

EQUITY

EQUITY FINANCIAL HOLDINGS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 28, 2015

AND

MANAGEMENT INFORMATION CIRCULAR

APRIL 23, 2015

NOTICE IS HEREBY GIVEN THAT the annual and special meeting of the shareholders (the “**Meeting**”) of Equity Financial Holdings Inc. (the “**Corporation**”, “**we**”, “**us**”, or “**our**”) will be held on Thursday, May 28, 2015 at 1:30 p.m. (Toronto time) at the St. Andrew’s Club and Conference Centre, 150 King Street West, 16th Floor, Toronto, Ontario M5H 1J9, for the following purposes:

- 1) to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014 and the report of the auditors thereon;
- 2) to elect the directors of the Corporation for the ensuing year;
- 3) to reappoint Ernst & Young LLP as auditors of the Corporation and to authorize the board of directors of the Corporation to fix the remuneration of the auditors;
- 4) to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the full text of which is set out in the accompanying management information circular) authorizing the Corporation to amend its articles to increase the maximum number of directors of the Corporation from ten to fifteen;
- 5) providing that the special resolution referred to in item 4 is approved, to elect Peter Friedmann as a director of the Corporation for the ensuing year; and
- 6) to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying management information circular (the “**Circular**”). Holders of common shares of the Corporation (“**Common Shares**”) of record at the close of business on **April 23, 2015** will be entitled to vote at the Meeting or any adjournment or postponement of that Meeting.

Your vote is important. Whether or not you expect to attend in person, we urge you to authorize a proxy to vote your Common Shares as promptly as possible so that your Common Shares may be represented and voted at the Meeting.

DATED this 23rd day of April, 2015.

By Order of the Board of Directors



Michael R. Jones,
President and Chief Executive Officer

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain portions of this management information circular (“**Circular**”) as well as other public statements by Equity Financial Holdings Inc. (the “**Corporation**”, “**we**”, “**us**”, or “**our**”) contain “forward-looking information” within the meaning of applicable Canadian securities legislation, which is also referred to as “forward-looking statements,” which may not be based on historical fact. Wherever possible, words such as “will,” “plans,” “expects,” “targets,” “continue,” “estimates,” “scheduled,” “anticipates,” “believes,” “intends,” “may,” and similar expressions or statements that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, occur or be achieved, have been used to identify forward-looking information.

Forward-looking statements reflect the Corporation’s current views with respect to future events and are subject to a number of risks and uncertainties. A number of factors could cause actual results to differ materially from the expectations or results discussed in the forward-looking statements, including but not limited to, the factors discussed under “Risk Factors” in the Corporation’s Annual Information Form for the year ended December 31, 2014, which are incorporated by reference in this cautionary statement. Readers should not place undue reliance on such forward-looking statements, as they reflect the Corporation’s current views with respect to future events and are subject to risks and uncertainties and are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic, regulatory, competitive, political and social uncertainties and contingencies. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Forward-looking information will be updated as required pursuant to the requirements of applicable securities laws.

The information contained in this Circular is given as at April 23, 2015, except where otherwise noted.

EQUITY FINANCIAL HOLDINGS INC.
MANAGEMENT INFORMATION CIRCULAR

VOTING

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by management of the Corporation of proxies to be used at our annual and special meeting (the “Meeting”) of holders of Common Shares (“Shareholders”) to be held on May 28, 2015 at 1:30 p.m. (Toronto time) at the St. Andrew’s Club & Conference Centre, 150 King Street West, 16th Floor, Toronto, Ontario or at any adjournment or postponement thereof. The Corporation’s management is soliciting each Shareholder’s proxy for use at the Meeting and any adjournment or postponement thereof. All associated costs of the proxy solicitation will be borne by the Corporation. In addition to the use of the mail, proxies may be solicited by directors, officers and other employees of the Corporation, without additional remuneration, by personal interview, telephone, facsimile or otherwise. The Corporation will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial Shareholders and will provide customary reimbursement to such firms for the cost of forwarding these materials.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are our officers or directors. **Shareholders have the right to appoint a person or company to represent the Shareholder at the Meeting other than the person or company, if any, designated in the form of proxy. In the case of *Registered Shareholders* (as defined below), the completed, dated and signed form of proxy should be sent to the office of the Corporation’s transfer agent, TMX Equity Transfer Services Inc., at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 or by fax to (416) 595-9593. In the case of *Beneficial Shareholders* (as defined below) who receive these materials through their Intermediary (as defined below), the Shareholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other Intermediary. To be effective, a proxy must be received by the Agent (as defined below) or the Corporation not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof.** A person appointed as a proxy need not be a Shareholder.

A Shareholder executing the enclosed form of proxy has the right to revoke it under section 148(4) of the *Canada Business Corporations Act*. A Shareholder who has given a proxy may revoke it by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing at our registered office at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

Advice to Beneficial Shareholders

These Shareholder materials are being sent to both Shareholders who hold Common Shares registered in their own name (“**Registered Shareholders**”) and non-Registered Shareholders. If you are a non-Registered Shareholder, and we or our Agent (as defined below) has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

The information set forth in this section is important to many Shareholders, as a substantial number of Shareholders do not hold common shares in the capital of the Corporation (“**Common Shares**”) in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by either (a) Shareholders whose names appear on our records as the registered holders of Common Shares or (b) persons who have been validly appointed directly or indirectly by a Registered Shareholder, can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to the Shareholder by a broker or custodian (collectively an “**Intermediary**”), then in almost all cases, those Common Shares will not be registered in the Shareholder’s name on our records. Such Common Shares will more likely be registered in the names of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered in the name CDS & Co. as nominee for CDS Clearing and Depository Services Inc. (which acts as depository for many Canadian Intermediaries) and in the United States in the name of Cede & Co. as nominee for the Depository Trust Company (which acts as depository for many U.S. Intermediaries). Beneficial Shareholders should ensure that they follow the instructions from their Intermediary to ensure their instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The voting instruction supplied to a Beneficial Shareholder by some Intermediaries (or the agent of the Intermediaries) may be similar to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e., the Intermediary or agent of the Intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to either an authorized transfer agent or Broadridge Investor Communications Corporation (the “**Agent**”) in Canada and in the United States. The Agent mails a voting instruction form in lieu of the form of proxy provided by us. The voting instruction form will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting. A Beneficial Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the voting instruction form, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to the Agent by mail or facsimile or given to the Agent by phone or over the Internet, in accordance with the Agent’s instructions. The Agent then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from the Agent cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be returned to the Agent well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or its agent, a Beneficial Shareholder may arrange to attend the Meeting as proxyholder for the Intermediary or its agent and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the Intermediary or its agent should enter their own names in the blank space on the voting instruction provided to them and return the same to the Agent in accordance with the instructions provided by the Agent, well in advance of the Meeting.

A Beneficial Shareholder may instruct their Intermediary who holds the proxy that such Beneficial Shareholder wishes to be appointed as the proxyholder, in which case the Intermediary will arrange, without expense to the Beneficial Shareholder, to appoint such Beneficial Shareholder or its nominee as the proxyholder, which would enable the Beneficial Shareholder to attend the Meeting and vote their Common Shares, provided it is delivered not less than 24 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting to the office of the Corporation as indicated above.

Voting of Shares Represented by Management Proxies

The persons named in the enclosed form of proxy will vote for, withhold from voting or vote against, as applicable, the Common Shares in respect of which they are appointed proxy on any ballot that may be called for in accordance with the instructions on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In absence of such instructions, the Common Shares will be voted **FOR** each of the resolutions referred to in the form of proxy.

The form of proxy accompanying this Circular confers discretionary authority upon the persons named in the form of proxy with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. **At the date of this Circular, our management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not known to management, should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.**

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

Other than as disclosed in this Circular, management is not aware of any material interest in any matter to be acted upon at the Meeting, other than the election of directors, direct or indirect, by beneficial ownership or otherwise, of any director or executive officer who has held that position at any time since the beginning of our last financial year, each proposed nominee for election as director and each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

Our authorized share capital consists of an unlimited number of Common Shares without par or nominal value issued and outstanding. As at April 22, 2015, there were 9,529,508 Common Shares issued and outstanding. Each holder of record of a Common Share on April 23, 2015 will be entitled to one vote for each Common Share held by such holder on all matters coming before the Meeting.

Our bylaws provide that a quorum for the transaction of business at any meeting of Shareholders shall be two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy holder for an absent Shareholder.

To the knowledge of our directors and officers, as at March 31, 2015, the only person or persons who beneficially own, directly or indirectly, or who exercise(s) control or direction over Common Shares carrying more than 10% of the voting rights attached to all Common Shares are as follows:

Name	Number of Common Shares Held	Percentage of Outstanding Shares Held
Smoothwater Capital Corporation ⁽¹⁾	1,850,330	19.42%
Van Berkom and Associates Inc.	1,146,000	12.03%

- (1) Stephen Griggs, Chair of the Board of Directors, is the Chief Executive Officer and a director of Smoothwater Capital Corporation (“Smoothwater”) and may be considered to be a “joint actor” with Smoothwater. Mr. Griggs owns or has control or direction over 39,189 Common Shares (excluding deferred share units issued to him in connection with his role as a director of the Corporation).

BUSINESS OF THE MEETING

Financial Statements and Auditors’ Report

At the Meeting, Shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2014 and the auditors’ report thereon. No vote by the Shareholders with respect thereto is required or proposed to be taken. The audited consolidated financial statements for the year ended December 31, 2014 have been mailed to Shareholders who have elected to receive them and are also available, together with the Corporation’s interim financial statements, on SEDAR at www.sedar.com.

Election of Directors

The Corporation’s articles of incorporation currently provide that the number of directors of the Corporation shall be a minimum of three and a maximum of ten. It is proposed that the maximum number of directors be changed to fifteen, and that the ten persons listed below commencing on page 6 be nominated at the Meeting to be elected as directors of the Corporation. Each director so elected will hold office until the close of the next annual meeting of the Shareholders or until such office is earlier vacated.

Majority Voting Policy for Directors

At the Meeting, the director nominees will be voted on individually and, in accordance with applicable securities legislation, the voting results for each director nominee will be disclosed publicly.

As required by the rules of the Toronto Stock Exchange, the Board of Directors has adopted a majority voting policy. The majority voting policy of the Corporation provides that:

- 1) any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director of the Corporation must immediately tender his or her resignation for consideration by the Board of Directors;
- 2) the Board of Directors shall accept any such resignation absent exceptional circumstances and, in any event, must make a decision whether or not to accept the resignation within 90 days after the date of the meeting at which the director who has tendered his or her resignation was elected as a director; and
- 3) the Board of Directors shall promptly announce by press release its decision regarding any resignation so tendered and if the Board of Directors has refused to accept any such resignation, the reasons for any such refusal shall be fully set out in the press release.

The Corporation's majority voting policy applies only when the election of directors is uncontested. An uncontested election of directors is where the number of nominees for election is equal to the number of directors to be elected.

Recommendation of the Board of Directors

The Board of Directors recommends that Shareholders vote FOR the election as directors of the Corporation of each of the director nominees set forth below.

Shareholder Approval

Voting for election of directors is by individual voting and not by slate voting. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies FOR the election of said persons to the Board of Directors. Management does not contemplate that any of the director nominees will be unable to serve as a director; however, if, for any reason, any of the director nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted FOR another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its Common Shares are to be withheld from voting in the election of each of the nominees.**

Director Nominees

The following table sets out the names, municipalities of residence and age of the ten (10) nominees for election to the Board of Directors, their respective positions and offices with the Corporation, principal occupations during the last five years and their respective holdings of Common Shares as at the date hereof. At the date of this management information circular, the maximum number of directors is ten.

Name, Municipality of Residence, Age	Director Since	Principal Occupation and Positions During Last Five Years (Principal Business of Organization)	Common Shares Beneficially Owned or Controlled⁽⁷⁾
Yousry Bissada⁽⁴⁾ Toronto, Ontario, Canada Age: 55	N/A	Mr. Bissada is President and CEO of Kanetix, the leading provider of online insurance marketplace, quotation technology, mobile solutions and websites for many of Canada's leading insurance brands. Mr. Bissada brings many years of experience in the financial services industry, including executive positions at several Canadian banks, including CIBC's FirstLine Mortgages and TD Canada Trust. He also served as President and CEO of Filogix, a leading software provider for the mortgage broker industry. Mr. Bissada has also served as a director on the boards of several small and medium sized financial services companies.	0

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Name, Municipality of Residence, Age	Director Since	Principal Occupation and Positions During Last Five Years (Principal Business of Organization)	Common Shares Beneficially Owned or Controlled ⁽⁷⁾
Brendan Calder ⁽²⁾ Toronto, Ontario, Canada Age: 68	May 2014	Mr. Calder has been an Adjunct Professor and an Entrepreneur in Residence at the Rotman School of Management, University of Toronto since 2001, is Chair of Rotman's Desautels Centre for Integrative Thinking, was the founding Chair of the Rotman International Centre for Pension Management and is a Senior Fellow at Massey College. Mr. Calder was with CIBC Mortgages, Inc. and served as that company's Chair, President and CEO from 1995 to 2000. Mr. Calder is also past Chair of the Peter F. Drucker Canadian Foundation and The Toronto International Film Festival Group. He is a director of EllisDon Corporation and FirstService Corporation. Mr. Calder holds a Bachelor of Mathematics degree from the University of Waterloo and attended the Advance Management Program at Harvard University. Mr. Calder is an Institute of Corporate Directors certified director (ICD.D).	13,300
Stephen J. Griggs ⁽¹⁾⁽²⁾⁽⁶⁾ Chair Mississauga, Ontario, Canada Age: 55	February 2014	Chief Executive Officer of Smoothwater Capital Corporation, a private investment company, since April 2013. Mr. Griggs was previously Chief Executive Officer of Underwood Capital Partners Inc. (May 2012 to March 2013); President and Chief Executive Officer, OPSEU Pension Trust (June 2011 to April 2012); and Executive Director, Canadian Coalition for Good Governance (November 2007 to June 2011). Mr. Griggs is also a director and Chair of Genesis Land Development Corp. (Calgary), a director of The Greater Toronto Airports Authority, a member of two mutual fund independent review committees and an adjunct professor at Osgoode Hall Law School teaching in the area of corporate governance.	1,889,519 ⁽³⁾
Michael R. Jones Toronto, Ontario, Canada Age: 62	February 2014	Chief Executive Officer of each of the Corporation and Equity Financial Trust Company ("Equity Trust"), a wholly-owned subsidiary of the Corporation, since May 2014; President of Equity Trust since October 2013 and President of the Corporation since May 2014. Also served as interim Chief Executive Officer of each of the Corporation and Equity Trust from February 2014 to May 2014; President & Chief Executive Officer, XCEED Mortgage Corporation, 2011 – 2013. President and/or Chief Operating Officer, XCEED Mortgage Corporation, 2009 – 2011.	29,129

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Name, Municipality of Residence, Age	Director Since	Principal Occupation and Positions During Last Five Years (Principal Business of Organization)	Common Shares Beneficially Owned or Controlled⁽⁷⁾
Bradley R. Kipp ⁽¹⁾⁽⁵⁾⁽⁶⁾ Mississauga, Ontario, Canada Age: 51	June 2008	Chief Financial Officer and director of African Copper PLC (mining and exploration) since September 2004; Vice-President Finance of Summit Resource Management Limited (venture capital) since 1997; director of Scorpio Mining Corporation since June 2014.	62,138
Michèle McCarthy ⁽¹⁾ Toronto, Ontario, Canada Age: 56	February 2014	President, McCarthy Law Prof. Corp., a law firm, and Corporate Director. Chair of the Boards of Lago Dourado Minerals (TSX-V), TD Split Inc., 5Banc Split Inc. and Big 8 Split Inc. Member of the Independent Review Committees for Educators' Financial Group, Timbercreek Asset Management, Picton-Mahoney Asset Management (chair of the foregoing), Aegon Capital and Integra Capital. Former Chair of the Toronto Port Authority and member of the Small Business Advisory Committee of the Ontario Securities Commission. Former Chief Legal Officer, Director Compliance & Corporate Secretary for Deutsche Bank Canada and Deutsche Bank Securities and created its Schedule III bank branch (1997-2002). Consultant for the reorganization of UBS Bank (Canada) and establishment of UBS AG Canada Branch. From 2007 to 2011, the Chief Legal Officer, Corporate Secretary, Chief Privacy Officer, Ombudsman and Head of Compliance for GMAC Residential Funding of Canada, ResMor Trust and Ally.	1,464
William Mulvihill ⁽⁴⁾ Kanata, Ontario, Canada Age: 66	N/A	Dr. Mulvihill's experience includes thirty years with Canada Mortgage and Housing Corporation, where he held various positions including Vice-President Insurance and Chief Financial Officer before retiring in 2004. From 2004 to 2013 he worked as a consultant providing strategic planning advice to several mortgage industry players. Dr. Mulvihill is currently a director on the Board of AIG Canada, where he is Chair of the Risk Committee.	23

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Name, Municipality of Residence, Age	Director Since	Principal Occupation and Positions During Last Five Years (Principal Business of Organization)	Common Shares Beneficially Owned or Controlled⁽⁷⁾
Martin Ouellet Montreal, Quebec, Canada Age: 61	May 2014	Corporate Director, member of Board of Directors and Audit Committee member of Assurance-vie Banque Nationale, a subsidiary of National Bank of Canada, since February 2014; voting member of AASOC (Auditing and Assurance Standards Oversight Council), an independent body under CPA Canada that supervises the process of the establishment of audit standards in Canada, since 2012; member of the Investment Committee of SODRAC (Society for Reproduction Rights of Authors, Composers and Publishers in Canada/Société du droit de reproduction des auteurs compositeurs au Canada) since 2009; Special Advisor to Deloitte LLP in Treasury and Risk Management in 2012 and 2013; and Senior Vice President, Corporate Treasury of National Bank of Canada from 2006-2011.	10,000
David Rounthwaite ⁽²⁾ Toronto, Ontario, Canada Age: 66	February 2014	General Counsel, Corporate Secretary & Chief Compliance Officer, eHealth Ontario, an independent agency of the Ontario Ministry of Health and Long-Term Care, since May 2011 except for the period from March 2014 to September 2014 during which he served as interim Chief Executive Officer of eHealth Ontario. Former President of Nereus Financial Inc. (2004 – 2007); former Associate and Partner at McCarthy Tetrault LLP (1983 – 2004); served as Trustee, Northland Power Income Fund (1997 – 2010).	0
Calvin Younger ⁽²⁾ Toronto, Ontario, Canada Age: 53	May 2014	Senior Vice President, Canadian Imperial Bank of Commerce, National Businesses, Business Banking, a leading Canadian financial institution, since 2002; a director of CIBC Asset Based Lending Inc., a wholly owned subsidiary of CIBC.	1,000

(1) Member of the Audit Committee.

(2) Member of the Governance and Compensation Committee.

(3) Mr. Griggs owns or has control or direction over 39,189 Common Shares (excluding deferred share units issued to him in connection with his role as a director of the Corporation) and is the CEO and a director of, and may be considered to be a “joint actor” with, Smoothwater Capital Corporation which beneficially owns, controls or directs 1,850,330 Common Shares.

(4) Messrs. Bissada and Mulvihill were each appointed as directors of Equity Trust in August 2014 and continue to so serve. Equity Trust is the Corporation’s wholly owned subsidiary through which the Corporation carries on its business.

(5) Member of the Special Committee (the mandate of which is described at page 40 of this Circular).

(6) Member of the Executive Search Committee (the mandate of which is described at page 40 of this Circular).

(7) The amounts shown in this column do not include Deferred Share Units.

Current Directors Not Standing for Election

Glen Silvestri, a current member of the Board of Directors, will be stepping down from the Board of Directors due to other business commitments, and will not be standing for re-election at the Meeting.

Corporate Sanctions or Bankruptcies

Except as noted below, to the knowledge of the Corporation, no director nominee is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than thirty consecutive days issued while that person was acting in such capacity or issued thereafter but resulted from an event that occurred while that person was acting in such capacity.

Except as noted below, to the knowledge of the Corporation, no director nominee is now, or within the ten years prior to the date hereof, has been a director or executive officer of any company while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Calder was a director of Coventree Inc. In 2009, staff of the OSC commenced proceedings against Coventree with respect to alleged breaches of Ontario securities laws relating to Coventree's continuous disclosure obligations. In September 2011, the OSC released its decision and concluded that Coventree breached sections 75(1) and 75(2) of the Securities Act (Ontario). In a decision released on November 9, 2011, the OSC ordered Coventree to pay an administrative penalty of \$1 million and \$250,000 of OSC costs. The OSC also ordered that trading in any securities by Coventree cease and that any Ontario securities law exemptions not apply to Coventree until its winding up is completed, provided that these orders will not prevent the winding up of Coventree or trades in securities reasonably related to that winding up. Mr. Calder was a director of Coventree in 2007 during the period of time to which the OSC proceedings relate, however no proceedings were brought against Mr. Calder in his individual capacity with respect to these matters. Mr. Calder is no longer a director of Coventree.

While Ms. McCarthy was a director of Brainhunter Inc. (BH), it made a voluntary filing under the *Companies' Creditors Arrangement Act* in December 2009. Through the court process, the company was sold in February 2010 to Zylog Systems Inc. resulting in BH becoming a private company.

The Special Committee of the Board of Directors of The Cash Store Financial Inc. retained Ms. McCarthy as Chief Compliance and Regulatory Affairs Officer on February 27, 2014. Shortly thereafter, it made a voluntary filing under the *Companies' Creditors Arrangements Act* (on April 14, 2014). The company has since been sold.

Penalties or Sanctions

To the knowledge of the Corporation, no director nominee has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a director nominee.

Personal Bankruptcies

To the knowledge of the Corporation, none of the director nominees has, within the 10 years before the date hereof, 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 director nominee.

Re-Appointment and Remuneration of Auditors

The information regarding audit fees required by National Instrument 52-110 – *Audit Committees* (“NI 52-110”) is disclosed in the section entitled “*Audit Committee Information*” in the Corporation’s Annual Information Form for the year ended December 31, 2014 (the “AIF”), which may be found on SEDAR at www.sedar.com.

The Shareholders will be asked at the Meeting to consider, and if thought fit, approve the reappointment of Ernst & Young LLP as the Corporation’s independent auditors and to authorize the directors of the Corporation to fix their remuneration for the fiscal year ending December 31, 2015. Ernst & Young LLP was first appointed as the Corporation’s auditors effective September 20, 2013.

Recommendation of the Board of Directors

The Board of Directors recommends that Shareholders vote FOR the reappointment of Ernst & Young LLP as the Corporation’s independent auditors and authorize the Board of Directors to fix the remuneration of the auditors for the fiscal year ending December 31, 2015.

Shareholder Approval

The resolution reappointing Ernst & Young LLP as the Corporation’s independent auditors and authorizing the Board of Directors to fix their remuneration for the fiscal year ending December 31, 2015 must be approved by a majority of the votes cast at the Meeting by Shareholders in respect of such resolution. **Unless otherwise directed, it is the intention of management designees to vote proxies FOR such resolution.**

Approval to Amend the Articles to Increase Maximum Number of Directors of the Corporation

At the Meeting, Shareholders of the Corporation will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (the “**Special Resolution**”), authorizing the Corporation to apply for a certificate of amendment under the *Canada Business Corporations Act* to amend its articles to increase the maximum number of directors of the Corporation from ten (10) to fifteen (15). The Board of Directors is of the view that the proposed amendment to the articles of the Corporation to increase the maximum number of directors of the Corporation from 10 to 15 will enable the Corporation to effectively transition the Board of Directors over time, maintain diversity of view and experience among the directors of the Corporation and ensure that as the Corporation grows, the Board of Directors of the Corporation is of an adequate size to fulfill its stewardship responsibilities.

The text of the Special Resolution reads as follows:

“NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- 1) The articles of the Corporation be amended to increase the number of directors from ten (10) to fifteen (15);
- 2) Notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation may, in their sole discretion, revoke this special resolution in whole or in part at any time prior to the issuance by the Director under the *Canada Business Corporations Act* of a certificate of amendment of articles without further notice to, or approval of, the shareholders of the Corporation; and
- 3) Any officer or director of the Corporation be authorized to execute and deliver all such documents and instruments, including articles of amendment in prescribed form, and to take such other actions, as may be necessary or desirable to give effect to this resolution.”

Shareholder Approval

To be approved, the Special Resolution to amend the articles must be passed by not less than two thirds of the votes cast by holders of Common Shares present in person or represented by proxy, at the Meeting.

Recommendation of the Board of Directors

The Board of Directors of the Corporation unanimously recommends that Shareholders vote FOR the Special Resolution. Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies FOR the Special Resolution.

Election of Additional Director

If the Special Resolution to increase the maximum number of directors from ten (10) to fifteen (15) is approved by the Shareholders (see “Business of the Meeting - Approval to Amend the Articles to Increase Maximum Number of Directors of the Corporation”, above), it is proposed that Peter Friedmann be nominated at the Meeting to be elected as a director of the Corporation to hold office until the close of the next annual meeting of Shareholders or until such office is earlier vacated.

Mr. Friedmann, a resident of Ontario, Canada, has confirmed his willingness to serve as a director of the Corporation, and would be an independent director. Mr. Friedmann, who was a senior executive at Canada Mortgage and Housing Corporation (“CMHC”) for 37 years, would bring significant mortgage experience to the Board of Directors. His experience includes governance, policy, risk, financial, investments, human resources and operations. At CMHC, he was a member of the Management Committee from 1996 to 2014; the Human Resources Committee from 1996 to 2014; the Pension Fund Investment Committee from 1999 to 2014 and the Asset and Liability Committee from 2003 to 2012. Mr. Friedmann is a member of the Institute of Corporate Directors and the Canadian Securities Institute, and was previously a member of the Canadian Association of Accredited Mortgage Professionals and the Ontario Federal Council. Additional information in respect of Mr. Friedmann is provided under the headings *Business of the Meeting - Election of Directors - Corporate Sanctions or Bankruptcies*, *Business of the Meeting - Election of Directors - Penalties or Sanctions*, and *Business of the Meeting - Election of Directors - Personal Bankruptcies* above.

Recommendation of the Board of Directors

The Board of Directors recommends that, should the Special Resolution be approved, Shareholders vote FOR the election of Peter Friedmann as a director of the Corporation.

Shareholder Approval

Voting for election of directors is by individual voting and not by slate voting. **Providing the Special Resolution is approved, unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies FOR the election of Peter Friedmann to the Board of Directors. Management does not contemplate that Peter Friedmann will be unable to serve as a director; however, if, for any reason, he does not stand for election or is unable to serve as such, proxies in favour of a management designee will be voted FOR another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its Common Shares are to be withheld from voting in the election of the nominee.**

REPORT ON EXECUTIVE COMPENSATION

The Board of Directors has overall responsibility for determining and implementing our philosophy with respect to executive compensation.

The Governance and Compensation Committee (“GCC”) is the committee of the Board of Directors that is responsible for establishing and overseeing the compensation for the Corporation’s Chief Executive Officer and its other named executive officers (“NEOs”), including setting or reviewing the objectives of, and reviewing performance under, the Corporation’s compensation, benefits and perquisites program for the Corporation’s NEOs.

The GCC, which was constituted in May 2014, consolidated the following two committees of the Board of Directors into one committee: the Human Resources and Compensation Committee (the “HRCC”) and the Nominating and Corporate Governance Committee (the “NCGC”).

The current members of the GCC, Messrs. Griggs, Calder, Rounthwaite and Younger, are all independent directors as defined in section 1.4 of NI 52-110. A brief description of the relevant education and experience of each of them is as follows:

Stephen J. Griggs – Mr. Griggs is the Chief Executive Officer of Smoothwater Capital Corporation. He holds a Bachelor of Arts in Commerce and Economics and a Juris Doctor, both from the University of Toronto and is a member of the Law Society of Upper Canada. He was Chief Executive Officer of Underwood Capital Partners Inc., President and Chief Executive Officer of the OPSEU Pension Trust and the CEO or Chief Operating Officer of a number of investment management businesses. He was also the Executive Director of the Canadian Coalition for Good Governance. He is also an adjunct professor at Osgoode Hall Law School teaching in the area of corporate governance.

Brendan Calder - Mr. Calder has been an Adjunct Professor and an Entrepreneur in Residence at the Rotman School of Management, University of Toronto since 2001, is Chair of Rotman's Desautels Centre for Integrative Thinking, was the founding Chair of the Rotman International Centre for Pension Management and is a Senior Fellow at Massey College. Mr. Calder was with CIBC Mortgages, Inc. and served as that company's Chair, President and CEO from 1995 to 2000. Mr. Calder is also past Chair of the Peter F. Drucker Canadian Foundation and The Toronto International Film Festival Group. He is a director of EllisDon Corporation and FirstService Corporation. Mr. Calder holds a Bachelor of Mathematics degree from the University of Waterloo and attended the Advance Management Program at Harvard University. Mr. Calder is an Institute of Corporate Directors certified director (ICD.D).

F. David Rounthwaite – Mr. Rounthwaite has been General Counsel, Corporate Secretary & Chief Compliance Officer, eHealth Ontario since May 2011 except for the period from March 2014 to September 2014 during which he served as interim Chief Executive Officer of eHealth Ontario. Mr. Rounthwaite is the former President of Nereus Financial Inc. (2004 – 2007); a former Associate and Partner at McCarthy Tetrault LLP (1983 – 2004) and served as a Trustee, Northland Power Income Fund (1997 – 2010).

Calvin Younger – Mr. Younger is the Senior Vice President of CIBC, National Businesses, Business Banking since 2002 and is a director of CIBC Asset Based Lending Inc., a wholly owned subsidiary of CIBC.

Compensation Discussion and Analysis

Introduction

This compensation discussion and analysis (“**CD&A**”) provides an overview of our executive compensation program in 2014, together with a description of the material factors underlying the decisions which resulted in the compensation provided in 2014 to our NEOs, as presented in the tables which follow this CD&A. This CD&A contains statements regarding future individual and Corporation performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management’s expectations or estimates of financial results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Compensation Process

The Board of Directors has overall responsibility for determining and implementing our philosophy with respect to executive compensation. The GCC is responsible for the establishment and oversight of the compensation of the CEO and the Corporation’s other executive officers. This includes setting or reviewing the objectives of and reviewing performance under our compensation, benefits and perquisites program for the NEOs. The GCC establishes performance criteria, evaluates performance and sets compensation for the CEO. Decisions regarding the compensation of other executive officers (including other NEOs) are made by the CEO in consultation with the GCC.

In this regard, the CEO provided the GCC with evaluations of executive performance, business goals and objectives and recommendations regarding salary levels and equity awards. Due to the size of the Corporation and the lack of direct comparables, the Corporation did not use formal benchmarking in determining executive compensation, but used available market information of comparably-sized financial services organizations when considered appropriate.

Compensation Philosophy and Objectives

Our compensation program is designed to attract, motivate, reward and retain the personnel required to achieve our business goals and objectives. In doing so, we focus on total compensation rather than individual elements of pay. The same compensation philosophy applies to all employees, including management, executive and senior officers. In 2014, our CEO and other NEOs were compensated through a mix of base salary, annual incentive bonus, options, benefits and perquisites.

Our compensation objectives for 2014 were as follows:

- 1) attract, retain and compensate talented executive officers in a highly competitive business environment;
- 2) set compensation at an appropriate level taking into account:
 - a) market value of the role;
 - b) the individual's demonstrated ability to perform the role;
 - c) skill requirements; and
 - d) level of responsibility; and
- 3) compensate executive officers in a way that incents the creation of sustained shareholder value by:
 - a) ensuring all executive officers have an at-risk component of total compensation that reflects their ability to influence business outcomes and financial performance;
 - b) linking short-term incentives to corporate operating performance and strategies through described targets and objectives that must be met or exceeded; and
 - c) linking long-term incentives to sustainable profitable growth in shareholder value.

Compensation Related Risks

The GCC recognizes that certain elements of compensation could promote unintended inappropriate risk-taking behaviours. Historically, the GCC (including any predecessor committees) has sought to minimize the Corporation's risk exposure by ensuring that an executive compensation package was comprised of a mix of cash and equity compensation, balancing short-term incentives (i.e. cash bonuses) and long-term incentives (i.e. option and deferred share unit ("DSU") grants, employee share purchase plan ("ESPP") entitlements, etc.). This helped ensure that executive performance was better aligned with the interests of the Corporation and its Shareholders. The GCC has continued this risk management and oversight process in respect of compensation through the ongoing review and identification of relevant risks in respect of the Corporation's compensation practices and the maintenance of an active dialogue between management, the Board of Directors and the GCC in respect of the implementation of policies and practices to mitigate such risks.

Executive compensation risk management is reinforced by ongoing oversight by the Board of Directors of, among other things, the Corporation's financial results, regulatory disclosure, strategic plans, fraud and error reporting, the Audit Committee's regular meetings with the external auditors (including without the presence of management), the Corporation's internal controls, management information systems, and financial control systems.

During the financial year ended December 31, 2014, there were no risks identified by the Board of Directors and GCC that arose from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Components of Executive Compensation

CEO and NEO compensation consisted of three main elements: base salary, short-term variable compensation incentives (cash bonus) and long-term incentives (stock options and ESPP entitlements). The percentage of each element of compensation was aligned with the CEO's or NEO's responsibility and ability to influence business results. The incentive opportunity varies with the performance and level of responsibility and is established annually by the Board of Directors for the CEO, and by the CEO for the NEOs with the approval of the Board of Directors.

The three main elements of CEO and NEO compensation for 2014 are described in further detail below.

1) **Base Salary** – Base salary provided a fixed level of income based on the individual's demonstrated ability to perform the role, the market value for the role and also having regard to the individual's responsibilities, years of service, potential for advancement and the assessment of the GCC. Base salary targets for the CEO were reviewed and approved by the GCC. Base salary targets for the other NEOs were reviewed and approved by the CEO and the GCC.

2) **Short-Term Variable Compensation Incentives** – The Board of Directors believes that a substantial portion of the compensation paid to the CEO and the NEOs should be at risk, contingent on operating, market and personal performance. Annual non-equity performance-based awards are paid in cash following release of year-end financial results based upon satisfaction of individual, business unit, corporate financial and operational goals. The current short-term incentive program would only pay out a bonus if minimum financial targets are met.

The Board of Directors set variable compensation award targets for 2014 based on the achievement of specific annual performance objectives that supported our operating and profitability goals. As most of the executives were first retained in 2014, the Board of Directors agreed to guaranteed, pro-rated minimum 2014 annual bonuses for several executives, including the CEO. Performance goals were set by the Board of Directors based on our business plan, business strategies and objectives related to building value for the Corporation (for instance, budgeted revenue amounts and budgeted net income). These goals provided the CEO with additional variable cash compensation with a target payout of 75% of his base salary, but could vary from 0% to 100% depending on achievements against performance goals. The GCC sets variable compensation targets for the CEO annually at the start of the financial year and determines the variable compensation payable to participating executive officers at the end of the financial year upon receipt of our audited financial statements. In turn, the CEO, with the approval of the Board of Directors, sets variable compensation targets annually at the start of the financial year and determines the variable compensation payable to NEOs, upon receipt of audited annual financial statements and approval of the Board of Directors.

3) **Long-Term Incentives**

Option Plan – In order to give directors, officers and employees a long-term incentive, the Corporation adopted the option plan under which options to acquire Common Shares are awarded (the "**Option Plan**"). Options were granted in 2014 by the Board of Directors on the recommendation of the CEO and the GCC to provide long-term incentives to members of senior management and key staff members and also to recognize the contribution of long-term staff members. To ensure consistency, senior management awards were based on established levels of grants which vary depending on the individual's position. Since 2011, directors are no longer awarded options as part of their remuneration. See *Compensation Discussion and Analysis – Director Compensation*. Readers should be aware that gains realized from stock option exercises and stock sales in a given year may be the result of options granted over many years and may reflect

several years' appreciation of the underlying shares. See *Compensation Discussion and Analysis - Equity Compensation Plan Information – Option Plan*.

Employee Share Purchase Plan – The Corporation established an employee share purchase plan (the “**ESPP**”) as a means of further aligning the interests of employees with those of its Shareholders. The ESPP provides eligible employees (which includes directors, NEOs and other executive officers), who become participants in the ESPP with the opportunity to acquire our Common Shares pursuant to a specified contribution arrangement. The ESPP is intended to provide an incentive to our employees and those of our Designated Subsidiaries (as defined in the ESPP) to: (i) promote the further development, growth and profitability of the Corporation; (ii) provide employees with a total compensation and rewards package consistent with industry standards while managing compensation related expenses; and (iii) assist us in retaining and attracting skilled personnel through the capability to offer industry competitive compensation terms and benefits. See *Compensation Discussion and Analysis – Summary Compensation Table*.

The Board of Directors believes that the perquisites currently provided to executive officers were reasonable. Perquisites totalling more than the greater of: (i) \$50,000; or (ii) 10% of an NEO's base salary are disclosed in the summary compensation table below. See *Compensation Discussion and Analysis – Summary Compensation Table*.

Hedging

The Corporation has not instituted any policies related to the purchase by directors or NEOs of financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by any director or NEO.

Role of Compensation Consultant

On April 21, 2014, Hugessen Consulting (“**Hugessen**”) commenced work in respect of a retainer to assist the Board of Directors and the GCC with determining compensation for the Corporation's Chief Executive Officer role. In connection with this retainer, Hugessen performed, among other things, background research, a high-level market review of the Corporation's financial services peer group, a review of the Corporation's existing compensation plans, and additional analyses in connection with its mandate.

For the financial year ended December 31, 2014, Hugessen did not provide any services to the Corporation, or its affiliated or subsidiary entities, or to any of its directors or members of management, other than or in addition to the compensation services previously described.

The Corporation paid Hugessen \$20,825 in the financial year ended December 31, 2014, and nil in the financial year ended December 31, 2013, in connection with executive compensation related fees. The Corporation made no other payments to Hugessen in the financial years ended December 31, 2014 and 2013.

Equity Ownership Requirements

In August 2014, the Board of Directors adopted a minimum shareholding policy for non-management directors of the Corporation. Pursuant to this policy, each non-management director is required to hold, directly or indirectly, Common Shares and/or DSUs having an aggregate value at the time of acquisition of at least \$70,000 which the director shall continuously hold while he or she is a director of the Corporation. Each non-management director is required to reach this target either (a) by August 2017 (if he or she was a director when the policy was adopted by the Board of Directors in August 2014), or (b) within 36 months after becoming a director if he or she was not a director of the Corporation when the policy was adopted by the Board of Directors in August 2014.

Mr. Jones' employment agreement provides that by November 11, 2016, he shall hold, directly or indirectly, Common Shares or DSUs having an aggregate acquisition cost of at least CDN \$1,050,000 (being three times Mr. Jones' base salary of \$350,000), which he shall continuously hold while employed by the Corporation.

Other than Mr. Jones, no other officers of the Corporation are subject to any minimum shareholding requirements.

Employee Share Purchase Plan ("ESPP")

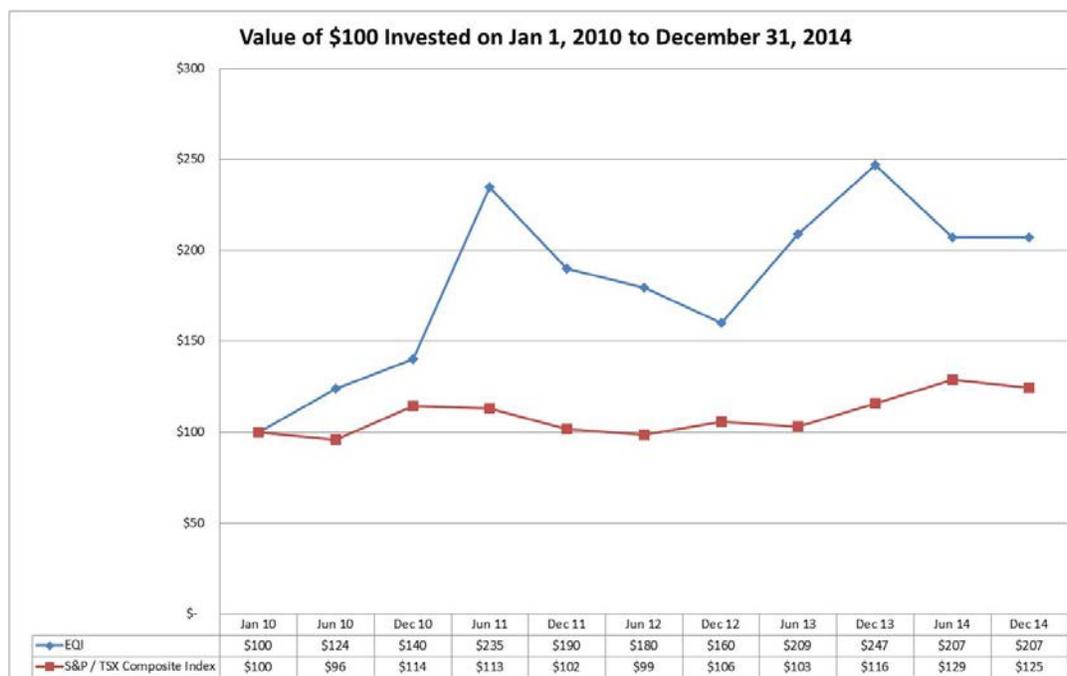
The Corporation's ESPP came into effect on October 1, 2008 and was last amended and restated on November 25, 2014. The ESPP was established to provide incentive to employees to increase their proprietary interest in the Corporation and to participate in its growth. The following is a summary of the terms of the ESPP. All capitalized terms not defined below have the meanings ascribed to those in the ESPP.

The ESPP provides an opportunity for employees to accumulate savings through automatic payroll deductions, which are invested in Common Shares. The ESPP is administered for the Corporation by Computershare, which acquired the previous ESPP administrator, SG Vestia, in 2014. Full-time employees with over three months of continuous service with the Corporation or its subsidiaries are eligible to participate in the ESPP. Employees who elect to join the ESPP ("**Participants**") may contribute any amount equal to 1% or more of their Base Earnings to the ESPP up to a limit of the Participant's after-tax Base Earnings for such Contribution Period. The Corporation contributes an amount equal to 33% of each Participant's contribution up to 5% of the employee's Base Earnings. The Administration Agent purchases Common Shares on the open market with the contribution funds and maintains accounts for each Participant. The Common Shares purchased with the Participant's contributions are unrestricted and the Participant may sell or transfer them as desired. The Common Shares purchased with the Corporation's contributions are subject to vesting conditions. Common Shares purchased by the Participant which are subject to vesting conditions will vest on January 1 of the year immediately following the year in which such shares were acquired. If a Participant voluntarily terminates his or her employment with the Corporation, his or her Common Shares subject to vesting conditions will not vest and will instead be reallocated to other ESPP Participants in accordance with their ongoing contributions. In most circumstances, Restricted Shares will vest if a Participant retires, becomes permanently disabled, is terminated without cause by the Corporation, or dies.

As at March 31, 2015, approximately 26,778 Common Shares are held in the ESPP on behalf of ESPP Participants (representing approximately 0.28% of the Corporation's issued and outstanding Common Shares).

Performance graph

The graph below compares the cumulative total return on the Corporation’s Common Shares (assuming the reinvestment of dividends, if any) for the 5-year period January 1, 2010 to December 31, 2014.



Total shareholder return was impacted during the 5-year period commencing January 1, 2010 by a number of factors, including the commencement of mortgage lending operations in 2011, the growth of the mortgage lending business since its inception and the sale, in 2013, of the assets of Equity Trust’s transfer agent and corporate trust services business (the “**Transaction**”). When the GCC and the Board of Directors determine overall compensation, they consider a number of factors and performance elements including total shareholder return as well as a number of market and economic factors outside of management’s control that impact shareholder return. The trend in shareholder return has affected total executive compensation in that it is the primary driver of the value of all long term compensation, and also has been a factor considered by the Board of Directors in exercising its discretion in awarding annual compensation.

Changes to Executive Officer Team

The Summary Compensation Table below reflects the following changes to the executive officer team which occurred in 2013 and in 2014: (i) the employment of Paul Smith, former CEO of the Corporation, terminated in February 2014; (ii) Michael Jones was appointed as President of Equity Trust in October 2013, interim CEO of the Corporation and Equity Trust in February 2014 and as President and CEO of the Corporation and Equity Trust in May 2014; (iii) Paul Bowers was appointed as Chief Risk Officer of Equity Trust in February 2014 and (iv) Lorraine Sato was appointed as Vice President Mortgage Operations of Equity Trust in June 2014, and (v) the employment of Michael Ecclestone, General Counsel and Chief Compliance Officer of the Corporation, terminated in September 2014.

The employment of Nick Kyprianou, former CEO of Equity Trust, terminated in October 2013, and a severance amount in respect of the termination of Mr. Kyprianou’s employment was negotiated and paid

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in 2014 (for further information, please see *Report on Executive Compensation – Termination and Change of Control Benefits*).

Summary Compensation Table

The following table illustrates the compensation the Corporation paid to our CEO, Chief Financial Officer (“CFO”) and the three other NEOs for the three most recently completed financial years:

	Year	Salary (\$)	Share Based Awards (\$) ⁽¹⁾	Option Based Awards (\$) ⁽²⁾	Non Equity Incentive Plan Compensation (\$)		Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Term Incentive Plans ⁽³⁾			
Michael Jones <i>CEO and President</i>	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	65,484	Nil	Nil	Nil	Nil	Nil	Nil	65,484
	2014	388,925	164,063	757,900	Nil	Nil	Nil	10,207 ⁽⁸⁾	1,321,095
Paul G. Smith⁽⁶⁾ <i>former CEO and President</i>	2012	300,000	Nil	55,832	Nil	Nil	Nil	Nil	355,832
	2013	300,000	Nil	160,969	Nil	Nil	Nil	350,000 ⁽⁵⁾	810,969
	2014	45,577	Nil	Nil	Nil	Nil	Nil	953,139 ⁽⁶⁾	998,716
Josh Reusing, <i>CFO</i>	2012	160,417	Nil	18,611	Nil	Nil	Nil	Nil	179,028
	2013	180,000	Nil	89,427	63,000	Nil	Nil	100,000 ⁽⁵⁾	432,427
	2014	182,500	Nil	Nil	80,000	Nil	Nil	Nil	262,500
Paul Bowers <i>Chief Risk Officer</i>	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	201,202	Nil	126,073	80,000	Nil	Nil	Nil	407,275
Michael Ecclestone <i>former General Counsel & Chief Compliance Officer</i>	2012	137,769	Nil	46,945	Nil	Nil	Nil	20,000 ⁽⁷⁾	204,714
	2013	180,000	Nil	89,427	63,000	Nil	Nil	70,000 ⁽⁵⁾	402,427
	2014	135,000	Nil	Nil	67,806	Nil	Nil	235,653 ⁽⁷⁾⁽⁸⁾	438,459
Lorraine Sato <i>Vice President, Mortgage Operations⁽⁹⁾</i>	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2014	86,410	Nil	134,792	33,333	Nil	Nil	17,500 ⁽⁸⁾⁽⁹⁾	272,035

- (1) We do not have a share based awards plan other than the DSU Plan. See *Compensation Discussion and Analysis – Director Compensation – DSU Plan*. To date DSU awards under such plan have been limited to directors including Michael Jones, CEO. Pursuant to his employment agreement. Mr. Jones’ DSUs were granted in February 2015 in respect of his annual bonus for the 2014.
- (2) The dollar amount in this column, other than for the options granted to Mr. Jones, represents the compensation cost of stock option awards granted in the financial year ended December 31, 2014. These amounts have been calculated at fair value as at the date of grant using the Black-Scholes method. These amounts differ from those in the Corporation’s financial statements, which only account for the value of option grants that vest in a particular time period. In the case of the grant of options to Mr. Jones, whose options are performance-based, a Monte Carlo simulation was used to estimate the grant date fair value. Further information regarding the performance-based options granted to Mr. Jones can be found at page 24 hereof.
- (3) We do not have a long-term incentive plan.
- (4) We do not have a non-equity pension plan.
- (5) In 2013, the board granted special deal bonuses to the NEOs following completion of the Transaction.
- (6) On February 25, 2014, Mr. Smith resigned as a director of the Corporation and his employment was terminated without cause. In accordance with the terms of his employment agreement that was amended in January 2013, Mr. Smith was paid a severance amount of \$953,139 following his departure from the Corporation in 2014.
- (7) Mr. Ecclestone received a signing bonus of \$20,000 in 2012. His employment was terminated in September 2014 without cause and he received a severance amount of \$226,654.
- (8) The dollar amounts include the employer match amount in respect of the Employee Share Purchase Plan contributions.
- (9) Ms. Sato commenced employment with the Corporation in July 2014. She received a signing bonus of \$15,000 in 2014..

Termination and Change of Control Benefits

The employment of Mr. Kyprianou, former CEO of Equity Trust, was terminated in October 2013, and a severance payment in the amount of \$275,000 was negotiated and paid in 2014.

The employment of Mr. Smith, former CEO and President of the Corporation, was terminated on February 25, 2014. In connection with the termination of Mr. Smith's employment, a severance payment in the amount of \$953,139 was paid in the financial year ended December 31, 2014.

The employment of Mr. Ecclestone, former General Counsel and Chief Compliance Officer of the Corporation, was terminated in September 2014. In connection with the termination of Mr. Ecclestone's employment, a severance payment in the amount of \$226,654 was awarded in the financial year ended December 31, 2014, a portion of which was paid in January 2015.

The following is a description of the employment agreements of each of the Corporation's NEOs who continue to be employees of the Corporation as at March 31, 2015:

Michael Jones – We entered into an agreement with Mr. Jones effective March 1, 2014 (the "March 2014 Agreement") concerning his appointment as President and interim CEO of the Corporation and Equity Trust which replaced an original contract with Mr. Jones dated September 19, 2013 pursuant to which he served as President of Equity Trust. The March 2014 Agreement provided that (i) Mr. Jones' annual rate of pay was \$480,000, (ii) he had no bonus or long term incentive plan entitlements, and (iii) it could be terminated by the Company on one month's prior written notice.

Following an executive search process we entered into an employment agreement with Mr. Jones effective as of May 12, 2014 (the "May 2014 Agreement") as President and Chief Executive Officer of the Corporation and Equity Trust. The May 2014 Agreement replaced the March 2014 Agreement. The May 2014 Agreement provides for, among other things (i) an annual base salary of \$350,000, (ii) an annual bonus of between 0% and 100% of base salary, targeted at 75% of base salary, (iii) an annual long term incentive award valued at between 0% and 100% of base salary, targeted at 50% of base salary, (iv) an annual contribution of \$15,000 to Mr. Jones' Retirement Savings Plan, and (v) benefits equivalent to those offered to other senior employees including, without limitation, participation in our Option Plan.

Under the May 2014 Agreement, Mr. Jones is required to hold, directly or indirectly, Common Shares or DSUs, having an aggregate acquisition cost of at least \$1,050,000 (being three times Mr. Jones' base salary), which he shall continuously hold while employed by the Corporation and Equity Trust.

Pursuant to the May 2014 Agreement, Mr. Jones received, in May 2014, a one-time grant of 330,000 performance conditioned stock options (the "Performance Options") which expire in May 2019 (the "Expiry Date"). The exercise price of the Performance Options is \$9.75. The Performance Options vest as follows: one third of the Performance Options vest in May 2015 and become exercisable if and only if, for a period of at least twenty consecutive days on which the Common Shares actually trade on the TSX after such vesting until the Expiry Date, the volume weighted average price of the Common Shares over such twenty day period is not less than \$15.00; another one third of the Performance Options vest in May 2016 and become exercisable if and only if, for a period of at least twenty consecutive days on which the Common Shares actually trade on the TSX after such vesting until the Expiry Date, the volume weighted average price of the Common Shares over such twenty day period is not less than \$20.00; and the remaining one third of the Performance Options vest in May 2017 and become exercisable if and only if, for a period of at least twenty consecutive days on which the Common Shares actually trade on the TSX after such vesting until the Expiry Date, the volume weighted average price of the Common Shares over

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such twenty day period is not less than \$25.00. Notwithstanding the foregoing, all Performance Options will vest and become exercisable upon a change of control.

Under the May 2014 Agreement, Mr. Jones' annual bonus will be awarded 50% in cash and 50% in DSUs. The May 2014 Agreement further provided that for 2014, Mr. Jones was guaranteed an annual bonus at target pro-rated to the date of his appointment with such amount to be awarded in DSUs.

Under the terms of the May 2014 Agreement, in the event Mr. Jones' employment is terminated without cause, he is entitled to (i) 12 months of base salary, (ii) 12 months of annual bonus, calculated at target, (iii) pro-rated annual bonus for the period Mr. Jones was employed by the Company in the year of dismissal, calculated at target; and (iv) continuation of benefits for a 12 month period. In the event Mr. Jones' employment is terminated without cause within six months following a change of control, Mr. Jones is entitled to (i) 24 months of base salary, (ii) 24 months of annual bonus, calculated at target, (iii) pro-rated annual bonus for the period Mr. Jones was employed by the Company in the year of dismissal, calculated at target; and (iv) continuation of benefits for a 12 month period.

The May 2014 Agreement stipulates that, subject to certain exceptions, Mr. Jones is subject to non-competition, non-solicitation, confidentiality and non-disparagement restrictions. Mr. Jones' non-competition and non-solicitation restrictions apply during the term of his employment with the Corporation and for a period of 12 months immediately thereafter. Mr. Jones' confidentiality and non-disparagement restrictions apply during his term of employment with the Corporation and indefinitely thereafter.

Josh Reusing – The annual rate of salary payable under Mr. Reusing's employment agreement was increased from \$180,000 to \$200,000 effective November 2014. Mr. Reusing's employment agreement also provides for variable compensation up to 50% of base salary if we achieve certain financial and management targets as determined from time to time by the CEO. In the event of termination without cause, Mr. Reusing shall be entitled to, in addition to accrued and unpaid wages to the date of termination, (i) any bonus/incentive income awarded but unpaid or, where there is no such bonus/incentive outstanding, a prorated bonus for the portion of the fiscal year actually worked based upon the average of the bonuses/incentive income paid in years prior considering up to a maximum of three prior years of employment; (ii) a lump sum payment equal to 12 months of current base salary; (iii) continuation of benefits until the earlier of 12 months from the termination date and such time as alternative coverage is secured; (iv) a lump sum payment equal to the prorated bonus for twelve months based upon the average of the bonuses/incentive income paid in years prior considering up to a maximum of three prior years of employment; and (v) immediate vesting of any previously awarded and unvested options.

Paul Bowers – We entered into an employment agreement with Mr. Bowers effective February 10, 2014 as Chief Risk Officer of Equity Trust. The annual salary payable under the agreement is \$225,000. The agreement also provides for variable compensation up to 50% of base salary if he achieves certain financial and management targets as determined from time to time by the Board of Directors and the CEO (guaranteed to be a minimum of \$80,000 for 2014). Mr. Bowers is also entitled to benefits equivalent to those offered to other senior employees including, without limitation, participation in our Option Plan. Under the terms of his agreement, in the event of involuntary not for cause termination, Mr. Bowers is entitled to a severance payment representing six months' salary at the rate of salary at the time of termination. The agreement does not provide for payments following or in connection with a change of control of the Corporation.

Lorraine Sato – We entered into an employment agreement with Ms. Sato dated June 24, 2014 as Vice President, Mortgage Operations of Equity Trust. The annual salary payable under the agreement is \$200,000. The agreement also provides for variable compensation up to 40% of base salary if she achieves certain financial and management targets as determined from time to time by the Board of Directors and the CEO (guaranteed to be a minimum of \$33,333 for 2014). Ms. Sato was entitled to a signing bonus of \$15,000 and is also entitled to benefits equivalent to those offered to other senior employees including, without limitation, participation in our Option Plan. Under the terms of her agreement, in the event of involuntary not for cause termination, Ms. Sato is entitled to a severance payment representing (a) if the termination occurs before the first anniversary of Ms. Sato's employment with the Corporation, six months' salary at the rate of salary at the time of termination plus 50% of bonus entitlement calculated on the average of the prior 2 years' bonus payments, or (b) if the termination occurs any time following such first anniversary, twelve months' salary at the rate of salary at the time of termination plus 100% of bonus entitlement calculated on the average of the prior 2 years' bonus payments. The agreement does not provide for payments following or in connection with a change of control of the Corporation.

Incentive Plan Awards

NEOs are eligible for awards of options pursuant to the Option Plan. We do not have any share-based award plans which have been made available to NEOs other than the Deferred Share Plan to the Corporation's CEO. See *Compensation Discussion and Analysis - Equity Compensation Plan Information - Option Plan* for a complete description of the Option Plan. All option-based awards to executive officers are made pursuant to the provisions of the Option Plan. The Board of Directors makes all decisions regarding awards to a NEO based on recommendations from the GCC. Decisions regarding awards to other employees or amendments to the Option Plan are made by the Board of Directors on the recommendation of the CEO. In all cases, decisions regarding option-based awards take into account any previous grants of option-based awards that may have occurred to the individuals concerned. See *Compensation Discussion and Analysis - Equity Compensation Plan Information*.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out the outstanding share-based awards and option-based awards that were granted to NEOs before, and remained outstanding, as at December 31, 2014.

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Option-Based Awards					Share-Based Awards ⁽¹⁾		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Prices (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested (\$)	Market or payout value of vested share-based awards not paid or distributed
Michael Jones	330,000	9.75	May 12, 2019	Nil ⁽³⁾	Nil	Nil	164,063
Josh Reusing	4,000	5.35	Sep 25, 2016	20,000	Nil	Nil	Nil
	2,000	8.00	Mar 10, 2015	4,700			
	8,000	8.70	Mar 3, 2016	13,200			
	5,000	10.10	Feb 13, 2017	1,250			
	25,000	10.90	May 17, 2018	Nil			
Paul Bowers	40,000	9.75	May 16, 2019	24,000	Nil	Nil	Nil
Lorraine Sato	40,000	10.69	June 25, 2019	0	Nil	Nil	Nil

- (1) To date, DSU awards under the DSU Plan have been limited to non-management directors and the CEO and no DSUs have been awarded to any NEO other than Michael Jones. Mr. Jones was awarded in February 2015, DSUs having a value of \$164,063 in respect of a bonus award for 2014.
- (2) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market price of the securities underlying the options at financial year-end and the exercise price of the options. The closing price of the Corporation's Common Shares on December 31, 2014 was \$10.35.
- (3) Mr. Jones' options are subject, in addition to time vesting, to minimum Common Shares prices, the particulars of which are set out at page 22 hereof. If Mr. Jones' options set out in the table had vested both as to time and the minimum Common Share price requirements, the value of the unexercised in-the-money options as at December 31, 2014 would be \$198,000.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive-based awards awarded to NEOs during the financial year ended December 31, 2014.

Name	Option-based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-based Awards - Value Vested During the Year (\$) ⁽²⁾	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael Jones	Nil	164,063	Nil
Josh Reusing	7,849	Nil	Nil
Paul Bowers	Nil	Nil	Nil
Lorraine Sato	Nil	Nil	Nil
Paul G. Smith	57,500	Nil	Nil
Michael Ecclestone	3,150	Nil	Nil

- (1) The dollar amount in this column represents the amount that would have been realized if the option-based award had been exercised on the vesting date.
- (2) We do not have a share-based awards plan other than the DSU Plan. To date, DSU awards under the DSU Plan have been limited to non-management directors and no DSUs have been awarded to any NEOs other than Michael Jones.

Director Compensation

During the first quarter of the financial year ended December 31, 2014, the Corporation completed the resolution of a pre-existing shareholder action and a review of underwriting and risk management controls. These two events together led to a rebuilding process that included changes to the Board of Directors, including certain former directors concluding their service on the Board of Directors. Unless stated otherwise, this section presents information for all persons who acted as directors during the financial year ended December 31, 2014.

Director Compensation Table

The following table sets out the amounts of compensation provided to the directors of the Corporation for the most recently completed financial year ended December 31, 2014 for their services as a member of the Board of Directors or as a member of a committee of the Board of Directors of the Corporation. Neither Mr. Smith nor Mr. Jones was paid director fees.

Name	Fees Earned (\$)⁽¹⁾	Share-Based Awards (\$)⁽²⁾	Option-Based Awards (\$)⁽³⁾	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)⁽⁴⁾	All Other Compensation (\$)⁽⁵⁾	Total Compensation (\$)
Michael A. Gerrior	14,000	Nil	Nil	Nil	Nil	244	14,244
Elmer I. Kim	16,000	Nil	Nil	Nil	Nil	Nil	16,000
Bernard J. le Duc	11,000	Nil	Nil	Nil	Nil	206	11,206
J. Allan Ringler	16,000	Nil	Nil	Nil	Nil	Nil	16,000
Natasha A. Sharpe	10,000	Nil	Nil	Nil	Nil	Nil	10,000
Thomas R. Spencer	76,750	Nil	Nil	Nil	Nil	Nil	76,750
Donald A. Wright	71,500	Nil	Nil	Nil	Nil	4,050	75,550
Wesley Hall	9,125	Nil	Nil	Nil	Nil	Nil	9,125
Bradley R. Kipp	98,917	33,003	Nil	Nil	Nil	5,670	137,590
Brendan Calder	2,042	25,833	Nil	Nil	Nil	Nil	27,875
Stephen J. Griggs	27,000	60,829	Nil	Nil	Nil	1,350	89,179
Michèle McCarthy	30,084	19,916	Nil	Nil	Nil	1,073	51,073
Martin Ouellet	18,458	15,790	Nil	Nil	Nil	Nil	34,248
David Rounthwaite	27,709	16,544	Nil	Nil	Nil	Nil	44,253
Glen Silvestri	20,625	34,336	Nil	Nil	Nil	1,031	55,992
Calvin Younger ⁽⁶⁾	28,875	Nil	Nil	Nil	Nil	Nil	28,875

- (1) This column includes annual non-management director fees, committee chairman fees and other committee member fees and meeting attendance fees earned in 2014. See *Compensation Discussion and Analysis – Director Compensation – Discussion of Director Compensation*.
- (2) This column includes the value of DSUs awarded to the directors during the financial year ended December 31, 2014 pursuant to the DSU Plan.
- (3) No stock options were awarded to directors in 2014 pursuant to the Option Plan.
- (4) We do not have a pension plan.
- (5) This column shows the amounts the Corporation paid to directors in matching contributions under the ESPP.
- (6) As a senior executive of CIBC, CIBC's rules preclude Mr. Younger from receiving payment of fees from the Corporation. Mr. Younger's fees were donated to charity.

Discussion of Director Compensation

The Chair of the Board of Directors is paid an annual retainer of \$75,000 payable quarterly and all other directors are entitled to an annual retainer of \$35,000 payable quarterly. The Chairs of the Audit Committee and Governance and Compensation Committee receive an additional annual retainer of \$10,000 and \$7,000 respectively, and the remaining members of the Audit Committee and Governance and Compensation Committee receive an additional annual retainer of \$5,000 and \$2,500 respectively. In addition, each non-management director receives a fee of \$1,000 for each Board of Directors or committee meeting that he or she attends. Directors who are employees of the Corporation do not receive additional compensation for service as members of the Board of Directors or its committees. Directors are reimbursed their reasonable expenses in respect of meetings of the Board of Directors or its committees.

Directors may elect, in their sole discretion, to receive all or a portion of their basic retainer fees in DSUs. Please see *Compensation Discussion & Analysis – Director Compensation – Director Compensation Table* for details of DSU grants awarded to directors in fiscal 2014 and *Compensation Discussion & Analysis – Director Compensation – DSU Plan* for a description of the DSU plan. DSUs are awarded based on the fair market value of the Common Shares on the date of the grant as approved by the Board of Directors. Effective January 2015, directors are required to receive a minimum of fifty percent of their fees in DSUs and may elect once per year, in their sole discretion, to receive all or a portion of the remaining fees in DSUs.

DSU Plan

The Board of Directors has established the DSU Plan to compensate directors, officers, employees and consultants of the Corporation (each, an “**Eligible Participant**”) in the form of DSUs. The DSU Plan is designed to encourage greater alignment of the interests of such Eligible Participants with those of Shareholders. Under the DSU Plan, a DSU will be attributed a value based on the closing price of the Common Shares on the TSX for the trading day immediately preceding the date of grant. The Board of Directors has discretion to set all other specific terms and conditions of a DSU grant, including the number of DSUs to be allocated, the terms and conditions of vesting, and such other terms and conditions which the Board of Directors considers appropriate to the award in question, and which terms and conditions need not be identical as between any two awards, whether or not contemporaneous. All DSUs will be paid out in cash only. Subject to certain restrictions, the value of each DSU, when converted into cash, will be equivalent to the market price of a Common Share at the time the conversion takes place. Under the DSU Plan, a DSU cannot be converted to cash until the Eligible Participant ceases to be an Eligible Participant. Therefore, the issuance of DSUs ensures that Eligible Participants have ongoing exposure to Common Share price performance. As at the date hereof, DSUs have only been granted to directors of the Corporation.

Director Incentive Plan Awards – Outstanding Share-Based Awards

The following table sets out the outstanding option-based and share-based awards awarded to directors as at December 31, 2014.

Option-Based Awards					Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Prices (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid or distributed ⁽²⁾ (\$)
Brendan Calder	Nil	Nil	Nil	Nil	Nil	Nil	29,529
Stephen J. Griggs	Nil	Nil	Nil	Nil	Nil	Nil	69,914
Michael Jones	330,000	9.75	May 12, 2019	Nil	Nil	Nil	164,063 ⁽³⁾
Bradley R. Kipp	10,000	6.90	Aug 11, 2015	34,500	Nil	Nil	140,129
Michele McCarthy	Nil	Nil	Nil	Nil	Nil	Nil	23,018
F. David Rounthwaite	Nil	Nil	Nil	Nil	Nil	Nil	19,251
Martin Ouellet	Nil	Nil	Nil	Nil	Nil	Nil	17,895
Glen Silvestri	Nil	Nil	Nil	Nil	Nil	Nil	39,920
Calvin Younger	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the difference, if any, between the market value of the securities underlying the options at exercise or financial year-end (based on a closing price of \$10.35 on the Exchange on December 31, 2014, respectively, and the exercise of base price of the options). The closing price of the Corporation's Common Shares on December 31, 2014 was \$10.35.

(2) Reflects the value of vested DSUs using the closing price of the Corporation's Common Shares on December 31, 2014 (\$10.35).

(3) Michael Jones received an award of DSUs in February 2015 in respect of his annual bonus for 2014.

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Director Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive-based awards awarded to directors during the financial year ended December 31, 2014.

Name	Option-based Awards – Value Vested During the Year⁽¹⁾ (\$)	Share-based Awards - Value Vested During the Year⁽²⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael A. Gerrior	Nil	12,677	Nil
Elmer I. Kim	Nil	12,677	Nil
Bernard J. le Duc	Nil	12,677	Nil
J. Allan Ringler	Nil	12,677	Nil
Natasha A. Sharpe	Nil	12,677	Nil
Thomas R. Spencer	Nil	11,198	Nil
Donald A. Wright	Nil	27,995	Nil
Bradley R. Kipp	Nil	48,431	Nil
Stephen J. Griggs	Nil	60,829	Nil
Michael Jones	Nil	164,063 ⁽³⁾	Nil
Michèle McCarthy	Nil	19,916	Nil
F. David Rounthwaite	Nil	16,544	Nil
Glen Silvestri	Nil	34,336	Nil
Brendan Calder	Nil	25,833	Nil
Martin Ouellet	Nil	15,790	Nil
Calvin Younger	Nil	Nil	Nil

- (1) This column shows the amount which would have been realized if the option-based awards had been exercised on the relevant vesting date.
- (2) Reflects DSUs that vested during the 2014 financial year. The value of the DSUs is equivalent to the market value of the Common Shares on the date that vesting takes place multiplied by the number of units.
- (3) Michael Jones received an award of DSUs in February 2015 in respect of his annual bonus for 2014.

Equity Compensation Plan Information

The following table sets out information concerning the Corporation's equity compensation plans (including the DSU and Option Plans) under which equity securities are authorized for issuance, as at December 31, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	583,000	\$9.79	369,751
Equity compensation plans not approved by security holders	Nil	Nil	Nil

Option Plan

The rules of the TSX provide that listed issuers must disclose on an annual basis, in their information circulars or other annual disclosure document distributed to all security holders, the terms of their security-based compensation arrangements.

The following is a summary only of the terms of the Option Plan, which summary is qualified by and is subject to the full terms and conditions of the Option Plan dated May 12, 2011, and last approved by Shareholders on April 2, 2013, which is available on the Corporation's SEDAR profile at www.sedar.com. All capitalized terms used but not defined in this section of the Circular have the meanings ascribed thereto in the Option Plan.

The number of Common Shares reserved for issuance pursuant to the Option Plan is 10% of our issued and outstanding Common Shares as of the date of grant of any option. Notwithstanding the foregoing, no options shall be granted to an optionee if such grant could result, at any time, in:

- a) the number of Common Shares reserved for issuance pursuant to the Option Plan together with other share compensation arrangements granted to insiders exceeding 10% of the issued and outstanding Common Shares; or
- b) the number of Common Shares issued to insiders, within a one-year period, pursuant to the Option Plan together with other share compensation arrangements exceeding 10% of the issued and outstanding Common Shares.

The foregoing restrictions are known as the "insider participation limits" of the Toronto Stock Exchange (the "**Exchange**").

The Option Plan provides that the Board of Directors shall determine the terms and conditions of the options, including the exercise price of the options, but in any event the exercise price shall be no less than the Market Value of the Common Shares, with “**Market Value**” being defined as the closing board lot sale price per Common Share on the Exchange on the trading day immediately preceding the date the option is granted. Eligible Persons under the Option Plan include employees of the Corporation or its subsidiaries, directors and executive officers of the Corporation or its subsidiaries, consultants of the Corporation or a related entity, and their permitted assigns. The term of each option is determined on an individual basis, but can be no more than ten years from the date of grant thereof. Options under the Option Plan vest as determined by the Board of Directors on the date of grant of the options, provided, however, that all options will, subject to Exchange approval, vest in full on a change of control.

Options granted under the Option Plan are non-assignable and non-transferable. We will not provide financial assistance or support to any participants in the Option Plan that will facilitate the purchase of securities as compensation or under the Option Plan. Unless otherwise determined, options terminate 90 days after the termination without Cause and Incapacity of an Eligible Person. Unless otherwise determined, Options terminate within twelve months following the death of an Eligible Person and if an Eligible Person is terminated for Cause, any unexercised option terminates immediately prior to such termination.

Subject to applicable regulatory requirements and except as otherwise provided by the Option Plan, the Board of Directors may, in its sole and absolute discretion and without Shareholder approval, amend, suspend, terminate or discontinue the Option Plan and may amend the terms and conditions of options granted pursuant to the Option Plan provided, however, that if the Board of Directors wishes to increase the maximum percentage of 10% or extend the term of the option or reduce the option price of options granted to insiders of the Corporation, Shareholder approval will be required.

Without limiting the generality of the foregoing paragraph, the Board of Directors may make the following amendments to the Option Plan, without obtaining Shareholder approval:

- a) amendments to the terms and conditions of the Option Plan necessary to ensure that the Option Plan complies with the applicable regulatory requirements, including the rules of the Exchange, in place from time to time;
- b) amendments to the provisions of the Option Plan respecting administration of the Option Plan and eligibility for participation under the Option Plan;
- c) amendments to the provisions of the Option Plan respecting the terms and conditions on which options may be granted pursuant to the Plan, including the provisions relating to the Option Price, the term of the option and the vesting schedule; and
- d) amendments to the Option Plan that are of a “housekeeping” nature.

On May 12, 2011, the Board of Directors approved certain amendments to the Option Plan to reflect the new tax withholding requirements under the *Income Tax Act* (Canada) (“**Tax Act**”). Pursuant to the amendments, if the Corporation is required under the Tax Act or any other applicable law to remit to any governmental authority an amount on account of tax on the value of any taxable benefit associated with the exercise or disposition of options by an optionee, then the optionee must, concurrently with the exercise or disposition (i) pay the Corporation an amount equal to the required tax remittance, (ii) authorize the Corporation to sell in the market a portion of the Common Shares being issued upon exercise of the options as is required to realize cash proceeds to fund the required tax remittance, or (iii) make other acceptable arrangements to fund the required tax remittance. Pursuant to the policies of the Exchange, such amendments are of a “housekeeping” nature and therefore Shareholder approval is not required.

The Board of Directors may not, without the approval of our Shareholders, make amendments with respect to the following:

- a) an increase to the Option Plan maximum or the number of securities reserved for issuance under the Option Plan;
- b) amendment provisions granting additional powers to the Board of Directors to amend the Option Plan or entitlements thereunder;
- c) reduction in the Option Price or other entitlements held by insiders;
- d) extension to the term of Options held by insiders; and
- e) changes to insider participation limits.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or other officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the beginning of our most recently completed financial year, indebted to us nor is, or at any time since our incorporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Circular, management is not aware of any material interest in any matter to be acted upon at the Meeting, or any material transaction, direct or indirect, of any director or officer of the Corporation or of any person beneficially owning, directly or indirectly, more than 10% of the Common Shares or any associate or affiliate thereof, that has materially affected or would materially affect us or any of our subsidiaries.

CORPORATE GOVERNANCE

The Corporation's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), National Policy 58-201 – *Corporate Governance Guidelines* and NI 52-110. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

The Board of Directors

The primary function of the Board of Directors is to supervise the management of the business and affairs of the Corporation. To assist the Board in the fulfillment of its duties, the Board of Directors has established an Audit Committee and the Governance and Compensation Committee, delegating to each committee the duties and responsibilities set out in the respective committee's mandate. In addition, for parts of 2014 there were also two other special purpose committees of the Board of Directors: the Special Committee and the Executive Search Committee. A fuller description of each of these two committees is set out beginning at page 35.

Independence of the Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is in turn defined as a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an “independent director” or a “non-independent director”, the Board of Directors considers the factual circumstances of each director in the context of the Guidelines.

The Board of Directors will be comprised of ten members following the Meeting if each of the directors nominated by the Board of Directors is elected, nine of whom are “independent directors” within the meaning of NI 58-101. The nine independent directors will be Yousry Bissada, Brendan Calder, Stephen Griggs, Bradley Kipp, Michèle McCarthy, William Mulvihill, Martin Ouellet, David Rounthwaite and Calvin Younger. Michael Jones is not independent for the purposes of NI 58-101 because he is the President and CEO of the Corporation and Equity Trust. In addition, if the Special Resolution is passed and Peter Friedmann is appointed as a director subsequent to the Meeting, he will be independent within the meaning of NI 58-101.

Chair of the Board of Directors

Mr. Stephen J. Griggs is the Chair of the Board of Directors and is an independent director. Mr. Griggs is primarily responsible for overseeing the performance by the Board of Directors of its duties, establishing the agenda for Board of Directors meetings (in consultation with the CEO) and supervising the conduct of such meetings, communicating periodically with committee chairs regarding the activities of their respective committees, assessing the effectiveness of the Board of Directors as a whole as well as individual members of the Board of Directors and ensuring the Board of Directors works as a cohesive team and providing the leadership essential to achieve the foregoing objectives.

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Mr. Donald A. Wright, the former Chairman of the Corporation, did not stand for re-election at the annual meeting of shareholders in May 2014.

Meetings of the Board of Directors

Non-independent directors and members of management are in attendance at all regularly scheduled board and committee meetings. At each meeting, time is allotted for an *in-camera* session of independent directors, and separate meetings of independent directors are scheduled as deemed necessary.

The following table provides a summary of the attendance of each director of the Corporation at meetings of the Board of Directors and its committees during 2014 that each such director was eligible to attend.

Director	Board of Directors (24 Meetings) #	Audit Committee (11 Meetings) #	Gov & Comp Committee (4 Meetings) #	Special Committee (11 Meetings) #	Overall Attendance %	
The following directors were directors of the Corporation as at December 31, 2014 and remain directors of the Corporation as at the date hereof.						
Bradley R. Kipp	21/24	11/11		11/11	43/46	93
Stephen Griggs	11/11	9/9	4/4		24/24	100
Michael Jones	11/11				11/11	100
Michèle McCarthy	11/11	2/2			13/13	100
David Rounthwaite	10/11		4/4		14/15	93
Glen Silvestri	11/11	9/9	1/1		21/21	100
Brendan Calder	5/5		3/3		8/8	100
Martin Ouellet	5/5				5/5	100
Calvin Younger	5/5		3/3		8/8	100
The following directors resigned as directors during 2014						
Michael A. Gerrior	14/14				14/14	100
Elmer I. Kim	14/14	2/2			16/16	100
Bernard J. le Duc	11/14				11/14	79
J. Allan Ringler	14/14	2/2			16/16	100
Natasha A. Sharpe	10/14				10/14	71
Paul G. Smith	13/14				13/14	93
Thomas R. Spencer	19/19	8/8		11/11	38/38	100
Donald A. Wright	18/19			10/11	28/30	93
Wesley Hall	5/6		1/1		7/8	88

In addition to the meetings of the Board of Directors and the Committees set out in the table above, the Executive Search Committee of the Board of Directors, the particulars of which are described more fully at page 42, met as necessary during the period from March to May 2014.

Currently, the directors listed below serve as directors on the boards of other public companies.

<u>Director</u>	<u>Public Company</u>
Brendan Calder	FirstService Corporation
Bradley R. Kipp	African Copper PLC Scorpio Mining
Stephen J. Griggs	Genesis Land Development Corp. Greater Toronto Airports Authority
Michèle McCarthy	Lago Dourado Minerals Ltd. TD Split Inc. 5 Banc Inc. Big 8 Inc.

Board of Directors Mandate

The Board of Directors is responsible for the overall stewardship of the Corporation. The Board of Directors discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board of Directors, the Chair, and officers of the Corporation, all as more particularly described in the Board of Directors Mandate adopted by the Board of Directors.

The Board of Directors Mandate is attached as Schedule A to this Circular.

Position Descriptions

The Board of Directors has developed written position descriptions for the CEO. The Board of Directors intends to develop a written position description for the Chair of the Board of Directors in 2015. The chairs of the other committees currently determine their roles and responsibilities through consultation and agreement. They are guided in their consultations by reference to the Board of Directors and committee mandates which set out the responsibilities of the Board of Directors and the committees for supervising management of the Corporation.

Orientation and Continuing Education

The Board of Directors is responsible for director orientation and continuing education. All new directors are provided with information concerning the Corporation and attend meetings at which they receive briefings on the nature and operation of the business by senior management of the Corporation and its subsidiaries. New Directors are given the opportunity to meet with key members of the management team to discuss the Corporation's business and activities. In addition, new directors receive copies of corporate policies and procedures and other information regarding the business and operations of the Corporation.

The Corporation's management team makes regular presentations to the Board of Directors on matters that may significantly impact the business of the Corporation and its subsidiaries. Members of the Board of Directors are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisers and other consultants of the Corporation. Members of the Board of Directors have access to counsel and other advisers in the event of any questions or matters relating to the directors' corporate and director

responsibilities and to keep themselves current with changes in legislation. The directors have full access to the Corporation's records.

Nomination of Directors

The Governance and Compensation Committee is responsible for recommending to the Board of Directors candidates for election as directors and candidates for appointment to Board of Director committees as set out in its mandate. The GCC considers the current skills of the Board of Directors and the additional skills and attributes required in proposing new directors. Current directors, senior management and outside professional firms are able to advise the GCC as to potential candidates. Once candidates are identified, GCC members or other members of the Board of Directors interview the individuals and the GCC advises the Board of Directors as to the results of the interviews. The Board of Directors decides to nominate a candidate based on the results of the interviews and the recommendation of the GCC.

Director Term Limits and Other Mechanisms for Board Renewal

As the size of the Corporation's board is being increased and several first-time directors have been nominated for election, the Corporation will seek to leverage the value and depth of knowledge that longer serving directors bring to the Board of Directors, to ensure continuity. The Corporation has not adopted term limits for directors serving on the Board of Directors. .

Policies Regarding the Representation of Women on the Board of Directors

The Corporation has not adopted a written policy relating specifically to the identification and nomination of women directors, as the overall composition of the Board of Directors is based on numerous factors and it is ultimately the skills, experience, character and behavioural qualities of a candidate that are the determining factors in making recommendations for election or re-election to the Board of Directors. The Board of Directors assesses the mix of skills, experience, and other relevant factors, including diversity, of its members on an annual basis.

The Board values, and is committed to fostering, a diverse environment where individual differences are respected both at the Board level, and within the Corporation generally. The Corporation will consider diversity in the broadest sense in the recruitment process (including diversity in gender, ethnicity, experience and background), and the level of representation of women on the Board and in executive officer positions will be considered when identifying and nominating candidates for election or appointment in such instances when the Board of Directors is in a position to make changes to the Board. The Corporation's review of potential candidates for nomination to the Board of Directors will take into account the desirability of maintaining a reasonable diversity of background skills, experience and personal characteristics among the directors, and the GCC will make every effort to identify and nominate qualified women to the Board of Directors.

The Corporation does not currently have targets for women directors or executives, but is committed to reviewing this as part of its future recruitment strategies.

Currently, there is one woman on the Board (who is also a member of the Audit Committee) and one woman in an executive officer position, each representing 11 percent.

Assessments

The GCC (in consultation with the Chair of the Board of Directors) is responsible for conducting assessments of the Board of Directors, each committee of the Board of Directors and each individual director of the Corporation. A formal assessment was completed in 2013 and the results were reviewed in detail with the directors. The assessment provided the directors with an opportunity to comment on their responsibilities, operations and effectiveness through a series of questions and also the ability to add extra comments where appropriate. A formal assessment of the Board of Directors for 2015 is currently being conducted.

Ethical Business Conduct

The Board of Directors has adopted a written code of conduct (the “**Code**”) for the Corporation’s directors, officers and employees that sets out the expectations of the Board of Directors for the conduct of such persons in their dealings on behalf of the Corporation and its subsidiaries. The Code is subject to periodic review and revision to ensure it remains current and reflective of appropriate best practices. The next such review is currently in progress.

The Code is designed to deter wrongdoing and promote honest and ethical conduct; the avoidance of conflicts of interests; ensure confidentiality of corporate information; the protection and proper use of corporate assets; promote compliance with applicable governmental laws, rules and regulations; ensure prompt internal reporting of any violations of the Code; specify accountability for adherence to the Code; and reinforce a culture of honesty and accountability. A copy of the Code may be obtained upon request by writing to the Corporation at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

A copy of the Code is provided to each director, officer and employee of the Corporation and each person is required to acknowledge annually that he or she has read the Code and to disclose any transactions or matters of potential conflict.

Directors who have, or may be reasonably perceived to have, a personal interest in a transaction, agreement or decision being contemplated by the Corporation are required to declare such interest at any directors’ meeting where the matter is being considered and to refrain from voting on such matter. Directors are also able to request *in-camera* sessions to discuss such matters without the presence of the interested director or executive officer and, if necessary, the Board of Directors is able to convene a special committee of disinterested directors to consider the issue.

Audit Committee

The Audit Committee is comprised of four directors of the Corporation, Bradley R. Kipp (Chair), Stephen J. Griggs, Michèle McCarthy and Glen Silvestri, all of whom are independent and financially literate for the purposes of NI 52-110. It is expected that Mr. Mulvihill will join the Audit Committee on Mr. Silvestri’s retirement from the board. The responsibilities and operation of the Audit Committee are set out in the Audit Committee’s mandate, the text of which is included as Schedule A to the 2014 Annual Information Form (“**AIF**”), a copy of which is available on SEDAR at www.sedar.com. Please refer to the section entitled “*Audit Committee Information*” in the 2014 AIF for further information.

Governance and Compensation Committee

The GCC is comprised of four directors of the Corporation, Stephen J. Griggs (Chair), Brendan Calder, David Rounthwaite and Calvin Younger, all of whom are independent directors, as defined in NI 58-101 and NI 52-110. The responsibilities of the GCC are set out in the committee's mandate. The GCC mandate, which was approved by the Board of Directors in February 2015, provides that the GCC:

- oversees our compensation and benefit programs;
- reviews and recommends to the Board of Directors performance targets and compensation for the CEO;
- reviews executive compensation packages for senior officers, including salary, short-term incentives, stock options, bonuses, awards and other incentives;
- identifies and recommends suitable candidates for nomination as new directors to the Board of Directors;
- reviews the credentials of directors standing for re-election;
- performs reviews of Board of Directors and committee structures and mandates; and
- evaluates the performance of the Board of Directors and its committees.

The members of the GCC are appointed annually by the Board of Directors and each member of the GCC serves at the pleasure of the Board of Directors until the member resigns, is removed, or ceases to be a member of the Board of Directors. The GCC Mandate may be obtained upon request by writing to the Corporation at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

The Board of Directors has overall responsibility for determining and implementing our philosophy with respect to executive compensation. The GCC is responsible for:

- the establishment and oversight of CEO compensation and oversight of other executive compensation;
- the establishment of performance criteria for the CEO; and
- the evaluation of performance of the CEO.

Decisions regarding the compensation of other executives (including other NEOs) are made by the CEO in consultation with the GCC. In this regard, the CEO provides the GCC with evaluations of executive performance, business goals and objectives and recommendations regarding salary levels and equity awards.

Directors who are not employees are compensated through annual retainer fees and a fee per Board of Directors or committee meeting attended payable in cash or in DSU's or a combination thereof. Under the GCC Mandate the GCC:

- periodically reviews the adequacy and form of compensation of directors to ensure the compensation realistically reflects the responsibilities and risks involved in being an effective director; and
- reports and makes recommendations to the Board of Directors on director compensation.

The GCC makes recommendations for candidates to the Board of Directors and candidates for appointment to various committees of the Board of Directors. In making its recommendations the GCC considers:

- the competencies and skills that the Board of Directors considers to be necessary for the Board of Directors as a whole to possess;
- the competencies, skills and expertise of individual directors; and
- the competencies, skills and expertise each potential nominee may bring to the boardroom.

The responsibility for approving new nominees to the Board of Directors belongs to the Board of Directors. The GCC may also make, where appropriate, recommendations for the removal of a director from the Board of Directors or from a committee of the Board of Directors if he or she is no longer qualified to serve as a director under applicable requirements.

Special Committee

Following the initiation of a Shareholder action in late 2013 (the details of which may be found in the Annual Information Form of the Corporation for the year ended 2013, which can be accessed at www.sedar.com), the Board of Directors established a Special Committee comprised of three independent directors to lead the Corporation's response to such Shareholder action. The Special Committee was dissolved following the resolution of the Shareholder action in February 2014. The members of the Special Committee were Messrs. Wright, Kipp and Spencer.

Executive Search Committee

The Executive Search Committee of the Board of Directors was struck in March 2014 with the mandate to recommend to the Board of Directors a permanent, full-time CEO for the corporation. The members of the Executive Search Committee were Stephen Griggs, Wesley Hall and Bradley Kipp. The Executive Search Committee was dissolved in May 2014 following the selection and appointment of Michael Jones as President and CEO of the Corporation and Equity Trust.

DIRECTORS' AND OFFICERS' LIABILITY AND INDEMNIFICATION

We have in place a directors' and officers' liability insurance policy for directors and officers of the Corporation. The policy provides coverage for costs incurred to defend and settle claims against directors and officers of the Corporation, subject to certain limitations contained in the policy and the *Canada Business Corporations Act*. The cost of coverage for the financial year ended December 31, 2014 was approximately \$58,050, inclusive of applicable taxes. Directors and officers do not pay any portion of the premiums and no claims were made or became payable in 2014.

Subject to limitations contained in the *Canada Business Corporations Act*, the by-laws of the Corporation provide an indemnity to the directors and certain officers of the Corporation in certain circumstances. Each director and certain officers have entered into indemnification agreements with the Corporation which generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by applicable law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, if the indemnitees acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to criminal and administrative actions or proceedings, if the indemnitee had reasonable grounds for believing that his or her conduct was lawful.

SHAREHOLDER PROPOSALS

Shareholders entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by December 30, 2015.

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including the Management Discussion and Analysis (“MD&A”) and the Annual Information Form (“AIF”), is filed on SEDAR and may be viewed at www.sedar.com.

Financial information is provided in our comparative audited consolidated financial statements and in the Corporation’s MD&A for the year ended December 31, 2014 (“**Annual MD&A**”). Copies of our audited consolidated financial statements for the year ended December 31, 2014 and the Annual MD&A have been sent to those Registered Shareholders and Beneficial Shareholders who requested a copy along with this Circular and are available on SEDAR at www.sedar.com. Shareholders may also request copies of this Circular, our financial statements, the Annual MD&A and the AIF by writing to us at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1. The Board of Directors has approved the contents and the sending of this Circular.

DATED this 23rd day of April, 2015.

By Order of the Board of Directors



Michael R. Jones,
President and Chief Executive Officer

SCHEDULE A – BOARD OF DIRECTORS MANDATE

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Mandate of the Board of Directors

1. Overview

Definition The term “**Corporation**” shall refer to Equity Financial Holdings Inc. and the term “**Board**” shall refer to the board of directors of the Corporation.

Introduction The Board is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by objectively and effectively reviewing, discussing and approving the Corporation’s strategic plan, the organizational structure, including appointment of the CEO upon recommendation of the Governance and Compensation Committee, and overseeing management to ensure that they preserve and enhance the underlying value of the Corporation.

Although directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation as a whole must be paramount at all times.

2. Authority

Engage Independent Counsel The Board has the authority to engage independent counsel and other outside advisors to carry out its duties including, but not limited to

- identifying and reviewing candidates to serve as directors or officers, and
- approving the compensation for any such advisors employed by the Board.

Authorization of Expenses The Corporation shall provide appropriate funding, as determined by the Board, for payment of compensation to

- any advisors engaged by the Board, and
- administrative expenses of the Board that are necessary or appropriate in carrying out its duties.

3. Composition

Election of the Board The Board is elected by shareholders.

Compliance with Independence and Experience Requirements The majority of the Board members shall be, in the determination of the Board, “independent” for the purposes of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Each independent Board member shall satisfy the independence and experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

Election of Board Chair The Chair of the Board, who shall not be an executive of the Corporation, will be elected by vote of a majority of the full Board membership, on the recommendation of the Governance and Compensation Committee.

Responsibilities of Board Chair The Chair of the Board with the assistance of the lead director (who shall be an independent director), if any, will chair Board meetings and shall be responsible for

- overseeing the performance by the Board of its duties
- setting the agenda of each Board meeting (in consultation with the CEO)
- communicating periodically with the CEO about the business of the Corporation and the activities of the Board
- communicating periodically with Board committee chairs and senior management regarding the activities of their respective committees
- together with the Governance and Compensation Committee, assessing the effectiveness of the Board as a whole as well as individual Board members, and
- ensuring the Board works as a cohesive team and providing the leadership essential to achieve the foregoing objectives.

4. Meetings

Schedule of Meetings

Meetings will be scheduled for each year to facilitate the Board carrying out its responsibilities.

Additional meetings will be held as deemed necessary by the Chair of the Board. Any director of the Corporation may request the Chair of the Board to call a meeting of the Board.

In-camera

As a regular feature of each meeting, the independent directors of the Board shall have an in-camera session at which non-independent directors and management are not present.

The Board may also hold any other in-camera sessions that it deems appropriate including in-camera sessions with the heads of the oversight functions.

Quorum and Resolutions

Meetings of the Board shall be validly constituted if a majority of the members of the Board is present in person or by telephone.

A resolution in writing signed by all the members of the Board entitled to vote on that resolution at a meeting of the Board is as valid as if it had been passed at a meeting of the Board.

5. Performance

Review and Assessment

The Board shall review and assess at least annually

- the adequacy of this Mandate, and
- the effectiveness of the Board and each director.

The Board will make any necessary changes resulting from such review and assessment.

Mandate Compliance

The Board will ensure that this mandate or a summary that has been approved by the Board is disclosed in accordance with all applicable securities laws or regulatory requirements in

- the Corporation's annual management information circular or
- such other annual filing as may be permitted or required by applicable securities regulatory authorities.

6. Responsibilities

Primary Role The Board is responsible for the stewardship of the business and affairs of the Corporation. The Board seeks to discharge such responsibility by objectively and effectively reviewing, discussing and approving the Corporation’s strategic plan, the organizational structure, including appointment of the CEO upon recommendation of the Governance and Compensation Committee, and overseeing management to ensure that they preserve and enhance the underlying value of the Corporation.

Delegation of responsibilities The Board may discharge its responsibilities directly or, as permitted by applicable law, by delegating

- to the Corporation’s senior officers the responsibilities for day-to-day management of the Corporation, and
- through its Board committees or ad hoc committees.

Delegation of responsibilities to the CEO, Senior Management The Board

- approves the appointment of the CEO and such other senior management as either required by applicable law or as the Board deems appropriate from time to time
- approves the compensation of the CEO, Chief Risk Officer, Chief Financial Officer, Vice President, Internal Audit and Chief Compliance Officer as recommended by the Governance and Compensation Committee
- satisfies itself as to the competency and integrity of the CEO and senior management through probing, challenging and providing appropriate guidance as required
- ensures the CEO and senior management foster a culture of integrity throughout the Corporation, and
- delegates, from time to time, to senior management the authority to enter into certain types of transactions, including financial transactions, subject to established limits.

The Board does not delegate the following duties:

The Board

- reviews and approves
 - investments and other expenditures above the established limits, and
 - material transactions outside the ordinary course of business.
- oversees that succession planning programs are in place, including programs to appoint, train, develop and mentor management.

Delegation of responsibilities to Board Committees

- There are two standing Board committees:
 - the Governance and Compensation Committee
 - the Audit Committee
 - The Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature.
 - The Board may delegate the oversight of the Corporation’s risk management function to the Risk and Capital Committee of its subsidiary, Equity Financial Trust Company.
 - The Board will respond to recommendations received from the Governance and Compensation Committee, but retains the responsibility for managing its own affairs by approving
 - its composition and size of the Board
 - the selection of the Chair of the Board
 - the candidates to be nominated for election to the Board and Board committees
 - the appointments of the Chair of the Board committees,
 - the Board committee mandates,
 - the Board’s succession plan or renewal plan, and
 - director compensation.
 - The Board may delegate responsibilities to its Board committee such as the conduct of performance evaluations and oversight of internal controls systems.
 - The Board retains its oversight function and ultimate responsibilities for all delegated responsibilities.
-

Strategic Planning

- The Board
- participates directly, and through its committees, in reviewing, questioning and approving the strategy of the Corporation and its objectives and goals in an annual basis
 - adopts a strategic planning process in reviewing and approving, on at least an annual basis, the business, financial, capital and strategic plans in alignment with the Corporation’s risk appetite, and
 - provides input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
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Responsive to Issues

The Board shall be responsive to issues identified by the CEO, senior management (including oversight functions), regulators, and Board committees.

Review Information Provided to the Board

The Board reviews the adequacy, relevancy, completeness and frequency of information provided by the senior management and Board committees periodically.

Oversight Functions

The Board ensures the heads of the oversight functions have direct access to the Board and sufficient stature, authority and resources to carry out their duties.

Monitoring of Financial Matters

The Board monitors the following financial matters:

Financial Matters	Details
Alignment of plans and performance	The Board ensures that the shareholder expectations, corporate plans and management performance are aligned.
Requirement of Senior Management	The Board requires senior management to: <ul style="list-style-type: none">• adopt processes for monitoring and reporting on the Corporation's progress toward its strategic and operational goals• alter its direction to management in light of changing circumstances affecting the Corporation, and• take corrective action when the Corporation's performance falls short of its goals or other special circumstances warrant.
Financial Statements	The Board approves <ul style="list-style-type: none">• the audited financial statements and notes• the interim financial statements and notes• the management's discussion and analysis, and• any news release accompanying such financial statements.
Required Disclosures	The Board approves <ul style="list-style-type: none">• the Annual Information Form, and• the Management Information Circular.
Budget	The Board reviews and approves the Corporation's annual budget
Material Transactions	The Board reviews and approves material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's governing statute, including <ul style="list-style-type: none">• the payment of dividends• issuance, purchase and redemptions of securities• acquisitions and dispositions of material capital assets, and• material capital expenditures.

Risk Management The Board through the Risk and Capital Committee of its subsidiary has responsibility for

- requiring management to have processes in place for the identification of the principal risks of the Corporation’s business, and
- obtaining reasonable assurance that management has implemented appropriate systems to effectively monitor, manage and report on such risks in accordance with its subsidiary’s risk appetite framework.

Internal Control and Regulatory Compliance Management The Board through the Audit Committee obtains reasonable assurance of the effectiveness of the Corporation’s

- internal control framework and management information systems, and
- procedures to ensure the Corporation, including Equity Financial Trust Company, is in compliance with applicable laws and regulations.

Corporate Governance Policies and Procedures The Board develops the Corporation’s approach to corporate governance, including

- developing a set of corporate governance principles and guidelines for the Corporation
- approving and monitoring compliance with all significant policies and procedures related to corporate governance
- approving policies and procedures designed to ensure that the Corporation operates
 - at all times within applicable laws and regulations,
 - to the highest ethical and moral standards and, in particular, adopting a written code of conduct which is applicable to directors, officers and employees of the Corporation and which constitutes written standards that are reasonably designed to promote integrity and to deter wrongdoing.
- enforcing its policy respecting confidential treatment of the Corporation’s proprietary information and Board deliberations.

Communication and Reporting The Board

- approves and revises from time to time as circumstances warrant a disclosure policy to address communications with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate
- ensures the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis
- ensures that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements
- takes steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Corporation

- reports annually to shareholders on its stewardship for the preceding year, and
- oversees the Corporation’s implementation of systems which accommodate feedback from stakeholders.

Position Descriptions

The Board

- develops mandates for the Chair of the Board, the CEO (in consultation with the CEO) and ensures appropriate delineation of senior management responsibilities
- in conjunction with the CEO and senior management, develops and approves the corporate goals and objectives that the CEO is responsible for meeting, and
- develops a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials.

Orientation and Continuing Education

The Board

- ensures that all new directors receive a comprehensive orientation to ensure that they fully understand
 - the role of the Board and its committees
 - the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors)
 - the nature and operation of the Corporation’s business
- in conjunction with the senior management, provides continuing education opportunities for all directors to ensure
 - they maintain or enhance their skills and abilities as directors
 - their knowledge and understanding of the Corporation’s business remains current.

Nomination of Directors

- In connection with the nomination or appointment of individuals as directors, the Board
 - considers what competencies and skills the Board, as a whole, should possess
 - assesses what competencies and skills each existing director possesses; and
 - considers the appropriate size of the Board, with a view to facilitating effective decision making.
- In carrying out each of these responsibilities, the Board will consider the advice and input of the Governance and Compensation Committee.
- Director nominees shall be selected by a majority of the independent directors.

**Board
Evaluation**

The Board is responsible for ensuring that the Board, its committees and each individual director are regularly assessed regarding his, her or its effectiveness and contribution.

An assessment will consider, in the case of the Board or a Board committee, its mandate or charter and in the case of an individual director

- any applicable position description, and
 - the competencies and skills each individual director is expected to bring to the Board.
-