet informally without the presence of non-independent directors and members of management.

The Chairman of the Board, James C. Cherry, is an independent director. He ensures that required business is brought before the Board to enable it to carry out its duties and responsibilities. He also provides leadership, advice and counsel to fellow Board members, and ensures that independent directors meet when the need arises without the presence of non-independent directors and members of management.

See the full attendance record of each director for each of the Board and committee meetings held at page 9 of this Circular.

⁽¹⁾ An independent director as defined in Multilateral Instrument 52-110 of the CSA.

⁽²⁾ A "significant security holder" is a shareholder who owns or controls 10% or more of any class of LOGISTEC's shares (see page 5 of this Circular).

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The role and responsibilities of the Board are set out in a formal written mandate (the full text of which is found at Schedule A of this Circular). This mandate is reviewed periodically to ensure it reflects best practices and is in compliance with any applicable regulatory requirements.

3. Position Descriptions

(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Governance and Human Resources Committee has developed written position descriptions for the Chairman of the Board and each Committee Chair which has been approved by the Board and which are reviewed periodically by such committee.

(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Governance and Human Resources Committee has developed a written position description for the CEO, which has been approved by the Board, and which is reviewed periodically by such committee.

4. Orientation and Continuing Education

(a) Briefly describe what measures the board takes to orient new directors regarding:

- (i) the role of the board, its committees and its directors, and
- (ii) the nature and operation of the issuer's business.

Orientation is provided to new Board members through a variety of methods, such as providing them with relevant corporate and business information, including our policies, Board and committee mandates, chairmen and CEO position descriptions, strategic plan, business plan and profiles of the other directors. The Chairman of the Board and the CEO meet with new Board members and provide orientation regarding the nature and business of LOGISTEC.

(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Senior management makes regular presentations to our Board regarding the business of LOGISTEC. Directors are encouraged to meet with senior management and formally do so at least once a year. Site visits to our various facilities are also arranged. The Board is continually kept abreast of regulatory issues as they evolve.

5. Ethical Business Conduct

(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

- (i) disclose how a person or company may obtain a copy of the code;
- (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and

The directors and employees (all LOGISTEC officers fall within one of these two categories) are expected to comply with LOGISTEC's Code of Ethics and Business Conduct, which was adopted on August 4, 2004, as thereafter amended.

A copy of the Code of Ethics and Business Conduct can be found in LOGISTEC's filings made available on SEDAR at www.sedar.com.

The Code of Ethics and Business Conduct provides a framework for directors, officers and employees on the conduct and ethical decision-making integral to their work. The Board, through its Governance and Human Resources Committee, reviews the implementation and respect of the Code of Ethics and Business Conduct throughout LOGISTEC and its subsidiaries. Compliance with the Code of Ethics and Business Conduct is monitored by way of a yearly written confirmation by all directors, officers and employees, and a yearly questionnaire assesses their knowledge of it as well as of our other policies.

- (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

There has been no material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from our Code of Ethics and Business Conduct.

- (b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- (c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

Our Code of Ethics and Business Conduct states clearly that directors and executive officers should avoid any transaction or event that could potentially create a conflict of interest. Should an event or a transaction occur in respect of which a director or executive officer has a material interest, full disclosure to the Board is required and such director or executive officer must abstain from voting on any such matter.

LOGISTEC's Code of Ethics and Business Conduct, together with statements included in its Board and committee charters, encourage and promote an overall culture of integrity and ethical business conduct. The Board's adherence to these measures and principles also encourages an ethical business conduct throughout LOGISTEC.

6. Nomination of Directors

- (a) Describe the process by which the board identifies new candidates for board nomination.
- (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.
- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

The Governance and Human Resources Committee recommends candidates for election to the Board, reviews on an annual basis the competencies, skills and experience of nominees for re-election and of candidates who the committee recommends and identifies for filling vacancies on the Board, after having assessed the size of the Board. Said Committee maintains a pool of candidates. The Governance and Human Resources Committee seeks nominees that come from diverse geographic areas, have expertise in an area of strategic interest to us and the willingness to devote the time required, in order to maintain the Board's level of effectiveness and contribution to management and LOGISTEC as a whole. Prior to agreeing to join the Board, new directors are given a clear indication of the workload and time commitment required.

The Governance and Human Resources Committee is composed exclusively of directors who are independent.

The Governance and Human Resources Committee has a written mandate which describes the responsibilities, powers and operation of the committee. This committee meets at least twice annually, and its Chairman reports to the Board at its next meeting. This committee reviews matters of corporate governance, addresses succession planning for the Board and senior management, reviews and recommends directors' compensation and evaluates the performance of the President and CEO against her goals and objectives and thereafter recommends her compensation. The committee may hire (at LOGISTEC's cost) outside consultants as it deems necessary to enable it to carry out its duties (see also 7(c) further on).

7. Compensation

- (a) Describe the process by which the board determines the compensation for the issuer's directors and officers.
- (b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of

The Governance and Human Resources Committee periodically reviews the compensation paid to directors and officers to ensure it is competitive and consistent with the responsibilities involved in being an effective director or officer. Details of directors' compensation are disclosed on page 24 of this Circular. The committee periodically reviews the compensation practices of Canadian publicly traded companies with similar or like operations and size. The committee may hire (at LOGISTEC's cost) outside consultants to provide expertise and advice on matters relating to board and executive compensation.

The Governance and Human Resources Committee is composed entirely of independent directors.

independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

- (c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Governance and Human Resources Committee has a written mandate which describes the responsibilities, powers and operation of the committee. The committee meets at least twice annually, and its Chairman reports to the Board at its next meeting. This committee reviews the design and administration of employee and senior executive compensation and benefit programs, balancing the interests of shareholders with our ability to attract, retain and appropriately reward our senior executives (see also 6(c) earlier on). This committee also reviews the compensation discussion and analysis found on page 10 of this Circular.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has one standing committee other than those of the Audit Committee and the Governance and Human Resources Committee. The Executive Committee also has a written mandate which describes its responsibilities, powers and operations. The Executive Committee has the powers of the Board in order to oversee the management of the business when the full Board is not in session, subject to limits set by the Board in delegating authority to the committee. The Pension Committee tasks were merged into the Audit Committee in May 2019.

For information on our Audit Committee, see the section entitled "Audit Committee Information" in our annual information form, available on SEDAR at www.sedar.com.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

A formal process has been developed and implemented in 2004 by the Governance and Human Resources Committee to evaluate annually the effectiveness of our Board as a whole, the Board committees and the contribution of each individual director, while taking into consideration the Board and committee mandates and chair descriptions. The Chairman of the Governance and Human Resources Committee compiles the evaluations, consults with the Chairman of the Board and reports the findings to the Board, in order to target suggested improvements in the following year.

10. Director Term Limits and Other Mechanisms of Board Renewal

Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

Each director serves for only a one-year term, to be voted upon annually by the shareholders. The Board has not adopted director term limits or other mechanisms of board renewal. The Governance and Human Resources Committee monitors board succession and maintains a pool of candidates with skill sets which are aligned with the Company's needs for the eventual replacement of independent board members. Four out of the nine current independent board members were brought in within the past five years, with a fifth independent nominee being proposed for election at the Meeting. This board renewal practice is effective, while ensuring Board stability and continuity.

11. Policies Regarding the Representation of Women on the Board

- (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.

We have not adopted a written policy relating to the identification and nomination of women directors, simply because LOGISTEC has had women directors on its Board since 1987. Currently, four out of 12 directors are women (33.3%). After the Meeting, four out of 11 directors will be women (36.4%).

- (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:
 - (i) a short summary of its objectives and key provisions,
 - (ii) the measures taken to ensure that the policy has been effectively implemented,
 - (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and
 - (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

Given the current number of women directors on our Board, the Governance and Human Resources Committee considers the level of female representation is adequate. This Committee does, however, strive to identify women with favorable skill sets in its pool of board candidates.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

LOGISTEC has had, since 1997, at least three executive officer positions filled by women. In 2019, five out of ten executive officer positions were filled by women (50%). The Governance and Human Resources Committee considers the level of female representation is adequate, and therefore does not at present consider the level of representation of women in executive officer positions when making executive officer appointments.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

- (a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.
- (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.
- (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.
- (d) If the issuer has adopted a target referred to in either (b) or (c), disclose:
 - (i) the target, and
 - (ii) the annual and cumulative progress of the issuer in achieving the target.

We have not adopted a target regarding women on the Company board or in executive officer positions for the reasons stated earlier (see 11 and 13).

15. Number of Women on the Board and in Executive Officer Positions

- (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.
- (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

Four out of 12 (33.3%) directors on our board are women. After the Meeting, there will be four out of 11 women on our board (36.4%).

Five out of ten (50%) executive officers of the Company are women. Two out of three directors (66.7%) and three out of ten (30%) executive officers of LOGISTEC Stevedoring Inc. are women. Two out of six (33.3%) directors and three out of nine (33.3%) executive officers of SANEXEN Environmental Services Inc. are women.

APPOINTMENT OF INDEPENDENT AUDITOR

Pursuant to a resolution of our Board dated March 17, 2020, and **unless instructions are given to abstain from voting with regard to the appointment of the independent auditor, the persons named in the enclosed form of proxy intend to vote in favour of the appointment of KPMG LLP as our independent auditor, to hold office until our next annual meeting of shareholders, and in favour of the fixing of its remuneration by our directors.** KPMG LLP has been acting as our independent auditor since 2018.

AMENDMENT OF THE EMPLOYEE STOCK PURCHASE PLAN

In addition to certain minor or technical modifications to the provisions of the ESPP which do not require shareholder approval as per the terms of the ESPP, the Board approved, subject to shareholder and Toronto Stock Exchange approvals, an amendment to the ESPP in order to modify the eligibility criteria to participate in the ESPP so that all permanent employees of the Company and its wholly owned subsidiaries designated by the Board are eligible to participate in the ESPP, and that such employees no longer need to have been continuously employed for at least 24 months prior to the purchase date to be eligible to participate in the ESPP.

The above-described amendment of the ESPP has received conditional approval of the Toronto Stock Exchange and is conditional upon shareholder approval. The Board recommends that the shareholders approve the above-described amendment of the ESPP. A description of the ESPP can be found under the heading "Employee Stock Purchase Plan" and the text of the ordinary resolution to be adopted for that purpose is provided in Schedule B to this Circular. In order to be adopted, the ordinary resolution requires a majority of the votes cast, in person or by proxy, at the meeting by holders of Class A shares and Class B shares, voting as a single class.

It is the intention of the persons designated in the enclosed form of proxy to vote in favour of the adoption of the ordinary resolution approving the amendment of the ESPP, unless shareholders direct otherwise.

AMENDMENT OF THE EXECUTIVE STOCK OPTION PLAN

In 2020, the Board, on the recommendation of the Governance and Human Resources Committee, decided to reintroduce option grants under the ESOP as a component of long-term incentive compensation for certain senior executives of the Company.

In connection with the Board's decision to reintroduce option grants under the ESOP as a component of long-term incentive compensation for certain senior executives of the Company, in addition to a number of minor or technical modifications to the provisions of the ESOP in order to modernize its provisions and reflect the Company's current situation (such as adjustments to the calculation of market price and the addition of provisions regarding required withholdings and deductions) which do not require shareholder approval as per the terms of the ESOP, the Board approved, subject to shareholder and Toronto Stock Exchange approvals, amendments to the ESOP in order to: (a) increase the total number of Class B shares reserved for issuance under the ESOP from 580,000 to 1,168,000 shares (thereby increasing the number of Class B shares currently available for issuance, taking into account prior issuances, from 180,000 to 768,000 shares), (b) extend the maximum term of options granted under the ESOP from seven to ten years, and (c) remove directors as eligible participants under the ESOP and restrict participation in the ESOP to officers and senior executives of the Company and its wholly owned subsidiaries (instead of all affiliates). The proposed increase in the total number of Class B shares reserved for issuance under the ESOP represents, as at March 9, 2020, approximately 6.0% of the issued and outstanding shares of the Company.

The above-described amendments of the ESOP have received conditional approval of the Toronto Stock Exchange and are conditional upon shareholder approval. The Board recommends that the shareholders approve the above-described amendments of the ESOP. A description of the ESOP can be found under the heading "Executive Stock Option Plan" and the text of the ordinary resolution to be adopted for that purpose is provided in Schedule C to this Circular, and the full text of the amended ESOP is attached as Schedule D to this Circular. In order to be adopted, the ordinary resolution requires a majority of the votes cast, in person or by proxy, at the meeting by holders of Class A Shares and Class B Shares, voting as a single class.

It is the intention of the persons designated in the enclosed form of proxy to vote in favour of the adoption of the ordinary resolution approving the amendments of the ESOP unless shareholders direct otherwise.

ADDITIONAL INFORMATION

Additional information relating to us is on SEDAR at www.sedar.com. Shareholders can contact us to request free copies of our consolidated financial statements, management's discussion and analysis, 2019 annual report and annual information form, by writing at ir@logistec.com, by contacting our Corporate Secretary's office or by browsing our website at www.logistec.com. Financial information is provided in our comparative consolidated financial statements and management's discussion and analysis for our financial year ended December 31, 2019.

APPROVAL BY THE BOARD OF DIRECTORS

Our Board has approved in substance the contents of this Circular and the sending thereof to our shareholders.

Montréal, Québec, March 17, 2020.

By order of the Board,

(signed) Ingrid Stefancic

Ingrid Stefancic

Vice-President, Corporate and Legal Services
Corporate Secretary

SCHEDULE A
LOGISTEC CORPORATION
BOARD OF DIRECTORS' RESPONSIBILITIES

Management is responsible for the management of the Company. The Board is responsible for the stewardship of the Company and for monitoring the actions of, and providing overall guidance and direction to, management.

In fulfilling its mandate, the Board shall, among other things:

SHAREHOLDERS

The Board shall act in the best interest of all shareholders.

COMMITTEES

The Board will establish an Audit Committee and a Governance and Human Resources Committee, each comprised entirely of independent directors. The Board will also establish an Executive Committee. The Board may establish such other committees as it deems necessary or desirable, to assist it in the fulfillment of its duties and responsibilities, with such terms of reference as the Board may determine, and may delegate from time to time to such committees or other persons any of the Board's responsibilities that may be lawfully delegated. The Board shall determine whether directors satisfy the requirements for membership on each such committee. The independent directors will from time to time, as they see fit, hold meetings without management.

STRATEGY

The Board adopts a strategic planning process and annually approves a strategic plan that takes into account, among other things, the opportunities and principal risks of the Company's business. The Board also ensures that appropriate risk management systems are implemented. Separately from the strategic plan, the Board also approves an annual budget for financial performance.

CORPORATE GOVERNANCE

Corporate governance issues are the responsibility of the full Board. This includes the disclosure thereof in the Company's annual report or management proxy circular. The Governance and Human Resources Committee assists the Board in developing, communicating and reviewing the Company's governance principles.

The Board periodically reviews a Disclosure Policy for the Company that, inter alia: addresses how the Company shall interact with shareholders, analysts and the public, and covers the accurate and timely communication of all important information. The Company communicates with its stakeholders through a number of channels including its website, and they in turn can provide feedback to the Company in a number of ways, including e-mail.

The Board, through its Audit Committee, monitors the integrity of the Company's internal control over financial reporting.

The Board periodically reviews Company policies with respect to decisions and other matters requiring Board approval.

AUDIT, FINANCE AND RISK MANAGEMENT

The Board authorizes the Audit Committee to assist the Board in overseeing:

- (i) the integrity and quality of the Company's internal control over financial reporting, disclosure controls and procedures, and risk management;
- (ii) the Company's compliance with legal and regulatory requirements;
- (iii) the qualifications and independence of the Company's auditor; and
- (iv) the performance of the Company's internal accounting function and independent auditor.

SUCCESSION PLANNING

The Board develops, upon recommendation of the Governance and Human Resources Committee, and monitors a succession plan for executive officers of the Company.

OVERSIGHT AND COMPENSATION OF MANAGEMENT

The Board considers recommendations of the Governance and Human Resources Committee with respect to:

- (i) the appointment and compensation of executive officers of the Company at the level of Vice-President and above;
- (ii) the compensation philosophy for the Company generally;
- (iii) the adoption of any incentive compensation and equity based plans, including stock option, stock purchase or other similar plans, in which officers are or may be eligible to participate; and
- (iv) the Company's retirement policies and special cases.

The Board communicates to the CEO and periodically reviews the Board's expectations regarding management's performance and conduct of the affairs of the Company. The Board also periodically reviews the CEO's position description and objectives and his/her performance against these objectives.

ENVIRONMENTAL AND SAFETY MATTERS

The Board approves health & safety and environmental policies and procedures and reviews any material issues relating to environmental and safety matters and management's response thereto.

DIRECTORS' QUALIFICATIONS, COMPENSATION, EDUCATION AND ORIENTATION

The Board, through the Governance and Human Resources Committee, develops a process to determine, in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities are required for new directors in order to add value to the Company while ensuring that a majority of the Board consists of individuals who are independent.

The Board, through the Governance and Human Resources Committee, develops a program for the orientation and education of new directors, to ensure that prospective candidates for Board membership understand the role of the Board and its committees and the contributions that individual directors are expected to make, and develops a program of continuing education for all directors.

The Board considers recommendations of the Governance and Human Resources Committee with respect to the level and forms of compensation for directors, which compensation shall reflect the responsibilities involved in being an effective director of the Company.

ASSESSMENT OF BOARD AND COMMITTEE EFFECTIVENESS

The Board considers recommendations of the Governance and Human Resources Committee for the development and monitoring of processes for assessing the effectiveness of the Board, the committees of the Board and the contribution of individual directors, which assessments shall be made annually. These results are assessed by the Chairman of the Board and/or the Chairman of the Governance and Human Resources Committee and are reported to the full Board, which decides on actions deemed necessary, if any. The number of directors enables the Board to operate in a prudent and efficient manner.

PENSION PLANS

The Board is responsible to oversee the management of the Company's pension plans and does this through the Audit Committee.

OUTSIDE ADVISERS

Directors may hire outside advisers at the Company's expense, subject to the approval of the Board, and have access to the advice and services of the Company's Secretary, who is also the Vice-President, Corporate and Legal Services.

SCHEDULE B
LOGISTEC CORPORATION
ORDINARY RESOLUTION OF THE SHAREHOLDERS
AMENDMENT OF THE EMPLOYEE STOCK PURCHASE PLAN
MAY 6, 2020

WHEREAS, in addition to certain minor or technical modifications to the provisions of the Company's employee stock purchase plan ("**ESPP**"), the Board of Directors approved, subject to shareholder and Toronto Stock Exchange approvals, an amendment to the ESPP in order to modify the eligibility criteria to participate in the ESPP so that all permanent employees of the Company and its wholly owned subsidiaries designated by the Board of Directors are eligible to participate in the ESPP, and that such employees no longer need to have been continuously employed for at least 24 months prior to the purchase date to be eligible to participate in the ESPP (the "**ESPP Amendment**");

WHEREAS shareholder approval is required for the ESPP Amendment pursuant to the amending provisions of the ESPP;

BE IT RESOLVED:

THAT the ESPP Amendment be and is hereby confirmed, ratified and approved, subject to the Company obtaining all required approvals from the Toronto Stock Exchange; and

THAT any director or officer of the Company be and is hereby authorized for and on behalf of the Company to do such things and to sign, execute and deliver all such documents that such director or officer may, in his or her discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

SCHEDULE C
LOGISTEC CORPORATION
ORDINARY RESOLUTION OF THE SHAREHOLDERS
AMENDMENT OF THE EXECUTIVE STOCK OPTION PLAN
MAY 6, 2020

WHEREAS, in connection with the Board of Directors' decision to reintroduce option grants under the Company's executive stock option plan ("ESOP") as a component of long-term incentive compensation for certain senior executives of the Company, in addition to a number of minor or technical modifications to the provisions of the ESOP in order to modernize its provisions and reflect the Company's current situation, the Board approved, subject to shareholder and Toronto Stock Exchange approvals, amendments to the ESOP in order to: (a) increase the total number of Class B Subordinate Voting Shares reserved for issuance under the ESOP from 580,000 to 1,168,000 shares (thereby increasing the number of Class B Subordinate Voting Shares currently available for issuance, taking into account prior issuances, from 180,000 to 768,000 shares), (b) extend the maximum term of options granted under the ESOP from seven to ten years, and (c) remove directors as eligible participants under the ESOP and restrict participation in the ESOP to officers and senior executives of the Company and its wholly owned subsidiaries (instead of all affiliates) (collectively, the "ESOP Amendments"), the full text of which is attached as Schedule D to the Circular dated March 17, 2020;

WHEREAS shareholder approval is required for the ESOP Amendments pursuant to the amending provisions of the ESOP;

BE IT RESOLVED:

THAT the ESOP Amendments be and are hereby confirmed, ratified and approved, subject to the Company obtaining all required approvals from the Toronto Stock Exchange; and

THAT any director or officer of the Company be and is hereby authorized for and on behalf of the Company to do such things and to sign, execute and deliver all such documents that such director or officer may, in his or her discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

SCHEDULE D
LOGISTEC CORPORATION
AMENDED EXECUTIVE STOCK OPTION PLAN

1. PURPOSE

The purpose of this Stock Option Plan (the “Plan”) is to encourage ownership in the share capital of **LOGISTEC Corporation** (the “Company”) by officers and senior executives of the Company or any wholly owned subsidiary of the Company (the “Optionees” or “Optionee”) who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company to attract and retain valued officers and senior executives by granting options (the “Options” or “Option”) to purchase class B subordinate voting shares (the “Class B Shares”) of the Company on the terms and conditions set forth in this Plan and any written stock option agreement entered into between the Company and an Optionee in accordance with the Plan (an “Option Agreement”).

2. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Company (the “Board”). The Board shall have full authority to interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of the Governance and Human Resources Committee (the “Committee”). The decisions of the Board shall be binding and conclusive, provided that notwithstanding anything herein contained, the Board may from time to time delegate the authority vested in it under this clause to the Committee which shall thereupon exercise all of the powers herein given to the Board, subject to applicable law and any express direction by resolution of the Board from time to time. The senior officers of the Company are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications as they in their absolute discretion consider necessary for the implementation and administration of the Plan.

3. NUMBER OF SHARES SUBJECT TO OPTIONS

The Board will make available that number of Class B Shares for the purpose of the Plan that it considers appropriate except that the number of Class B Shares that may be issued pursuant to the exercise of Options under the Plan and under any other stock options of the Company shall not exceed 1,168,000 Class B Shares at any time and from time to time. No single person will be granted Options covering more than 5% of the Company’s issued and outstanding Class B Shares. The number of Class B Shares issuable to insiders, as defined in the *Securities Act* (Ontario) (the “Insiders”) at any time, under all security based compensation arrangements of the Company, as defined in the Toronto Stock Exchange Company Manual, (the “Security Based Compensation Arrangements”), cannot exceed 10% of issued and outstanding shares of the Company, as defined in the Toronto Stock Exchange Company Manual (“Shares Outstanding”). Furthermore, the number of Class B Shares issued to Insiders, within any one-year period, under all Security Based Compensation Arrangements, cannot exceed 10% of the Shares Outstanding. In the event that Options granted under the Plan, and under any other stock options of the Company which may be in effect at a particular time, are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Class B Shares not purchased under such lapsed Options.

4. PARTICIPATION

Options shall be granted under the Plan only to Optionees as shall be designated from time to time by the Board which shall also determine the number of shares subject to such Option.

5. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of each Option granted under the Plan shall be set forth in an Option Agreement between the Company and the Optionee. Such terms and conditions shall include the following as

well as such other terms and conditions (including vesting conditions), not inconsistent with the Plan, as may be deemed advisable by the Board:

5.1 Option Price

The exercise price of any shares in respect of which an Option may be granted under the Plan (the "Option Price") shall not be less than the market price of the Class B Shares at the time the Option is granted. For the purpose of Paragraph 5, "market price" shall be deemed to be the average of the daily high and low board lot trading prices for the five days, consecutive or not, preceding the date of grant.

5.2 Payment

The full Option Price of Class B Shares purchased under the Option shall be paid in cash upon the exercise thereof. All Class B Shares issued pursuant to the exercise of Options granted or deemed to be granted under the Plan, will be so issued as fully paid and non-assessable Class B Shares. No Optionee or his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Class B Shares subject to an Option under this Plan, unless and until such Class B Shares are issued to such Optionee in accordance with the Plan.

5.3 Term of Options

Options may be granted under this Plan exercisable over a period not exceeding ten years after the date the Option was granted. Each Option shall be subject to earlier termination as provided in Subparagraph 5.5 below.

5.4 Exercise of Options

The exercise of any Option will be contingent upon receipt by the Company of a notice of exercise, specifying the number of Class B Shares with respect to which the Option is being exercised, accompanied by payment for the full Option Price of such Class B Shares with respect to which the Option is exercised, in such manner as the Board may determine from time to time. A vested Option may be exercised in full or in part at any time during the term of the Option as provided in the Plan and any Option Agreement; provided however that except as expressly otherwise provided herein (including Section 5.5) or as provided in any Option Agreement approved by the Board, no Option may be exercised unless that Optionee is then an officer or senior executive of the Company. This Plan shall not confer upon the Optionee any right with respect to continuance as an officer or senior executive of the Company or of any wholly owned subsidiary of the Company.

5.5 Termination of Options

Any Option granted pursuant hereto, to the extent not validly exercised, and save as expressly otherwise provided herein, will terminate on the earlier of the following dates:

- 5.5.1 the date of expiration specified in the Option Agreement, being not more than ten years after the date the Option was granted;
- 5.5.2 twelve months after the date of the Optionee's death, during which period the Option may be exercised only by the Optionee's legal representative or the person or persons to whom the deceased Optionee's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent such Option had vested and the Optionee therefore would have been entitled to exercise it at the time of death if the Optionee's employment, position as officer or senior executive of the Company had been terminated by the Company on such date (with unvested Options being forfeited and terminated on the date of the Optionee's death);
- 5.5.3 three months after termination of the Optionee's employment or position as officer or senior executive of the Company (excluding, for greater certainty, any period representing pay in lieu of notice, severance pay, gratuitous payment or any other indemnity, amount or notice whatsoever on account of termination of employment),

during which three month period the Optionee may exercise the Option to the extent such Option had vested and such Optionee was therefore entitled to exercise it at the time of such termination (with unvested Options being forfeited and terminated on the date of the Optionee's termination of employment or position), provided that if the Optionee shall die within such three month period, then such right shall be extended to six months following the death of the Optionee and shall be exercisable only by the persons described in Subparagraph 5.5.2 hereof and only to the extent therein set forth;

Notwithstanding any provision of this Section 5.5, in the event where the end of the term of an Option would fall within, or within ten business days after the end of, a "blackout" or similar period imposed under any insider trading policy or similar policy of the Company (and not, for greater certainty, a restrictive period resulting from the Company or its Insiders being the subject of a cease trade order of a securities regulatory authority), the end of term of such Option shall be the tenth business day after the end of such blackout period (the "Blackout Expiration Term").

5.6 Non-transferability of Options

No Option shall be transferable by the Optionee other than by will or the laws of descent and distribution and shall be exercisable during such Optionee's lifetime only by him/her.

5.7 Withholdings

The Company or any wholly owned subsidiary may withhold, or cause to be withheld, and deduct, or cause to be deducted, from any amount to be paid to the Optionee, any amount the Company or any wholly owned subsidiary is entitled or required to withhold or deduct on account of income taxes, social security charges or other deductions that may be required by any applicable law or by any Canadian, foreign, federal, provincial, territorial, state or local governmental authority in respect of the grant, surrender or exercise of an Option, the issuance of, the disposition of, or other transaction involving Class B Shares purchased under the Plan, or any payment or benefit under the Plan (the "Withholding Amount"). Any Withholding Amount retained or received from the Optionee will be remitted to the appropriate governmental authority by the Company or its wholly owned subsidiary.

The Optionee accepts that the Company or any wholly owned subsidiary shall have the right to require payment by the Optionee of the Withholding Amount, and may take any means necessary to obtain payment from the Optionee thereof, including:

- 5.7.1 requiring the Optionee to pay to the Company, in addition to and concurrently with the Option Price, the Withholding Amount upon exercise of the Option;
- 5.7.2 withholding the necessary amount from the Optionee's cash remuneration payment or any other amounts owing by the Company or its wholly owned subsidiary to the Optionee following the exercise of the Option; or
- 5.7.3 retaining the Class B Shares issued on the exercise of Options, and selling, or arranging to sell, in the market or as the Company may determine, on behalf of the Optionee, a sufficient number of such Class B Shares to realize net cash proceeds sufficient (after taking into account any transaction costs which will be borne by the Optionee) to pay the Withholding Amount; whereby, the Optionee directs such net cash proceeds to be paid to the Company or its wholly owned subsidiary in satisfaction of the Optionee's obligation to pay the Withholding Amount.

If the Company or any wholly owned subsidiary does not withhold an amount or require payment of an amount by an Optionee sufficient to satisfy all obligations referred to in this Section 5.7, the Optionee shall forthwith make reimbursement, on demand, in cash, of any amount paid by the Company or any wholly owned subsidiary to a governmental authority to satisfy any such obligation.

6. ADJUSTMENT IN THE EVENT OF CHANGE IN SHARES

Each Option shall contain uniform provisions in such form as may be approved by the Board to appropriately adjust the number and kind of shares covered by the Option and the Option Price of shares subject to the Option in the event of a declaration of share dividends, or share subdivisions or consolidations or reorganization or recapitalization of the Company or other relevant changes in the Company's capitalization (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the Optionee by such Option. In such circumstances, the number of Class B Shares available for Options, the Class B Shares subject to any Option, and the Option Price thereof shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

7. AMALGAMATION, CONSOLIDATION OR MERGER

If the Company amalgamates, consolidates with or merges with or into another corporation, which it reserves the right to do, any Class B Shares receivable on the exercise of an Option granted under the Plan shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised the Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, the Option Price thereof shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

8. APPROVALS

The obligation of the Company to issue, sell and deliver Class B Shares in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Company, and subject to compliance by the Company and the Optionee with all applicable laws, rules and regulations. If any Class B Shares cannot be issued to any Optionee for whatever reason, the obligation of the Company to issue such Class B Shares shall terminate and any Option Price paid to the Company will be returned to the Optionee.

9. STOCK EXCHANGE RULES

The rules of any stock exchange upon which the Company's Class B Shares are listed or traded shall be applicable relative to Options granted to Optionees.

10. AMENDMENT AND DISCONTINUANCE OF PLAN

- 10.1 The Board bears full responsibility with regard to the Plan, which includes, but is not limited to, the power and authority to adopt, amend, suspend or terminate the Plan. Any such adoption, amendment, suspension or termination is subject to the rules set forth by the regulatory authorities.
- 10.2 Subject to Section 10.3, shareholder approval is not required for amendments to the Plan or Options.
- 10.3 Approval by a majority of the votes cast by the holders of voting shares present at a duly called shareholder meeting is required for the following amendments:
 - 10.3.1 any increase to the number of Class B Shares that may be issued under the Plan;
 - 10.3.2 the reduction of the Option Price of Options;
 - 10.3.3 the extension of the term of Options;
 - 10.3.4 the extension of the Blackout Expiration Term provided for in Section 5.5;
 - 10.3.5 any change to the transferability and assignment of Options; and
 - 10.3.6 any change to the class of persons eligible for grants of Options.

- 10.4 No amendment of the Plan or Options may contravene the requirements of any competent regulatory authority to which the Plan or the Company is now or may hereafter be subject to.
- 10.5 The approval of holders of voting shares of an amendment may be given by way of confirmation at the next meeting of shareholders after the amendment is made by the Board, provided that no Class B Shares are issued pursuant to the amended terms until such approval of holders of voting shares is obtained.

11. EFFECTIVE DATE AND DURATION OF PLAN

The Plan shall remain in full force and effect from the date of its approval by the regulatory and self-regulatory authorities and from year to year thereafter until amended or terminated in accordance with Paragraph 10 hereof and for so long thereafter as Options remain outstanding in favour of any Optionee.

12. MISCELLANEOUS PROVISIONS

- 12.1 Participation in the Plan shall be entirely voluntary.
- 12.2 Nothing in the Plan shall be interpreted so as to affect the rights of the Company or of any of its wholly owned subsidiaries with respect to the lay-off or dismissal of any of their employees, the Company and its wholly owned subsidiaries hereby reserving all of their rights with respect thereto as if the Plan did not exist.
- 12.3 No guarantee is hereby granted against any loss which may result to a beneficiary as a result of a decrease in the value of shares subscribed to.

13. GOVERNING LAW

This Plan shall be governed by and interpreted in accordance with the laws of the Province of Quebec.

March 17, 2020.

Corporate Information

Head Office:
LOGISTEC Corporation
360 Saint-Jacques Street
Suite 1500
Montréal, Québec H2Y 1P5
Telephone: (514) 844-9381
Fax: (514) 844-9650
E-mail: corp@logistec.com
ir@logistec.com
Internet: www.logistec.com

