

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

of

HAMMOND MANUFACTURING COMPANY LIMITED

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held

Tuesday, April 30, 2024

at

10:00am
(Eastern Standard Time)

Cutten Fields
190 College Avenue East
Guelph, Ontario
N1H 6L3

MANAGEMENT INFORMATION CIRCULAR
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HAMMOND MANUFACTURING COMPANY LIMITED
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of the Shareholders of **Hammond Manufacturing Company Limited** (hereinafter called the "Corporation") will be held at the **Cutten Fields, 190 College Avenue East, Guelph, Ontario** on **Tuesday, April 30, 2024** at the hour of **10:00 o'clock** in the forenoon (local time) for the following purposes:

1. to receive the Annual Report, including the financial statements for the period ending December 31, 2023, together with the report of the auditors thereon;
2. to elect directors of the Corporation (the "Directors");
3. to appoint KPMG LLP, Chartered Accountants, as the auditor of the Corporation (the "Auditor") and to authorize the Directors to fix the remuneration of the Auditor;
4. to transact all such further and other business as may properly come before the meeting or any adjournment thereof.

Only holders of Hammond Manufacturing Company Limited Class A Subordinate Voting Shares or Class B Common Shares of record at the close of business on March 22, 2024 will be entitled to vote at the Meeting, or any adjournments(s) or postponement(s) thereof.


Accompanying this notice is a Management Information Circular and an Instrument of Proxy which are required by the Ontario *Business Corporations Act* and should be carefully read and considered.

Shareholders who are unable or who are not expecting to be present in person at the meeting are requested to date, complete, sign and return to the address indicated, the instrument of proxy wherein persons selected by your Directors are named as proxy holders. **HOWEVER, IF ANY SHAREHOLDER CHOOSES TO APPOINT A PERSON OR PERSONS OTHER THAN THE ONES SO NAMED, THE NAME OF SUCH PERSON, WHO NEED NOT BE A SHAREHOLDER, SHOULD BE INSERTED IN THE BLANK SPACE PROVIDED FOR THIS PURPOSE AND THE OTHER NAMES STRICKEN.**

Please indicate on the form of proxy how you want your vote recorded with respect to each of the items noted thereon by inserting an "X" in the appropriate box. **UNLESS OTHERWISE INDICATED, YOUR SHARES WILL BE VOTED IN FAVOUR OF SUCH ITEMS.**

Dated at Guelph, Ontario this 5th day of March, 2024.

By order of the Board of Directors of Hammond Manufacturing Company Limited


Alexander Stirling
Chief Financial Officer and Corporate Secretary

VOTING INFORMATION AND GENERAL PROXY MATTERS

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED TO THE SHAREHOLDERS OF HAMMOND MANUFACTURING COMPANY LIMITED (HEREINAFTER CALLED THE "CORPORATION") IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF THE CORPORATION FOR USE AT THE ANNUAL MEETING OF THE SHAREHOLDERS OF THE CORPORATION REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR TO BE HELD ON THE 30th DAY OF April, 2024 AT THE PLACE AND TIME AND FOR THE PURPOSES SET FORTH IN THE AFOREMENTIONED NOTICE AND AT ANY AND ALL ADJOURNMENTS THEREOF (HEREINAFTER CALLED THE "MEETING"). It is expected that the solicitation of proxies by management will be primarily by mail. Proxies may also be solicited personally by regular employees, officers and directors of the Corporation at nominal cost. The cost of solicitation by management will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy enclosed are directors or officers of the Corporation. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY), OTHER THAN THE PERSONS DESIGNATED IN THE ACCOMPANYING FORM OF PROXY, TO REPRESENT THE SHAREHOLDER AT THE MEETING. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON OR COMPANY TO REPRESENT HIM AT THE MEETING MAY DO SO EITHER BY INSERTING SUCH PERSON'S OR COMPANY'S NAME IN THE BLANK SPACE PROVIDED IN THE ACCOMPANYING FORM OF PROXY AND STRIKING OUT THE NAMES OF THE PERSONS SPECIFIED OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE COMPLETED PROXY IN ACCORDANCE WITH THE INSTRUCTIONS PRINTED ON THE ACCOMPANYING FORM OF PROXY.**

A shareholder, who has given a proxy, may revoke it either: (a) by signing or having an authorized attorney sign a proxy bearing a later date and delivering it in accordance with the printed instructions aforementioned; or (b) by signing or having an authorized attorney sign a written notice of revocation and by delivering it to the Corporation or an agent thereof prior to the Meeting or as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by handing it to the Chairman of the Meeting.

A person named as a proxy need not be a shareholder to vote the shares to be voted by the form of proxy in which he is named. THE NOTES PRINTED ON THE FORM OF PROXY ACCOMPANYING THE NOTICE OF MEETING SHOULD BE READ CAREFULLY AND THE INSTRUCTIONS SET OUT THEREIN FOLLOWED.

EXERCISE OF DISCRETION BY PROXIES

If the enclosed form of proxy is properly completed and returned, the person named in the proxy will vote or withhold from voting the shares represented by the proxy in accordance with the instructions of the shareholder appointing him as indicated on the form of proxy or as otherwise instructed in writing on any ballot or vote that may be called for, and, if the shareholder specifies a choice, such choice will be voted accordingly. WHERE NO CHOICE IS INDICATED ON THE FORM OF PROXY NOR CONTRARY WRITTEN INSTRUCTIONS RECEIVED, AN AFFIRMATIVE VOTE WILL BE CAST IN RESPECT OF MATTERS PROPERLY BEFORE THE MEETING.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters set out in the form of proxy and on all other matters which may properly come before the Meeting. As of the date hereof, the management of the Corporation knows of no such amendment or variation or of any matter to come before the said Meeting other than the matters referred to in the Notice of Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or duly appointed proxy holders are permitted to vote at the Meeting. Many Shareholders are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares.

A person is not a registered Shareholder (a “Non-Registered Holder”) in respect of shares which are held either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans, Tax Free Savings Accounts and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.), of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular and the proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them.

Intermediaries will frequently use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either;

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder and must be completed, but not signed, by the Non-Registered Holder and deposited with Computershare Investor Services Inc.; or

NON-REGISTERED SHAREHOLDERS CONTINUED

- (b) more typically, be given a voting instruction form (often called a “proxy authorization form”) which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares of the Corporation which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person; the Non-Registered Holder should insert the Non-Registered Holder’s name in the blank space provided. **Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

RECORD DATE

The Board of Directors of the Corporation (the “Board of Directors”) has fixed the close of business on March 22, 2024 as the record date (the “Record Date”) for the Meeting. Only holders of record as of the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Under normal conditions, confidentiality of voting is maintained by virtue of the fact that the Corporation’s transfer agent tabulates proxies and votes. However, such confidentiality may be lost as to any proxy or ballot if a question arises as to its validity or revocation or any other like matter.

VOTING SECURITIES AND PRINCIPAL HOLDERS

The Corporation has an authorized capital of an unlimited number of Class A Subordinate Voting Shares and an unlimited number of Class B Common Shares, each without par value.

As at the date hereof there were issued and outstanding 8,556,000 Class A Subordinate Voting Shares and 2,778,300 Class B Common Shares.

The holders of the Class A Subordinate Voting Shares and the holders of the Class B Common Shares are entitled to receive notice of and to attend any meeting of the shareholders of the Corporation except for a meeting of the holders of shares of any other class, as such, or a meeting of the holders of shares of a particular series. Each Class A Subordinate Voting Share carries the right to one vote representing approximately 43.5% of the aggregate voting rights of the corporation. Each Class B Common Share carries the right to four votes representing approximately 56.5% of the aggregate voting rights of the corporation.

All Class B Common shareholders and Class A Subordinate Voting shareholders of record on the books of the Corporation at the time of holding of the Meeting will be entitled to attend and to vote the Class B Common Shares and/or the Class A Subordinate Voting Shares registered in their respective names at the Meeting if present in person or by proxy duly completed and delivered to the Corporation in accordance with the instructions of the instrument of proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS CONTINUED

In the event of a "take-over-bid" (as defined in the Securities Act of Ontario) being made for the Class A Subordinate Voting Shares or the Class B Common Shares which results in either the R.F. Hammond Family or any Acceptable Successor ceasing to beneficially own, directly or indirectly, shares of the Corporation carrying not less than 50% of the votes attaching to all issued shares of the Corporation, each Class A Subordinate Voting Share shall be deemed to have been converted into one Class B Common Share.

"R.F. Hammond Family" means any one or more of Robert F. Hammond, his spouse, estates, issue or heirs, any trustee, executor, administrator or personal representative of his estate, or any corporation which any one or more of the foregoing together control within the meaning of the Securities Act (Ontario); and

"Acceptable Successor" means any person or persons acting jointly or in concert who beneficially own, directly or indirectly, such number of Class A Subordinate Voting Shares, Class B Common Shares or any other class or series of shares of the Corporation to which are attached not less than 50% of the votes attaching to all issued shares of the Corporation, provided that all such Class B Common Shares so owned by such person or persons which have been acquired from the Corporation, the R F Hammond Family or another Acceptable Successor have been acquired

- (i) at a price or for consideration of a value not exceeding the then current price (as defined in the articles) of the Class A Subordinate Voting Shares on a published market (as defined in the articles), plus 15%; or
- (ii) in a transaction or series of transactions including the making of a general offer for Class A Subordinate Voting Shares (A) at a price or for consideration of a value not less than the price or value, and on terms not less favourable than terms, applying to the purchase of the Class B Common Shares, on a share for share basis, and (B) comprising the lesser of all the Class A Subordinate Voting Shares or that number of Class A Subordinate Voting Shares equal to the number of Class B Common Shares acquired multiplied by four.

As at the date hereof, Eramosa Group Limited, Guelph, Ontario, beneficially owns 2,778,300 Class B Shares of the Corporation, representing 100% of the issued and outstanding Class B Common Shares of the Corporation and 848,365 Class A Subordinate Voting Shares of the Corporation, representing approximately 9.9% of the issued and outstanding Class A Subordinate Voting Shares of the Corporation. All of the issued and outstanding shares of Eramosa Group Limited are owned by Robert Frederick Hammond, Chairman of the Corporation.

In total, Robert Frederick Hammond beneficially owns, directly or indirectly, 1,695,366 Class A Subordinate Voting Shares of the Corporation, representing approximately 19.8% of the issued and outstanding Class A Subordinate Voting Shares of the Corporation.

VOTING SECURITIES AND PRINCIPAL HOLDERS CONTINUED

To the best of the knowledge of the directors and senior officers of the Corporation, the foregoing are all the persons or companies beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the voting rights attached to all issued and outstanding shares of the Corporation.

At the date hereof, excluding Robert Frederick Hammond, the directors and senior officers of the Corporation as a group beneficially own, directly or indirectly, 73,682 Class A Subordinate Voting Shares of the Corporation, representing approximately 0.9% of the issued and outstanding Class A Subordinate Voting Shares of the Corporation.

BUSINESS OF THE MEETING

PRESENTATION OF THE FINANCIAL STATEMENTS AND THE REPORT OF THE AUDITOR

The audited consolidated financial statements of the Corporation and its subsidiaries for the year ended December 31, 2023 and the report of the auditor of the Corporation will be presented by management. These are contained in full in the Annual Report of the Corporation, copies of which have been mailed to shareholders, as requested, of the Corporation with this Management Information Circular.

ELECTION OF DIRECTORS

The Articles of Hammond Manufacturing Company Limited provide that the Board of Directors shall consist of not less than three (3) and not more than eleven (11) directors. The directors are elected annually. It is proposed by management of Hammond Manufacturing Company Limited that seven (7) directors be elected for the current year. A complete list of management's nominees for election as directors of Hammond Manufacturing Company Limited and their biographies follows in this section "Election of Directors". Directors' record of attendance at Board of Directors and Committee meetings is set forth in the section "Meetings Held and Attendance of Directors".

Currently, there are seven (7) directors of the Corporation (collectively the "Directors" or individually a "Director"). The number of directors of the Corporation to be elected at the meeting is seven (7). Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the election to the Board of Directors. Nominees set forth below are identified as those who are presently a member of the Board of Directors and those who are new members to the Board of Directors. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the person named in the enclosed form of proxy reserves the right to vote for another nominee in his discretion. Each director elected will hold office until the next Annual Meeting of the Shareholders of the Corporation, or his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

ELECTION OF DIRECTORS CONTINUED

As a listed issuer that is majority controlled, the Corporation will rely on an exemption from the majority voting requirement prescribed by the TSX Company Manual. Listed issuers with more than one class of listed securities may only rely on this exemption with respect to the majority controlled classes that vote together for the election of directors. The Board of Directors have decided to rely on this exemption. The Board of Directors has come to this conclusion in part because: (1) the Corporation has never experienced a high number of withheld votes for its directors in past elections; and (2) in light of the voting rights held by Robert Frederick Hammond and related parties amounting to approximately 63.7% of the votes eligible to be cast at the Meeting and his declared intention to cause these votes to be cast in favour of the nominees, it is very unlikely that any director would not receive more "for" votes than "withheld" votes. The Corporation continues to review and consider, among other things, its director election voting policy, evolving market practices on majority policies and best practices in corporate governance.

The following table and notes thereto state the names of all the persons proposed to be nominated by management of the Corporation for election as directors, their place of residence all other positions and offices with the Corporation now held by them, their principal occupations or employment and the date on which each became a director of the Corporation. The table also sets out the number of shares of the Corporation or of any subsidiary of the Corporation beneficially owned, directly or indirectly, or controlled or directed by each of them as at the date hereof.

Nominees currently serving on the Board of Directors:

Name / Residence / Principal Occupation/Employment or Business Past 5 Years	Director Since	Number of shares, Direct or indirect	% of shares
ROBERT FREDERICK HAMMOND Guelph, Ontario, Canada Chief Executive Officer and Chairman of the Corporation since 1978 Non-independent Director	June 1972	Class A 1,695,366 Class B 2,778,300	19.8% 100.0%
EDWARD SEHL Guelph, Ontario, Canada Principal - Sehl Consulting <u>Previous positions:</u> Chief Financial Officer at Odd Burger Corporation Director - Odd Burger Corporation Director - Guelph General Hospital Independent Director	May 2007	Class A -	0.0%
PAUL QUIGLEY Waterloo, Ontario, Canada President of Quigley Group Inc. <u>Previous positions:</u> Director / Consultant - Stinson Equipment Ltd. President & General Manager - Cut Above Natural Stone Independent Director	September 2010	Class A -	0.0%

ELECTION OF DIRECTORS CONTINUED

Nominees currently serving on the Board of Directors:

Name / Residence / Principal Occupation/Employment or Business Past 5 Years	Director Since	Number of shares, Direct or indirect	% of shares
SHEILA HAMMOND B.A, B.Ed, M.Sc. Guelph, Ontario, Canada Registered Individual, Couple and Family Therapist Officer and Director of Eramosa Group Ltd. Non-independent Director	May 2013	Class A 6,000	0.1%
MICHAEL FRICKER East York, Ontario, Canada Chief Financial Officer at Sarku Japan Director of the Tippet Foundation Director of Odd Burger Corporation <u>Previous position:</u> Chief Financial Officer at Qvella Corporation Director of Edjar International Inc. Chief Financial Officer at Bento Inc. Chief Financial Officer at IMT Group of Companies Independent Director	May 2017	Class A -	0.0%
SARAH HANSEN Calgary, Alberta, Canada Profit Centre Manager for Riptide Fulfillment Corporation in Calgary Director of Eramosa Group Ltd. Director of DKH Engineering Services Inc. <u>Previous position:</u> Operations Manager of Emco Corporation in Calgary Director of Canadian Institute of Plumbing and Heating, Calgary Chapter Non-independent Director	May 2017	Class A 23,355	0.3%
BLAINE WITT Buffalo, New York, USA Vice President - Senior Consultant of Witt Holding Company, Inc. <u>Previous positions:</u> Chief Sales Officer of Pfannenberger Group Holdings President of Pfannenberger Inc. Independent Director	May 2022	Class A -	0.0%

The information as to the shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by the Directors, not being within the knowledge of the Corporation, has been provided by each Director.

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS

No proposed director of Hammond Manufacturing Company Limited is, or within the ten years prior to the date of this Management Information Circular has been, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; (ii) was subject to a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity,

ADDITIONAL DISCLOSURE RELATING TO DIRECTORS CONTINUED

became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. No proposed director has, within the ten years prior to the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

RELEVANT EDUCATION AND EXPERIENCE

Name	Relevant Education and Experience
Robert Hammond	Graduate of the University of Western Ontario with an Honours Business Administration. Robert has worked at Hammond for over 40 years in many roles with the current position being held of Chief Executive Officer.
Edward Sehl	A graduate of the Chartered Director's program at McMaster's DeGroote School of Business, graduate of Wilfrid Laurier University with an Honours B.B.A and a M.B.A from York University, Toronto. A chartered accountant with over 30 years of experience in financial positions.
Paul Quigley	Over 30 years in senior business management positions. Paul is currently the President of Quigley Group Inc.. Paul was previously Director / Process Architect for Just Fix It Inc., Director / Consultant at Stinson Equipment Ltd. And President and General Manager of Cut Above Natural Stone.
Sheila Hammond	Graduated with a B.A from the University of Guelph and a B.Ed from Queens's University. Sheila also holds a M.Sc in Human Development and Family Relations from the University of Guelph. A Registered Individual, Couple and Family Therapist in Private Practice for over 24 years. Clinical Fellow of OAMFT/AAMFT and Officer and Director of Eramosa Group Ltd.
Michael Fricker	A CPA (CA) and CFA charter holder with over 25 years of experience in financial positions. Michael has a BA in Economics from Queen's University, and a diploma in accounting from Wilfred Laurier. Michael is currently Chief Financial Officer for Edjar International Inc. (dba Sarku Japan) and serves on the Board of Directors of the Tippet Foundation, and Odd Burger Corporation.

RELEVANT EDUCATION AND EXPERIENCE CONTINUED

Name	Relevant Education and Experience
Sarah Hansen	Graduated from Queen's University with a B.A. in economics and from Saint Mary's University with a B.Comm. Sarah is currently the manager for the Western Canadian divisions of Haines, Jones & Cadbury Corporation and Riptide Fulfillment Corporation based in Calgary. Past experience includes over 10 years as Operations Manager at Emco Corporation in Calgary, and 4 years in sales and sales management in the publishing industry with Nelson Education and Pearson Canada. Sarah also serves as a Director of Eramosa Group Ltd and DKH Engineering Services Inc..
Blaine Witt	Blaine Witt graduated from the Industrial Distribution program at Clarkson University in 1989. Blaine Witt has over 30 years of industrial B2B Sales and Top Level Management experience. Currently Blaine is Vice President of Witt Holding Company, Inc. Blaine retired from Pfannenbergl Group Holdings in 2021 where he held the position of Chief Sales Officer. Prior to this Blaine was President of Pfannenbergl Inc.

MEETINGS HELD AND ATTENDANCE OF DIRECTORS

The following table summarizes the attendance of directors at the 2023 calendar Board and Committee meetings:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended
R.F Hammond	4 of 4	4 of 4 *	1 of 1 *
Sheila Hammond	4 of 4	4 of 4 *	1 of 1 *
Sarah Hansen	4 of 4	4 of 4 *	1 of 1 *
Edward Sehl	4 of 4	4 of 4	1 of 1
Michael Fricker	4 of 4	4 of 4	1 of 1
Paul Quigley	4 of 4	4 of 4	1 of 1
Blaine Witt	4 of 4	4 of 4	1 of 1

*attended the meeting by invitation

AUDIT COMMITTEE

The current Audit Committee members are Michael Fricker, Edward Sehl, Paul Quigley and Blaine Witt. The members of the Audit Committee are independent, non-management directors of the Corporation, as defined in National Instrument 52-110. The Audit Committee's mandate and relevant experience of its members are further described in the Audit Committee Charter included as Appendix B to the Corporation's 2023 Annual Information Form which can be found under the Corporation's SEDAR profile at www.sedarplus.ca.

COMPENSATION COMMITTEE

All independent, non-management directors of the Corporation are members of the Compensation Committee (see section – Composition of the Compensation Committee - Page 15). The Corporation does not have an executive committee of its Board of Directors.

NOTES ON SHAREHOLDINGS OF DIRECTORS (as at the date hereof)

As at the date hereof Robert Frederick Hammond owns all the shares of Eramosa Group Limited. Eramosa Group Limited beneficially owns 848,365 Class A Subordinate Voting Shares and 2,778,300 Class B Common Shares of the Corporation directly. Robert Frederick Hammond owns 574,733 Class A Subordinate Voting Shares of the Corporation directly. Sheila Hammond holds 6,000 Class A Subordinate Voting Shares of the Corporation. Sarah Hansen holds 23,355 Class A Subordinate Voting Shares of the Corporation.

COMPENSATION OF DIRECTORS

Directors, who are also employees of the Corporation, do not receive any directors' fees. The Corporation surveys general compensation of directors on an annual basis to compare to the Corporation's compensation levels and considers generally accepted practices for publicly traded companies. During the last financial year, the annual compensation of non-management directors was as follows. Non-management directors receive \$26,000 (\$24,000 in 2022) each per annum for services as a director and \$2,000 (\$2,000 in 2022) as an attendance fee for each meeting.

The total remuneration paid to the directors in respect of services for 2023 was \$204,000 (\$189,000 in 2022).

2023 DIRECTOR COMPENSATION

Name	Fees Earned	Share based awards	Option-based awards	All other compensation	Total
Edward Sehl	34,000	Nil	Nil	Nil	\$ 34,000
Sheila Hammond	34,000	Nil	Nil	Nil	\$ 34,000
Sarah Hansen	34,000	Nil	Nil	Nil	\$ 34,000
Michael Fricker	34,000	Nil	Nil	Nil	\$ 34,000
Paul Quigley	34,000	Nil	Nil	Nil	\$ 34,000
Blaine Witt	34,000	Nil	Nil	Nil	\$ 34,000

APPOINTMENT OF AUDITORS

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for appointment of KPMG LLP, Chartered Accountants, Waterloo, Ontario, as auditors of the Corporation (first appointed in 1987) to hold office until the next Annual Meeting of the Corporation and to authorize the Directors to fix their remuneration. The appointment of KPMG LLP as the Corporation's auditors must be approved by at least a majority of the votes cast at the Meeting by shareholders who vote in respect of the appointment of the auditors (present in person or represented by proxy).

FEES PAID TO KPMG

The following summarizes the professional services rendered by KPMG LLP to the Corporation for the years ended December 31, 2023 and December 31, 2022:

Professional Service	2023	2022
Audit Fees (1)		
Audit Fees	\$ 172,973	\$ 174,750
Pension Plan Audit	\$ 9,630	\$ 9,000
Tax Fees (2)		
Compliance Services	\$ 45,796	\$ 47,525
Tax handling of US Director	\$ 4,710	\$ 5,475

Notes

- (1) Audit Fees reflect the aggregate fees billed for audit services of the Company's consolidated financial statements as well as the audit of our Canadian Pension Plan.
- (2) Tax Fees reflect the aggregate fees billed for tax compliance, tax advice, and tax planning services.

EXECUTIVE COMPENSATION

COMPOSITION OF THE COMPENSATION COMMITTEE

Since March 1994, the Corporation has maintained a Compensation Committee, comprised of the independent members of the Board of Directors. The current members of the Compensation Committee are Michael Fricker, Edward Sehl, Paul Quigley and Blaine Witt.

All the Compensation Committee members have considerable direct experience that is relevant to his or her responsibilities in executive compensation and enable the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies.

The Compensation Committee approves the compensation levels for all the executive officers of the Corporation. The Compensation Committee is also responsible in general for reviewing the design and competitiveness of the Corporation's compensation and benefit programs.

The Compensation Committee manages the principal components of the executive compensation, being salary that is paid in cash, and benefits. Executive compensation is designed to attract and retain a highly qualified senior management by offering competitive salaries and benefits.

COMPENSATION RISK ASSESSMENT

The Compensation Committee, in accordance with its mandate, reviews the risks associated with the Corporations compensation policies and practices.

The Corporation's compensation programs are designed in accordance with its business strategy and risk profile. The Corporation believes that bonus and incentive programs have too many negative consequences and therefore does not currently subscribe to any of these measures.

ANTI-HEDGING POLICY

Currently, the Corporation does not have a policy that prohibits a Director or Named Executive Officer “NEO” from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Director or NEO.

SALARY

The Compensation Committee uses externally prepared surveys to verify that the salary levels are competitive. This input, together with the Corporation's performance, is used to determine whether any annual increases in salary are justified. The Corporation relies solely on Board of Directors discussion without any formal objectives, criteria and analysis. The primary emphasis of the Corporation's compensation packages is to ensure that base salaries are competitive and consistent with those being paid for positions of similar responsibility in companies of comparable size and complexity. The base salaries for the executive officers are benchmarked to local markets and are set within an appropriate range to reflect the employee's level of responsibility and performance.

SUMMARY COMPENSATION TABLE					
Name and Principal Position	Year	Salary (\$)	Pension Value (\$)	All Other compensation (\$)	Total compensation (\$)
R.F. Hammond Chairman and CEO	2023	340,210	-	2,769	342,979
	2022	330,210	-	1,467	331,677
	2021	330,210	-	945	331,155
Alexander Stirling Secretary and CFO	2023	330,140	12,600	16,217	358,957
	2022	300,140	12,000	13,520	325,660
	2021	302,139	11,480	14,347	327,966
Ray Shatzel VP of Electronic Sales (Note 3 USD)	2023	NIL	NIL	NIL	NIL
	2022	NIL	NIL	NIL	NIL
	2021	90,614	12,061	5,467	108,142

1. Pension value reflects payments made by the Corporation pursuant to its defined contribution pension plan discussed in the next section.
2. All other compensation includes taxable portion of automobile usage and group life coverage.
3. Ray Shatzel was a US employee working out of the corporations US entity. All of his compensation is in USD. He worked for the company until his passing in July of 2021. His role was merged into other position within the organization.

INCENTIVE PROGRAMS

There are currently no incentive based programs utilized for executive officers of the Corporation. The absence of incentives assures the Board of Directors that individuals are not incentivised to take inappropriate or excessive risks.

MANAGEMENT SHARE OPTION PLAN

In April 1986 the Corporation established a management share option plan providing for the granting to directors, officers and key employees of the Corporation options to purchase up to an aggregate of 10% of the Class A Subordinate Voting Shares of the Corporation outstanding from time to time. In 1996 the plan was amended to comply with the Toronto Stock Exchange regulations, defining a specific number of shares available for issuance under the terms of the plan. 540,000 Class A Subordinate Voting Shares were approved as issuable under the plan. As at the date hereof, the number of shares remaining available for issuance was 458,000 Class A Subordinate Voting Shares, 82,000 shares having been exercised since the inception of the plan. Individuals eligible to be granted options under the Plan are limited to selected employees of the Corporation and its subsidiaries as approved by the Board of Directors. The size of the options granted to individual participants may vary, as determined by the Board of Directors. Previous grants of option-based awards are taken into consideration when considering new grants. As at the last fiscal year-end, December 31, 2023, no options were outstanding. As of the date herein, no further options have been granted or are outstanding.

The following table sets forth out information concerning the number and price of securities to be issued under equity compensation plans to employees and others.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	-	-	458,000
Equity compensation plans not approved by security holders	-	-	-
Total	-	-	458,000

PENSION PLAN

The Corporation provides a defined contribution registered pension plan with mandatory participation after 6 months of service. Members must contribute 4% of their earnings. The Corporation matches the members' contribution of 4% of the members' earnings. Members are fully vested immediately in the plan. All contributions accumulate in the pension fund based on the investment growth of the fund. On retirement, an annuity is purchased with payments made in accordance with the individual's requests. Employees are no longer eligible to participate in the pension plan after the calendar year they turn 71 years of age.

The pension payments for the Named Executive Officers were shown in the earlier executive compensation table.

The following table sets forth certain information regarding the pension benefits to the Named Executive Officers set out below under the Defined Contribution Plan and/or Supplemental Employee Retirement Plan.

PENSION PLAN CONTINUED

Name and Principal Position	Accumulated value at start of the year (2023) (\$)	Compensatory (\$)	Non-Compensatory (\$)	Accumulated value at end of the year (2022) (\$)
R.F. Hammond Chairman and CEO	No longer eligible to participate. Rolled into a Life Income Fund in 2019			
Alexander Stirling Secretary and CFO	387,081	12,600	53,530	453,211

TERMINATION AND CHANGE OF CONTROL BENEFITS

Employment agreements of the executive officers do not provide for any special treatment upon a termination or change of control. The executive officers would only be subject to normal statutory requirements.

MANAGEMENT CONTRACTS

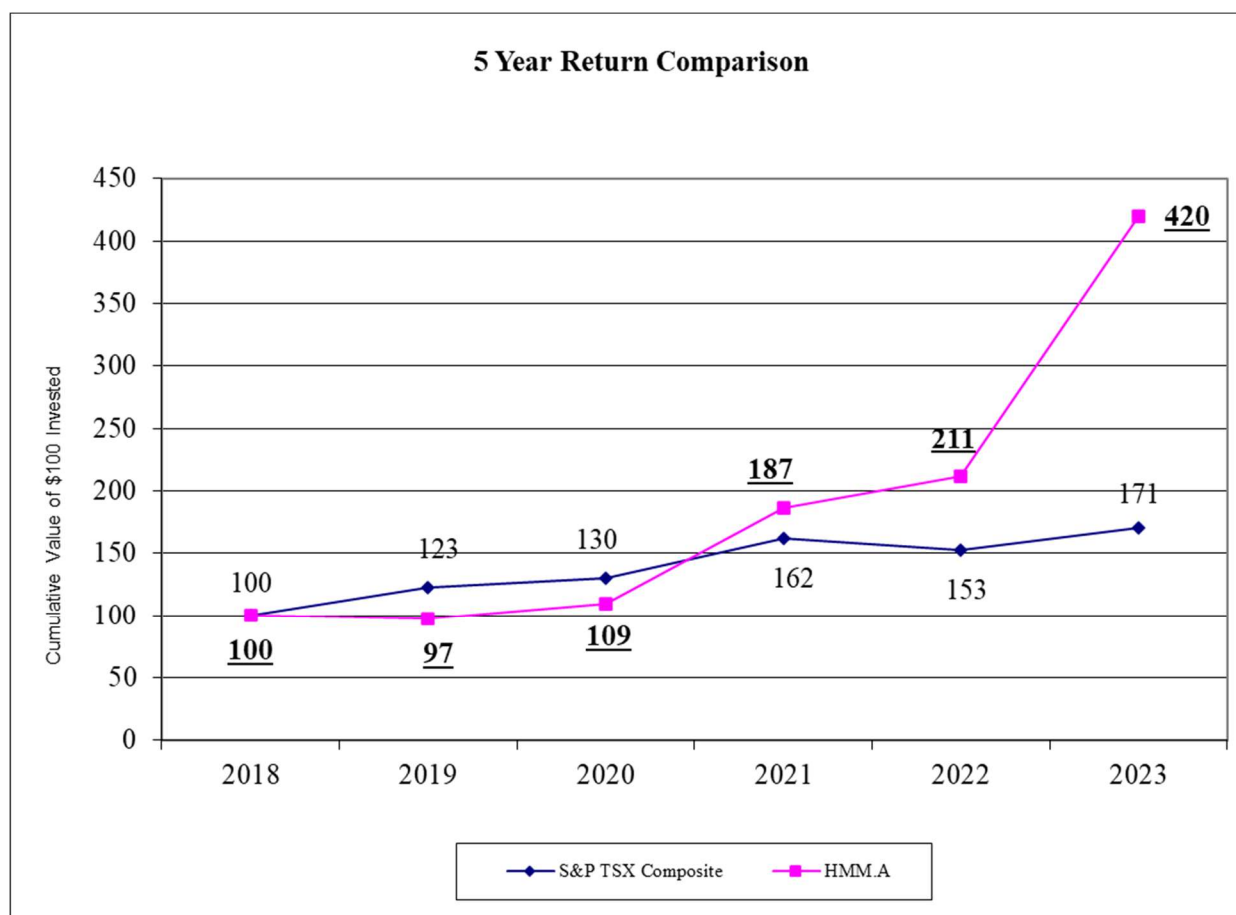
The Corporation was not party to any management contracts for the year ended December 31, 2023, or as at the date hereof. There are no management functions of the Corporation which are to a substantial degree performed by a person or persons other than the Directors and Named Executive Officers.

DIRECTORS AND OFFICERS' LIABILITY INSURANCE

The Corporation has agreed to indemnify directors against any action or costs arising from their directorship. Under existing policies of insurance the Corporation is entitled to be reimbursed for indemnity payments it is required or permitted to make to directors' and officers' which are in excess of \$25,000 deductible per occurrence, to a maximum of \$10,000,000 in each policy year. As at the date hereof, all of the directors and officers of the Corporation and its subsidiaries are included as insured parties under the policies. The Corporation pays all premiums for the policies. The annual premium paid for these policies was \$23,100. The premiums for these policies are not allocated between the directors and officers as separate groups.

FIVE YEAR TOTAL SHAREHOLDER RETURN COMPARISON

The following graph assumes that \$100 was invested on December 31, 2018 in the Corporation's Class A Subordinate Voting Shares and the S&P TSX Composite Index.



For each of the past five years, aggregate annual ongoing Named Executive Officer compensation has increased or decreased relative to total shareholder return on the following basis:

Year	Total Shareholder Return	NEO Compensation Increase (Decrease)
2019	-2.6%	2.3%
2020	12.1%	2.7%
2021	70.9%	2.0%
2022	13.2%	-0.3%
2023	98.8%	4.9%

INTERIM FINANCIAL STATEMENTS

Pursuant to National Policy Statement No. 41 published by the Canadian Securities Administrators in November 1987, effective January 1, 1988, the Corporation is no longer required to mail out its interim quarterly financial statements as it has in the past. Instead, the Corporation will maintain a supplemental mailing list containing the names of the holders of the securities of the Corporation to whom the interim financial statements of the Corporation will be mailed. A return letter is enclosed with the material accompanying this Management Information Circular permitting shareholders to request that they be placed on the supplemental mailing list.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person, as that term is defined in National Instrument 51-102, nor any proposed nominee for election as a director of the Corporation, or any associate or affiliate of such informed person or proposed nominee, had since the commencement of the Corporation's most recently completed financial year, any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in respect of any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICE

The Board of Directors, as a whole, assumes responsibility for maintaining an effective system of corporate governance. The following summarizes the composition, structure and functions of the Corporation's Board of Directors, provided in this information circular in accordance with National Instrument 58-101, *"Disclosure of Corporate Governance Practices"*.

BOARD OF DIRECTORS

The Board of Directors is to consist of seven (7) directors, four (4) of whom are unrelated and independent of Robert F. Hammond, Sheila Hammond and Sarah Hansen, the representatives of the controlling shareholder, Eramosa Group Limited. The independent directors hold regularly scheduled meetings in which non-independent directors and members of management are not in attendance. These meetings normally take place during the audit committee meetings with the auditors present at the Fall and Spring meetings. In 2023 the independent directors met twice without the presence of non-independent directors and members of management.

Michael Fricker, Paul Quigley, Edward Sehl and Blaine Witt are independent directors, as defined in National Instrument 52-110. If elected, these independent directors will be nominated to serve as members of the Audit Committee, whose charter is found in the Corporation's Annual Information Form, Appendix B, under the Corporation's SEDAR profile at www.sedarplus.ca.

The Audit Committee reviews with management and with the Corporation's external auditors, the Corporation's management information and internal control systems. In carrying out this duty, the Audit Committee will meet without management present.

Robert F. Hammond is the Chairman of the Board of Directors. He, through Eramosa Group Limited, holds voting control (approximately 65.1%) of the Corporation. Robert F. Hammond is the sole shareholder of Eramosa Group Limited and as a director of the Corporation, exercises "significant control" over all major decisions with respect to strategy and overall direction of the

BOARD OF DIRECTORS CONTINUED

Corporation. The Board of Directors reviews and provides input and guidance on the annual business plan and strategic planning process. The independent directors, who represent the minority shareholders' interests, must review potential conflicts of interest and provide general advice. Shareholders need to be comfortable with Robert F. Hammond's control position and have confidence in Robert F. Hammond's ability to determine the strategy and direction for the

Corporation and to manage the business. Shareholders should not look to the Board of Directors as a whole to assume full responsibility for the overall stewardship of the Corporation.

BOARD MANDATE AND POSITIONS

The Board of Directors does not have a written mandate or written position descriptions. All directors are experienced, and empowered to provide counsel and advice on industry, financial and general business issues, and to represent the minority shareholders' interests. Management regularly updates the Board of Directors on operational and financial issues, which includes identifying the risks confronting the Corporation, and the systems and strategies being employed to manage these risks. The Board of Directors as a whole provides inputs and advice relative to these issues, and believes this to be an adequate approach for the Corporation given its size and structure.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, proposed nominee for election as director, executive officer or senior officer of the Corporation or any associate or its subsidiaries thereof is or has been indebted to the Corporation during the financial year ended December 31, 2023, nor as of the date hereof.

DIRECTORS' ORIENTATION AND EDUCATION

Directors are selected based on their general business knowledge and experience, including past experience as directors. Additional information is gathered by the Corporation from a variety of sources and provided to the Directors on a regular basis for review and discussion. New directors are provided with business plans, catalogues and other general background information on the Corporation, its history and direction, and provided with facility tours.

ETHICAL BUSINESS CONDUCT

The Corporation strives to maintain a highly ethical culture. The Board of Directors provides guidance with respect to ethical issues, including avoidance of conflicts of interest, confidentiality of information, safeguarding and proper use of corporation assets, providing a workplace that is free from harassment as declared by the Human Rights Code, and maintaining the privacy of personal information. The Corporation does not have a comprehensive written code of ethical conduct at this time.

The Board of Directors and the Audit Committee have established a Whistleblower Policy to encourage employees, officers and directors to bring forward any matters of concern. This policy has been distributed to all employees and is posted internally.

NOMINATION OF DIRECTORS

The Board of Directors does not have a formal nominating committee. Potential new directors are identified by Robert F. Hammond based on the criteria of general business and board experience, industry specific experience and independence from the Corporation. The Board of Directors interviews new prospective directors, and decisions to proceed to nominate are approved by the existing Board of Directors. Given the full involvement of the Board of Directors in this process, the majority of whom are unrelated directors, it is the Board of Directors' assessment that a formal nominating committee is not required.

TERM LIMIT AND RETIREMENT

The term of Hammond Manufacturing Company Limited's directors expires at the end of the next annual meeting of shareholders or when a successor is elected or appointed to the Board of Directors. The Corporation does not impose term limits or mandatory retirement on its directors. The Corporation believes that term limits or mandatory retirement based on age alone may create arbitrary and technical impediments to the selection of the most qualified persons. The Board of Directors continually review a director's effectiveness and the mix of skills and expertise. It has been the Board of Directors' experience that some of the longer-serving directors provide the most value to the Corporation. This approach enables the Corporation to make decisions regarding the composition of its Board of Directors and senior management team based on what is in the best interests of the Corporation and its shareholders.

DIVERSITY

The Corporation is committed to providing equal opportunities for individuals who have the necessary qualifications for employment and advancement within the Corporation. Hammond Manufacturing Company Limited's objectives include providing a work environment that is free of discrimination and harassment, including based on gender. The Corporation is fully committed to increasing diversity on the Board of Directors over time.

The Corporation has not adopted a formal written policy relating to the identification and nomination of female director nominees or executive officer candidates at this time. It is important to note, however, that when identifying new candidates for nomination to the Board of Directors, the existing Board of Directors takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics and personal characteristics, including gender. In addition, diversity in perspective arising from personal, professional or other attributes and experiences are considered when identifying potential director candidates.

Hammond Manufacturing Company Limited considers gender diversity to be important and believes that its current framework for evaluating Board of Directors and executive officer candidates takes into account gender diversity. The Corporation is an equal opportunity employer. However, the priority of the Corporation in recruiting new candidates is ensuring individuals bring value to the Corporation and its shareholders by possessing a suitable mix of qualifications, experience, skills and expertise.

Hammond Manufacturing Company Limited grew its Board of Directors from four directors to seven in 2017 and added a female at that time. The Corporation now has two females out of

DIVERSITY CONTINUED

seven board members (29% of the Board of Directors is female). The Corporation does not currently have any female executive officers.

Hammond Manufacturing Company Limited does not currently intend to adopt targets for female nominee directors or executive officers. The Board of Directors does not believe that targets or strict rules will result in the identification or selection of the best candidates as the composition of the Board and the senior executive group is based on a broad variety of factors the Corporation considers appropriate and it is ultimately the skills, experience, characteristics and qualifications of the individual that are most important in assessing the value the individual could bring to the Corporation.

ASSESSMENTS

Assessment of the Board of Directors, individual directors and committees is informal, on a self-assessment basis by the Board of Directors as a whole, by the committees and by the individual directors.

INTEREST OF CERTAIN PERSONS AND CORPORATIONS IN MATTERS TO BE ACTED UPON

No person, who has been an independent director or senior officer of the Corporation since the beginning of the last completed financial year of the Corporation and no person who is a proposed nominee for election as an independent director of the Corporation or any associate or affiliate of such director, senior officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Meeting.

GENERAL

Unless otherwise specified, information contained herein is given as of March 5th, 2024. The management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any matters which are not now known should properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgement of the person voting it.

Financial Information is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed year. Additional information relating to the Corporation including the following documents are available on the Canadian Security Administrators System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedarplus.ca, or are available by written request to the Secretary of the Corporation at 394 Edinburgh Road North, Guelph, Ontario, N1H 1E5:

1. the 2023 Annual Report to Shareholders containing the audited consolidated financial statements for the year ended December 31, 2023 together with the accompanying Auditor's Report;
2. the Corporation's Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2023;
3. the Corporation's Annual Information Form for the year ended December 31, 2023; and
4. this Management Information Circular.

The contents and the sending of this
Information Circular have been approved
by the Board of Directors.

DATED this 5th day of MARCH 2024



Alexander Stirling,
Secretary