



## /ANNUAL INFORMATION FORM



FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020  
DATED MARCH 10, 2021

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Except as otherwise noted, all information given is at, or for the fiscal year ended, December 31, 2020. All comparative financial information, financial data and other monetary data in this Annual Information Form are reported in Canadian dollars unless otherwise noted.

Copies of the 2020 Annual Report (Note 22 of the audited financial statements contained therein being incorporated herein by reference) may be obtained from the Corporate Secretary at 5915 Airport Rd., Suite 425, Mississauga, Ontario L4V 1T1. These documents may also be found on Dexterra's website at [dexterra.com](http://dexterra.com) or on SEDAR at [sedar.com](http://sedar.com). See "*Additional Information*".

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## Caution Regarding Forward-Looking Information and Statements

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Certain statements contained in this Annual Information Form constitute forward-looking statements or information under applicable securities law (collectively "**forward-looking information**"). Forward-looking information may relate to Dexterra's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "continue"; "forecast"; "may"; "will"; "project"; "could"; "should"; "expect"; "plan"; "anticipate"; "believe"; "outlook"; "target"; "intend"; "estimate"; "predict"; "might"; "potential"; "continue"; "foresee"; "ensure" or other similar expressions concerning matters that are not historical facts. In particular, statements regarding Dexterra's future operating results and economic performance and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions, including expected growth, results of operations, performance and business prospects and opportunities regarding Dexterra, which Dexterra believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to Dexterra, they may prove to be incorrect. Forward-looking information is also subject to certain known and unknown risks, uncertainties and other factors that could cause Dexterra's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information, including, but not limited to: the ability to retain clients, renew existing contracts and obtain new business; an outbreak of contagious disease that could disrupt Dexterra's business; the highly competitive nature of the industries in which Dexterra operates; reliance on suppliers and subcontractors could have a material adverse effect on Dexterra's business; profitability could be adversely affected by cost inflation; volatility of industry conditions could impact demand for Dexterra's services; a reduction in the availability of credit could reduce demand for Dexterra's products and services; Dexterra's significant shareholder may substantially influence its direction and operations and its interests may not align with other shareholders; Dexterra's significant shareholder's 49% ownership interest may impact the liquidity of the common shares; cash flow may not be sufficient to fund its ongoing activities at all times; loss of key personnel; the failure to receive or renew permits or security clearances; risks related to significant legal proceedings or regulatory proceedings/changes; environmental damage and liability is an operating risk in the industries in which Dexterra operates; labour relations and labour disputes; climate changes could increase Dexterra's operating costs and reduce demand for its services; liabilities for failure to comply with public procurement laws and regulations; any deterioration in safety performance could result in a decline in the demand for Dexterra's products and services; failure to realize anticipated benefits of acquisitions and dispositions; inability to develop and maintain relationships with Indigenous communities; the seasonality of Dexterra's business; inability to restore or replace critical capacity in a timely manner; reputational, competitive and financial risk related to cyber-attacks and breaches; failure to effectively identify and manage disruptive technology; economic downturns can reduce demand for Dexterra's services; Dexterra's insurance program may not fully cover losses. See the "*Risk Factors*" section of this Annual Information Form for a further discussion of these risks and uncertainties.

The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Dexterra is under no obligation and does not undertake to update or alter this information at any time, except as may be required by applicable securities law.

# Corporate Structure

## Name, Address and Incorporation

Dexterra Group Inc. (“**Dexterra**” or the “**Corporation**”) is a publicly listed corporation (TSX: DXT.TO) delivering a range of support services for the creation, management, and operation of infrastructure across Canada.

Dexterra was incorporated under the laws of the Province of Alberta on May 16, 1967 and was continued federally under the *Canada Business Corporations Act* (“**CBCA**”) on September 25, 1981. On May 24, 2006, Dexterra continued to the *Business Corporations Act* (Alberta)(“**ABCA**”) and subsequently amalgamated with several of its wholly-owned subsidiaries on July 1, 2007, and, on July 13, 2020 its common shares (“**Dexterra Shares**”) were consolidated on a five (5) for one (1) basis (the “**Share Consolidation**”).

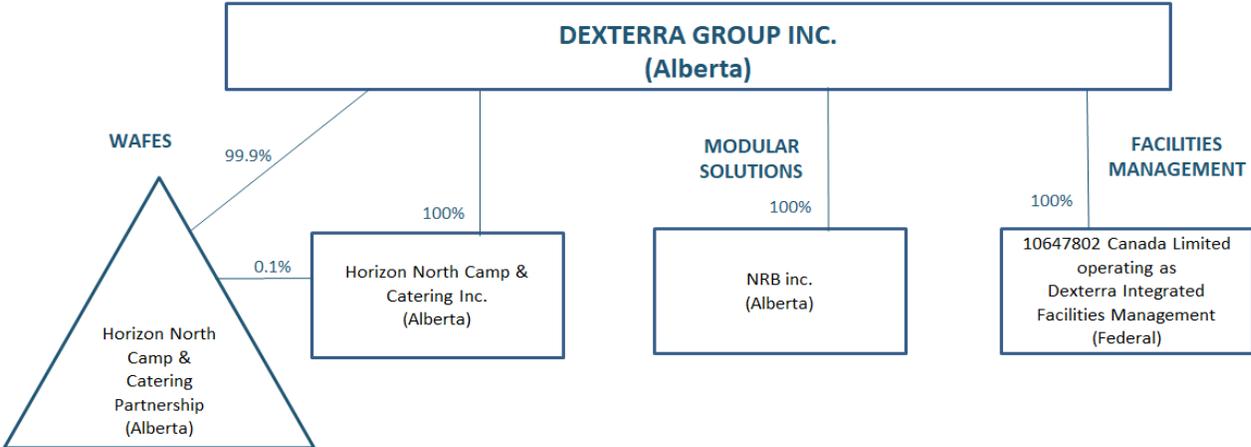
Dexterra’s original name was Pe Ben Transport Ltd, which was changed to Pe Ben Oilfield Services on January 11, 1973, then subsequently changed to Horizon North Logistics on April 27, 2006 and, on November 13, 2020, to its current name Dexterra Group Inc. following the Transaction (as defined herein).

On June 1, 2020, the board of directors (the “**Board**”) approved amendments to the Corporation’s bylaws (the “**Amended and Restated Bylaws**”) that included i) adoption of an advance notice provision relating to the nomination of directors; ii) increasing the quorum for shareholders meetings to at least two persons present together holding or representing not less than 25% of Dexterra Shares present at each meeting of shareholders; and iii) providing the Chair with a casting vote in the event of an equality of votes on any matters to be decided by the Board. The Amended and Restated Bylaws were approved by the shareholders of the Corporation on July 10, 2020.

The head office of Dexterra is located at 5915 Airport Rd., Suite 425, Mississauga, Ontario L4V 1T1 and the registered office is located at Suite 900, 240 – 4<sup>th</sup> Avenue SW., Calgary, Alberta, T2P 4H4.

## Intercorporate Relationships

The following diagram illustrates the organizational structure of the Corporation and its material subsidiary entities:



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## General Development of the Business of Dexterra

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### General

Dexterra delivers a range of support services for the creation, management, and operation of infrastructure across Canada. Powered by people, Dexterra brings the right teams with the right skills together – offering both best-in-class regional expertise and innovative solutions, giving clients confidence in their day-to-day operations. Activities include a comprehensive range of facilities management and operations services, industry leading workforce accommodation solutions, forestry services, innovative modular building capabilities and other support services for diverse clients in the public and private sectors.

The development of the Corporation's business was materially shaped by its acquisition (the "**Transaction**") on May 29, 2020, of all the issued and outstanding shares of 10647802 Canada Limited, operating as Dexterra Integrated Facilities Management ("**DIFM**"), an indirect wholly-owned subsidiary of Fairfax Financial Holdings Limited (together with its affiliates, "**Fairfax**"), which resulted in Fairfax controlling 49% of the Corporation.

The companies that began independently and now form Dexterra have an outstanding record of supporting the infrastructure and built assets that play a vital role in our society. Following the consummation of the Transaction, the organization is focused on long-term sustainable, profitable growth of infrastructure support services activities with a focus on capital-light support services where the quality of people and methods are critical to success.

Dexterra's business is organized into three operating business segments: Facilities Management, Workforce Accommodations, Forestry and Energy Services ("**WAFES**"), and Modular Solutions. The Facilities Management business delivers operations and maintenance solutions for built assets and infrastructure in the public and private sectors, including aviation, defence, retail, healthcare, education and government. The WAFES business provides a full range of workforce accommodations solutions, forestry services and access solutions to clients in the mining, forestry, construction and energy sectors. The Modular Solutions business integrates modern design concepts with off-site manufacturing processes to produce high-quality building solutions for social and affordable housing, commercial, residential and industrial clients.

By being client-centric in the development and delivery of products and services; investing in the attraction, retention, and development of high-quality people; embracing innovation including the smart application of technology; and establishing intelligent partnerships with strategically relevant stakeholders, Dexterra is well positioned to meet the needs of its customers in numerous sectors across Canada both now and in the future.

### Three Year History

The following is a summary of the general development of the business of the Corporation and DIFM for 2018 and 2019, then leading up to the completion of the Transaction on May 29, 2020 through to the end of December 31, 2020.

#### 2018

##### *DIFM*

DIFM was incorporated by Fairfax under the CBCA on February 23, 2018 to acquire certain assets and associated liabilities comprising the services business carried on by Carillion Canada and certain of its affiliates (the "**Carillion Services Assets**"). The support services assets acquired consisted of facilities management, workforce accommodation and forestry.

Following the acquisition of the Carillion Services Assets and an internal portfolio review, DIFM reduced its existing facilities management, workforce accommodation and forestry businesses by approximately 16% throughout the remainder of 2018 and 2019 as part of an initiative to refocus its business on higher margin, more complex, multi-service facilities management solutions. This reduction was generally carried out by not renewing expiring contracts at the end of their terms.

In September 2018, DIFM launched its new brand, “Dexterra”, replacing the previous Outland Carillion brand and business and strengthening DIFM’s position to invest in growth opportunities and innovative solutions for clients and customers.

#### *Corporation*

On November 1, 2018, the Corporation acquired all the operating assets and inventory of the customer manufacturing business of C&V Portable Accommodations Ltd. for total cash consideration of \$3.3 million, after closing adjustments. The operating assets acquired included the existing leasehold on 86,000 square feet of manufacturing space in Rocky View County, Alberta, as well as employees, equipment, working capital, and certain intangible assets. The manufacturing facility and the assets were used to increase capacity in Modular Solutions and to gain access to desirable markets.

#### **2019**

##### *DIFM*

On December 4, 2019, Dexterra acquired 100% of the voting shares of The Powerful Group of Companies (“**PGC**”) and certain affiliates. PGC provided heating, ventilation and air conditioning, electrical, plumbing, interior renovation, carpentry, communications, fire safety and energy management services. The acquisition of PGC complimented Dexterra’s services offered to its facility management clients.

#### *Corporation*

On April 1, 2019, the Corporation acquired all of the issued and outstanding shares of NRB Inc. (“**NRB**”) for \$17.2 million, payable in a mix of cash consideration, Dexterra Shares and extinguishment of existing debt of NRB. NRB, based in Grimsby, Ontario, provided the Corporation with immediate manufacturing capacity in Southern Ontario and a significant next step in the Corporation's modular growth strategy.

The Corporation’s workforce accommodations business announced the completion of the Crossroads open lodge, a 736 bed lodge in Kitimat, British Columbia, in the first quarter of 2020, which was built on a 57 acre parcel of land purchased by the Corporation in 2014. The lodge provides workforce accommodations to support development in the area, including the LNG Canada project. In 2019, commitments were made for the development of a Marriott hotel on the Corporation’s Crossroads land parcel in Kitimat and to support development in the region, including the LNG Canada project. The construction of this project has been delayed.

#### **2020**

On March 9, 2020, the Corporation entered into a share purchase agreement, subject to the approval of its shareholders, with DIFM and its sole shareholder, Fairfax, to acquire all of the issued and outstanding shares of DIFM, in exchange for issuing Dexterra Shares representing 49% of the issued and outstanding Dexterra Shares on a fully diluted basis.

Effective March 10, 2020, the Corporation reached an agreement with its lenders to amend its credit facility. Key amendments included a \$15.0 million temporary facility to provide additional financial flexibility and amendments to the covenants.

On March 11, 2020, in order to improve financial flexibility and to exercise fiscal prudence in light of COVID 19, increased market uncertainty and diminished commodity prices, the Board made the decision to pause the Corporation's dividend.

On March 26, 2020, the Corporation announced that it was taking a series of additional steps to help mitigate the negative impacts of the COVID-19 pandemic and other global commodity conditions. These steps included the Corporation reducing its 2020 net capital outlook by two-thirds (from \$30 million to approximately \$10 million) for

2020 including deferral of certain growth projects, including suspending any spend on the Fairfield by Marriott hotel in Kitimat, British Columbia.

On May 29, 2020, the Corporation completed the Transaction, and, among other things, named Rod Graham (the CEO of the Corporation) and John MacCuish (then CEO of DIFM) Co-CEOs. The Corporation also realigned to focus on infrastructure support services activities with an emphasis on providing capital-light services to a diverse set of clients across Canada.

On June 30, 2020, the Corporation entered into a new credit facility with a syndicate of lenders led by Scotiabank (the “**Credit Facility**”). Key features of the Credit Facility included an extended maturity date to December 31, 2022 and an increase in credit availability from \$150 million to \$175 million. The Credit Facility gives the Corporation added flexibility to operate in the current COVID-19 business environment and execute on the long-term growth strategy to create a strong pan-Canadian support services company.

Following the Transaction, a number of changes to senior management of the Corporation occurred, including the hiring of Drew Knight as Chief Financial Officer effective July 2020, Rod Graham resigning as Co-CEO and President of Modular Solutions on August 18th, 2020. Mr. MacCuish assumed the CEO position and continued his leadership as President of the Facilities Management business. Mark Becker was promoted Chief Operating Officer, continued to lead as President of WAFES and supported the Modular Solutions business. Effective December 16, 2020, Dawn Nigro became President of Modular Solutions.

On August 11, 2020, the Corporation re-instated its dividend and announced a quarterly dividend of \$0.075 per share.

On November 13, 2020, the Corporation announced the building of a Modular Solutions plant in Ontario with an estimated capital cost of \$7 to \$8 million with estimated incremental annual production capacity exceeding \$100 million. This will provide the Corporation with additional manufacturing capacity in Southern Ontario and a significant next step in the Corporation's pan-Canadian growth strategy.

On November 18, 2020, the Corporation's name was changed to Dexterra Group Inc. and the Dexterra Shares began trading under the ticker symbol “DXT”.

## Recent Developments

On January 20, 2021, NRB, the Corporation's subsidiary for Modular Solutions, entered into a lease to build its new Modular Solutions plant in Cambridge, Ontario. NRB took possession of the leased premises on February 1, 2021 and expects to have the plant completed and in production during the second quarter of 2021.

Dexterra's financial results continue to be impacted significantly as a result of the COVID-19 pandemic. The Facilities Management segment continues to experience reductions in revenue as a result of reduced services, mainly in the aviation and retail markets. The WAFES and Modular Solutions segments have seen less significant declines in revenue but have still been impacted due to lower activity in camp/catering services, the B.C. government shutdowns in early 2021 and the delay of social and affordable housing projects and timing of portable classroom builds. New business opportunities in the pipeline have also been affected and are expected to shift to future periods. It is impossible to forecast the duration and full scope of the economic downturn caused by the COVID-19 pandemic and the related consequences it will have on the Corporation and its business, including the potential impact on its services once these social distancing policies are lifted. At this time, it is unknown to the Corporation how the COVID-19 pandemic will evolve and impact demand for the Corporation's services, which may lead to lower revenue, changes to the federal and provincial governments' support programs for businesses

to help offset the impact of COVID-19, impact on the Corporation’s customers and their solvency and on the Corporation’s supply chain and safety of its workforce.

The Corporation is expecting to continue to experience revenue losses in 2021, due to the impacts of the pandemic and the restrictions put in place by both the provincial and federal governments. The Crossroads Lodge in Kitimat, British Columbia and Coastal GasLink pipeline camps have been temporarily closed during the first quarter of 2021 with less demand for workforce accommodations given the provincial governments restrictions and impact on the construction of the LNG Canada facility. The management team has implemented plans to modify the cost structure to mitigate the impact of COVID-19, while continuing to provide essential services to its clients. Additionally, the Corporation has applied for government support programs and qualified for \$32.9 million of Canada Emergency Wage Subsidy (“CEWS”) funding for the year ended December 31, 2020. Based on the current changes to the CEWS program, the benefit to the Corporation of any subsidies after December 31, 2020 is declining.

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## Description of the Business of Dexterra

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### Revenues Generated by Reporting Segment

Dexterra’s operations are carried out in three main business segments: Facilities Management, WAFES and Modular Solutions, with revenues for the most recently completed two financial years as follows:

(\$000’s)	2020	2019 <sup>(1)</sup>
Facilities Management	\$147,229	\$166,761
Modular Solutions	98,767	-
WAFES	234,681	94,298
Inter-segment eliminations	(2,862)	-
	<b>\$477,815</b>	<b>\$261,059</b>

(1) For accounting purposes, the Transaction constituted a reverse acquisition that involved a change of control of Dexterra (previously Horizon North) and a business combination of the Corporation and DIFM. Based on the guidance in IFRS 3, Business Combinations, it was determined that DIFM was the accounting acquirer, as Fairfax, the sole shareholder of DIFM, controlled the Corporation post-Transaction. As a result, 2019 financial comparative information included herein under the heading “Description of the Business of Dexterra” is solely of DIFM. Horizon North financial results are included subsequent to the Transaction closing date.

### Facilities Management

The Facilities Management business delivers operations and maintenance solutions for built assets and infrastructure in the public and private sectors, including aviation, defence, retail, healthcare, education and government.

Dexterra categorizes the range of Facilities Management activities into services provided for space and infrastructure and services provided to people and organizations.

Space and Infrastructure (“hard services”) – Dexterra’s services for space and infrastructure include:

- maintenance, repair and operations services;
- management of building utilities and energy performance;
- asset management services, including planning, budgeting and lifecycle management; and
- project management and delivery of renovations, modifications, refits and upgrades.

People and Organizations (“soft services”) – Dexterra’s solutions for people and organizations include:

- customer care services;

- cleaning and environmental services including waste management;
- food services;
- management of parking and security services;
- material handling and logistical services; and
- 24/7 client help desk solutions.

Within the Facilities Management segment, Dexterra delivers both single service and complex multi-service contracts. Contracts are typically three to five years in length (other than P3 projects which tend to be longer term in nature) and employ a range of pricing models including fixed price, cost-reimbursable and schedule of rates. Most contracts include the opportunity for additional work and special services above the base contract scope, adding some degree of variability to revenue earned from any given account year-to-year. Additional work and project work are not evenly distributed throughout the fiscal year resulting in some variance in revenue. Contracts are typically procured through competitive procurement processes, particularly for government and institutional customers.

Dexterra's business strategy is to provide more complex (integrated) service solutions, where there are better growth prospects and where margins are higher, and less single or soft service solutions over time. Integrated service offerings, paired with special expertise operating and managing special purpose facilities, including defence assets, airports, hospitals, and research facilities, supports a strong value proposition to clients with complex projects or sophisticated facilities. Through its long-term client contracts, national footprint and diverse client base, the Corporation's Facilities Management segment has reduced exposure to volatility in the market. The Corporation has built credibility in the market through the strength of client and stakeholder relationships and a sustained focus on innovation including the application of technology. The Corporation's competitive position is further enhanced by decades of experience, cross sector expertise in support services solutions and a diverse portfolio of accounts including in urban and remote locations.

The Corporation believes that a significant self-delivery capability in the major spend categories of facilities management, in both "hard" and "soft" service facilities management work streams, is an important success factor.

The facilities management market is highly fragmented with a large number of regional and international players. The mix of vendors ranges from single service providers through to service aggregators and integrated firms. It is common to see firms specializing in either "soft services" or "hard services". Clients, however, are increasingly demanding integrated services. While some organizations are starting to broaden their offerings, Dexterra already provides an integrated service offering. No group of players dominates across all regions, segments and services areas. The single largest competitor to any outsourced facilities management services firm is self-delivery. However, the presence of numerous firms with cost-effective solutions, coupled with the benefits to organizations of outsourcing non-core operations, should encourage the propensity for outsourcing to increase.

Facilities management employed an average workforce of 2,770 people in 2020 and the headcount at the end of 2020 was 2,734.

Within the Facilities Management segment, during 2020, one customer contributed greater than 10% of revenue, compared to 2019 where two customers contributed greater than 10% of revenue.



Pearson Airport, Toronto, Ontario

Space and Infrastructure Solutions – Building Systems Monitoring

## WAFES

The WAFES business segment is comprised of two revenue streams: (1) Workforce Accommodations and Forestry and (2) Energy Services.

### Workforce Accommodations and Forestry

The Workforce Accommodations and Forestry business provides full turn-key workforce accommodation, camp management and catering services to customers working on projects in remote regions of Canada’s provinces and northern territories where the local infrastructure does not provide such facilities. The Forestry business is integrated with Workforce Accommodations as the demand for forestry services, such as tree planting and thinning, is driven primarily by private forestry companies and provincial crown corporations and each Forestry contract is operated similar to a remote camp operation to accommodate the various work crews. Revenues in Workforce Accommodations are derived from contracted camp operations, open camps, catering only operations, and the associated service work with each operation.

Contracted camps range from 50 to 1,000+ beds with contract durations of three months to multi-year commitments. Customers may be charged an all-inclusive day rate for the room and the provision of meals, camp operations, and associated housekeeping services, or be charged on a split rate basis with a charge related to the equipment deployed with a separate charge related to the provision of services. An open camp operates much like a hotel, where customers can house and feed their work crews for an all-inclusive day rate for the room and provision of meals and associated services. Catering only revenues provides catering, housekeeping and operation maintenance services where customers own the camp assets. Dexterra charges a day rate for these services based on actual occupancy.

The Forestry services revenues are focused on tree planting, forest clearing and thinning, driven primarily by private forestry companies and provincial crown corporations. Quebec is the largest region of activity for Dexterra’s Forestry services business. Dexterra services include providing type-2 firefighters. The nature of work and volume of activity is dependent on the number of wildfires in the season. Type-2 firefighting services to public and private sector customers in Quebec, Ontario, Saskatchewan and Alberta. Type 2 firefighters (contract crews) are often called on to assist with wildfires that have lower intensity and present a lower risk to firefighter safety and used in wildfires that are considered to be contained, under control or in mop-up stage.

Workforce Accommodations and Forestry services employed an average workforce of 2023 people in 2020 and the headcount at the end of 2020 was 1,807.



Iamgold Mine, Northern Ontario



Crossroads Lodge, Kitimat, British Columbia



Forestry Services – Fire Support

### Energy Services

The Energy Services business includes relocatable structures (office units, lavatory units, mine dry units, wellsite units and associated equipment); access mat rentals, equipment sales and installation, transportation, service, and other revenue associated with the rentals, sales, and soil stabilization.

Relocatable structures revenues are generated by the rental and sale of equipment with rental contract lengths varying from month to month up to multiyear.

Access matting revenues are generated from mat rental, mat sales, transportation, service associated with placing, pickup of mats and the management of customer owned mats. Matting is used to provide a solid surface over unstable ground conditions to facilitate the movement and operation of heavy equipment.

The Energy Services business employed an average workforce of 80 people in 2020 and the headcount at the end of 2020 was 58.

The following is an overview of Dexterra’s Energy Services assets as at December 31, 2020:

Relocatable structures	739
Other equipment *	119
Rental mats	35,440
Mats managed for customers	100,000
Semi-trucks & trailers	56
Loaders & Excavators	41
Manufacturing facilities	
Mat manufacturing plant, Grande Prairie, Alberta	10,376 sq ft

\* Other equipment includes wellsites, light towers, containers, fuel tanks and rig mats.

The WAFES segment operates in a market that is highly competitive in every geography and segment of the industry.

Workforce accommodation contracts are often awarded through a tendering process, whereby a client company specifies the camp equipment and operational services it requires for a given camp and has workforce accommodation companies bid to supply some or all of such camp equipment and services. Some workforce accommodation companies operate primarily in either the equipment or operational services segment. Conversely, some are fully integrated and operate in both segments, providing full-service turnkey workforce accommodation solutions for customers who request them. As well, Dexterra faces competitive pressure from its customers, who will choose to self-supply if it makes economic sense to do so. While larger customers tend not to self-supply operational services, this is more common for smaller camp customers, for whom servicing is less of a significant undertaking. Customers of Dexterra's Workforce Accommodation business tend to be large, sophisticated companies and government agencies, which are able to exercise significant countervailing power when negotiating contracts with workforce accommodation providers, including through the use of competitive procurement processes.

A key strength of Dexterra is a national footprint active in all the major resource development regions. Dexterra continues to build relationships with key vendors and partners and invests in strategically relevant Indigenous partnerships that position the business well for upcoming projects.

Within the WAFES segment, during 2020, no customer contributed greater than 10% of revenue, compared to 2019 where two customers contributed greater than 10% of revenue.

### Modular Solutions

The Modular Solutions business consists of the design, manufacturing, transportation and installation of residential, retail and commercial modular buildings. Dexterra designs and manufactures the modular units in three facilities, located in Kamloops, British Columbia, Calgary, Alberta and Grimsby, Ontario. A new facility to further expand production capacity in Southern Ontario is planned for 2021, with an estimated capital cost of \$7 to \$8 million and annual production capacity exceeding \$100 million.

Dexterra through its delivery brand NRB Modular Solutions is a Canadian market leader in modular manufacturing particularly in the rapid affordable housing segment and school portables. The Corporation continues to forge inroads into the commercial and multi-unit residential markets traditionally dominated by stick-built construction methodologies. Modular provides improved speed and certainty of construction timelines, as well as quality and waste reduction benefits. As modular manufacturing and construction gains acceptance and market share in the North American construction industry, it is attracting new entrants to the business that will compete with NRB Modular Solutions. Within the Modular Solutions segment, during 2020, two customers contributed greater than 10% of the revenue.

The Modular Solutions segment employed an average workforce of 526 people in 2020. The headcount at the end of 2020 was 682.

The following is an overview of Dexterra's Modular Solutions assets as at December 31, 2020:

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Manufacturing facilities	
Kamloops, British Columbia	73,870 sq ft
Rocky View, Alberta	87,000 sq ft
Grimsby, Ontario	46,792 sq ft

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**Dovercourt Road Supportive Housing, Toronto, Ontario**  
*(Photo credit: City of Toronto)*



**Ryder Affordable Housing, Hope, British Columbia**

### Environmental, Social and Governance Activities

Dexterra fully recognizes the importance of sustainability initiatives including Environmental, Social, and Governance (ESG) activities in developing and strengthening our organization. Dexterra is committed to upholding the key principles of sustainable management, namely, inclusivity, integrity, stewardship, and transparency. Our Board is ultimately responsible for establishing our overall approach to ESG and our leaders are accountable for delivering against this commitment.

The Board's oversight of Dexterra's business activities ensures not just legal and regulatory compliance but also responsible, sustainable, and ethical decision making. Through its conduct Dexterra seeks fair dealing with securityholders, clients, suppliers, competitors, and employees. Assessment of the organization's overall performance extends beyond just financial measures to include performance indicators on health and safety and the retention of key personnel.

The strength of Dexterra's business is our people; their engagement, initiative, and integrity are crucial to Dexterra's success. Through good governance, effective management processes, and our values-based culture we continue to build a high-performance organization. Dexterra's integrated approach to Health, Safety, Environment, and Quality (HSEQ) embeds process thinking and continuous improvement into our integrated management system. Please see HSEQ section below for further details on our approach. Dexterra is investing in the resources and programming to attract, retain and develop high-quality talent while working to cultivate a culture of positive engagement and performance. Please see Employees section below for further description of our people activities.

Dexterra's engagement with environmental initiatives extends not only to the immediate impact of our organization but also enabling its clients to meet their environmental performance objectives. Working collaboratively with clients and suppliers we strive to be best in class at reducing waste; managing use of water, energy, and raw materials; and protecting biodiversity wherever Dexterra operates. Dexterra's business units undertake significant waste diversion activities every year including construction waste reduction initiatives in the modular building business, food waste reduction programs at its remote lodges, and waste diversion initiatives on-behalf of Dexterra's clients as part of its sustainable facilities management solutions. Dexterra supports the implementation of technologies and tools that improve the management of energy and water in its client's facilities and enable low-carbon operations.

Dexterra plays a vital role in communities and economies across Canada and it is committed to contributing positively to the places in which we live and work. In alignment with Dexterra's values, building transparent, lasting, and mutually beneficial relationships is important to the success of Dexterra's business. From an emphasis on local hiring to participation in business associations to charitable support, we understand that our activities and engagement can lead to outcomes that both benefit the business and strengthen communities.

Throughout 2020 we continued to partner with not-for-profit organizations across Canada, engage with local projects and initiatives, participate on boards, sourcing local talent and prioritize local businesses in our procurement strategy.

Dexterra recognizes the critical role that Indigenous communities and Indigenous people play in our country's prosperity. In the course of Dexterra's work it engages with more than 100 Indigenous communities across Canada and maintain more than 50 indigenous business partnerships that aim to provide economic benefits, local employment, and opportunities for Indigenous businesses and suppliers. 2020 marked the 21<sup>st</sup> year of Dexterra's Outland Youth Employment Program (OYEP). This award-winning program has worked to level the playing field by focusing on equity and opportunity to help develop our Indigenous leaders of tomorrow.

The commitment by Dexterra toward community engagement & indigenous relations is demonstrated in the policies, programs, and resources in place. This includes a corporate Indigenous Policy and Guiding Principles and a dedicated indigenous and community relations team lead by a Vice President, Community and Indigenous Relations who reports directly to the Chief Operating Officer of Dexterra.

More information on Dexterra's ESG activities can be found in the 2020 ESG report, available at the Corporation's website (dexterra.com).



**Amy Anguti – Baker/Cook**  
**Hope Bay Project, Northwest Territories**



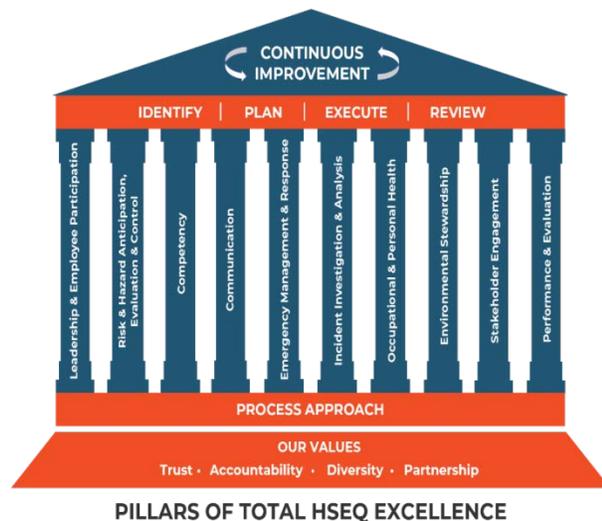
**National Aboriginal Day – Jansen Lodge, Saskatchewan**

### Health, Safety, Environment and Quality

At Dexterra, effective and efficient health, safety, environment, and quality (HSEQ) management are of prime importance to its business processes. The Corporation has established a culture that integrates HSEQ to deliver market leading performance and is committed to continuous improvement in these areas.

Through established HSEQ processes, Dexterra meets, complies and where appropriate, exceeds all applicable regulatory requirements and conforms to other standards as identified. All employees, from the most senior executive to the dedicated frontline service professionals on site, remain committed to:

- Preventing work-related physical and psychosocial injuries and illnesses;



- Providing safe and healthy workplaces;
- Eliminating hazards and reducing occupational risks for our employees, visitors, and clients as appropriate;
- Protecting the natural environment by reducing waste, energy use and preventing pollution using innovation and process improvements; and
- Striving to provide service excellence to our clients through effective quality assurance and control processes.

Dexterra's HSEQ culture extends to external stakeholder groups as members of the organization participate on several committees and advisory groups to help influence health, safety, environmental performance in the applicable industries.

Dexterra's HSEQ Management System engages all levels of leadership to ensure accuracy, relevance, compliance, and conformance to our requirements. The system meets, and often exceeds, stringent legislative requirements and other industry standards. In 2020, Dexterra successfully maintained our ISO 14001, ISO 45001, and ISO 9001 certifications, COR Certifications in multiple provinces, and became SAFE certified.

Dexterra employs an Executive Vice President, HSEQ, who works closely with all the operating businesses of Dexterra and reports directly to Dexterra's Chief Executive Officer.

### Competitive Conditions

As was outlined above, the industries and businesses in which Dexterra operates are highly competitive and in order to be successful, Dexterra must provide services that meet the specific needs of its clients at competitive prices.

The principal competitive factors in the markets in which Dexterra operates are service quality and availability, reliability and performance of equipment, technical knowledge and experience and reputation for safety and value. Competitors offer similar services in all geographic regions in which Dexterra operates. For further information related to competitive conditions see Appendix "A" - *"Risk Factors- The industries in which Dexterra operates are highly competitive"*.

### Employees

As at December 31, 2020, Dexterra had 6,063 employees.

Dexterra's employees represent diversity of culture, ethnicity and age demographic.

Diversity is one of the core values that drives Dexterra's business. Through diversity and inclusion, Dexterra is creating a work culture that inspires employees to embrace initiative and drive innovation. Dexterra is certified and will remain committed to Employment Equity under the Federal Contractors Program.

In addition to the value of Diversity, Dexterra's new values include Accountability, Trust and Partnership. These were introduced following feedback from employees. Dexterra's leaders have been equipped to demonstrate and support behaviours aligned with its core values.

Dexterra recognizes that the quality of its people is critical to its success. The quality of Dexterra's people, their engagement and focus are significant factors in Dexterra's performance. Dexterra invests in resources and programming to attract, retain, and develop high-quality talent across the company and at all levels. Dexterra works to cultivate a culture of positive engagement and performance. Dexterra is powered by passionate people.

As part of community engagement, Dexterra is committed to supporting programs such as its award-winning OYEP program for indigenous students and in our support of our Canadian Armed Forces Veterans.

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## Risk Factors

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Dexterra has identified certain risks and uncertainties to which our business, operations and financial conditions are subject, which are described in Appendix “A” attached hereto and under Note 22 of our audited financial statements in our Annual Report. Additional risks and uncertainties not known to Dexterra or that Dexterra currently believes are not reasonably likely to materially affect it may also impair the business, results of operations and financial condition.

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## Description of Capital Structure

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### Dexterra Shares

Dexterra is authorized to issue an unlimited number of Dexterra Shares without nominal or par value. As at December 31, 2020, a total of 64,869,417 Dexterra Shares were issued and outstanding as fully paid and non-assessable. In addition, 990,000 Dexterra Shares were reserved for issuance pursuant to options to purchase Dexterra Shares as at December 31, 2020.

Holders of Dexterra Shares are entitled to receive notice of, to attend and to one vote per share at shareholder meetings of Dexterra, to receive dividends if, as and when declared by the Board and to receive *pro rata* the remaining property and assets of Dexterra upon its dissolution, liquidation or winding-up, subject to the rights of shares having priority over the Dexterra Shares.

### Preferred Shares

Dexterra is authorized to issue an unlimited number of preferred shares (“**Preferred Shares**”), issuable in series, of which, as at the date hereof, none are issued and outstanding. The Preferred Shares are issuable from time to time in one or more series and will have such rights, restrictions, conditions and limitations as the Board may from time to time determine. The Preferred Shares shall rank senior to the Dexterra Shares and the shares of any other class ranking junior to the Preferred Shares with respect to the payment of dividends or distribution of assets or return of capital of Dexterra in the event of a dissolution, liquidation or winding-up of Dexterra.

### Investor Rights Agreement

In connection with the Transaction, the Corporation and an affiliate of Fairfax entered into an investor rights agreement (the “**Investor Rights Agreement**”) related to certain matters of Dexterra, including governance matters related to the election of the Board, transfers of the Dexterra Shares acquired by Fairfax and certain participation rights for Fairfax in future securities offerings.

#### *Governance*

Pursuant to the terms of and subject to the conditions set forth in the Investor Rights Agreement, in respect of any director election meeting that Fairfax, in the aggregate, owns, controls or directs, directly or indirectly, at least 40% of the outstanding Dexterra Shares (on a non-diluted basis) it shall be entitled to designate 50% of the persons nominated for election of Dexterra rounded up to the nearest whole number and that Dexterra shall recommend shareholders vote to elect such nominees. As Fairfax’s ownership drops below 40%, 30%, and 20% but not less than 10% of the outstanding Dexterra Shares, the number of nominees Fairfax is entitled to propose decreases. As long as Fairfax, has the right to designate at least one (1) nominee, a quorum for any meeting of the Board will require a Fairfax nominee be present.

Further, the Investor Rights Agreement required the Corporation to take necessary steps to appoint Bill McFarland (a Fairfax nominee) as Chairman of the Board and entitled Fairfax to appoint one nominee to each committee of the Board, as long as Fairfax owns, controls or directs, directly or indirectly, at least 20% of the outstanding

Dexterra Shares (on a non-diluted basis). Pursuant to the Amended and Restated By-laws, the Chairman has a casting vote in the event of an equality of votes on any matters to be decided by the Board. Additionally, the Investor Rights Agreement provides that for as long as Fairfax, in the aggregate, owns, controls or directs, directly or indirectly, (at least 10% of the outstanding Dexterra Shares (on a non-diluted basis) the Board will at all times consist of eight directors or such other number as Dexterra and Fairfax may agree.

On March 10, 2021, the Dexterra and Fairfax agreed that the Board would consist of seven (7) directors and that Dexterra would not replace Rod Graham, who it was previously announced would not be standing for re-election to the Board. The Board expects to fill the vacant position over time.

*Additional Rights and Restrictions regarding the Dexterra Securities*

The terms of the Investor Rights Agreement restricts Fairfax from selling the Dexterra Shares it acquired in the Transaction for 24 months (being the end of May 2022) (the “**Lock-up Period**”) and provides Fairfax with pre-emptive, demand distribution and piggy back rights related to the Dexterra Shares.

As long as Fairfax continues to own 10% of the Dexterra Shares (on a non-diluted basis), Fairfax has a pre-emptive right to participate in future issuances of Dexterra Shares (or other voting or equity securities or options to purchase same) by Dexterra, subject to certain exceptions such as the grant of stock options, in order to maintain their pro rata ownership interest.

Additionally, after the Lock-up Period, as long as Fairfax continues to own 10% of the Dexterra Shares (on a non-diluted basis), Fairfax has the right to (i) require Dexterra to qualify for distribution, issuance or sale the Dexterra Shares Fairfax holds to the public for cash by means of a prospectus and (ii) receive notice of any proposed distribution by Dexterra and be offered the opportunity to qualify for distribution such number of Dexterra Shares it owns as it requests.

The Investor Rights Agreement will continue until: (a) the first date on which Fairfax no longer owns, controls or directs, directly or indirectly, any outstanding Dexterra Shares or securities or rights convertible into or exchangeable for or carrying rights to acquire Dexterra Shares; (b) the Investor Rights Agreement is terminated by written agreement of the parties thereto; or (c) the dissolution or liquidation of the Corporation.

The above is a summary only of the Investor Rights Agreement and further details are provided in the Investor Rights Agreement. A copy of the Investor Rights Agreement can be found under the Corporation's profile on SEDAR at [sedar.com](http://sedar.com).

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## Dividends and Distributions

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The following is a summary of quarterly dividends declared for each of the three most recently completed financial years of the Corporation:

Date declared	Rate per Dexterra Share <sup>(1)</sup>	Record date
March 13, 2018	\$0.02	March 31, 2018
May 5, 2018	\$0.02	June 30, 2018
August 2, 2018	\$0.02	September 30, 2018
October 31, 2018	\$0.02	December 31, 2018
March 12, 2019	\$0.02	March 31, 2019
May 3, 2019	\$0.02	June 30, 2019
August 1, 2019	\$0.02	September 30, 2019
November 4, 2019	\$0.02	December 31, 2019
August 11, 2020	\$0.075	September 30, 2020
November 10, 2020	\$0.075	December 31, 2020

(1) On July 13, 2020, the Corporation completed a five (5) for one (1) Share Consolidation of the Dexterra Shares. For period the March 13, 2018 through to and including November 4, 2019 the \$0.02 per share dividend declared was prior to the five (5) for one (1) Share Consolidation.

Dexterra's dividends are considered eligible dividends for Canadian tax purposes.

The declaration and payment of dividends are at the sole discretion of our Board. In connection with declaring dividends, the Board regularly monitors the strength of the balance sheet, cash from operations and capital requirements to ensure the overall sustainability of Dexterra is not compromised. On March 11, 2020, the Board determined to pause the Corporation's dividend in order to improve financial flexibility and exercise fiscal prudence. On August 11, 2020, after considering a variety factors, including the impact of the Transaction on Dexterra and COVID 19, the Board evaluated the Corporation's dividend policy and its cash and debt position and approved the reinstatement of quarterly cash dividends with an initial amount of \$0.075 per Dexterra Share. The amount of future cash dividends, if any, will be subject to the discretion of the Board and may vary depending on a variety of factors and conditions (see also the Risk Factors in Appendix "A").

The Credit Facility contains provisions that could potentially limit the declaration of dividends if (i) the interest coverage ratio is less than 2.50:1.00 (ii) total net debt to trailing twelve months EBITDA ratio is greater than 3.50:1.00 prior to March 31, 2021 (or for the following 2 quarters after any permitted acquisition (as defined in the Credit Facility) has occurred) or 3.00:1.00 thereafter, and (iii) an event of default exists or would exist as a result of such dividend payment. As at December 31, 2021, the interest coverage ratio is 13 to 1 and the total net debt to trailing twelve months EBITDA ratio is 1.03 to 1.

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## Market for Securities

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### Trading Price and Volume of Dexterra Shares

The following table sets forth the monthly high, low and closing trading prices and the aggregate volume traded for the Dexterra Shares on the TSX to December 31, 2020, as reported by sources Dexterra believes to be reliable for the periods indicated:

Period <sup>(1)(2)</sup>	\$ High	\$ Low	\$ Close	Volume Traded
<b>2020 (pre-consolidation)</b>				
January	1.25	1.01	1.02	3,360,803
February	1.05	0.76	0.81	2,325,562
March	0.92	0.25	0.28	8,219,754
April	0.50	0.26	0.46	7,287,248
May	0.69	0.42	0.61	7,096,650
June	0.75	0.54	0.61	9,474,484
July 1 – 15	0.74	0.60	0.72	1,958,950
<b>2020 (post-consolidation)</b>				
July 16 – 31	3.83	3.50	3.51	361,473
August	5.49	3.32	5.07	1,732,320
September	5.38	4.80	5.10	1,439,674
October	5.30	4.71	4.79	1,389,735
November	6.39	4.76	5.95	1,111,479
December	6.55	5.34	6.49	1,053,389

(1) The monthly high, low and closing trading prices, as well as the volumes traded for the period January 1 through to and including July 15, 2020 are prior to the five (5) for one (1) Share Consolidation.

(2) The monthly high, low and closing trading prices, as well as the volumes traded for the balance of the chart are post-Share Consolidation.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTURAL RESTRICTION ON TRANSFER

To the Corporation's knowledge, none of the securities of the Corporation are held in escrow or are subject to a contractual restriction on transfer as at the date hereof, other than the Dexterra Shares acquired by Fairfax in connection with the Transaction as set forth in the table below. See also description under the heading "Description of Capital Structure – Investor Rights Agreement".

	Number of Shares Subject to Contractual Restriction on Transfer <sup>(1)</sup>	Percentage of Class
Common Shares	31,785,993	49%

(1) Pursuant to the Investor Rights Agreement signed contemporaneously with the completion of the Transaction, Fairfax agreed that such shares could not be sold to a third party prior to May 29, 2022.

## Directors and Executive Officers

The following tables sets forth the name, place of residence, date first elected as a director or appointed as an executive officer of Dexterra and positions for each of the directors and executive officers of Dexterra, together with their principal occupations during the last five years. The directors of Dexterra shall hold office until the next annual meeting of shareholders of the Corporation or until their respective successors have been duly elected or appointed.

### Directors

Name, Municipality, Province and Country of Residence	Position Presently Held	Director/ Officer Since	Principal Occupation During the Preceding 5 Years
Mary Garden <sup>(1)(2)</sup> Victoria British Columbia, Canada	Director	May 5, 2016	Ms. Garden has been a director of Dexterra since May 2016. Ms. Garden has over 30 years of executive leadership experience in business including commercial real estate, multi-family residential real estate, seniors housing, institutional investment, and hospitality. Over the course of her career, Ms. Garden has worked in executive level positions with BCI, PwC, Delta Hotels, PKF, Holiday Inn, Radisson Hotels, Pan Capital and Keg Restaurants. From 2008 to 2015, Ms. Garden led investment teams at the British Columbia Investment Management Corporation (BCI) managing Canadian and international multi-billion-dollar, private equity real estate portfolios for institutional pension plan clients. Ms. Garden has served on the boards of Bentall Kennedy, Parkbridge Lifestyle Communities, Delta Hotels, SilverBirch Hotels & Resorts and Habitat for Humanity Canada. Ms. Garden currently chairs the University of Victoria Foundation board and is actively engaged with numerous non-profit organizations in her community. Ms. Garden is the principal at Mary Garden & Associates, an advisory firm working with select global clients, government and C-Suite leaders in strategic consulting, executive coaching, mentoring and workplace well-being. Ms. Garden has a BA and MBA from the University of British Columbia and holds the ICD.D designation.
Rod Graham Calgary, Alberta, Canada	Director	November 4, 2014	Mr. Graham previously served as the Co-Chief Executive Officer and President, Modular Solutions of Dexterra from May 29, 2020 to August 18, 2020. Prior thereto, Mr. Graham was President and Chief Executive Officer of the Corporation beginning November 4, 2014 and was the Senior Vice President Corporate Development and Planning of the Corporation from January 21, 2014 to November 4, 2014. Prior thereto, Mr. Graham served as a director of the Corporation since January 2007 and Chair of the Board of the Corporation from May 3, 2012 to January 21, 2014. Mr. Graham was the President and Chief Executive Officer of ZCL Composites Inc. from October 1, 2010 to August 7, 2012. Prior to his role at ZCL, Mr. Graham co-founded and acted as Managing Director of Northern Plains Capital Corporation from September 2005 to September 2010.

<b>Name, Municipality, Province and Country of Residence</b>	<b>Position Presently Held</b>	<b>Director/ Officer Since</b>	<b>Principal Occupation During the Preceding 5 Years</b>
David Johnston <sup>(2)(3)</sup>	Director	May 29, 2020	The Right Honourable David Johnston, C.C. has been a director of Dexterra since May 29, 2020. Mr. Johnston has held several distinguished management and leadership positions in academia and government, including acting as the 28th Governor General of Canada from 2010 to 2017. In 2018, Mr. Johnston was appointed Colonel to the Royal Canadian Regiment. Prior to his installation as governor general, Mr. Johnston was a professor of law for 45 years and served as president and vice-chancellor of the University of Waterloo for two terms and principal and vice-chancellor of McGill University for 15 years. Mr. Johnston has also served on numerous provincial and federal task forces and committees, acted as president of the Association of Universities and Colleges of Canada (now Universities Canada) and of the Conférence des recteurs et des principaux des universités du Québec. Mr. Johnston is a member of the Order of Canada and was promoted to companion, the Order's highest level, in 1997. Mr. Johnston was also the first non-U.S. citizen to be elected chair of Harvard University's board of overseers. Mr. Johnston holds degrees from Harvard, Cambridge and Queens and has received more than three dozen honorary degrees or fellowships.
Simon Landy <sup>(1)(3)</sup>	Director	May 29, 2020	Mr. Landy has been a director of Dexterra since May 29, 2020. Mr. Landy co-founded the Outland Group in 1985, a major remote camp provider to government and industry in Canada's north. Outland Group remains one of the largest reforestation companies in Canada as part of Dexterra with well over one billion trees planted during the past 35 years. Mr. Landy led Outland Group's successful partnerships with First Nations communities across Canada in both business and education. Mr. Landy served as a director of Tangmaarvik Inland Camps Inc. and 9198-4468 Quebec Inc. (2016 to 2018) and was managing director of a partnership with the Fédération des coopératives du Nouveau-Québec in Quebec's Nunavik region. After a long career with Outland, Mr. Landy retired from the company and joined the DIFM board of directors in 2018. Mr. Landy holds a Bachelor of Science, Honours, from McGill University and graduated from the University of Toronto as a medical doctor in 1986.
John MacCuish	Chief Executive Officer, President Facilities Management, Director	May 29, 2020	Mr. MacCuish is the Chief Executive Officer and President, Facilities Management of Dexterra and was appointed to the Board of Directors of Dexterra on May 29, 2020. Mr. MacCuish was the CEO of DIFM since 2018. Mr. MacCuish was formerly a director and officer of Carillion Canada from 2011 to March 2018. Prior to joining Carillion Canada, Mr. MacCuish held executive roles with Compass Group Canada and Sodexo Canada. Mr. MacCuish has over 30 years of experience in outsourced support services management including providing facility and food services to clients in various sectors including defense, aviation, healthcare, education, natural resources and industry. He is a leader in providing custom solutions for infrastructure and solutions for organizations. Mr. MacCuish also serves as an officer and/or director of various Dexterra subsidiaries.
R. William McFarland <sup>(1)(2)</sup>	Chair of the Board, Director	May 29, 2020	Mr. McFarland is the Chair of the Board of Dexterra and was appointed to the Board of Directors of Dexterra on May 29, 2020. Mr. McFarland is also a member of the Board, Lead Director and Chair of the Audit Committee of Fairfax Financial Holdings Limited and a director and Chair of the Board Farmers Edge Inc. Mr. McFarland brings significant financial and management experience to Dexterra. Mr. McFarland was formerly the Chief Executive Officer of PricewaterhouseCoopers Canada (2011 to June 2018). Prior to that, Mr. McFarland was a member of the executive team at PricewaterhouseCoopers Canada from 2005 to 2011 and led the Greater Toronto Area audit practice from 2002 to 2005. Mr. McFarland is a Chartered Professional Accountant and a fellow of the Chartered Professional Accountants of Ontario. Mr. McFarland is also chair of the board of directors of The Conference Board of Canada and a director and chairman of AGT Food & Ingredients Inc.

Name, Municipality, Province and Country of Residence	Position Presently Held	Director/ Officer Since	Principal Occupation During the Preceding 5 Years
Kevin Nabholz <sup>(2)(3)</sup> Calgary, Alberta, Canada	Director	May 3, 2012	Mr. Nabholz is an independent businessman. Mr. Nabholz was the Chair of the Board of Dexterra from March 2017 until May 2020 and a director of Dexterra since May 2012. Mr. Nabholz has over 30 years of experience in the oil sands industry. Mr. Nabholz retired as Executive Vice President, Major Projects at Suncor Energy Inc. ("Suncor") on March 1, 2012, having been at Suncor for 25 years. Mr. Nabholz was involved in all facets of the business at Suncor, including Operations, Maintenance and Projects and in his latest role led the execution of over \$30 billion of major projects. Mr. Nabholz has served on a number of private company boards, as well as not-for-profit entities including the Northern Alberta Institute of Technology, Construction Owners Association of Alberta, Keyano College Foundation, the United Way of Fort McMurray and several others.
Russell Newmark <sup>(1)(3)</sup> Inuvik, Northwest Territories, Canada	Director	June 1, 2006	Mr. Newmark has been a director of Dexterra since June 2006. Mr. Newmark has extensive and diverse business knowledge and experience throughout northern Canada and has been Chief Executive Officer of E. Gruben's Transport Ltd. since 1990, a successful contracting firm based in the Northwest Territories. Since 1976, he has been recognized as a leader within the Mackenzie Delta and Beaufort Sea regions and has served on numerous corporate and government boards including the Inuvialuit Development Corporation, Norterra Inc. and the GNWT Business Loan Fund Board.

(1) Member of the Audit Committee.

(2) Member of the Enterprise Risk Management Committee.

(3) Member of the Corporate Governance and Compensation Committee.

## Executive Officers

Name, Municipality, Province and Country of Residence	Position Presently Held	Executive Officer Since	Principal Occupation During the Preceding 5 Years
Mark Becker Calgary, Alberta, Canada	Chief Operating Officer, President WAFES	August 18, 2020	Mr. Becker joined the Corporation on August 22, 2018 as President Industrial Services and was appointed Chief Operating Officer on August 18, 2020. Prior to joining the Dexterra, Mr. Becker held executive positions with Husky Energy as Executive Advisor, Atlantic Offshore Development from February to August 2018, as well as Suncor Energy in operations, major projects, and corporate strategy from July 2000 to November 2017. Mr. Becker holds a Master of Business Administration from the University of Alberta, a Bachelor of Science in Mechanical Engineering from the University of Saskatchewan, as well as his Institute of Corporate Directors designation (ICD.D) through the Rotman School of Business, University of Toronto.
Jan Campbell Calgary, Alberta, Canada	Corporate Secretary	June 1, 2006	Ms. Campbell has been the Corporate Secretary of Dexterra since June 2006. Ms. Campbell is a Fellow of the Chartered Institute of Secretaries.
Christos Gazeas Toronto, Ontario, Canada	Executive Vice President Legal and General Counsel	December 31, 2020	Mr. Gazeas joined Dexterra at the end of 2020 as Executive Vice President Legal and General Counsel. Prior to joining Dexterra, Mr. Gazeas held a senior counsel position with Fairfax leading M&A negotiations around the globe from February 2015 to December 2020. Prior to that Mr. Gazeas was previously in private practice at the law firms Stikeman Elliott LLP and Lang Michener LLP in Toronto. Mr. Gazeas was called to the Bar of the Law Society of Upper Canada and holds a Bachelor of Social Science, Master of Criminology and Bachelor of Laws from the University of Ottawa.
Drew Knight Toronto, Ontario, Canada	Chief Financial Officer	July 2, 2020	Prior to joining Dexterra, Mr. Knight was the Chief Financial Officer of Pangeo International Corporation, a global auto-parts manufacturers from September 2019 until June 2020. Prior thereto, Mr. Knight served as the CFO of Exco Technologies Limited from May 2015 until August 2019. Mr. Knight has a degree from the University of Toronto and articulated with Deloitte & Touche LLP in Toronto, Ontario, obtaining his CPA (CA) designation in 1996.

Name, Municipality, Province and Country of Residence	Position Presently Held	Executive Officer Since	Principal Occupation During the Preceding 5 Years
Lee-Anne Lyon-Bartley Toronto, Ontario, Canada	Executive Vice President Health, Safety, Environment and Quality	May 29, 2020	Ms. Lyon-Bartley has been the Executive Vice President Health Safety, Environment and Quality since May 29, 2020. She joined the Corporation from DIFM where she was Vice President of Health and Safety at DIFM from August 2018 and became Executive Vice President Health Safety, Environment and Quality of DIFM on April 2020. Prior to that, she led the team of health and safety professionals at the Region of Peel from September 2017 to July 2018 and from 2013 was Manager of Integrated Management Systems for the Services Division at Carillion Canada which included supporting operations with Health, Safety, Sustainability and Quality. Ms. Lyon-Bartley has a BSc in Occupational and Public Health from Ryerson University and has been a Canada Registered Safety Professional since 2009 and a Certified Professional in Food Safety since 2004. In addition to this, she holds an International General Certificate with the National Examination Board in Occupational Safety and Health and is certified with the Institute of Environmental Management and Assessment.
Roderick (JD) MacCuish Toronto, Ontario, Canada	Executive Vice President Strategy and Corporate Planning	May 29, 2020	Mr. MacCuish has been the Executive Vice President of Strategy and Corporate Planning since May 29, 2020 and previously was the Vice President of Strategic Growth for DIFM starting in March 2018. Prior to this Mr. MacCuish was the director of Strategic Growth for Carillion Canada from October 2016 to March 2018 and the Director of Strategic Growth for the Boucher Group from January 2015 to October 2016. Mr. MacCuish holds a Masters of Management of Innovation from the University of Toronto, Bachelors of Science in Biochemistry from McGill University, and has a Strategic Planning Professional (SPP) designation from the Association for Strategic Planning.
Cindy McArthur Toronto, Ontario, Canada	Chief Human Resources Officer	May 29, 2020	Ms. McArthur joined DIFM in June 2018 as Executive Vice President Human Resources and was appointed Chief Human Resources Officer with Dexterra on May 29, 2020. Prior to joining Dexterra, Ms. McArthur held senior Human Resources roles with Compass Group Canada from December 2017 to May 2018 and Carillion Canada from 2014 to December 2017, as well as in Healthcare with Hamilton Health Sciences from August 2001 to September 2011. Ms. McArthur holds a Bachelor of Commerce Degree from the University of Guelph and is a graduate of the Advanced Program in Human Resources Management from the Rotman School of Business, University of Toronto. Ms. McArthur is a Certified Human Resources Executive with the Human Resources Professional Association.
Dawn Nigro Toronto, Ontario, Canada	President, NRB Modular Solutions	December 16, 2020	Prior to joining Dexterra in December, 2020, Ms. Nigro was an Executive Vice President with WSP Canada, a global engineering consulting services firm, which she joined in August, 2018. From December 2015 to August 2018, Ms. Nigro served as President, Drainage Solutions, at Armtec, an infrastructure solutions provider. Ms. Nigro holds a Bachelor of Applied Science in Chemical Engineering from the University of Waterloo.

As at March 10, 2021, the current directors and executive officers of Dexterra, as a group, beneficially own, direct or control, directly and indirectly, an aggregate of 1,034,553 Dexterra Shares, representing approximately 1.59% of the outstanding Dexterra Shares.

### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

John MacCuish was an officer of Carillion Canada, which was subject to global insolvency proceedings of U.K. based parent corporation, Carillion plc. (the “**CCAA Proceedings**”) in January 2018. Simon Landy was the President and a director of Outland Group, which formed part of Carillion Canada and was subject to the CCAA Proceedings.

### Conflicts of Interest

Circumstances may arise where members of the Board are directors or officers of corporations which are in competition or in conflict to the interests of Dexterra. Pursuant to the ABCA, a director or officer of Dexterra who

is a party to a material contract or proposed material contract with Dexterra or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or proposed material contract with Dexterra, is required to disclose the nature and extent of his or her interest and, unless otherwise permitted under the ABCA, a director shall not vote on any resolution to approve the material contract. To the best of their knowledge, the directors and officers of Dexterra are not aware of any existing or potential material conflicts of interest between Dexterra or a subsidiary of Dexterra and a director or officer of Dexterra or of a subsidiary of Dexterra.

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## Audit Committee Information

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### Audit Committee Charter

The Audit Committee of Dexterra (“**Audit Committee**”) is responsible for reviewing Dexterra’s financial reporting procedures, internal controls and the performance of the external auditors. The Audit Committee Charter of Dexterra is set forth as Appendix “B” of this Annual Information Form.

### Composition of the Audit Committee

The current members of the Audit Committee are Mary Garden (Chair), Simon Landy, R. William McFarland and Russell Newmark. The Audit Committee is a standing committee appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to the financial reporting by Dexterra. Each member of the Audit Committee is independent as defined under National Instrument 52-110-*Audit Committees* (“**NI 52-110**”) and none received any compensation, directly or indirectly, from Dexterra other than for services as a member of the Board and its committees, as applicable. All members of the Audit Committee are financially literate as defined in NI 52-110, and a description of their relevant education and experience is available under the heading “Directors and Executive Officers” above.

### Pre-Approval of Policies and Procedures

The Audit Committee has delegated to the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority), the authority to act on behalf of the Audit Committee between meetings of the Audit Committee with respect to the approval of audit and permitted non-audited services provided by PricewaterhouseCoopers LLP Chartered Professional Accountants (“**PwC**”). The Audit Committee is required to be notified of any approved services other than audit, audit related and tax. The Chair reports on any such approved services at the next meeting of the Audit Committee.

### Auditor Service Fees

Effective June 1, 2020 following completion of the Transaction, the Board appointed PwC as Dexterra’s auditor for the 2020 fiscal year following the requested resignation of Dexterra’s previous auditor, KPMG LLP (“**KPMG**”). At Dexterra’s shareholder meeting held on July 10, 2020, shareholders approved an ordinary resolution to appoint the firm of PwC, of Toronto, Ontario, to serve as auditor of Dexterra until the next annual meeting of Dexterra’s shareholders and to authorize the Board to fix their remuneration.

The following table provides information about fees paid to KPMG and its affiliates for professional services rendered by KPMG, Dexterra’s prior external auditor for the financial period January 1, 2020 to and including May 29, 2020 and the financial year ended December 31, 2019.

<b>Type of service provided by KPMG LLP</b>	<b>Period Ended May 29, 2020</b>	<b>Year ended December 31, 2019</b>
Audit fees (including quarterly reviews)	\$32,500	\$429,500
Audit-related fees	17,167	Nil
Tax Fees	Nil	Nil
All other fees	Nil	80,000
<b>Total</b>	<b>\$49,667</b>	<b>\$509,500</b>

The following table also provides information about fees paid to PwC and its affiliates for professional services

<b>Type of service provided by PwC</b>	<b>Year ended December 31, 2020</b>	<b>Year ended December 31, 2019</b>
Audit fees (including quarterly reviews)	\$485,000	Nil
Audit-related fees	95,000	Nil
Tax Fees	34,500	Nil
All other fees	Nil	Nil
<b>Total</b>	<b>\$614,500</b>	<b>Nil</b>

rendered by PwC, Dexterra's current external auditor for the periods indicated.

#### *Audit Fees*

Audit fees were paid to PwC and KPMG for professional services rendered for the audits of the Corporation's consolidated financial statements and the effectiveness of internal control over financial reporting of the Corporation and statutory and subsidiary audits, issuance of comfort letters, consents and assistance with review of documents filed with regulatory authorities.

#### *Audit-Related Fees*

Audit-related fees were paid to PwC and KPMG in connection with the Transaction related to the preparation of pro-forma financial statements and accounting consultations, and, in respect of PwC, to opening balance sheet and purchase price allocations related to the Transaction.

#### *Tax Fees*

Tax fees were paid to PwC for services related to tax compliance, tax advice and tax planning professional services. These services consisted primarily of tax compliance including the review of original and amended tax returns, assistance with questions regarding tax audits and tax planning and advisory services regarding the amalgamation of certain entities related to strategic tax planning.

#### *All Other Fees*

Fees disclosed in the table above under the item "all other fees" were paid for services other than the audit fees, audit-related fees and tax fees described above. These services provided by KPMG consisted primarily of consulting services to optimize operational processes related to inventory management.

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## Legal Proceedings

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Dexterra and its subsidiaries are involved from time to time in various claims and litigation which arise in the normal course of business. Dexterra is not involved in, or to its knowledge, contemplated to be involved in, any legal proceedings that it believes might have a material adverse effect on its business or its results of operations.

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## Transfer Agent and Registrar

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AST Trust Company (Canada), through its principal offices in Calgary, Alberta and Toronto, Ontario, is the transfer agent and registrar of the Dexterra Shares.

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## Material Contracts

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The Corporation has not entered into any material contracts during the financial year ended December 31, 2020 or before that financial year that are still in effect other than contracts entered into in the ordinary course of business and the following, which are available on the Corporation's SEDAR profile located at [sedar.com](http://sedar.com)

1. Share Purchase Agreement dated March 9, 2020 among the Corporation, 9477179 Canada Inc. (a wholly-owned subsidiary of Fairfax) and DIFM which is described under *"General Development of the Business of Dexterra"*; and
  2. Investor Rights Agreement dated May 29, 2020 among the Corporation, 9477179 Canada Inc. and each additional affiliate of Fairfax who becomes, from time to time a holder of Dexterra Shares, which is described under *"Description of Capital Structure – Investor Rights Agreement"*.
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## Interests of Experts

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There is no person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by Dexterra during, or related to, its most recently completed financial year other than KPMG, Chartered Professional Accountants, the external auditor of Dexterra for the period January 1, 2020 through to and including May 31, 2020 and PwC the current external auditor of Dexterra beginning June 1, 2020.

PwC is the auditor of Dexterra and have confirmed that they are independent with respect to Dexterra within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

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## Additional Information

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Additional information concerning Dexterra is available through the internet on Dexterra's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") which may be accessed at [sedar.com](http://sedar.com).

Additional information, including information regarding Dexterra's directors' and named executive officers remuneration, information on principal holders of Dexterra Shares and securities authorized for issuance under equity compensation plans is contained in Dexterra's Management Information Circular prepared in connection with its most recent annual meeting of Dexterra's shareholders.

Additional financial information is provided in Dexterra's Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2020, which are contained in Dexterra's December 31, 2020 Annual Report. Copies of such documents may be obtained in the manner set forth above.

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## APPENDIX 'A'

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### Risk Factors

#### Dexterra may not be able to retain clients, renew existing contracts and obtain new business

Dexterra's success depends on its ability to retain its current clients, renew its existing client contracts and obtain new business on commercially favourable terms. Dexterra's ability to do so generally depends on a variety of factors, including the quality, price and responsiveness of its services, as well as its ability to market these services effectively and to differentiate itself from its competitors. The renewal of business often results in a decrease in the profitability of such business. There can be no assurance that Dexterra will be able to obtain new business, renew existing client contracts at the same or higher levels of pricing or that its current clients will not turn to competitors, cease operations, elect to self-operate or terminate contracts with Dexterra. In addition, consolidation by Dexterra's clients in the industries that Dexterra serves could result in loss of business if the combined entity chooses a different provider. The failure to renew a significant number of Dexterra's existing contracts would have a material adverse effect on its business and results of operations and the failure to obtain new business could have an adverse impact on its growth and financial results.

#### An outbreak of contagious disease could result in a disruption of Dexterra's business

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a Public Health Emergency of International Concern, and on March 11, 2020, characterized COVID-19 as a pandemic. A local, regional, national or international outbreak of a contagious disease, such as COVID-19 or other similar illnesses, could result in: a significant decline in economic activity in the regions where Dexterra conducts business, a decrease in individuals willing to travel, imposed mobility restrictions or other quarantine measures through government regulations, and business interruptions due to outbreaks or required quarantines in one or more of the facilities for which Dexterra provides services. An outbreak in one or more of the facilities at which Dexterra provides services may negatively impact Dexterra's ability to provide the services or its reputation and may, if uncontrolled, result in decreased revenues or temporary shortages of staff to the extent Dexterra's work force is impacted. The current COVID-19 pandemic is also causing financial hardship for many clients and potential clients of Dexterra. While the effects of this current outbreak are anticipated to be temporary, the duration and magnitude of potential business disruptions is currently unknown and may have a material adverse effect on the financial condition and financial results of Dexterra.

#### The industries in which Dexterra operates are highly competitive

The outsourced support services industry in which Dexterra operates is highly competitive. To be successful, Dexterra has to provide services that meet the specific needs of its clients at competitive prices. The principal competitive factors in the markets in which Dexterra operates are: service quality; availability, reliability and performance of equipment used to perform its services; technical knowledge and experience; safety records and ongoing safety programs; price and reputation. Dexterra competes with international and regional competitors, several of which are significantly larger than Dexterra. These competitors offer similar services in all of the geographic regions in which Dexterra operates. As a result of competition, Dexterra may be unable to continue to retain existing clients, to provide its services at historical operating margins or to acquire additional business opportunities, which could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

Reduced levels of activity in the sectors in which Dexterra's clients operate can intensify competition and result in lower revenue to Dexterra. Variations in the budgets of Dexterra's clients, including governments (for airports, defence facilities, hospitals, education, and other facilities), commercial and retail companies and real estate owners, will have an effect upon Dexterra's ability to generate revenue and earnings.

The demand, pricing and terms for Dexterra's Workforce accommodations, forestry and energy services products and services depend upon the level of industry activity for oil, natural gas and mineral exploration and

development in the western Canadian provinces and territories. Industry conditions are influenced by numerous factors over which Dexterra has no control, including: oil, natural gas and mineral prices; expectations about future oil, natural gas and mineral prices; the cost of exploring for, producing and delivering oil, natural gas and minerals; the expected rates of declining current production; the discovery rates of new oil, natural gas and mineral reserves; available pipeline and other oil and natural gas transportation capacity; demand for oil, natural gas and minerals; weather conditions; global political, military, regulatory and economic conditions; and the ability of oil, natural gas and mining companies to raise equity capital or debt financing for exploration and development work.

Current global economic events and uncertainty have the potential to significantly impact commodity pricing, changing the economic feasibility of industry development projects. No assurance can be given that expected trends in oil, natural gas and mineral production activities will continue or that demand for services provided by Dexterra will reflect the level of activity in the industry. Any prolonged substantial reduction in oil, natural gas, and mineral prices would likely affect activity levels in these industries and therefore affect the demand for the services provided by Dexterra.

Dexterra's pursuit of opportunities in permanent modular construction is in competition with other modular builders as well as traditional site-built providers. To be successful, Dexterra must demonstrate the value proposition of modular construction and successfully execute projects.

There can be no assurance that the trend toward outsourcing services will continue.

Dexterra's business and growth strategies depend in large part on the continuation of a current trend toward outsourcing services. Clients or potential clients will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities. Dexterra cannot be certain that this trend will continue or not be reversed, that prospective clients will seek to outsource functions, or that existing clients that have outsourced functions will not decide to perform these functions themselves. In addition, labour unions representing employees of some of Dexterra's current and prospective clients have occasionally opposed the outsourcing trend to the extent that they believed that current union jobs for their memberships might be lost. In these cases, unions typically seek to prevent public sector entities from outsourcing and if that fails, ensure that jobs that are outsourced continue to be unionized, which can reduce Dexterra's pricing and operational flexibility with respect to such businesses. Dexterra has also identified a trend among some of its clients toward the retention of a limited number of preferred vendors to provide all or a large part of their required services. Dexterra cannot be certain that this trend will continue or not be reversed or, if it does continue, that Dexterra will be selected and retained as a preferred vendor to provide these services. Unfavorable developments with respect to either outsourcing or the use of preferred vendors could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

#### [Dexterra's reliance on suppliers and subcontractors could have a material adverse effect on Dexterra's business](#)

Dexterra sources its equipment, equipment parts and third-party services from a variety of suppliers, most of whom are located in Canada. Should any suppliers be unable to provide the necessary equipment, parts or services or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of products and services or in the time required to find new suppliers could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

Dexterra's operations also depend on the execution and performance of Dexterra's subcontractors pursuant to written contracts. The failure of Dexterra's subcontractors to execute and perform under these contracts could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

#### [Dexterra's profitability could be adversely affected by cost inflation](#)

Dexterra's profitability can be adversely affected to the extent it is faced with cost increases for food, wages and other labour-related expenses, insurance, fuel and utilities, especially to the extent it is unable to recover such increased costs through increases in the prices for its services, due to one or more of general economic conditions, competitive conditions or contractual provisions in client contracts. Substantial increases in the cost of fuel, food and utilities have historically resulted in cost increases. While Dexterra's multi-year contracts often provide for annual fee increases, it may be unable to fully recover costs and such increases would negatively impact profitability on contracts that do not contain such inflation protections.

#### Volatility of industry conditions could impact demand for Dexterra's services

The demand, pricing and terms for certain of Dexterra's services largely depend upon the level of industry activity for retail and commercial properties, corporate campuses, research and educational facilities and industrial sites; the infrastructure development of airports, healthcare facilities, defence and security assets; and mineral and oil & gas exploration and development. This includes activity by commercial construction companies and real estate developers, government, infrastructure developers and resource exploration and development companies. Industry conditions are influenced by numerous factors over which Dexterra has no control, including: the demand and need for new construction and infrastructure projects; commodity prices; expectations about commodity prices; the cost of exploring for, producing and delivering resources; demand for and supply of resources; weather conditions; global political, military, regulatory and economic conditions; and the ability of Dexterra's clients to raise equity capital or debt financing in order to complete new and maintain existing developments, facilities and projects.

Current global economic events and uncertainty have the potential to significantly impact such factors. No assurance can be given that expected trends will continue or that demand for services provided by Dexterra will reflect the level of activity in the industries in which Dexterra or its clients operate.

#### A reduction in the availability of credit could reduce demand for Dexterra's products and services

Many of Dexterra's clients require reasonable access to credit facilities and debt capital markets to finance their developments, facilities and projects. If the availability of credit to Dexterra's clients is reduced, they may reduce their expenditures, thereby decreasing demand for Dexterra's products and services. A reduction in spending by Dexterra's clients could adversely affect Dexterra's operating results and financial condition. During the term of a contract, Dexterra may be required to use its working capital to fund development, facility and project costs until payments are collected from the client. The carrying amount of accounts receivable reflects management's assessment of the credit risk associated with Dexterra's clients. The allowance for doubtful accounts and past due receivables are reviewed by management on an ongoing basis. Accounts receivable are considered for impairment after taking into consideration the client's payment history, their credit worthiness, the current economic environment in which the client operates and the client's establishment within its industry. Failure to accurately estimate the amount of bad debts or failure to collect accounts receivable on a timely basis, in full or in part, could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

#### Dexterra's significant shareholder may substantially influence its direction and operations

Fairfax is the Corporation's single largest shareholder, beneficially owning at least 49% of the issued and outstanding Dexterra Shares and is considered a control person of the Corporation (within the meaning of Canadian Securities Laws) and is also considered to have control (from an accounting perspective) of Dexterra. Fairfax has the ability to substantially influence matters affecting shareholders or requiring shareholder approval, including the election of directors to the Board, approval of security-based compensation arrangements, amendments to the articles and bylaws of the Corporation and the determination of significant corporate actions. In addition, pursuant to the Investor Rights Agreement, Fairfax has certain rights including with respect to Board representation, See "*Description of Capital Structure – Investor Rights Agreement*". In addition, the Chair of the Board, who is a Fairfax nominee, has a casting vote in the event of a tie vote among the directors. There can be no assurance that Fairfax's interests will align with the Corporation's interests or the interests of other shareholders. In addition, such influence could limit the price that an acquirer might be willing to pay in the future for Dexterra and it may have the effect of delaying or preventing a change of control of us, such as a merger or take-over.

#### Fairfax's significant interest in the Corporation may impact the liquidity of the Dexterra Shares

Dexterra Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where Fairfax did not have the ability to significantly influence or determine matters affecting the Corporation.

#### Dexterra's cash flow may not be sufficient to fund its ongoing activities at all times

From time to time, Dexterra may require additional financing. Failure to obtain such financing on a timely basis could cause Dexterra to miss certain acquisition opportunities or prevent further growth of its operations. If Dexterra's revenues decrease, it will affect Dexterra's ability to expend the necessary capital to maintain its

operations. If Dexterra's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or terms acceptable to Dexterra.

#### [Any change in labour relations and labour disputes could have an adverse effect on Dexterra's business](#)

The largest component of Dexterra's overall expenses is salaries, wages, benefits and payments to employees, agents and contractors. Any significant increase in these expenses could impact the financial results of Dexterra.

The employees of Dexterra are subject to various local collective bargaining agreements, most of which become subject to periodic renegotiation, typically every two to three years. At any given time, Dexterra may face several unions organizing drives. When one or more of the major collective bargaining agreements covering Dexterra employees comes up for renegotiation, Dexterra and the union might disagree on important issues which, in turn, might lead to a strike, work slowdown or to other union activities at one or more of Dexterra's locations. In a market where Dexterra and several major competitors are unionized, but other competitors are not unionized, Dexterra could lose clients to competitors who are not unionized. Any strike, work slowdown or other union activity might in some cases be disruptive and prevent Dexterra from providing its services, thereby reducing its income. Contract cancellations might occur should client service be impaired or should Dexterra's clients be targeted by sympathy strikes involving other unionized workers during organized labour drives. Negotiating a first-time agreement or renegotiating an existing collective bargaining agreement might lead to a substantial increase in labour and benefits expenses which Dexterra might be unable to pass on to its clients for some period of time, if at all. Any of these risks could materially adversely affect Dexterra's business, financing condition, results of operations and cash flows.

#### [Significant Customers](#)

The Corporation had no customers that generated over 10% of total revenues in 2020 compared to one customer in 2019. However, there can be no assurance that in the future Dexterra may have material exposure to a customer (or set of customers). There can be no assurance that Dexterra's relationship with its customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, could have a material adverse effect on Dexterra's business, financial condition and results of operations.

#### [Loss of key personnel could have a material adverse effect on Dexterra](#)

Dexterra's success depends in large measure on certain key personnel. The loss of services of such key personnel could have a material adverse effect on Dexterra. Dexterra does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Dexterra are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Dexterra.

There can be no assurance that Dexterra will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

Dexterra's ability to provide reliable and quality services is dependent on its ability to hire and retain a dedicated and quality pool of employees and in certain cases attract subcontractors and their personnel, which may be adversely impacted by a number of factors including lack of industry experience amongst candidates and lack of appropriately qualified people, and the seasonal nature of some of Dexterra's business. The competition for qualified personnel in the industries in which Dexterra operates is intense and there can be no assurance that Dexterra will be able to continue to attract and retain all personnel necessary for the development and operation of its business. In periods of higher activity, it may become more difficult to find and retain qualified employees which could limit growth, increase operating costs, reduce profitability or have other material adverse effects on Dexterra's operations, which in turn could materially adversely affect Dexterra's business, financial conditions, results of operations and cash flows.

#### [Failure to receive or renew permits or security clearances could have a negative impact on Dexterra's business](#)

In most cases, permits issued by government agencies are required to build residential and commercial properties and to set up and operate remote work camp facilities. The issuance of permits is dependent upon water and

waste treatment alternatives available, road traffic volumes and fire conditions in forested areas. Failure to receive or renew permits could have a negative impact on the business of the Workforce Accommodations, Forestry and Energy Services and Modular solutions.

Security clearances issued by government agencies are required to provide facilities management services for airports and defence and security establishments. Failure to receive or maintain security clearances could have a negative impact on the business of the Facilities Management segment.

#### Regulatory changes could adversely effect Dexterra

Dexterra's operations are subject to a variety of federal, provincial and local laws of Canada, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment, the operation of equipment used in its operations and the transportation of materials and equipment it provides for its clients. Dexterra invests financial and managerial resources to ensure such compliance. While management believes that its businesses will be operated in accordance with applicable laws, Dexterra will remain subject to a varied and complex body of laws and regulations that both public officials and private individuals may seek to enforce. The costs arising from compliance with such laws, regulations and guidelines may be material to Dexterra.

Any regulatory changes that impose additional operating or environmental restrictions or requirements on Dexterra or its clients, including changes to income tax laws, could adversely affect Dexterra through increased operating costs and potential decreased demand for Dexterra's products and services. The trend in environmental regulation has been to impose more restrictions and limitations on activities that may impact the environment, including the generation and disposal of wastes and the use and handling of chemical substances. It is impossible for Dexterra to predict the cost or impact of such laws and regulations on its future operations.

#### Dexterra is subject to the risk of environmental damage

Dexterra is subject to the operating risks inherent in the industries in which Dexterra operates, including environmental damage. Dexterra has established programs to address compliance with current environmental standards and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that Dexterra's procedures will prevent environmental damage from occurring as a result of spills of materials handled by Dexterra or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. Dexterra may have the benefit of insurance maintained by it or a contractor; however, Dexterra may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons.

#### Risks relating to climate change could result in higher operating costs and reduced demand for Dexterra's services

The major climate change-related risks are generally grouped under two categories: transition risks (a broader set of risks associated with the consequences of the global transition to a less carbon-intensive economy) and physical risks (risks that a change in climate itself could have on Dexterra's business).

##### *Transition Risks to Dexterra*

The Government of Canada and provincial governments in areas where Dexterra does business have been working through various forms of regulation and legislation focused on climate change and greenhouse gas emissions. Future federal legislation, together with provincial emission reduction requirements may require the reduction of emissions or emissions intensity from Dexterra's operations and facilities and those of its customers. A number of Dexterra's customers are involved in the mineral, oil and natural gas exploration and development industry. Focus and scrutiny has recently intensified on such industry, which could lead to incremental environmental regulation or legislation.

Potential changes in requirements may result in increased operating costs and capital expenditures for mining and oil and natural gas industry participants, thereby delaying or decreasing the demand for Dexterra's services. Management is unable to predict the impact of potential emissions targets and it is possible that changes could adversely affect Dexterra's business, financial condition and results of operations. These regulations would likely result in higher operating costs for our customers in the region, putting further pressure on project economics, and may also impair Dexterra's ability to provide its services economically.

Dexterra's reputation in the eyes of its shareholders, customers, employees and the general public is an important corporate asset. However, actions and activities undertaken directly by Dexterra, or its employees, could adversely affect its reputation. In addition, Dexterra's reputation could also be adversely affected by the actions and activities of others in the industry, which Dexterra services, as a whole.

#### *Physical Risks to Dexterra*

Climate change has been linked to long-term shifts in climate patterns and increasingly frequent severe weather conditions. A number of Dexterra's clients are involved in industries where the level of activity is influenced by seasonal weather patterns, long term shifts in climate patterns and/or acute climate-related events (e.g. extreme temperatures, heavy snowfall, heavy rainfall or wildfires). These changes or events (whether or not caused by climate change) may determine how long seasons for certain activities or industries will last in any given year. As a result, they may adversely impact Dexterra's clients, which would in turn affect the demand for Dexterra's services. In addition, they may result in disruptions in operations which may lead to reduced revenues.

#### [Dexterra could be subject to liability for failure to comply with public procurement laws and regulations](#)

As part of its business dealings with different governmental bodies, Dexterra must comply with public procurement laws and regulations aimed at ensuring that public sector bodies award contracts in a transparent, competitive, efficient and non-discriminatory way. If Dexterra fails to comply with these laws and regulations or if Dexterra, its directors, officers, employees or agents commit legal violations or misconduct specified in any of these laws and regulations, Dexterra could be subject to administrative, civil or penal liabilities and to mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with governmental bodies in addition to other penalties and sanctions that could be incurred by Dexterra. Although Dexterra has adopted control measures and implemented policies and procedures to mitigate such risks, these control measures, policies and procedures may not always be sufficient to protect Dexterra from the consequences of acts committed by its directors, officers, employees and agents. Amendments in public procurement laws and regulations could require Dexterra to further implement certain changes to its business practices and, as a result, impose additional costs on Dexterra, which in turn could materially adversely affect Dexterra's business, financial condition, results of operations and cash flows.

#### [Deterioration of Dexterra's safety performance could result in a decline in the demand for Dexterra's products and services](#)

Standards for the prevention of incidents in the industries in which Dexterra operates are governed by service company safety policies and procedures, accepted industry safety practices, client specific safety requirements and health and safety legislation. Many clients consider safety performance a key factor in selecting facilities management and workforce accommodation service providers. Deterioration of Dexterra's safety performance could result in a decline in the demand for Dexterra's products and services, as well as claims made against Dexterra, and could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

#### [Failure to successfully Implement our Strategic Plans and Growth Initiatives](#)

Dexterra's ability to execute on its strategic plans and growth initiatives, including those previously announced related to \$1 billion of revenue, \$100 million of EBITDA and maintaining a leverage ratio of around 1x (unless required to support growth initiatives, such as acquisitions), influences its financial performance. Failure for these strategic plans to meet success, or be realized within anticipated timeframes, or if there is a change in strategic plans could affect the growth of Dexterra's earnings or result in a decline in earnings. Even if Dexterra is successful in implementing its strategic plans or growth initiatives there can be no assurance that the anticipated benefits will be realized or that it will lead to sustainable, profitable growth, and the plan itself could be disruptive to the Corporation. Dexterra's ability to meet success are influenced by outside factors beyond its control, including the competitive conditions in the industries in which it operates, economic conditions or other factors.

### There may be a failure to realize anticipated benefits of acquisitions and dispositions

Dexterra considers acquisitions and dispositions of businesses as part of its business strategy. Achieving the benefits of acquisitions depends in part on: the acquired businesses performing as expected, successfully realizing synergies, retaining key employees and client relationships and integrating operations in a timely and efficient manner. Such integration may require substantial management effort, time, resources and may divert management's focus. An inability to realize expected strategic advantages as a result of the acquisition would negatively affect the anticipated benefits of the acquisition. Additionally, an acquisition may bring Dexterra into businesses it has not previously conducted and expose it to additional business risks that are different from those it has previously experienced.

### The inability to develop and maintain relationships with Indigenous communities could adversely impact Dexterra's business

A component of Dexterra's business strategy is based on developing and maintaining positive relationships with the Indigenous people and communities in the areas where Dexterra operates. These relationships are important to Dexterra's operations and customers who desire to work on traditional Indigenous lands. The inability to develop and maintain relationships and to be in compliance with local requirements could adversely affect Dexterra's business strategy, growth and profitability.

### Seasonality for Dexterra

Dexterra's earnings are affected by seasonality in certain operating segments. Historically, earnings in the second and third quarters are positively impacted by the seasonal Forestry operations, which is part of the WAFES segment. For the Workforce Accommodations portion of the WAFES segment, camp occupancy is historically at its lowest level during the holiday season. This, in conjunction with the Forestry Services low revenue winter season, causes revenues to be at their lowest levels in the first and fourth quarters. The Modular Solutions and Facilities Management segments include project work that may not be evenly distributed throughout the fiscal year.

### The inability to restore or replace critical capacity in a timely manner may impact Dexterra's business and operations

In the event of a serious incident, the inability to restore or replace critical capacity in a timely manner may impact Dexterra's business and operations. While Dexterra has in place business continuity arrangements, including disaster recovery plans and insurance coverage to minimize any losses in the event of a major disaster, there can be assurance that such arrangements will adequately respond to the incident or be able to mitigate its impact or that insurance will cover all or part of the associated losses. A serious incident or disaster could therefore have a material adverse effect on Dexterra's business, financial condition and results of operations.

### Cyber-attacks could have a material adverse effect on Dexterra's reputation and competitive position, financial condition, results of operations and cash flows

Dexterra manages cyber security risk by ensuring appropriate technologies, processes and practices are effectively designed and implemented to help prevent, detect and respond to threats as they emerge and evolve. The primary risks to Dexterra include: loss of data, destruction or corruption of data, compromising of confidential customer or employee information, leaked information, disruption of business, theft or extortion of funds, regulatory infractions, loss of competitive advantage and reputational damage. Dexterra applies technical and process controls in line with industry-accepted standards to protect its information assets and systems. Data backup and recovery processes are in place to minimize risk of data loss and resulting disruption of business. Through ongoing vigilance and regular employee awareness, Dexterra has not experienced a cyber security event of a material nature. As it is difficult to quantify the significance of such events, cyber-attacks such as, security breaches of Corporation, customer, employee, and vendor information, as well as hardware or software corruption, failure or error, telecommunications system failure, service provider error, intentional or unintentional personnel actions, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and the corruption of data, may in certain circumstances be material and could have an adverse effect on Dexterra's business, financial condition and results of operations. As result of the unpredictability of the timing, nature and scope of disruptions from such attacks, Dexterra could potentially be subject to: operational delays, the

compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of its systems and networks or financial losses, any of which could have a material adverse effect on Dexterra's reputation and competitive position, financial condition or results of operations.

#### Failure to effectively identify and manage disruptive technology may result in disruptions to Dexterra's business

The introduction and rapid, widespread adoption of transformative technology in the industries in which Dexterra operates could lead to disruption of Dexterra's existing business models and new competitive market dynamics. Failure to effectively identify and manage disruptive technology and/or changing client attitudes and preferences may result in disruptions to the business and an inability to achieve strategic and financial objectives.

#### Economic downturns can reduce demand for Dexterra's services

In the past, national and international economic downturns have reduced demand for Dexterra's services and any such downturns in the future could reduce demand for its services resulting in the loss of business or increased pressure to contract for business on less favorable terms. Economic hardship among Dexterra's client base can also impact its business. Insolvency experienced by clients, especially larger clients, could make it difficult, for Dexterra to collect amounts owed and could result in the voiding of existing contracts. Similarly, financial distress or insolvency, if experienced by Dexterra's key vendors and service providers such as insurance carriers, could significantly increase costs.

#### Litigation may have a material adverse effect on Dexterra's business

In the normal course of Dexterra's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to personal injuries, property damage, property tax, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to Dexterra and as a result, could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows. In the normal course of Dexterra's operations, Dexterra is also involved in arbitration proceedings, the outcome of which cannot be predicted with certainty and may be determined adversely to Dexterra, which could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows.

Dexterra believes that none of the litigation in which Dexterra is currently involved, individually or in the aggregate, is material to Dexterra's consolidated financial condition or results of operations.

#### Dexterra's insurance program may not fully cover losses Dexterra may incur

Due to the nature of Dexterra's business, it is subject to a number of regulations, environmental laws and risks associated with lawsuits arising from accidents and claims. Dexterra manages these risks through a combination of quality management, training and by securing insurance coverage to protect Dexterra's assets in the event of litigation. While Dexterra endeavors to purchase insurance coverage appropriate to its risk assessment, it is unable to predict with certainty the frequency, nature or magnitude of claims for direct or consequential damages, and as a result its insurance program may not fully cover losses it may incur. In addition, as a result of a number of catastrophic weather and other events, insurance companies have incurred substantial losses and in many cases they have substantially reduced the nature and amount of insurance coverage available to the market, have broadened exclusions and/or have substantially increased the cost of such coverage. If this trend continues, Dexterra may not be able to maintain insurance of the types and coverage it desires at reasonable rates. A partially or completely uninsured claim against Dexterra (including liabilities associated with cleanup or remediation at the facilities it operates), if successful and of sufficient magnitude, could have a material adverse effect on Dexterra's business, financial condition, results of operations and cash flows. Any future difficulty in obtaining insurance could also impair Dexterra's ability to secure future contracts, which may be conditioned upon the availability of adequate insurance coverage. In addition, claims associated with risks for which Dexterra is self-insured (workers' compensation, employee medical, comprehensive general liability and vehicle liability) may exceed its recorded reserves, which could negatively impact future earnings.

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## APPENDIX 'B'

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### Audit Committee Charter

#### Purpose

The primary function of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) is to assist the Board in fulfilling its oversight responsibilities:

- (a) by reviewing, prior to their public release, all material financial information required to be gathered and disclosed by the Corporation, to the public;
- (b) to oversee management designed and implemented accounting systems and internal controls; and
- (c) to recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

#### Structure and Authority

1. The Corporation, as a reporting issuer, must have a Committee that complies with National Instrument 52-110 (“**NI 52-110**”). The Committee must be comprised of at least three members of the Board to serve at the pleasure of the Board. Each member will at all times be independent and financially literate as those terms are defined in NI 52-110 and possess the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
2. The Committee is required to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Committee.
3. The Chair of the Committee, appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management, establish the agenda for meetings.
4. A quorum for a meeting of the Committee shall be a majority of members present in person or by telephone conference call.
5. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.

#### Duties and Responsibilities

6. The Committee’s primary duties and responsibilities are to:
  - (a) monitor the management of the principal risks that could impact the financial reporting of the Corporation;
  - (b) monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

- (c) be satisfied and obtain reasonable assurance from the external auditors that effective internal controls and management information systems are in place;
  - (d) ensure that the external auditor reports directly to the Committee.
7. The Committee must have the authority to:
- (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
  - (b) engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (c) set and instruct the Corporation to pay the compensation for any advisors employed by the Committee; and
  - (d) communicate directly with the internal and external auditors of the Corporation.
8. The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
9. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of any disagreements between management and the external auditor regarding financial reporting.
10. The Committee shall:
- (a) review the audit plan with the Corporation's external auditors and with management;
  - (b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
  - (d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
  - (f) establish a periodic review procedure to ensure that the external auditor compliance with the Canadian Public Accountability regime under National Instrument 52-108 – *Auditor Oversight*;
  - (g) review audited annual financial statements and related documents in conjunction with the report of the external auditors;
  - (h) before release, review and recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses,

annual reports, annual information forms, management discussion and analysis and material press releases;

- (i) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and must periodically assess the adequacy of such procedures.

11. The Committee shall:

- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor, and their compensation, or the discharge of the external auditor when circumstances are warranted;
- (b) consider the recommendations of management in respect of the appointment of the external auditors;
- (c) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors', or the external auditors of the Corporation's subsidiary entities; and
- (d) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors.

12. The Committee shall:

- (a) review with management at least annually, the financing strategy and plans of the Corporation; and
- (b) review all securities offering documents (including documents incorporated therein by reference) of the Corporation.

13. The Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

14. Together with the Board, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation's internal controls for financial reporting and management information systems.

15. The Committee must establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

16. The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The Committee shall conduct an annual review and assessment of its performance including compliance with this Charter, and its role, duties and responsibilities.