

Equity Financial Holdings Inc.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 25, 2017

AND

MANAGEMENT INFORMATION CIRCULAR

APRIL 18, 2017

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the “**Meeting**”) of Equity Financial Holdings Inc. (the “**Corporation**”, “**we**”, “**us**”, or “**our**”) will be held on Thursday, May 25, 2017 at 1:30 p.m. (Toronto time) at the First Canadian Place Gallery, 100 King Street West, Concourse Level, Toronto, ON M5X 1A9, for the following purposes:

- 1) to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016 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 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 18, 2017 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 18th day of April, 2017.

By Order of the Board of Directors



Michael R. Jones,
President and Chief Executive Officer

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CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

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. Forward-looking information, which are all statements other than statements of historical fact, include statements regarding future individual and Corporation performance targets and goals. 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 information reflects 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 information, including but not limited to, the factors discussed under “Risk Management” in the Corporation’s Management Discussion & Analysis for the year ended December 31, 2016 (“**AIF**”), which are incorporated by reference in this cautionary statement. The AIF is available on SEDAR at www.sedar.com, and upon written request to the Corporation at 100 King Street West, Suite 4610, Toronto, Ontario M5X 1E5, a copy of the AIF will be promptly provided free of charge to a shareholder of the Corporation. Readers should not place undue reliance on such forward-looking information, 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 information. The Corporation does not undertake to update any forward-looking information that is included or incorporated by reference herein, except in accordance with applicable securities laws.

The information contained in this Circular is given as at April 18th, 2017 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 meeting (the “Meeting”) of holders (“Shareholders”) of common shares in the capital of the Corporation (“Common Shares”) to be held on May 25, 2017 at 1:30 p.m. (Toronto time) at the First Canadian Place Gallery, 100 King Street West, Concourse Level, 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 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 Corporation to represent the Shareholder at the Meeting other than the person or Corporation, 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, TSX Trust Co., 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 Beneficial 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 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 name 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, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer who has held that position at any time since the beginning of our last financial year, any proposed nominee for election as director or any associate or affiliate of any of the foregoing, in any matter to be acted upon at the Meeting, other than the election of directors.

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 18, 2017, there were 9,543,508 Common Shares issued and outstanding. Each holder of record of a Common Share on April 18, 2017 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, 2017, the only persons and companies who beneficially own, control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all Common Shares are as follows:

Name	Number of Common Shares Held	Percentage of Outstanding Common Shares Held
Smoothwater Capital Corporation ⁽¹⁾	3,299,039	34.57%
Van Berkom and Associates Inc.	1,013,964	10.62%

- (1) Stephen Griggs, Chair of the board of directors of the Corporation (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 also owns or has control or direction over 73,039 Common Shares (excluding deferred share units (“**DSUs**”) 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, 2016 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, 2016 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 3 and a maximum of 15. The Board of Directors currently consists of 11 directors. It is proposed that the 11 persons listed below (the “**Proposed Directors**”) will be nominated at the Meeting. As a result, you will be asked to elect 11 directors at the Meeting. Each director elected will serve until the next annual meeting or until his or her respective successors have been elected or appointed.

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 “**TSX**”), 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 the 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 does 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 11 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.

Name, Province and Country of Residence, Age	Director Since	Principal Occupations During Last Five Years	Common Shares Beneficially Owned, or Controlled or Directed ⁽⁵⁾
Yousry Bissada ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada Age: 57	May 2015	Mr. Bissada is President and CEO of Kanetix Ltd. since September 2011, the leading provider of online insurance marketplace, quotation technology, mobile solutions and websites for many of Canada's leading insurance brands. Mr. Bissada has held executive positions at several Canadian banks, including CIBC's FirstLine Mortgages (1994 to 1998) and TD Canada Trust (1998 to 2000). He also served as President and CEO of Filogix (2000 to 2007), 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. He is also on the advisory board of Solidifi.	Nil

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Name, Province and Country of Residence, Age	Director Since	Principal Occupations During Last Five Years	Common Shares Beneficially Owned, or Controlled or Directed ⁽⁵⁾
Brendan Calder ⁽²⁾ Toronto, Ontario, Canada Age: 70	May 2014	Mr. Calder has been a 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).	19,100
Peter Friedmann ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada Age: 63	May 2015	Mr. Friedmann was a senior executive at Canada Mortgage and Housing Corporation ("CMHC") for 37 years. 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 holding the certified directors (ICD.D) designation and the Canadian Securities Institute holding the Chartered Investment Manager (CIM) designation, and was previously a member of the Canadian Association of Accredited Mortgage Professionals and the Ontario Federal Council.	Nil

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Name, Province and Country of Residence, Age	Director Since	Principal Occupations During Last Five Years	Common Shares Beneficially Owned, or Controlled or Directed ⁽⁵⁾
Stephen J. Griggs ⁽²⁾ Chair Mississauga, Ontario, Canada Age: 57	February 2014	Chief Executive Officer of Smoothwater Capital Corporation 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). Mr. Griggs is also a director, Chair and CEO of Genesis Land Development Corp. (Calgary), a director of Greater Toronto Airports Authority and Marquee Energy Inc. (Calgary), 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.	3,372,078 ⁽⁴⁾
Michael R. Jones Toronto, Ontario, Canada Age: 64	February 2014	Chief Executive Officer of each of EQI and Equity Trust since May 2014; President of Equity Trust since October 2013 and President of EQI since May 2014. Also served as interim Chief Executive Officer of each of EQI and Equity Trust from February 2014 to May 2014; President & Chief Operating Officer, XCEED Mortgage Corporation, 2002 – 2009; President & Chief Executive Officer, XCEED Mortgage Corporation, 2009 – 2013; Board member, XCEED Mortgage Corporation, July 2011 to July 2013.	90,041
Bradley R. Kipp ⁽¹⁾⁽³⁾ Mississauga, Ontario, Canada Age: 53	June 2008	Executive Vice-President and director of AR3 Capital Partners Inc. since August 2015; Chief Financial Officer and director of African Copper PLC (mining and exploration) from September 2004 to July 2015; Vice-President Finance of Summit Resource Management Limited (venture capital) since 1997; director of Americas Silver Corporation (formerly Scorpio Mining Corporation) since June 2014; Board member and CFO of Blackshire Capital Corp. since February 2017.	62,138

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Name, Province and Country of Residence, Age	Director Since	Principal Occupations During Last Five Years	Common Shares Beneficially Owned, or Controlled or Directed ⁽⁵⁾
<p>Michèle McCarthy ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada Age: 58</p>	<p>February 2014</p>	<p>President, McCarthy Law Prof. Corp. and Corporate Director. Chair of the Boards of Sandy Lake Gold Inc. (TSX-V), 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), Foresters Investment Management of Canada, 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 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.</p>	<p>5,002</p>
<p>William Mulvihill ⁽¹⁾⁽³⁾ Ottawa, Ontario, Canada Age: 68</p>	<p>August 2014</p>	<p>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 participants. Dr. Mulvihill is currently a director on the Board of AIG Canada, where he is Chair of the Risk Committee.</p>	<p>1,023</p>

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Name, Province and Country of Residence, Age	Director Since	Principal Occupations During Last Five Years	Common Shares Beneficially Owned, or Controlled or Directed⁽⁵⁾
Martin Ouellet ⁽³⁾ Montreal, Quebec, Canada Age: 63	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; Advisor to 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.	20,000
F. David Rounthwaite ⁽²⁾ Toronto, Ontario, Canada Age: 68	February 2014	Barrister Solicitor. General Counsel, Corporate Secretary & Chief Compliance Officer, eHealth Ontario from March 2011 to June 2015 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 Tétrault LLP (1983 – 2004); served as Trustee, Northland Power Income Fund (1997 – 2010).	1,500
Calvin Younger ⁽²⁾ Toronto, Ontario, Canada Age: 55	May 2014	Senior Vice President, Real Estate Finance – Canada, CIBC; previously Senior Vice President, National Businesses, Business Banking, CIBC from 2002 to 2015; 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) *Member of the Risk and Capital Committee of the Corporation's subsidiary Equity Financial Trust Company.*

(4) *Mr. Griggs owns or has control or direction over 73,039 Common Shares (excluding DSUs 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 3,299,039 Common Shares (34.57% of the aggregate issued and outstanding Common Shares as of March 31, 2017).*

(5) *The amounts shown in this column do not include DSUs.*

Corporate Sanctions or Bankruptcies

Except as noted below, to the knowledge of the Corporation, no proposed director is, as of the date hereof, or has been, within 10 years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that,

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Calder was a director of Coventree Inc. (“**Coventree**”). In 2009, staff of the Ontario Securities Commission (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 the OSC’s 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.

Except as noted below, to the knowledge of the Corporation, no proposed director nominee is, as of the date hereof, or has been, within 10 years prior to the date hereof, a director or executive officer of any company that, 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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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. On April 14, 2014, it made a voluntary filing under the *Companies’ Creditors Arrangements Act*. The company has since been sold.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director 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 proposed director.

Personal Bankruptcies

To the knowledge of the Corporation, no proposed director has, within the 10 years prior to 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 proposed director.

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 AIF, which may be found on SEDAR at www.sedar.com.

Conducting an annual evaluation of the Corporation’s external audit firm is a key oversight activity of the Audit Committee and is intended to assist the Audit Committee in making an informed decision as to whether to recommend reappointment of the auditor. The Audit Committee’s annual evaluation of the external auditor’s effectiveness considers the following:

- assessing the overall audit strategy to consider whether the auditors have appropriately considered the scope of the corporation’s operations, business risk factors and industry specific issues;
- assessing the relevant qualifications and experience of the audit team;
- monitoring the execution of the audit strategy through periodic updates on the status of the audit;
- reviewing the quality and sufficiency of the external auditor’s communications;
- evaluating the external auditor’s findings and conclusions;
- assessing the audit firm’s quality control practices and policies;
- inquiring of management, including internal audit, of their assessment of the quality of service received by the external auditor;
- reviewing the external auditor’s self-assessment of service quality; and
- receiving confirmation of the independence and objectivity of the external auditor.

Based on the results of its evaluation this year, the Audit Committee is recommending the reappointment of the external auditor to the Board of Directors for recommendation to the Shareholders at the Meeting.

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, 2017. 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, 2017.

Shareholder Approval

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote proxies FOR the reappointment of 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, 2017.
Report on Executive Compensation

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 Michael Jones, the Corporation's Chief Executive Officer, Josh Reusing, the Corporation's Chief Financial Officer, Paul Bowers, the Corporation's Chief Risk Officer, Lorraine Sato, the Corporation's Vice President, Mortgage Operations, and, John Bourassa, the Corporation's Vice President, Sales & Marketing (collectively, the “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, Bissada, Calder, Rounthwaite and Younger, are all independent directors. A brief description of the relevant education and experience of each of them is as follows:

Stephen J. Griggs – Mr. Griggs is the CEO of Smoothwater Capital Corporation. He holds a Bachelor of Arts in Commerce and Economics and a Juris Doctor, both from the University of Toronto. 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, Chair and CEO of Genesis Land Development Corp., Calgary; Director, Marquee Energy Inc. Calgary; 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.

Yousry Bissada - Mr. Bissada is the President and CEO of Kanetix Ltd. Prior to joining Kanetix Ltd., Mr. Bissada served as Chairman at both Canadiana Financial Corp and Paradigm Quest Inc. Mr. Bissada's time as Chairman was preceded by his role as a Director of Street Capital Financial Corporation. He continues to serve on the Advisory Board of Solidifi.

Brendan Calder – Mr. Calder has been a 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 Barrister & Solicitor has been General Counsel, Corporate Secretary & Chief Compliance Officer, eHealth Ontario from March 2011 to June 2015 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, Real Estate - Canada of CIBC, previously Senior Vice President, National Businesses, Business Banking from 2002 to 2015 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 2016, together with a description of the material factors underlying the decisions which resulted in the compensation provided in 2016 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, bonuses 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 2016, the NEOs were compensated through a mix of base salary, annual incentive bonus, options, benefits and perquisites.

Our compensation objectives for 2016 were as follows:

- 1) attract, retain and compensate talented executive officers in a highly competitive and specialized 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.
- 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. The GCC has sought to minimize the Corporation's risk exposure by ensuring that an executive compensation package is 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 DSU grants, employee share purchase plan ("ESPP") entitlements, etc.). This helps ensure that executive performance is 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 disclosures, 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, 2016, there were no risks identified by the Board of Directors or the 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

NEO compensation consisted of three main elements: base salary, short-term variable compensation incentives (cash bonus) and long-term incentives (stock options, DSUs and ESPP entitlements). The percentage of each element of compensation was aligned with the 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 other NEOs with the approval of the Board of Directors.

The main elements of NEO compensation for 2016 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 for the CEO is reviewed by the GCC and approved by the Board of Directors. Base salaries for the other NEOs are reviewed by the CEO and the GCC and approved by the Board of Directors.

2) Short-Term Variable Compensation Incentives – The Board of Directors believes that a substantial portion of the compensation paid to the NEOs should be at risk, contingent on achieving measurable operating results and metrics and personal performance. Annual non-equity performance-based awards are paid in cash following the release of year-end financial results based upon satisfaction of individual, business unit, corporate financial and operational goals. The 2016 short-term incentive program would only pay out if certain minimum corporate financial targets are met.

The Board of Directors, on recommendation of the GCC, set the variable compensation award targets for 2016 based on the achievement of specific annual performance objectives that supported our operating, profitability and strategic goals. 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, size of the mortgage loan book and budgeted net income).

These goals provided the CEO with potential variable cash compensation with a target payout of 75% of his base salary, varying from 0% to 100% depending on achievements against performance goals.

The GCC, on the approval of the Board of Directors, sets variable compensation targets for the CEO annually at the start of the financial year and recommends to the Board of Directors the variable compensation to be paid to the CEO following the end of the financial year upon approval of our audited financial statements. In turn, the CEO, with the approval of the GCC and the Board of Directors, sets variable compensation targets annually at the start of the financial year and determines the variable compensation to be paid to the other NEOs upon approval of our audited annual financial statements.

3) Long-Term Incentives

Stock Option Plan – In order to give employees a long-term incentive, the Corporation adopted the Stock Option Plan under which options to acquire Common Shares are awarded. Options were granted in 2016 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. Gains realized from stock option exercises and stock sales in a given year may be the result of options granted over several years and may reflect several years’ appreciation of the underlying shares. See *Compensation Discussion and Analysis - Equity Compensation Plan Information – Stock Option Plan*.

Deferred Share Units (DSUs) –DSUs form part of the long-term incentives for NEO’s in order to encourage greater alignment of the interests of senior management with those of Shareholders. DSUs are awarded based on the fair market value of the Common Share on the date of the grant as approved by the Board of Directors. Prior to 2016, DSUs granted to the CEO vested immediately and must be held

continuously during the term of his employment. In 2016, half of the CEO's DSU grant vested immediately and all other DSUs issued to senior management, including half of those issued to the CEO, included a three-year cliff-vesting requirement. See below under *DSU Plan*.

Employee Share Purchase Plan (“ESPP”) – The Corporation established the ESPP to encourage employee investment in the Common Shares of the Corporation. See *Employee Share Purchase Plan* below.

4) Perquisites - The Board of Directors believes that the perquisites currently provided to executive officers are reasonable and consistent with market practice. 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.

Equity Ownership Requirements

Mr. Jones' employment agreement provides that he shall 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 of \$350,000), which he shall continuously hold while employed by the Corporation. As at March 31, 2017, Mr. Jones holds Common Shares and DSUs having an aggregate acquisition cost of \$1,248,555 or 119% of his equity ownership requirement.

In February 2017, the Board of Directors adopted a minimum shareholding policy for designated senior management of the Corporation. Each designated senior manager is required to hold, directly or indirectly, Common Shares and/or DSUs having an aggregate value at the time of acquisition of at least one times their annual base salary, which the designated senior manager shall continuously hold while he or she is an employee of the Corporation. Each designated senior manager is required to reach this target by the later of April 2021 or 48 months from the date they become an employee of the Corporation.

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.

Employee Share Purchase Plan

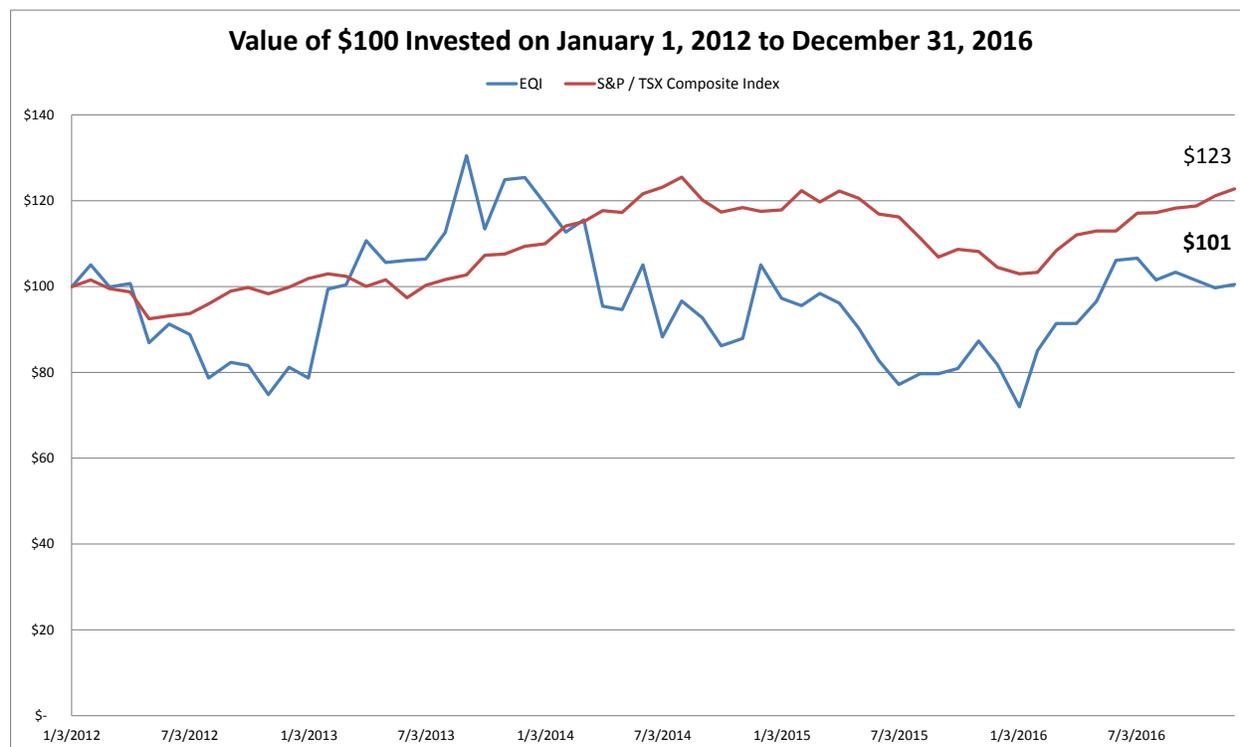
The Corporation’s ESPP came into effect on October 1, 2008 and was last amended and restated on November 25, 2014. The ESPP was established to provide incentive to employees in Common Shares and to participate in the growth of the Corporation. The following is a summary of the principal terms of the ESPP.

Employees and directors who elect to join the ESPP (“**Participants**”) have the opportunity to accumulate savings through automatic payroll deductions, which are invested in Common Shares. The ESPP is administered by Computershare Canada (the “**Administration Agent**”). Directors and full-time employees with over three months of continuous service with the Corporation or its subsidiaries are eligible to participate in the ESPP. Participants contribute 1% or more of their base salary to the ESPP each contribution period and the Corporation contributes an amount equal to 33% (50% for designated senior managers) of each Participant’s contribution to a maximum annual amount of 5% & 7.5% for designated senior managers) of the employee’s base salary. 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, shares contributed by the Corporation will vest if a Participant retires, becomes permanently disabled, is terminated without cause by the Corporation, or dies.

As at March 31, 2017, approximately 84,250 Common Shares are held in the ESPP on behalf of ESPP Participants (representing approximately 0.88% 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) to the cumulative total return of the S&P/TSX Composite Index over the five year period from January 1, 2012 to December 31, 2016.



Total shareholder return was impacted during the five year period commencing on January 1, 2012 by a number of factors, including the growth of the mortgage lending business since its inception in 2011 and the sale, in 2013, of the assets of Equity Financial Trust’s transfer agent and corporate trust services business (the “**Transaction**”). From late 2013 to 2015, shareholder return was impacted by a shareholder action and subsequent controls review, followed by a period of rebuilding. 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 it also has been a factor considered by the Board of Directors in exercising its discretion in awarding annual compensation.

Summary Compensation Table

The following table sets out the compensation the Corporation paid to our CEO, CFO and the three other NEOs for the three most recently completed financial years:

Equity Financial Holdings Inc.
Management Information Circular
April 18, 2017

	Year	Salary (\$)	Share Based Awards (DSUs) (\$)	Option Based Awards (\$) ⁽¹⁾	Non Equity Incentive Plan Compensation (\$)		Pension Value (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total Compensation (\$) ⁽⁵⁾
					Annual Incentive Plans	Long Term Incentive Plans ⁽²⁾			
Michael Jones <i>CEO and President</i>	2014	388,925	164,063	757,900	Nil	Nil	Nil	10,207	1,321,095
	2015	350,000	48,398	14,624	Nil	Nil	Nil	32,499 ⁽⁶⁾	445,521
	2016	350,000	48,398	107,468	374,063 ⁽⁵⁾	Nil	Nil	32,499 ⁽⁶⁾	912,428
Josh Reusing, <i>CFO</i>	2014	182,500	Nil	Nil	80,000	Nil	Nil	Nil	262,500
	2015	204,600	Nil	23,398	19,949	Nil	Nil	5,043	252,990
	2016	227,600	19,949	64,603	139,701	Nil	Nil	11,380	463,233
John Bourassa, <i>Vice President, Sales & Marketing</i> ⁽⁷⁾	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	188,038	Nil	98,256	121,416	Nil	Nil	16,979 ⁽⁷⁾	424,689
Paul Bowers <i>Chief Risk Officer</i> ⁽⁸⁾	2014	201,202	Nil	126,073	80,000	Nil	Nil	Nil	407,275
	2015	225,000	Nil	21,527	19,333	Nil	Nil	2,187	268,047
	2016	225,000	19,333	14,738	91,665	Nil	Nil	3,750	354,486
Lorraine Sato <i>Vice President, Mortgage Operations</i> ⁽⁹⁾	2014	86,410	Nil	134,792	33,333	Nil	Nil	17,500 ⁽⁹⁾	272,035
	2015	200,000	Nil	9,827	13,040	Nil	Nil	6,666	229,533
	2016	200,000	13,040	14,738	104,400	Nil	Nil	9,999	342,177

- (1) The dollar amount in this column represents the compensation cost of stock option awards granted in the financial year as noted. 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. The options granted to Mr. Jones in 2014 are performance-based, and 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 21 hereof.
- (2) We do not have a non-equity long-term incentive plan.
- (3) We do not have a non-equity pension plan.
- (4) Unless otherwise noted, the dollar amount in this column represents the employer match amount in respect of the Employee Share Purchase Plan contributions.
- (5) Pursuant to his employment agreement, Mr. Jones was granted DSUs in respect of his annual bonus for 2014 and 2015. The dollar amount is based on the earned compensation for the year, and becomes the fair value of the award on the grant date. Under the May 2014 Agreement, Mr. Jones' annual bonus was to be awarded 50% in cash and 50% in DSUs, however with Board of Directors approval, 100% of his 2016 annual bonus was paid in cash.
- (6) The dollar amounts include \$15,000 of RRSP contributions.
- (7) Mr. Bourassa commenced employment with the Corporation in February 2016. He received a signing bonus of \$15,000 in 2016.
- (8) Mr. Bowers commenced employment with the Corporation in February 2014.
- (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 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, 2017:

Michael Jones – 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 Financial Trust. 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.

Mr. Jones' employment agreement provides that he shall 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 of \$350,000), which he shall continuously hold while employed by the Corporation. As at March 31, 2017, Mr. Jones holds Common Shares and DSUs having an aggregate acquisition cost of \$1,248,555 or 119% of his equity ownership requirement.

Pursuant to the May 2014 Agreement, Mr. Jones received 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 was to 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 vested in May 2016 and became 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. As at March 31, 2017, the first two thirds of the Performance Options have not become exercisable. The remaining one third of the Performance Options will 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 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.

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 Corporation 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 Corporation 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 \$200,000 to \$227,600 effective November 2015 to reflect additional responsibilities given to him. Mr. Reusing's employment agreement also provides for variable compensation up to 45% 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 pro-rated 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 Financial Trust. The annual salary payable under the agreement is \$225,000. The agreement provides for variable compensation up to 35% 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. Mr. Bowers is also entitled to benefits equivalent to those offered to other senior employees. 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 a different level of payment 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 Financial Trust. The annual salary payable under the agreement is \$200,000. The agreement 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. Ms. Sato is entitled to benefits equivalent to those offered to other senior employees. Under the terms of her agreement, in the event of involuntary not for cause termination, Ms. Sato is entitled to a severance payment representing 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 two years' bonus payments. The agreement does not provide for a different level of payment following or in connection with a change of control of the Corporation.

John Bourassa – We entered into an employment agreement with Mr. Bourassa dated January 8, 2016 as Vice President, Sales and Marketing of Equity Financial Trust. The annual salary payable under the agreement is \$150,000. The agreement also provides for variable compensation up to 65% 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. In addition, Mr. Bourassa is entitled to earn a tiered commission that starts at .9 basis points on new funded broker channel mortgage volume. Mr. Bourassa is entitled to benefits equivalent to those offered to other senior employees. Under the terms of his agreement, in the event of involuntary not for cause termination, Mr. Bourassa is entitled to a severance payment of two weeks per year of service. The agreement does not provide for a different level of payment 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 Stock Option Plan and may also receive share-based awards pursuant to the DSU Plan, see *Components of Executive Compensation – Long Term Incentives*. All option-based awards to executive officers are made pursuant to the provisions of the Stock 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 Stock Option Plan are made by the Board of Directors on the recommendation of the GCC and the CEO. In all cases, decisions regarding option-based awards take into account any previous grants of option-based awards that may have been granted to the individuals concerned.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out the outstanding option-based awards and share-based awards that were granted to NEOs prior to, and remained outstanding as at, December 31, 2016.

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 (\$) ⁽²⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid or distributed ⁽¹⁾
Michael Jones	330,000	9.75	May 12, 2019	49,500 ⁽⁴⁾	6,126	60,647	233,441
	5,000	9.40	Feb 18, 2020	2,500			
	43,750	7.90	Feb 12, 2021	87,500			
Josh Reusing	5,000	10.10	Feb 13, 2017	Nil	2,525	24,998	Nil
	25,000	10.90	May 17, 2018	Nil			
	8,000	9.40	Feb 18, 2020	4,000			
	26,300	7.90	Feb 12, 2021	52,600			
John Bourassa	40,000	7.90	Feb 21, 2021	80,000	Nil	Nil	Nil
Paul Bowers	40,000	9.75	May 16, 2019	Nil	2,447	24,225	Nil
	7,360	9.40	Feb 18, 2020	Nil			
	6,000	7.90	Feb 12, 2021	12,000			
Lorraine Sato	40,000	10.69	Jun 25, 2019	Nil	3,509	34,739	Nil
	3,360	9.40	Feb 18, 2020	1,680			
	6,000	7.90	Feb 12, 2021	12,000			

- (1) Mr. Jones was awarded DSUs with grant date values of \$164,063 in February 2015 and \$48,398 in February 2016, in respect of annual incentive compensation for the immediately preceding fiscal year. The amount in this table represents the current market value of these DSUs as at December 31, 2016.
- (2) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the positive 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, 2016 was \$9.90.
- (3) Reflects the value of DSUs that have not vested using the closing price of the Corporation's Common Shares on December 31, 2016 (\$9.90).
- (4) Mr. Jones' options that expire May 12, 2019 are subject, in addition to time vesting, to minimum Common Share prices, the particulars of which are set out at page 21 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, 2016 would be \$49,500.

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, 2016.

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	Nil	Nil
Josh Reusing	Nil	Nil	Nil
John Bourassa	Nil	Nil	Nil
Paul Bowers	Nil	Nil	Nil
Lorraine Sato	Nil	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. DSUs granted to NEOs in 2016 had a 3 year cliff vest requirement.

Director Compensation

Discussion of Director Compensation

Each board member is paid an annual retainer for their membership on the Board of Directors along with annual retainers based on their membership within a committee of the Board. 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. The amounts of the annual retainer and the committee retainers are set out below:

Fee Component	Chair Fee (\$)	Member Fee (\$)
Board of Directors	75,000	35,000
Audit Committee	10,000	5,000
Governance & Compensation Committee	7,000	2,500
Risk & Capital Committee (Equity Financial Trust)	10,000	5,000

Directors are required to receive a minimum of 50% 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. The number of DSUs to be awarded is calculated based on the fair market value of the Common Shares on the date of the grant as approved by the Board of Directors.

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, 2016 for their services as a member of the Board of Directors, and, if applicable, as a member of a committee of the Board of Directors. Mr. Jones did not receive fees in his capacity as a director.

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Name	Fees Earned (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Share-Based Awards (\$) ⁽³⁾	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Compensation (\$)
Bradley R. Kipp	Nil	Nil	66,000	Nil	Nil	Nil	66,000
Brendan Calder	Nil	Nil	46,500	Nil	Nil	2,075	46,500
Stephen J. Griggs	Nil	Nil	103,000	Nil	Nil	Nil	103,000
Michèle McCarthy	22,875	Nil	38,125	Nil	Nil	1,036	61,178
Martin Ouellet	14,250	Nil	42,750	Nil	Nil	Nil	57,000
F. David Rounthwaite	24,750	Nil	24,750	Nil	Nil	Nil	49,500
Calvin Younger ⁽⁶⁾	47,500	Nil	Nil	Nil	Nil	Nil	47,500
Yousry Bissada	Nil	Nil	46,605	Nil	Nil	Nil	46,605
Peter Friedmann	Nil	Nil	60,472	Nil	Nil	Nil	60,472
William Mulvihill	Nil	Nil	61,000	Nil	Nil	Nil	61,000

(1) This column represents the cash portion of annual non-management director fees, committee chairman fees and other committee member fees and meeting attendance fees earned in 2016.

(2) No stock options were awarded to directors in 2016.

(3) This column represents the non-cash portion of annual non-management director fees, committee chairman fees and other committee member fees and meeting attendance fees earned in 2016 which were awarded as DSUs pursuant to the DSU 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.

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, 2016.

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 (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽¹⁾ (\$)	Market or payout value of vested share-based awards not paid or distributed ⁽¹⁾ (\$)
Brendan Calder	Nil	Nil	Nil	Nil	Nil	Nil	129,829
Stephen J. Griggs	Nil	Nil	Nil	Nil	Nil	Nil	292,872
Michael Jones ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bradley R. Kipp	Nil	Nil	Nil	Nil	Nil	Nil	278,982

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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 (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽¹⁾ (\$)	Market or payout value of vested share-based awards not paid or distributed ⁽¹⁾ (\$)
Michele McCarthy	Nil	Nil	Nil	Nil	Nil	Nil	113,266
F. David Rounthwaite	Nil	Nil	Nil	Nil	Nil	Nil	86,140
Martin Ouellet	Nil	Nil	Nil	Nil	Nil	Nil	93,753
Calvin Younger	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Friedmann	Nil	Nil	Nil	Nil	Nil	Nil	95,208
Yousry Bissada	Nil	Nil	Nil	Nil	Nil	Nil	111,167
William Mulvihill	Nil	Nil	Nil	Nil	Nil	Nil	144,906

(1) Reflects the value of vested DSUs using the closing price of the Corporation's Common Shares on December 31, 2016 (\$9.90).

(2) Michael Jones does not receive any option-based and share-based awards for his services as a director.

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, 2016.

Name	Option-based Awards – Value Vested During the Year (\$)	Share-based Awards - Value Vested During the Year ⁽¹⁾ (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Bradley R. Kipp	Nil	66,000	Nil
Stephen J. Griggs	Nil	103,000	Nil
Michael Jones ⁽²⁾	Nil	Nil	Nil
Michèle McCarthy	Nil	38,125	Nil
F. David Rounthwaite	Nil	24,750	Nil
Brendan Calder	Nil	46,500	Nil
Martin Ouellet	Nil	42,750	Nil
Calvin Younger	Nil	Nil	Nil
Peter Friedmann	Nil	60,472	Nil
Yousry Bissada	Nil	46,605	Nil
William Mulvihill	Nil	61,000	Nil

- (1) Reflects DSUs that vested during the 2016 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.
- (2) Michael Jones does not receive any option-based and share-based awards for his services as a director.

Director Equity Ownership Requirements

In August 2015, 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 2018 (if he or she was a director of the Corporation and/or Equity Financial Trust on or before August 12, 2014, or (b) within 48 months after becoming a director of the Corporation and / or Equity Financial Trust.

Equity Compensation Plan Information

The following table sets out information concerning the Corporation's equity compensation plans under which equity securities are authorized for issuance, as at December 31, 2016.

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	734,910	\$9.35	219,441
Equity compensation plans not approved by security holders	Nil	Nil	Nil

Stock 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 Amended and Restated Stock Option Plan, which summary is qualified by and is subject to the full terms and conditions of the Amended and Restated Stock Option Plan dated April 18, 2016, 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 Amended and Restated Stock Option Plan.

The number of Common Shares reserved for issuance pursuant to the Amended and Restated Stock 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 option grants to all non-employee directors exceeding 1% of the Common Shares issued and outstanding at the time of grant and the value of the stock options which may be granted to each non-employee director exceeding \$100,000 in any fiscal year;
- b) the number of Common Shares issuable to insiders under the Amended and Restated Stock Option Plan together with any other security-based compensation arrangements of the Corporation exceeding 10% of the issued and outstanding Common Shares at the time of grant (on a non-diluted basis);
- c) the number of Common Shares issued to insiders, within a 12 month period, pursuant to the Amended and Restated Stock Option Plan together with any other security-based compensation arrangements of the Corporation exceeding 10% of the issued and outstanding Common Shares at the time of issuance (on a non-diluted basis); or
- d) the number of options granted to any one person within a 12 month period exceeding 5% of the issued and outstanding Common Shares at the time of grant.

The foregoing restrictions are known as the “insider participation limits” of the TSX.

The Amended and Restated Stock 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 TSX on the trading day immediately preceding the date the option is granted. Eligible Persons under the Amended and Restated Stock 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 Amended and Restated Stock Option Plan vest as determined by the Board of Directors at the time of grant of the options, provided, however, that all options will, subject to TSX approval, vest in full on a change of control.

Options granted under the Amended and Restated Stock Option Plan are non-assignable and non-transferable. We will not provide financial assistance or support to any participants in the Amended and Restated Stock Option Plan that will facilitate the purchase of securities as compensation or under the Amended and Restated Stock 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 Amended and Restated Stock Option Plan, the Board of Directors may, in its sole and absolute discretion and without Shareholder approval, amend, suspend, terminate or discontinue the Amended and Restated Stock Option Plan and may amend the terms and conditions of options granted pursuant to the Amended and Restated Stock 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.

The Board of Directors may make the following amendments to the Amended and Restated Stock Option Plan without obtaining Shareholder approval:

- a) amendments to the terms and conditions of the Amended and Restated Stock Option Plan necessary to ensure that the Amended and Restated Stock Option Plan complies with the applicable regulatory requirements, including the rules of the TSX, in place from time to time;

- b) amendments to the provisions of the Amended and Restated Stock Option Plan respecting administration of the Amended and Restated Stock Option Plan and eligibility for participation under the Amended and Restated Stock Option Plan;
- c) amendments to the provisions of the Amended and Restated Stock Option Plan respecting the terms and conditions on which options may be granted pursuant to the Amended and Restated Stock Option Plan, including the provisions relating to the Exercise Price, the term of the option and the vesting schedule; and
- d) amendments to the Amended and Restated Stock Option Plan that are of a “housekeeping” nature.

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

- a) an increase to the Amended and Restated Stock Option Plan maximum or the number of securities reserved for issuance under the Amended and Restated Stock Option Plan;
- b) amendment to the Amended and Restated Stock Option Plan’s amendment provisions;
- c) reduction in the Exercise Price or cancellation and reissue of options or other entitlements, including reductions to the Exercise Price benefitting insiders;
- d) extension to the term of options;
- e) amendments to or removal of insider participation limits;
- f) amendments that increase limits previously imposed on non-employee director participation; and
- g) any amendment which would permit options granted under the Amended and Restated Stock Option Plan to be transferrable or assignable other than for normal estate settlement purposes.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or proposed nominees for election as directors of the Corporation, or any associate of any of the foregoing persons is, as at the date hereof, or has been, at any time since the beginning of our most recently completed financial year, indebted to the Corporation or any of its subsidiaries in connection with the purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity is, as at the date hereof, or has been, at any time since the beginning of our most recently completed financial year, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Circular, to the best of the Corporation’s knowledge, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materiality affected or would materially affect the Corporation or any of its 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 (collectively, the “**Guidelines**”). The Guidelines set out a series of requirements for effective corporate governance and 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.

Independence of the Board of Directors

NI 52-110 defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with such member's independent judgment. A director will be considered independent only if the Board of Directors has positively determined that the director is independent as defined in NI 52-110.

In accordance with our director independence policy, a majority of the members of the Board of Directors of the Corporation at all times will be “independent directors”. The Board of Directors will be comprised of 11 members following the Meeting if each of the directors nominated by the Board of Directors is elected, 10 of whom are “independent directors”. As a result, a majority of directors would be independent. The 10 independent directors will be Yousry Bissada, Brendan Calder, Peter Friedmann, Stephen Griggs, Bradley Kipp, Michèle McCarthy, William Mulvihill, Martin Ouellet, F. David Rounthwaite and Calvin Younger. Michael Jones is not considered to be independent for the purposes of NI 52-110 because he is the President and CEO of the Corporation and Equity Financial Trust.

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, together with the GCC, assessing the effectiveness of the Board of Directors as a whole as well as individual members of the Board of Directors, ensuring the Board of Directors works as a cohesive team and providing the leadership essential to achieve the foregoing objectives.

Meetings of the Board of Directors

Directors and members of management are invited to attend 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 2016 that each such director was eligible to attend.

Director	Board of Directors	Audit Committee	Governance & Compensation Committee	Risk & Capital Committee	Overall Attendance	
Bradley R. Kipp	7/7	4/4		4/4	15/15	100%
Stephen Griggs	7/7	4/4	4/4		15/15	100%
Michael Jones	7/7				7/7	100%
Michèle McCarthy	7/7	4/4		4/4	15/15	100%
F. David Rounthwaite	7/7		4/4		11/11	100%
Brendan Calder	5/7		3/4		8/11	73%
Martin Ouellet	7/7			4/4	11/11	100%
Calvin Younger	6/7		3/4		9/11	82%
Peter Friedmann	7/7	3/3		4/4	14/14	100%
Yousry Bissada	7/7		2/2		9/9	100%
William Mulvihill	7/7	4/4		4/4	15/15	100%

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	Americas Silver Corporation
Stephen J. Griggs	Genesis Land Development Corp. Greater Toronto Airports Authority Marquee Energy Inc.
Michèle McCarthy	Sandy Lake Gold 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 and attached as Schedule A to this Circular.

Position Descriptions

The Board of Directors has developed written position descriptions for the CEO. Included in the Board of Directors Mandate is a description of the responsibilities of the Board Chair. The chairs of the other committees currently determine their roles and responsibilities through consultation and agreement with the committee members. 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, the role of the Board of Directors, its committees and its directors 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 relevant records.

Nomination of Directors

The GCC, which is comprised entirely of independent directors, is responsible for recommending to the Board of Directors candidates for election as directors and the appointment to Board committees. 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 recommendations of the GCC.

Director Term Limits and Other Mechanisms for Board Renewal

The Corporation has not adopted term limits for directors serving on the Board of Directors as all but one director have been on the board for less than four years, the board seeks to leverage the value and depth of knowledge that a longer serving director can bring, and the board believes that the continuity of directors is important to the functioning of the board.

Representation of Women on the Board of Directors

The Corporation has adopted the following policy relating specifically to the identification and nomination of women directors.

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 of Directors. 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 has not adopted a target regarding women on the Board of Directors or in executive officer positions, but is committed to reviewing this as part of its future recruitment strategies. The Corporation does not believe that having specific quotas or strict rules or targets will necessarily result in the identification and selection of the best candidates for Board of Director positions or executive officer positions, and having such quotas, rules or targets may compromise other important factors in selecting the Corporation's directors and executive officers, such as skills, experience, and core competencies.

Currently, there is one woman on the Board of Directors (who is also a member of the Audit Committee of the board and the Audit Committee and the Risk & Capital Committee of the Corporation's wholly owned subsidiary Equity Financial Trust) and one woman in an executive officer position, representing 9 percent of the Board of Directors and 13 percent of the Corporation's executive officers, respectively.

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.

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. An updated code of conduct was reviewed and approved by the Board of Directors in August 2016.

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 100 King Street West, Suite 4610, Toronto, Ontario M5X 1E5.

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 five directors of the Corporation, Bradley R. Kipp (Chair), Yousry Bissada¹, Peter Friedmann, Michèle McCarthy and William Mulvihill, each of whom is independent and financially literate for the purposes of NI 52-110. 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 AIF, a copy of which is available on SEDAR at www.sedar.com. Please refer to the section entitled "Audit Committee Information" in the AIF for further information.

Governance and Compensation Committee

The GCC is comprised of five directors of the Corporation, Stephen J. Griggs (Chair), Yousry Bissada, Brendan Calder, F. David Rounthwaite and Calvin Younger, all of whom are independent directors. The responsibilities of the GCC are set out in the committee's mandate which was approved by the Board of Directors in February 2015 and 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. A copy of GCC mandate may be obtained upon request by writing to the Corporation at 100 King Street West, Suite 4610, Toronto, Ontario M5X 1E5.

¹ Yousry Bissada was appointed to the Audit Committee on February 16, 2017 to replace Stephen J. Griggs who resigned on the same date

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 Board of Directors on the recommendation of the GCC and the CEO. 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 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.

Risk and Capital Committee

The Risk and Capital Committee (“**RCC**”) of the Corporation’s subsidiary Equity Financial Trust (“**EFT**”), is comprised of five directors of the Corporation, Martin Ouellet (Chair), Peter Friedmann, Bradley R. Kipp, Michèle McCarthy and William Mulvihill, all of whom are independent. The responsibilities of the RCC are set out in the committee’s mandate which was approved by the Board of Directors in August 2016 and provides that the RCC:

- Review and recommend for Board approval EFT’s overall Risk Appetite Framework and related limits;
- Review the alignment of EFT’s strategic, capital and financial plans with the Risk Appetite Framework;
- Review and recommend for Board approval credit, liquidity, interest rate, operational risk and capital policies and related limits;

- Review the effectiveness of EFT's regulatory, compliance and risk management policies and practices; and
- Review management reports on EFT's risk profile and compliance with all, policies and related limits.

A discussion of the Corporation's Enterprise Risk Management Framework is available in the Risk Management section of the Corporation's Management Discussion & Analysis for the year ended December 31, 2016, a copy of which can be found on SEDAR.

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, 2016 was approximately \$52,259, inclusive of applicable taxes. Directors and officers do not pay any portion of the premiums and no claims were made or became payable in 2016.

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 31, 2017.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on SEDAR and may be viewed at www.sedar.com.

Financial information is provided in the Corporation's comparative audited annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016. Copies of our audited annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016 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 the Corporation's Circular, financial statements, management's discussion and analysis and AIF by writing to us at 100 King Street West, Suite 4610, Toronto, Ontario M5X 1E5.

The Board of Directors has approved the contents and the sending of this Circular.

DATED this 18th day of April 2017.

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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Equity Financial Holdings Inc.

Board of Directors Mandate

1. Overview

Introduction The Board of Equity Financial Holdings (The “Corporation”) is responsible for the stewardship of the business and affairs of the Corporation. The Board will discharge its responsibilities by objectively and effectively reviewing, discussing and approving the Corporation’s strategic plan, its organizational structure including the appointment of the CEO and overseeing management to ensure they preserve and enhance the Corporation’s value.

Overview of Responsibilities The Board, either directly or through its Committees, seeks to discharge such responsibility by reviewing, discussing and approving management’s decisions Corporation plans, organizational structure, risk appetite framework, internal control framework and other key Corporation policies and mandates.

Principles The Board will conduct itself according to the following principles:

- Judgment – the Board shall make sound and well informed decisions taking into account considerations the Corporation’s business objectives and risk appetite;
- Initiative – the Board shall exercise its responsibilities in a proactive and timely manner with a readiness to probe, challenge as well as provide appropriate guidance to senior management;
- Responsiveness – the Board shall be responsive to issues and deficiencies identified by senior management, the oversight functions of the Corporation, regulators and itself (through internal self-assessments) and should oversee the rectification of those issues and deficiencies; and
- Operational excellence – the Board shall have practices and processes that permit open discussion, debate and advance consideration of the important Corporation matters and transactions based on relevant and timely information

2. Authority

Engage External Advice The Board has the authority to engage independent counsel and other outside advisors to assist in carrying out its duties including but not limited to identifying and reviewing candidates to serve as directors or officers.

Board of Directors Mandate

Expenses	The Corporation shall provide appropriate funding, as determined by the Board, for payment of compensation to: <ul style="list-style-type: none">• Any advisors engaged by the Board; and• Administrative expenses of the Board that are necessary and appropriate in carrying out its duties
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Unrestricted Access	The Board will have unrestricted access to senior management, staff, advisors and all information pertaining to the Corporation
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3. Composition

Election of Directors	Directors will be elected by the shareholders of the Corporation.
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Size	The Board will be comprised of a minimum of seven and a maximum of fifteen directors.
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Composition	The majority of the Board shall be Canadian Residents and must satisfy the requirements of EQI's Director Independence Policy
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Election of the Board Chair	The Chair of the Board, who shall not be an officer of the Corporation, will be elected by vote of a majority of the full Board membership, on the recommendation of the GCC.
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Independence and Experience	Each independent Board member shall satisfy the independence and experience requirements, if any, imposed by EQI's Director Independence Policy and applicable regulations.
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Board of Directors Mandate

4. Schedule of Meetings

Meetings Meetings will be scheduled at least four times a year to facilitate the Board carrying out its responsibilities.

Additional meeting may be held as deemed necessary by the Chair of the Board. In addition, any director of the Corporation may request the Chair of the Board call a meeting of the Board

In-Camera Meetings Independent directors of the Board shall hold an In-Camera session at which non-independent directors and management are not present on a regular basis.

The Board will meet In-Camera either directly or indirectly through its Committee's with the heads of the Corporation's Oversight functions

The Board may hold any other In-Camera sessions it deems appropriate to carry out its duties.

Quorum 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 majority of those present are resident Canadians; and
- At least two non-affiliated directors are present.

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.

Responsibilities of Board Chair The Chair of the Board is accountable to the Board of Directors for the fulfillment of the responsibilities of the office of Chair as set out in the Corporation's By-Laws and will lead the Board to ensure effective corporate governance processes and practices.

The role and responsibilities of the Chair of the Board include:

- Responsibility for the effective functioning and operations of the Board including chairing Board meetings, facilitating discussion and agreement, and ensuring that decisions are reached and duly recorded;
 - Providing leadership and direction to the Board while upholding the principle of collective responsibility and ensuring the Board functions as a cohesive unit by encouraging full participation and discussion by individual Directors;
 - Ensuring that the Board functions independently of management,
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Board of Directors Mandate

including by facilitating regular “In-Camera” meetings without management present and engaging the services of outside advisors for independent advice as appropriate;

- Acting as the principal liaison between the Board and the President and CEO concerning the business of the Corporation and the activities of the Board;
- Ensuring compliance with the Corporation’s governance policies regarding the conduct of Board meetings, management and reporting of information and other policies related to the conduct of the Board’s business;
- Communicating periodically with Board committee chairs regarding the activities of their respective committees and to coordinate the activities of the committees and the Board;
- Consulting with the Board, Chief Executive Officer and Corporate Secretary to call Board meetings, set Board agendas and ensuring that appropriate briefing materials are delivered in a timely fashion;
- On behalf of the Board, completing and delivering the CEO’s annual performance assessment after consulting with the relevant Board committees and the Board;
- With the President and CEO, taking a leadership role in ensuring effective communication and relationships between the Corporation, investors, regulators and the general public;
- With the Governance and Compensation Committee, assessing the effectiveness of the Board as a whole as well as individual Board members;
- With the Governance and Compensation Committee, act on conflicts of interest and matters of confidentiality involving individual Directors; and
- Ensure new Directors are adequately oriented about the affairs of the Corporation and its industry (including applicable regulatory requirements and expectations), Board policies and operating practices.

5. Responsibilities

Delegation of Responsibilities

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

- To the Corporation’s senior officers (senior management)
 - the responsibilities for day-to-day management of the Corporation; and
 - from time to time the authority to enter into certain types of transactions, including financial transactions, subject to established limits;

Board of Directors Mandate

- To its Committees:
 - the Governance and Compensation Committee (GCC); or
 - the Audit Committee (AC).
 - To ad hoc committees periodically to address certain issues of a more short-term nature.
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Items not Delegated

The Board will not delegate the review and approval of:

- Those matters which the Board is required to approve under the Corporation's governing statute;
 - The declaration and payment of dividends;
 - The issuance, purchase and/or redemption of securities; and
 - Material transactions outside the ordinary course of business
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Delegation in Writing

Delegation to management and committees will be evidenced via a formal written Mandate or Resolution approved by the Board.

Ultimate Accountability

Notwithstanding any delegation the Board remains ultimately responsible for all decisions of the Corporation.

Composition, Evaluation and Appointments

The Board will consider all recommendations received from the GCC but remains responsible for its own affairs by approving:

- Its composition and size;
 - Directors' compensation and evaluation criteria;
 - Directors' orientation and education program; and
 - For the Board and its Committees:
 - their mandates;
 - selection and appointment of the Chair;
 - nomination of the directors;
 - descriptions of the directors' responsibilities;
 - performance objectives;
 - succession and renewal plans.
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Board of Directors Mandate

Appointment of Officers The Board will consider, on an annual basis, recommendations of its Committees for approving the mandate, compensation, performance and reappointment of:

- CEO;
- Chief Risk Officer;
- Chief Financial Officer;
- Vice President, Internal Audit; and
- Chief Compliance Officer.

Management Tone The Board will:

- Satisfy itself as to the competency and integrity of the CEO and senior management through probing, challenging and providing appropriate guidance as required; and
- Ensure the CEO and senior management foster a culture of integrity and compliance throughout the Corporation.

Management Performance In conjunction with the CEO and Senior Management the Board develops and approves the corporate goals and objectives that the CEO is responsible for meeting.

The Board oversees the performance of management to ensure alignment between the shareholders expectations, corporate plans and management actions. The Board expects management to:

- Adopt processes for monitoring and reporting on the Corporation's progress towards achieving its strategic and operational goals
- Alter its direction to management in light of changing circumstances affecting the Corporations; and
- Take corrective action when the Corporation's performance falls short of its goals or as other special circumstances warrant.

Oversight Functions The Board will ensure that the heads of the oversight functions have direct access to the Board directly or through its Committees and have sufficient stature, authority and resources to carry out their duties.

Board of Directors Mandate

Strategic Planning and Direction

The Board participates directly, and through its Committees, in reviewing, questioning and approving the Corporation's:

- strategic plan;
 - financial plan;
 - capital plan;
 - liquidity/funding plan;
 - Code of Conduct;
 - Risk Appetite Framework;
 - Residential Mortgage Underwriting Policy; and
 - The short/long term business objectives in alignment with the Corporation's risk appetite
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Financial Statements and Budgets

The Board, based on the recommendation of the AC, approves the Corporation's:

- Annual budget;
 - Audited financial statements and notes;
 - Interim financial statements and notes;
 - Management's discussion and analysis; and
 - Any news release accompanying such financial statements
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Required Disclosures

The Board approves:

- The Annual Information Form (AIF); and
 - The Management Information Circular (MIC).
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Capital Management

The Board, through the AC, has responsibility for obtaining reasonable assurance that management has implemented appropriate systems to effectively monitor, manage and report on the Corporation's capital management, including the Corporation's liquidity, interest rate risk and funding management

Risk Management

The Board, through the AC, 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 the Corporation's risks in accordance with the Corporation's risk appetite framework
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Board of Directors Mandate

Compliance	<p>The Board, through the AC, has responsibility for obtaining reasonable assurance that management has implemented an effective regulatory compliance framework to effectively monitor, manage and report on the Corporation's compliance with applicable laws and regulations.</p> <hr/>
Regulatory Developments	<p>The Board shall be responsive to issues identified by senior management (including oversight functions) and its Committees.</p> <p>The Board shall:</p> <ul style="list-style-type: none">• review reports from senior management on material developments with the Office of Superintendent of Financial Institution (OSFI)• review with OSFI its supervisory results• provide OSFI with prior notice of planned changes to the Board and senior management <hr/>
Internal Controls	<p>The Board, based all recommendation of the AC, obtains reasonable assurance of the effectiveness of the Corporation's:</p> <ul style="list-style-type: none">• Internal control framework and management information systems; and• Procedures to ensure the Corporation and its subsidiary are in compliance with applicable laws and regulations. <hr/>
Quality of Information	<p>The Board reviews the adequacy, relevance, completeness and frequency of information provided by senior management and its Committees periodically.</p> <hr/>
Governance, Policies and Procedures	<p>The Board develops the Corporation's approach to corporate governance, including;</p> <ul style="list-style-type: none">• 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;<ul style="list-style-type: none">○ 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; and• Enforcing its policy respecting confidential treatment of the Corporation's proprietary information and Board deliberations <hr/>

Board of Directors Mandate

Expectation of Directors The Board 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.

Board of Directors Mandate

Communication and Reporting

The Board is responsible for ensuring this mandate or a summary that has been approved by the Board is disclosed in accordance with applicable securities laws or regulatory requirements in:

- The Corporation's annual Management Information Circular (MIC); or
- Such other annual filings as may be permitted or required by applicable securities regulatory authorities.

The Board will approve from time to time as circumstances warrant a disclosure policy to address communication with shareholders, employees, financial analysts, the media and such other outside parties as may be appropriate.

The Board, through the AC:

- Ensures the accurate reporting of the financial performance of the Corporation to its shareholder(s), 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
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Board of Directors Mandate

6. Version Control

Approval Record		
Date	Approval	Version
August 11, 2016	Board of Directors	V 1.0
