EGI Financial Holdings Inc.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 7, 2015

AND

MANAGEMENT INFORMATION CIRCULAR

EGI Financial Holdings Inc.

Notice of Annual General Meeting of Shareholders
May 7, 2015

Notice is hereby given that the annual general meeting of the holders of common shares of EGI Financial Holdings Inc. (the "Corporation") will be held at the St. Andrew's Club, 150 King Street West, 27th Floor, Toronto, Ontario, on May 7, 2015, at 3:00 p.m. (Toronto time) for the following purposes:

1. to receive the Corporation's Annual Report which contains the audited consolidated financial statements as at and for the financial year ended December 31, 2014, and the auditors' report thereon;
2. to elect directors;
3. to re-appoint auditors and to authorize the Board of Directors to fix their remuneration;
4. to approve unallocated options under the Corporation's Stock Option Plan;
5. to consider and, if thought fit, to pass a special resolution (the text of which is set out in Schedule "C" to the accompanying Management Information Circular) authorizing the Directors to amend the Articles of the Corporation to change its name from "EGI Financial Holdings Inc." to "Echelon Financial Holdings Inc.";
6. to transact such other business as may properly come before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the meeting. *Registered shareholders* who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, telephone number 1-800-564-6253, fax number 1-866-249-7775 or 416-263-9524 or to the Secretary of the Corporation at the Corporation's registered office, which is located at 2680 Matheson Blvd. East, Suite 300, Mississauga, Ontario, L4W 0A5, fax number 905-214-8028. *Non-registered shareholders* who receive these materials through their broker or other intermediary should complete and send the voting instruction form in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. or the Secretary of the Corporation not later than 3:00 p.m. (Toronto time) on May 5, 2015, or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED the 10th day of March, 2015.

By Order of the Board of Directors

(Signed) Alvin Sharma
Secretary

EGI Financial Holdings Inc.

Management Information Circular
for the Annual General Meeting of Shareholders
May 7, 2015

VOTING INFORMATION FOR PROXIES

Solicitation of Proxies

This Management Information Circular (the "Circular") is furnished in connection with the solicitation, by or on behalf of the management of EGI Financial Holdings Inc. (the "Corporation"), of proxies to be used at the Corporation's annual general meeting of the holders of common shares (the "Common Shares") to be held on Thursday, May 7, 2015, (the "Meeting") or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Investor Services Inc., at nominal cost. The cost of soliciting will be borne by the Corporation.

Appointment of Proxyholder

The person(s) designated by management of the Corporation in the enclosed form of proxy are directors or officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the person(s) or company(ies) designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder's behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided on the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation, c/o Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, telephone number 1-800-564-6253, fax number 866-249-7775 or 416-263-9524, or to the Secretary of the Corporation at the Corporation's registered office, which is located at 2680 Matheson Blvd. East, Suite 300, Mississauga, Ontario, L4W 0A5, fax number 905-214-8028. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. or the Secretary of the Corporation not later than 3:00 p.m. (Toronto time) on May 5, 2015, or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

Revocation of Proxy

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

VOTING SHARES

Voting Shares

As at March 10, 2015, the Corporation had 11,724,734 Common Shares outstanding, each carrying the right to one vote per share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Record Date

The Board of Directors has fixed March 27, 2015, as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at March 10, 2015, no person beneficially owned, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
The Co-operators Group Limited and affiliates	2,027,912	17.3%
I.A. Michael Investment Counsel	2,050,000	17.5%

GENERAL INFORMATION

Financial Statements and Auditor's Report

A copy of the Corporation's 2014 Annual Report is being sent to shareholders who have requested it, and includes the consolidated financial statements of the Corporation for the year ended December 31, 2014, together with the auditor's report thereon, and Management's Discussion and Analysis of the financial position and results of operations. This Annual Report is also available in the Financial Reports section of the Corporation's web site (www.egi.ca) and on SEDAR (www.sedar.com). No vote will be taken at the Meeting in respect of the Corporation's 2014 Annual Report.

Currency and Timing of Information

Unless indicated otherwise, all amounts are in Canadian dollars.

Unless otherwise indicated, the information contained in the Circular is given as of March 10, 2015.

MATTERS TO BE ACTED UPON AT MEETING

1. Election of Directors

The number of directors to be elected at the Meeting is eight (8). Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to VOTE FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such person or the person's associates or affiliates as at March 10, 2015. Also included below are Deferred Share Units (DSUs) held by each Director. Common shares and DSUs count toward their achievement of the share ownership guidelines for Directors described on page 20. The information as to shares beneficially owned or controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Nominee Name and Place of Residence	Principal Occupation	Director Since	Common Shares	DSUs
Peter Crawford (1) (2) Ontario, Canada	Retired. Previously Chief Financial Officer and Treasurer of The Co-operators Group Limited	January 2013	Nil	4,105
Steve Dobronyi Ontario, Canada	President and Chief Executive Officer of the Corporation	May 2013	112,639	N/A
Ani Hotoyan-Joly (1) (3) Ontario Canada	Chief Financial Officer and Corporate Secretary of Coventree Inc. (finance company)	May 2014	Nil	859
Serge Lavoie (1) Quebec, Canada	Quebec President at GDI Integrated Facility Services	May 2014	Nil	1,762
Douglas E. McIntyre (3) Ontario, Canada	Retired. Previously Chief Executive Officer of the Corporation.	August 2001	180,000	3,211
Carol Poulsen (2) (3) Ontario, Canada	Executive Vice President and Chief Information Officer, The Co-operators Group Limited	May 2014	Nil	N/A
Robert Purves Ontario, Canada	Chairman, Purves Redmond Limited (insurance brokerage firm)	August 1997	110,000	18,074
Angus Ross (1) (2) Ontario, Canada	Independent consultant on reinsurance and environmental issues	January 2013	7,000	3,226

(1) Member of Audit and Risk Committee.
(2) Member of Governance Committee.
(3) Member of Investment Committee.

Steve Dobronyi has held the principal occupation shown beside his name in the table above for the last five years except as follows: Steve Dobronyi was President and Chief Operating Officer prior to being appointed Chief Executive Officer of EGI in January 2011. Prior to joining the Corporation in November 2009, Mr. Dobronyi was Senior Vice President, Business Development at Manulife Financial.

Ani Hotoyan-Joly was the Chief Financial Officer of Coventree Inc. on November 8, 2011, when the Ontario Securities Commission issued an order that trading in any securities by Coventree cease and any exemptions contained in Ontario securities law do not apply to Coventree until such time as Coventree completes its winding-up. The order was made on the basis that Coventree had contravened Ontario securities law by failing to issue and file certain news releases and material change reports in 2007. The events in question occurred before Ms. Hotoyan-Joly became the Chief Financial Officer of Coventree Inc. in May 2009. Coventree continues in the process of a court-supervised winding-up and the order is still in effect.

Serge Lavoie has held the principal occupation shown beside his name in the table above for the last five years except as follows: From 2006 to 2012, Mr. Lavoie was President & Chief Executive Officer of Jevco Insurance Company (Montreal).

Carol Poulsen has held the principal occupation shown beside her name in the table above for the last five years except as follows: From 2008 to 2011 she was SVP Group Architecture, Applied Innovation and Solution Delivery Services for RBC globally. Carol Poulsen is an officer of Co-operators General Insurance Company, which, as of March 10, 2015, beneficially owned together with its affiliates 2,027,912 Common Shares, representing approximately 17.3% of the outstanding common Shares. See “Voting Shares – Principal Shareholders”.

2. Re-appointment of Independent Auditors

PricewaterhouseCoopers LLP are the current auditors of the Corporation. At the Meeting, the holders of Common Shares will be requested to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors’ remuneration.

Auditor Fees ($)	**2014**	**2013**
Audit fees	726,000	652,000
Audit- related fees	–	–
Tax fees	45,000	78,000
All other fees	47,000	28,000

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to VOTE FOR the re-appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the remuneration of the auditors.

3. SPECIAL BUSINESS

A. Approval of Unallocated Options under the Corporation's Stock Option Plan

The Corporation’s Stock Option Plan, described under the heading “Executive Compensation – Components Of Executive Compensation – Equity Compensation Plan Information – Stock Option Plan” in this Information Circular, provides that the aggregate number of shares of the Corporation which may be issued and sold under the Stock Option Plan will not exceed 10% of the total of issued and outstanding shares from time to time (on a non-diluted basis), and shares reserved for issuance under employee stock option plans, options for services and employee stock purchase plans. Pursuant to the rules and policies of the Toronto Stock Exchange (the “TSX”), unallocated options, rights or other entitlements under a TSX listed issuer’s security based compensation arrangement that do not have a fixed maximum number of securities issuable (which includes the Stock Option Plan) must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years. Unallocated options to acquire Common Shares (i.e. options that are authorized to be granted under the Stock Option Plan but which have not yet been granted) (“Unallocated Options”) were approved by the shareholders of the Corporation at the Corporation’s annual meeting in 2012.

Due to the Corporation’s shift to its Executive Share Unit Plan for equity-based compensation, the Corporation does not currently intend to grant further stock option grants under the Stock Option Plan, but the Stock Option Plan will remain open for the vesting of options. Accordingly, the Stock Option Plan is not being terminated. As such, in accordance with TSX requirements, shareholders will be asked at the Meeting to pass an ordinary resolution to approve all Unallocated Options under the Stock Option Plan. If the resolution is passed at the Meeting, the Corporation will next be required to seek similar approval from the shareholders no later than May 7, 2018.

If the shareholders do not approve the ordinary resolution, all Unallocated Options outstanding as of the date of the Meeting will be cancelled and the Corporation will not be permitted to grant further options under the Stock Option Plan until such time as the required shareholder approval may be obtained in the future. All Options that have already been allocated and granted as of the date of the Meeting that have not yet been exercised will continue unaffected in accordance with their current terms.

As of March 10, 2015, there were 428,200 Options outstanding, representing 3.7% of the issued and outstanding Common Shares on that date, leaving 648,598 Unallocated Options, representing 5.5% of the issued and outstanding Common Shares on that date, reserved and available for issuance upon the exercise of Options that may be granted in the future.

In order for the foregoing to be effective, the following resolution must be passed by a majority of the votes cast at the Meeting. **In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to VOTE FOR** the resolution approving the Unallocated Options under the Stock Option Plan.

"**WHEREAS** the Stock Option Plan of the Corporation provides that the aggregate number of shares of the Corporation which may be issued and sold under the Stock Option Plan will not exceed 10% of the total of issued and outstanding shares (on a non-diluted basis) and shares reserved for issuance under employee stock option plans, options for services and employee stock purchase plans;

AND WHEREAS a security based compensation arrangement that does not have a fixed maximum number of securities issuable, as is the case with the Stock Option Plan, requires all unallocated options to be approved by shareholders every three years pursuant to the rules of TSX;

NOW THEREFORE BE IT RESOLVED that all unallocated options to acquire Common Shares of the Corporation under the Stock Option Plan are hereby approved and authorized until May 7, 2018."

B. Change of Name

At the Meeting, shareholders will be asked to consider and, if thought fit, pass the Name Change Resolution in the form set out in Schedule "C" to the Circular, authorizing an amendment to the Articles of the Corporation to change the name of the Corporation from "EGI Financial Holdings Inc." to "Echelon Financial Holdings Inc.".

The Name Change Resolution must be passed by a majority of not less than two-thirds of the votes cast at the Meeting. The Directors of the Corporation unanimously recommend to the shareholders of the Corporation that they vote FOR the approval of the Name Change Resolution.

In the absence of any instructions to the contrary, the Common Shares represented by proxies received by Management will be voted FOR the approval of the Name Change Resolution.

Notwithstanding that this resolution has been approved by the shareholders of the Corporation, the Directors of the Corporation are authorized without further notice to, or approval of, the shareholders of the Corporation not to proceed with the actions contemplated by this resolution.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This discussion addresses the Corporation's compensation philosophy, objectives and policies applicable to the employees of the Corporation and the executive officers named in the Summary Compensation table below, otherwise referred to as the Corporation's "Named Executive Officers" or "NEOs". To the extent that the Corporation may modify these objectives and policies in the future to reflect changing circumstances, the information contained in this discussion may change accordingly.

Compensation Philosophy and Objectives

The overall objective of the Corporation's compensation program is to align the compensation decisions with the Corporation's strategies, business plan and financial objectives. The Corporation's compensation philosophy is reflected in the following key design priorities that govern compensation decisions:

- to attract, retain and motivate highly qualified and the most talented leaders
- to incentivize individual performance
- to pay for performance
- to align with shareholders' interests
- to achieve corporate financial performance objectives.

The compensation process is intended to be fair and simple so that all employees understand the goals and the outcomes of the process.

Compensation Governance

The Corporation's compensation governance structure consists of management and board committees responsible for the Corporation's compensation management policies and programs. The Corporation's compensation governance structure is reviewed regularly against industry best practices and regulatory standards.

Board of Directors

The Board is ultimately responsible for oversight and decision-making with respect to the Corporation's executive compensation principles, policies and programs, including the management of compensation risk.

Governance Committee

The Governance Committee assists the Board in carrying out its responsibilities, which includes compensation matters. The Governance Committee's compensation responsibilities include:

- Reviewing the Corporation's compensation policies and major compensation programs, particularly against business objectives and strategies, operations and risks to which the Corporation is exposed**.**
- Reviewing the design and payouts of compensation programs to ensure alignment with pay for performance and sound risk management principles; making recommendations to the Board regarding incentive and equity-based compensation programs; and reviewing and recommending, for Board approval, the design of compensation programs for the CEO and executive group; as well as the actual amount of annual variable short-term incentive and mid and long-term incentives to be awarded to the CEO and each executive based on individual, business and overall Corporation performance.

Compensation Aligned with Risk Management Principles

The Corporation's executive compensation programs are founded on principles that support the management of risk, ensuring management's plans and activities are prudent and focused on generating shareholder value within an effective risk control environment.

The Corporation's compensation design and review process incorporates the following risk management practices:

- Each year an annual business plan is developed and approved by the Board based on the Corporation's risk appetite and is used as a basis for setting performance targets.
- Caps on bonus payouts are incorporated in the compensation plan.

The NEOs and directors are not permitted to purchase 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 the NEO or director.

Compensation Design and Decision-Making Process

The design of the Corporation's executive compensation programs and practices is based on its Compensation Framework. This framework includes processes for establishing target compensation levels, determining the pay mix and proportion of pay-at-risk, setting performance objectives, evaluating performance and determining total compensation, and ensuring compensation design and payouts appropriately reflect prudent risk.

Establishing Target Compensation

Compensation for the NEOs and other executive officers is evaluated and set annually by the Governance Committee based on the program design of corporations that are part of its compensation comparator group to ensure the Corporation's compensation programs remain market competitive. The Corporation obtains market information from a number of external consulting firms, including the Hay Group, Mercer, Hewitt and the Toronto Board of Trade.

An individual executive's compensation is established after considering the following factors:

- Median compensation for similar roles and role levels in the market.
- The Corporation's performance against financial measures including book value per share, underwriting profit and gross written premiums.
- The Corporation's performance relative to goals approved by the Governance Committee.
- Individual performance versus personal goals and contributions to the Corporation's performance.
- Business climate, economic conditions, and other factors.

After an analysis of these factors, the Governance Committee develops compensation recommendations for the CEO to be considered by the Board of Directors. The CEO develops compensation recommendations for the other NEOs and presents them to the Governance Committee. The Governance Committee then sets NEO compensation after considering the recommendations of the CEO, as well as other relevant market and industry data.

The Compensation Comparator Group

The Corporation has generally benchmarked executive compensation target levels with reference to the median of comparable executive roles at the corporations forming part of its compensation comparator group. To evaluate the current executive compensation versus the competitive market, the Corporation reviews for reference purposes the compensation of executives in comparable positions at corporations that are either in a similar line of business or are otherwise comparable for purposes of recruiting and retaining individuals with the requisite skills and capabilities. Individual targets may be established above or below the median of this compensation comparator group based on an executive's knowledge, experience and performance track record. Other considerations in establishing the target compensation levels include determining which corporations are to be included in the comparator group. As such, the Corporation examines several criteria, including the relevant labour market for talent. A significant secondary factor that the Corporation takes into account in determining the composition of the comparator group is organizational scope. This factor focuses on corporations in the relevant industry sectors that are comparable in asset/revenue size, operational scope, market capitalization, and profitability. Also relevant is the selection of corporations from which is obtained high-quality, reliable and consistent compensation data. The comparator group is periodically evaluated and updated to ensure the corporations in the group remain relevant. This group of approximately 15 companies is referred to as the comparator group. The composition of the comparator group is reviewed and discussed with the committee and with external compensation consultants, as required.

The comparator group is comprised of the following companies: Fairfax Financial, Industrial Alliance Insurance, Travelers Canada, ACE Canada, RBC Insurance, Economical Insurance, Aviva Canada Inc., Royal & Sun Alliance Canada, CAA Insurance Company, Allianz Global Risks Insurance Company, Co-operators Life Insurance Company, Allstate Insurance Company of Canada, Pembridge Insurance Company, Gore Mutual Insurance Company, Intact Financial Corporation, BMO Life Insurance Company and Scotia General Insurance Company.

In cases where the Corporation is not able to use the comparator group as a reference for compensation for some of the NEOs, it uses data from alternative, widely-used survey sources for financial services corporations.

Setting Performance Objectives

At the beginning of the fiscal year, the Governance Committee establishes performance objectives for the CEO based on the strategic, financial, and operational objectives of the Corporation. The CEO establishes objectives for each member of the executive group, based on the same categories, and which reflect each member's specific roles and responsibilities.

Summary Compensation

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation's subsidiaries during the three most recently completed financial years, by the Corporation's Chief Executive Officer, Chief Financial Officer and the Corporation's other three most highly compensated executive officers.

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	All Other Compen-sation ($)	Total Compen-sation ($)
Steve Dobronyi Chief Executive Officer	2014	361,604	39,054	–	156,508	30,279	587,445
	2013	335,521	–	–	162,273	29,454	527,248
	2012	330,000	32,355	33,462	201,978	30,333	628,128
Alvin Sharma Chief Financial Officer	2014	249,423	65,091	–	112,355	24,929	451,798
	2013	225,575	–	–	34,776	23,802	284,153
	2012	55,000	–	75,924	10,000	5,717	146,641

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	All Other Compen-sation ($)	Total Compen-sation ($)
Michel Trudeau Chief Actuary	2014	249,423	253,853	–	72,216	24,424	599,916
	2013	137,115	–	–	10,000	13,722	160,837
Brian Clausen [(1)], Chief Executive Officer, Qudos Insurance A/S	2014	439,800	–	–	–	37,600	477,400
	2013	391,600	–	–	–	73,600	465,200
	2012	450,000	–	–	–	120,000	570,000
George Kalopsis President and Chief Operating Officer of Echelon General Insurance Company	2014	214,578	19,527	–	99,372	22,681	356,158
	2013	203,673	–	–	118,953	22,187	344,813
	2012	198,471	–	15,444	112,816	21,025	347,756
John Czerwinski [(2)] Executive Vice President, Strategic Market Development	2014	210,423	19,527	–	97,035	287,940	614,925
	2013	198,346	–	–	115,222	21,921	335,489
	2012	190,954	–	–	129,557	21,309	341,820

(1) Brian Clausen owns 3.5% of Qudos Insurance A/S as at December 31, 2014
(2) John Czerwinski is no longer employed with the Corporation since September 2014

The value for shared-based awards represents the market value of RSUs granted based on the volume weighted average trading price of the Corporation's common shares on the TSX during the immediately preceding 5 trading days of the grant date.

The option values shown are the grant date fair values of the stock options issued and are determined using the Black-Scholes option pricing methodology with the following assumptions: (i) risk-free rate of 1.25%; (ii) life expectancy of 2-5 years; and (iii) estimated volatility of 2.5%. The Corporation considers this methodology appropriate in valuing option grants, and it is a typical market approach to valuing options.

The fair values used are the same as those for financial statements purposes.

COMPONENTS OF EXECUTIVE COMPENSATION

The executive compensation program applies to all of the Corporation's executives. The program is designed to assist the Corporation in attracting and retaining the best available personnel for positions of substantial responsibility and align their interests with those of the Corporation's shareholders. Each year the Corporation reviews its compensation program to ensure alignment with the compensation philosophy. The Governance Committee also reviews the compensation philosophy on an annual basis. The following components are part of the executive compensation package:

Base Salary

The base salaries of the Corporation's NEOs, including the CEO, are broadly based on salaries for comparable positions in the market. The Corporation's goal is to provide fixed compensation based on the external market as well as internal equity with respect to the role, scope, responsibilities and accountabilities within the Corporation, and the experience and performance of the individual in the role. Base salaries are reviewed annually, and increases are generally granted when an executive assumes greater responsibilities, deepens knowledge and expertise, or when there is a change in the compensation levels of comparable roles in the comparator group. For each of the NEOs, base salaries are consistent with the terms of their respective employment agreements.

2014 Short-Term Incentive Plan (STIP)

Annual Bonus Plan: The purpose of this plan is to link compensation to a combination of individual contributions and Corporate performance that enhances shareholder and customer value, rewards employees who help the Corporation achieve its business goals, and attract and retain the talented employees necessary for the Corporation's success.

Administration of the Bonus Plan: All Canadian-based permanent employees, including NEOs and other executives, participate in the Annual Bonus Plan. The Bonus Plan formula for all employees is indicated below:

Target Bonus x (35% Underwriting Score + 15% Growth in Personal Lines Premiums + 30% Corporation Score + 20% Individual Score)

The Target Bonus will be paid for achieving budgeted amounts, as approved by the Board of Directors in advance of each year, subject to each employee's personal performance and contribution to the Corporation. Actual bonuses paid will be up to a maximum of 200% of target. The Underwriting Score, Growth in Personal Lines Premiums and the Corporation Score as measured by book value per share is gauged against the annual plan. All employees within a division/territory will receive the same score. The Underwriting Score for the CEO, CFO & Chief Actuary will be based on the total Corporation.

The target bonus opportunity is communicated to each participant, based on the internal value of the position as well as alignment to the relevant market. This target incentive opportunity is expressed as a percentage of the participant's salary, and reflects the bonus practice of other corporations for comparable positions.

Long-Term Incentives

On November 7, 2013, the Board of Directors made changes to the compensation plan for executives and senior management, with effect from January 1, 2014. The compensation plan is intended to better align the Corporation's compensation programs with the long-term strategies and interests of the Corporation and its shareholders. Moving forward, grants under the Corporation's current Stock Option program for senior management and executives will be discontinued. Stock options granted by the Corporation prior to January 1, 2014, will continue to vest and either be exercised or expire in accordance the current Stock Option Plan. In its place, from January 1, 2014, the Corporation will make use of its existing Executive Share Unit Plan to allow grants of Restricted Share Units (RSUs) to senior managers and executives of the Corporation

Equity Compensation Plan Information

The following table sets out aggregate information as at December 31, 2014, concerning securities authorized for issuance under the Corporation's security-based and equity compensation plans.

Plan Category	**Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (a)**	**Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (b)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans [excluding securities reflected in (a)] (c)**
Equity Compensation Plans Approved by Security Holders	654,450	8.91	506,456
Equity Compensation Plans Not Approved by Security Holders	0	0	0
Total	654,450	8.91	506,456

The unallocated number of securities remaining available references all of the Corporation's security-based and equity compensation plans and does not exceed 10% of the issued and outstanding common shares. The material features of the Corporation's security-based and equity compensation plans, the Stock Option Plan and the Executive Share Unit Plan, each of which has been approved by shareholders, are as follows:

Stock Option Plan

Due to the Corporation's shift to its Executive Share Unit Plan for equity-based compensation, the Corporation does not currently intend to grant further stock option grants under the Stock Option Plan but the Stock Option Plan will remain open for the vesting of options. Accordingly, the Stock Option Plan is not being terminated.

The Corporation has used the grant of stock options ("Options"), under its Stock Option Plan, as a performance incentive for senior employees, including the Chief Executive Officer, to provide the opportunity for overall compensation of senior management to be above industry-average levels and to increase the mutuality of interests between management and shareholders. The Stock Option Plan is intended to provide long-term rewards linked directly to the market value of the Common Shares of the Corporation. The Corporation's Board of Directors is of the view that the Stock Option Plan is in the best interests of the Corporation and will assist the Corporation to attract, motivate and retain talented and capable executives and management employees.

Subject to the foregoing intention, the Stock Option Plan provides that, Options to purchase Common Shares may be granted to eligible participants (collectively, "Optionees") designated under the Stock Option Plan. Eligible participants are directors, officers, and employees, such employees be those in the judgment of the Board of Directors to be key employees and who, at the time of the grant, are employees of the Corporation or any subsidiary. Optionees to whom Options may be granted, the number of Options to be granted and the exercise price of each Option will be determined in accordance with the Stock Option Plan. The exercise price per Common Share under each option is determined on the basis of the volume–weighted, average trading price of the shares traded on the TSX, or such other stock exchange on which the majority of the trading volume and value of the Common Shares occurs, for the five trading days immediately preceding the relevant effective date of grant. In the event that the Common Shares are not then listed or quoted on a stock exchange, the exercise price will be as otherwise determined in accordance with the Stock Option Plan.

Vesting of Options is determined by the Board of Directors at the time of grant. The maximum number of Options that may be vested for exercise in any particular year shall be (i) 20% of the Common Shares granted under the Options, or (ii) such greater percentage of the Common Shares granted under the Options, so long as the cumulative vesting rate per year is not greater than the rate of 20% in any particular year. Each Option will be exercisable over such period as determined at the time of issue. Each Option, unless terminated pursuant to the Stock Option Plan, will expire on a date determined by the Board of Directors at the time the Option is granted, which date may not exceed eight years from the date of the grant of the Option. Any Option is personal to the Optionee and is non-assignable.

The aggregate number of shares of the Corporation which may be issued and sold under the Stock Option Plan will not exceed 10% of the total of issued and outstanding shares from time to time (on a non-diluted basis), and shares reserved for issuance under employee stock option plans, options for services and employee stock purchase plans.

The maximum number of Common Shares reserved for issuance to any one person upon the exercise of Options is limited to 5% of the total number of Common Shares outstanding at the date of grant. Under the Stock Option Plan and any other security-based compensation arrangement of the Corporation: (i) the number of common shares issuable to insiders, at any time, shall not exceed 10% of the issued and outstanding common shares; and (ii) the number of common shares issued to insiders, within a one-year period, shall not exceed 10% of the issued and outstanding common shares.

Options expire and terminate upon the Optionee ceasing to be a Director, Officer or a part-time or full-time employee of the Corporation or of any subsidiary, provided that if such cessation is other than for cause, the Optionee may exercise vested Options until the earlier of their expiry date or 90 days after such cessation.

If, before the expiry of the Option, the employment of the Optionee with the Corporation or any subsidiary shall terminate by reason of death of the Optionee, such Option may be exercised by the legal representative(s) of the estate of the Optionee at any time during the first 180 days following the death of the Optionee. If at any time when an Option granted under the Stock Option Plan remains unexercised with respect to any optioned shares, (i) a general offer to purchase all of the issued Common Shares of the Corporation is made by a third party; or (ii) the Corporation proposes to sell all or substantially all of its assets or to merge or amalgamate with another company (except a subsidiary of the Corporation) under any circumstances that may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of the corporate existence, the Corporation shall use its best efforts to give an Optionee 21 days' notice of the effective date of such offer or proposal or otherwise as soon as practicable and (A) the Option may be exercised, as to all or any of the optioned shares in respect of which such Option has not previously been exercised, by an Optionee at any time up to and including a date 30 days following the date of the completion of such sale or prior to the close of business on the expiry date, whichever is earlier; and (B) the Corporation may require the acceleration of the time for the exercise of the Option and the time for the fulfilment of any conditions or restrictions on such exercise.

The Board of Directors may amend or discontinue the Stock Option Plan at any time, subject to any required TSX approval and, where applicable, shareholder approval, provided, however, no such amendment may, without the consent of the Optionee, alter or impair any of the terms of any Option previously granted to an Optionee under the Stock Option Plan. Any amendments to the terms of an Option shall also require regulatory approval, including without limitation, the approval of the TSX.

The Stock Option Plan provides that shareholder approval will be required for amendments to: increase the number of shares issuable pursuant to the Stock Option Plan; reduce the subscription price of an outstanding option of an insider;

extend the term of any option granted under this Stock Option Plan to an insider beyond the termination date of the option; allow for a maximum term of an option to be greater than 10 years; expand the transferability of options; add to the categories of participants who may be designated for participation in the Stock Option Plan; allow for an option exercise period to commence earlier than the first anniversary of the date of grant, other than in the case of death, disability or a change in control; increase or delete the percentage limits relating to shares issuable or issued to insiders; increase or delete the percentage limit on shares reserved for issuance to any one person; amend the Stock Option Plan to provide for other types of compensation through equity issuance; and any amendment to the amendment provisions of the Stock Option Plan. Subject to the foregoing, the Board of Directors may amend any term or condition of the Stock Option Plan or any option granted other than the items specified as requiring shareholder approval.

The total number of Common Shares issuable in connection with outstanding, unexercised option grants under the Stock Option Plan as at March 10, 2015, is 428,200. The total number of Common Shares issued to date under the Stock Option Plan is 872,175 Common Shares (being approximately 7.4% of the current issued and outstanding Common shares). The total number of Common Shares issuable under the Stock Option Plan pursuant to unexercised granted options and options available to be granted is 1,172,473 representing 10% of the Corporation's number of outstanding Common Shares less grants outstanding under the Corporation's Share Unit Plan as at the date of the Circular. Of the 428,200 outstanding unexercised options, 71,550 Common Shares are fully vested, with 356,650 remaining unvested.

Executive Share Unit Plan

The Corporation has established an Executive Share Unit Plan ("ESUP"), effective November 6, 2009, amended on May 5, 2011 and November 23, 2011, under which the Board of Directors may from time to time determine (i) those eligible employees (a "participant") who shall receive a grant of Restricted Share Units ("RSUs") and/or Performance Share Units ("PSUs") (RSUs and PSUs are collectively referred to as "Share Units"), (ii) the number of such RSUs and/or PSUs and (iii) the grant date(s) applicable to such RSUs and/or PSUs.

The ESUP is intended to provide employees of the Corporation with an additional incentive to further the growth and development of the Corporation and will encourage them to remain with the Corporation.

The Governance Committee of the Board of Directors administers the ESUP and recommends to the Board of Directors the individual employees to whom grants of RSUs or PSUs should be made, as well as the amounts and terms of such grants. The selection of participants will be based on the participant's current and potential contribution to the Corporation and the terms of the grants may include performance targets or the achievement of certain collective performance-related criteria, such as the financial performance of the Corporation. The terms of any particular grant need not be identical to any other grant, and the Board of Directors may amend, suspend or terminate the terms of any grant, or the terms of the ESUP itself (subject to certain restrictions), without shareholder approval.

Each Share Unit granted under the ESUP will entitle the participant, upon satisfying all applicable vesting criteria, to receive one common share or, at the discretion of the Corporation, a cash payment equal to the market value of such share, calculated in accordance with TSX rules, on the date of payment. The grant of a Share Unit will not entitle the participant to exercise any voting rights, receive any dividends or exercise any other right which attaches to ownership of common shares.

Each grant and the participation of a participant in the ESUP shall be evidenced by a grant agreement between the Corporation and the participant. Each grant agreement shall set forth, at a minimum, the type and grant date of the grant evidenced thereby, the number of RSUs or PSUs subject to such grant, the applicable vesting conditions, the applicable vesting period(s) and performance periods (in the case of PSUs) and the treatment of the grant upon termination. The Board of Directors may determine such other terms and conditions with respect to a grant as are consistent with or required by the terms of the ESUP including (A) the conditions, if any, upon which vesting of any Share Unit will be waived or accelerated; (B) the circumstances upon which a Share Unit may be forfeited, cancelled or expire; (C) the consequences of an employment termination with respect to a Share Unit; (D) the manner of exercise or settlement of vested Share Units, including whether vested Share Units will be settled in cash, shares or a combination of cash and shares; (E) whether the terms upon which any Shares delivered upon exercise or settlement of a Share Unit must continue to be held by a participant for any specified period; and (F) terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a participant, including conditions of the grant or vesting of Share Units.

Share Units will become vested at such times, in such instalments and subject to such terms and conditions as may be determined by the Board of Directors and set forth in the applicable grant agreement. The conditions to vesting of RSUs will be based on the participant's continued employment or continued engagement, without regard to the satisfaction of any performance criteria and, in the event that the grant agreement applicable to a grant of RSUs does not specify the time(s) at which such RSUs shall become vested, such RSUs will vest on the third anniversary of the grant date, subject to plan rules.

The conditions to vesting of PSUs will be based on the satisfaction of performance criteria, either alone or in addition to any other vesting conditions, as may be determined by the Board of Directors and may be graduated such that different percentages (which may be greater or less than 100%) of the PSUs in a grant will become vested depending upon the extent to which one or more such conditions are satisfied.

The aggregate number of common shares which may be issued by the Corporation under the ESUP is limited to 300,000. All common shares subject to Share Units, that do not become vested or that otherwise expire, terminate or are cancelled without being settled, will be available for any subsequent Share Units under the ESUP.

As of March 10, 2015, 76,325 Common Shares (being approximately 0.7% of the issued and outstanding Common shares) have been issued under the ESUP and 128,100 Common Shares remain available for issuance pursuant to future grants under the ESUP (being approximately 1.1% of the issued and outstanding Common Shares).

No Share Units will be granted to any participant if the total number of Shares issuable to such participant under the ESUP, together with any Shares issued to such participant under any other security-based compensation arrangement of the Corporation would exceed 5% of the issued and outstanding common shares. Under the ESUP and any other security-based compensation arrangement of the Corporation: (i) the number of common shares issued pursuant to RSUs granted to insiders shall not exceed 10% of the issued and outstanding common shares; and (ii) the number of common shares issued to insiders, within a one-year period, shall not exceed 10% of the issued and outstanding common shares.

Unless otherwise determined by the Board of Directors, in the event a participant's employment is terminated by the Corporation or an affiliate, other than for cause, prior to the end of a vesting period relating to a grant, and such participant does not have a written contract of employment setting out a notice period during which he or she is deemed to be employed in accordance with plan rules, no Share Units relating to such grant that have not vested and been settled prior to the date of the participant's termination without cause will vest.

Unless otherwise determined by the Board of Directors, in the event a participant dies, experiences a disability termination date or ceases to be employed by reason of retirement prior to the end of the vesting period relating to a grant, a number of Share Units determined by a formula will become vested Share Units.

In the event of a change in control prior to the end of the vesting period relating to a grant, all Share Units relating to such grant will become vested Share Units effective as of the date of such change in control. In the case of PSUs, the relevant performance criteria will be deemed to have been satisfied to the extent required to produce vesting of 100% of the PSUs at the date of the change in control.

The Share Unit Plan may be amended or at any time by the Board of Directors in whole or in part; provided that, in accordance with TSX rules, specific security holder approval is required for: (i) a reduction in the purchase price under the ESUP benefiting an insider of the Corporation; (ii) an extension of the term under the ESUP benefiting an insider of the Corporation; (iii) any amendment to remove or to exceed the insider participation limit; (iv) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the Corporation's outstanding capital represented by such securities; and (v) amendments to an amending provision within the ESUP.

No amendment of the ESUP or the terms of any outstanding Share Unit granted will adversely affect the rights accrued to such participants with respect to Share Units granted prior to the date of the amendment, without the consent of the participants affected by the amendment, unless required for purposes of complying with applicable law (including TSX rules).

Outstanding Option-Based and Share-Based Awards

The following table sets out, for each NEO, information concerning all option-based and share-based awards outstanding as of December 31, 2014. (This includes awards granted before the most recently completed financial year.)

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)	Number of shares or units of shares that have not vested (#)	Market or pay out value of share-based awards that have not vested ($)
Steve Dobronyi	97,500	10.25	3/31/2015	283,725	18,000	236,880
	14,625	7.80	3/31/2016	78,390	–	–
	14,625	7.19	3/31/2017	87,311	–	–
	14,625	8.89	3/31/2020	62,449	–	–
Alvin Sharma	45,000	8.89	3/31//2020	192,150	5,000	65,800
Michel Trudeau	–	–	–	–	19,500	256,620
Brian Clausen	–	–	–	–	–	–
George Kalopsis	6,750	8.07	3/31/2016	34,358	1,500	19,740
	6,750	7.19	3/31/2017	40,298	–	–
	6,750	8.89	3/31/2020	28,823	–	-
John Czerwinski	6,750	8.74	31/08/2016	29,835	1,500	19,740
	6,750	8.89	31/03/2020	28,823	–	–
	6,750	9.62	31/03/2020	23,895	–	–
	6,750	9.91	31/08/2015	21,938	–	–

Value Vested or Earned During the Year

The following table sets out, for each NEO, information concerning the value of incentive plan awards – option-based and share-based awards as well as non-equity incentive plan compensation – vested or earned during the financial year ended December 31, 2014.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Steve Dobronyi	64,545	98,700	156,506
Alvin Sharma	32,940	–	112,355
Michel Trudeau	–	–	72,216
Brian Clausen	–	–	–
George Kalopsis	24,705	–	99,372
John Czerwinski	32,535	–	97,035

Pension Plan Benefits

The Corporation does not currently provide a pension plan for its executive group.

Other Executive Benefits, Including Perquisites

Group Benefit Plans

NEOs are eligible to participate in employee benefit programs and plans that are generally available to all full-time and part-time employees (subject to fulfilling certain eligibility requirements). These include benefits such as active employee extended health and dental plans (including medical, vision care, group life insurance, accidental death and personal loss insurance and employee assistance benefits), as well as other programs such as the Corporation's employee stock purchase plan and group retirement savings plan. In designing these benefits, the Corporation seeks to provide an overall level and mix of benefits that is competitive with those offered by corporations in its comparator group.

Perquisites

Certain perquisites are made available to NEOs. These include car allowance payments and a perquisite allowance. These types of perquisites are common among executives in the same industry. In addition, providing them as perquisites (as opposed to increasing base salary in an amount designed to compensate for the loss of these perquisites) avoids the increase that would otherwise occur in certain other benefit costs that are based on the level of an executive's base salary.

Executives and Senior Management Share Ownership Requirements

The Corporation believes it is important for the executives and senior management to have a stake in the Corporation to align their interests with those of the shareholders.

In 2014, the Corporation established minimum levels of share ownership that are in direct proportion to the executive's or senior management's position as shown below. Executives or senior management employed at January 1, 2014, are required to own the shares within three years. Those promoted or newly employed by the Corporation are required to meet the ownership criteria within 3 years from the date of promotion or employment as applicable. One third of the ownership target must be met each year. Once the target level is achieved, they must maintain that level of ownership for the duration of their tenure with the Corporation. In determining the number of shares owned, shares underlying any unexercised options or unvested RSUs will not be included.

Position	**Ownership target (Number of Shares)**
CEO	20,000
Senior VPs & CFO	10,000
Vice Presidents	5,000
Senior Management	3,000

Termination and Change of Control Provisions

NEOs may receive certain payments or benefits at, following, or in connection with a Change of Control of the Corporation, a change in the NEO's responsibilities, or a NEO's termination, including resignation, severance, retirement or constructive termination.

"Change of Control" refers to the occurrence of a transaction or series of transactions as a result of which: (i) at least 50% in fair-market value of all the assets of the Corporation are sold; or (ii) there is direct or indirect acquisition by a person or group of persons (excluding the Employee or any person associated with the Employee) acting jointly or in concert of voting securities of the Corporation (as defined in the *Securities Act,* as amended) that when taken together with any voting securities owned directly or indirectly by such person or group of persons at the time of the acquisition, constitute 51% or more of the outstanding voting securities of the Corporation, but does not include any transaction that may occur between the Corporation, any affiliate or subsidiary of the Corporation or, as applicable, any person associated with the Corporation or any affiliate or subsidiary of the Corporation, which, but for such relationship, the transaction would otherwise constitute a Change of Control hereunder.

The payment and provisions differ among the NEOs all of whom have employment agreements with the Corporation. There are differences among the agreements regarding the magnitude of the payments to be provided in the event of certain terminations that reflect, among other things, the degree to which these issues were critical to the particular executive.

Steve Dobronyi, Chief Executive Officer

Mr. Dobronyi's employment agreement with the Corporation provides for certain payments and benefits following his termination by the Corporation, other than for cause, death or disability. Upon such termination, Mr. Dobronyi would be entitled to two years base salary, target short-term incentive compensation at the then current rate, with continuation of benefit coverage, less appropriate deductions.

In the event of a Change in Control, notice of termination by the Corporation would be deemed to have been given to Mr. Dobronyi on the 30th day following the time of such Change of Control; however, such notice may be rescinded upon the mutual agreement by the parties.

These entitlements, post-termination, are subject to Mr. Dobronyi's continued duty of confidentiality, and his agreement not to solicit for a period of one year after any such termination, any customer or any employee of the Corporation for the benefit or on behalf of any competing business nor attempt to direct any such customer or employee away from the Corporation.

In addition to the post-termination entitlements provided for in Mr. Dobronyi's employment agreement, in the event of a change of control (as such concept is defined in the ESUP and the Stock Option Plan, respectively), all Share Units (together with any dividend equivalent Share Units in connection therewith) and all Options held by Mr. Dobronyi will vest as of the date of such change of control. See "Components of Executive Compensation -- Stock Option Plan" and "Components of Executive Compensation -- Executive Share Unit Plan".

If such rights upon termination had been triggered as of December 31, 2014, the last business day of the Corporation's most recently completed financial year, the incremental payments are estimated to be $2,130,275.

Alvin Sharma, Chief Financial Officer

Mr. Sharma's employment agreement with the Corporation provides for certain payments and benefits following his termination by EGI, other than for cause, death or disability. Upon such termination, he would be entitled to one year of base salary, target short-term incentive compensation at the then current rate, with continuation of benefit coverage, less appropriate deductions.

In the event of a Change of Control, the Employee's employment is terminated within six months following the date of such change of control, the Employee would be entitled to eighteen months base salary, from the date of change of control. In addition the Employee would be entitled to target incentive compensation at the then current rate, with continuation of benefit coverage, less appropriate deductions.

These entitlements post-termination are subject to Mr. Sharma's continued duty of confidentiality, and his agreement not to solicit for a period of one year after any such termination any customer or any employee of the Corporation for the benefit or on behalf of any competing business nor attempt to direct any such customer or employee away from the Corporation.

In addition to the post-termination entitlements provided for in Mr. Sharma's employment agreement, in the event of a change of control (as such concept is defined in the ESUP and the Stock Option Plan, respectively), all Share Units (together with any dividend equivalent Share Units in connection therewith) and all Options held by Mr. Sharma will vest as of the date of such change of control. See "Components of Executive Compensation – Stock Option Plan" and "Components of Executive Compensation – Executive Share Unit Plan".

If such rights upon termination had been triggered as of December 31, 2014, the last business day of the Corporation's most recently completed financial year, the incremental payments are estimated to be $837,115.

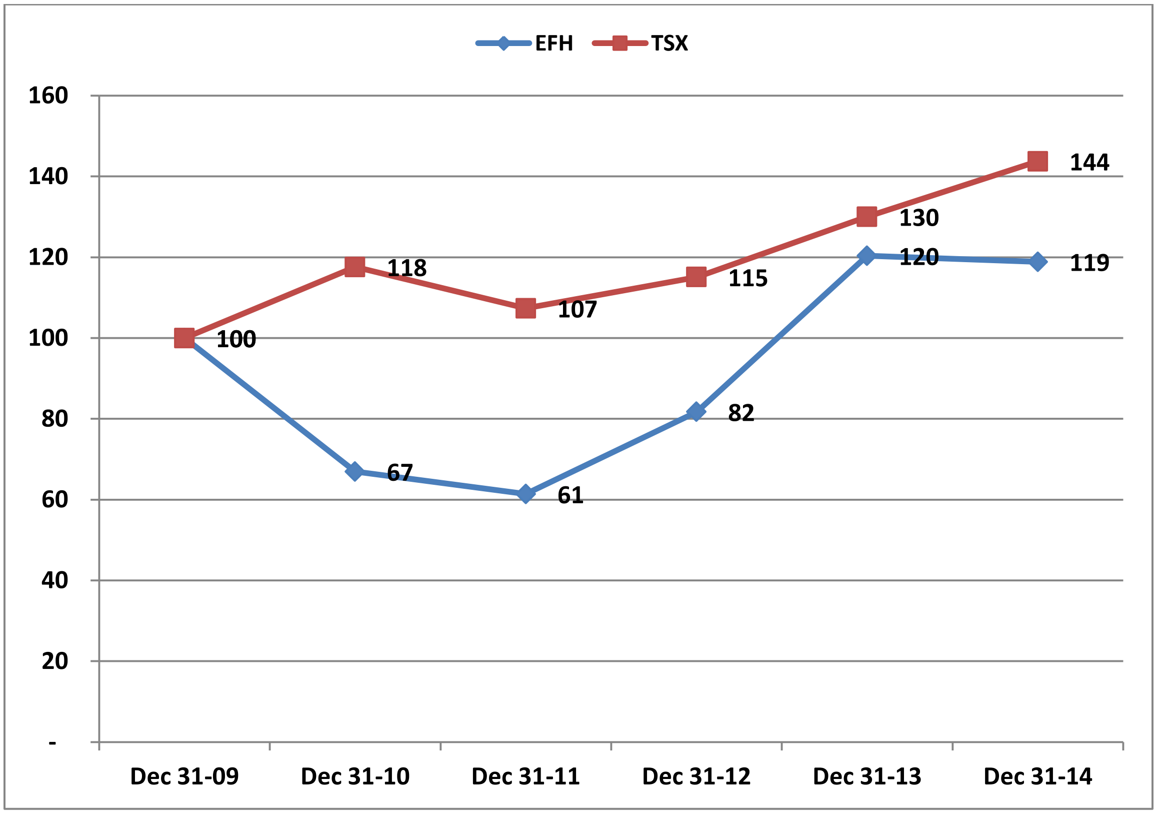
Other Employment Agreements

The Corporation has employment agreements with all the other NEOs which will automatically continue from year to year thereafter from January 1st of each year. The amount of salary and the value of benefits paid under these agreements have been included in the Summary Compensation table for the NEOs.

These employment agreements also provide for participation by the NEO in the Corporation's employee benefits plan. These employment agreements also provide for the payment of benefits upon the death or total disability of the NEO prior to retirement or termination.

PERFORMANCE GRAPH

The following graph compares the percentage change in the Corporation's cumulative total shareholder return on its Common Shares with the cumulative total return of the S&P/TSX Composite Index (the "S&P/TSX Index") during the five most recently completed financial years. The graph illustrates the cumulative return on a $100 investment in Common Shares made on December 31, 2009, as compared with the cumulative return on a $100 investment in the S&P/TSX Index made on December 31, 2009. The Common Share performance as set out in the graph does not necessarily indicate future price performance.



	31 Dec 2009	31 Dec 2010	31 Dec 2011	31 Dec 2012	31 Dec 2013	31 Dec 2014
Common Shares	$100	$ 67	$ 61	$ 82	$120	$119
S&P/TSX Index	$100	$118	$107	$115	$130	$144

The trend of the Corporation's performance-based compensation reflects the Corporation's share price in part, through the changing values of the share-based and option-based components of the awards. This and other performance-based compensation is intended to align the objectives of employees with the objectives of the Corporation and the long-term interests of shareholders. Short-term incentives are linked both to individual performance and to the achievement of the Corporation's financial and strategic results, while long-term incentives are linked to the Corporation's performance and financial results relative to the Canadian P&C insurance industry.

All permanent employees, including NEOs, executives and senior management, participate in the annual, cash-based Short-Term Incentive Plan. Awards are earned on the achievement of the Corporation's strategic financial objectives and the personal performance of individual participants. Growth and profitability for the incentive payment are based on the Corporation's performance relative to the P&C Insurance industry.

DIRECTOR COMPENSATION

Although eligible by its terms, Directors do not participate in the Corporation's Stock Option Plan. Directors who are also officers or employees of the Corporation were not paid any amount as a result of their serving as directors of the Corporation.

We believe it is important for the directors to have at stake in the Corporation to align their interests with those of the shareholders. As a result, the directors are required to own a minimum of 10,000 shares and/or DSUs within 5 years of being elected to the board. As CEO, Mr Dobronyi has separate share ownership requirements, described on Page 16. All Directors are on target to achieve their minimum share ownership within the allotted time period.

During the financial year ended December 31, 2014, Directors of the Corporation who were not officers or employees of the Corporation were entitled to be paid the following fees:

	$
Director Retainer	25,000
Board Chair Retainer	20,000
Board Meeting	1,500
Audit and Risk Committee Chair Retainer	7,500
Audit and Risk Committee Meeting	1,000
Investment Committee Chair Retainer	5,000
Investment Committee Meeting	750
Governance Committee Chair Retainer	5,000
Governance Committee Meeting	750
Telephone Meeting	500
Qudos Committee Chair Retainer	5,000
Qudos Director Retainer	5,000
Qudos Board Meeting	750
ICPEI Board Meeting	750

Director Compensation

Name	Fees Paid $	Share-Based Awards $	Option-Based Awards $	Non-Equity Incentive Plan Compensation $	Pension Value $	All Other Compensation $	Total $
Peter Crawford	25,000	25,000	–	–	–	–	50,000
Mark Curry	9,125	5,000	–	–	–	–	14,125
Steve Dobronyi	–	–	–	–	–	–	–
Patrick Hodgson	19,281	–	–	–	–	–	19,281
Ani Hotoyan-Joly	11,063	11,063	–	–	–	750 (1)	22,876
Paul Little	15,875	–	–	–	–	–	15,875
Serge Lavoie	–	22,625	–	–	–	–	22,625
Doug McIntyre	21,094	21,094	–	–	–	26,250 (2)	68,438
Carol Poulsen (3)	21,375	–	–	–	–	–	21,375
Robert Purves	25,875	25,875	–	–	–	1,250 (2)	53,000
Angus Ross	22,750	22,750	–	–	–	13,250 (2)	58,750
Bruce West (3)	45,875	–	–	–	–	–	45,875

Notes:

(1) Fees paid to Ani Hotoyan-Joly in her capacity as a Director of The Insurance Company of Prince Edward Island, a subsidiary of the Corporation.

(2) Fees paid in their capacity as Directors for Qudos Insurance A/S, an indirect subsidiary of the Corporation.

(3) Director's fees to which Bruce West and Carol Poulsen are entitled are paid at their direction to The Co-operators Group Limited.

Fair values used are the same as those for financial statements purposes.

Directors' Deferred Share Unit Plan

An eligible director, who is not otherwise a employee of the Corporation or any affiliate and is not employed by a corporation that holds at least 100,000 Shares of the Corporation, is eligible to participate in a Deferred Share Unit Incentive Plan (the "DSU Plan"), which allows them to elect to defer all or a portion of their annual retainer and meeting fees received in the form of deferred share units (DSUs), each of which is equivalent in value to one Common Share of the Corporation. The number of DSUs is established by dividing the amount of retainers not paid in cash by the weighted average trading price of the Common Shares for the last five trading days preceding the determination. Whenever cash dividends are paid on the Common Shares, the director's account under the DSU plan is credited with additional DSUs corresponding to the dividend paid on the Common Shares.

On November 7, 2013, the Board of Directors made changes to the Director Deferred Share Unit Plan to introduce a provisions to make Deferred Share Units (DSUs) earned by directors redeemable for cash in the event of the completion of a general offer by a third party to purchase all of the issued shares of the Corporation, or the sale of all or substantially all of the Corporation's assets and undertaking, or a merger, amalgamation or being absorbed by or into any other company (other than its subsidiary) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of the corporate existence.

Indebtedness of Directors and Executive Officers

None of the directors or senior officers of the Corporation have been indebted to the Corporation during the financial year ended December 31, 2014.

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of $20,000,000, subject to a $100,000 deductible for Corporation Indemnification Coverage. The premium paid by the Corporation during fiscal 2014 for this coverage was $81,078.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the beginning of the most recently completed fiscal year, no informed person of the Corporation, nominee for election as a director, or associate or affiliate of any informed person or nominee, has, or has had, any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries or affiliates, other than those described below.

The Corporation has entered into transactions with two related parties, Co-operators General Insurance Company and Purves Redmond Limited ("Purves Redmond"). These transactions are carried out in the normal course of operation and are measured at cost which approximates fair value. The transactions involving Co-operators General Insurance Company, which is an insider of the Corporation, consist principally of the agent channel of distribution. Purves Redmond is involved in arranging insurance coverage for the subsidiaries of the Corporation. Robert Purves, a shareholder and director of the Corporation, is also a shareholder and Chairman of Purves Redmond.

The Insurance Company of Prince Edward Island ("ICPEI"), in which EGI has a 75% ownership, has entered into transactions with three related parties – Charlie Cooke Insurance Agency Ltd. ("CCIA"), Atlantic Adjusting & Appraisals Ltd. ("AAA") and Maritime Finance and Acceptance Corporation ("MFAC"). Some directors and officers of ICPEI are also shareholders of AAA and MFAC. These transactions are carried out in the normal course of operations and are measured at cost which approximates fair value. CCIA distributes ICPEI insurance products through its brokerage operations. CCIA has minority shareholders who are related parties of the minority shareholders of ICPEI. AAA and MFAC provide insurance operational services to ICPEI.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators have established National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "National Instrument") and National Policy 58-201 – *Corporate Governance Guidelines* (the "National Policy"). The National Policy sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of Board members. The National Instrument requires the disclosure by each public corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines and, where applicable, National Instrument 52-110 – *Audit Committees* ("NI 52-110").

The Board of Directors

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

The Board of Directors is currently comprised of nine members, a majority of whom are "independent directors" within the meaning of the National Instrument. The 8 independent directors are Peter Crawford, Ani Hotoyan-Joly, Serge Lavoie, Douglas E. McIntyre, Carol Poulsen, Robert Purves, Angus Ross and Bruce West. The one current director who is not considered to be independent by virtue of his material relationship with the Corporation is Steve Dobronyi, Chief Executive Officer of the Corporation.

In accordance with the Guidelines that provide that the Chair of the Board should be independent and the Corporation's policy that the Chair of the Board shall at all times be an individual who is not otherwise an officer or employee of the Corporation or any of its affiliates, the Chair of the Board, Robert Purves, is an independent director. The Chair is responsible for acting as the communication link between the directors and the management of the Corporation, and managing the affairs of the Board of Directors.

The independent directors on the Board of Directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Since January 1, 2014, 5 such meetings were held.

The information presented below reflects the Board of Directors and Board Committee meetings held since January 1, 2014, up to March 10, 2015, and attendance of the directors during such time.

Summary of Board of Directors and Committee Meetings Held

Meeting	Number of meetings held
Board of Directors	8
(a) Audit and Risk Committee	7
(b) Governance Committee	6
(c) Investment Committee	5

Summary of Attendance of Directors

Director	Total Board meetings attended	Total Committee meetings attended
Peter Crawford	7 of 8	13 of 13
Steve Dobronyi	7 of 8	N/A
Ani Hotoyan-Joly	3 of 4	7 of 8
Serge Lavoie	4 of 4	5 of 5
Douglas E. McIntyre	8 of 8	5 of 5
Carol Poulsen	3 of 4	3 of 4
Robert Purves	8 of 8	N/A
Angus Ross	7 of 8	13 of 13
Bruce West	6 of 8	12 of 13

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.

As set out in the Board of Directors Mandate, the Board of Directors has established three committees to assist with its responsibilities: Audit and Risk Committee, Governance Committee, and Investment Committee. Each of these has a charter defining its responsibilities.

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

Board Tenure Policy

Directors will typically commit to serving a term of up to 3 years. Each year, the Corporation will nominate that Director for re-election and each year, under OSC rules and as related to NI 58-101 Disclosure of Governance Practices, the Director must be elected by the shareholders. Near the end of the 3-year term, the Director will be provided with a detailed assessment and performance review as related to their performance and contributions to the Board over the three year term. The assessment and performance review will be conducted by the Board Chair and Governance Committee Chair. Directors may be nominated for a second 3-year term, dependent on previous performance on the Board and the required skill sets of the Board at the time of renewal. Directors can serve up to 3 consecutive terms for a total of 9 years, with the exception that, in special circumstances, and on the recommendation of the Governance Committee, the Board of Directors may annually extend a Director’s tenure by one additional year. However, in no case shall a Director serve more than 12 years.

Position Descriptions

The Board of Directors has developed written position descriptions for the CEO, the Chair of the Board and for the Chairs of each Board committee.

Position Description of the Chief Executive Officer

Reporting to the Board of Directors (the “Board”), the Chief Executive Officer (“CEO”) has overall accountability for the leadership, strategic development and operational management of the Corporation. The CEO is responsible for the development and implementation of the strategic plans of the Corporation in accordance with Board approved authorities, policies and ethical standards. The CEO is responsible for providing strong people leadership to the organization and ensuring that the Corporation is well represented to its shareholders, policyholders, government authorities and other stakeholders. Primary accountabilities are to:

- Develop the vision, mission, financial targets and strategic direction of the Corporation for Board approval.
- Implement Corporation strategies in accordance with Board delegated authorities and Board approved guidelines.
- Determine and align resources required to execute strategic initiatives and attain Corporation objectives – staffing, systems, processes, organizational structure, financial resources and capital needs.
- Build a strong management team and a deep pool of talented and motivated employees. Work with the Board on CEO and management succession plans.
- Present an annual plan and budget for Board approval. The plan will outline the major strategic initiatives and operational tactics that are intended to facilitate the achievement of Corporation objectives.
- Effective and on-going communication with the Board of Directors. Report financial results and progress on strategic initiatives on a quarterly basis, or more frequently, as required. Collaborate with the Chairman to help with Board communication, coordination and other Board related matters.
- On-going financial, risk and capital management of the Corporation and effective performance of the Corporation’s investment portfolio.
- Build relationships with external stakeholders and ensure effective communication – shareholders, potential investors, the brokerage community, policyholders, business partners, industry associations, the business community, government authorities and the general public.
- Promote a culture of integrity. Ensure that the Corporation operates in accordance with high ethical standards, Board approved authorities and that the Corporation is in full compliance with applicable laws and regulations.

Position Description of the Chair of the Board

The Chair of the Board provides leadership and guidance to the Board, centering the work of the Board on the strategic direction of the Corporation. The Chair position is a non-management role and as such is not responsible for the management of any aspect of the business of the Corporation. The primary focus of the Chair is on governance, maintaining ethical standards and building the Board into an effective team capable of fulfilling a broad range of its responsibilities, including strategic planning and succession planning. The Chair should strive to create and maintain an effective Board culture at all times and in all situations the Chair will:

- Provide leadership to the Board on specific issues.
- Assist the Board in performing its duties and meeting its obligations, including those specified in the mandate of the Board.
- Set a high standard for Board conduct by modeling, articulating and upholding rules of conduct set out in Board Mandate. Intervenes when necessary in instances involving conflict-of-interest, confidentiality and other Board policies.
- Preside over Board meetings in a manner that encourages participation and information sharing while moving the Board toward timely closure and prudent decision-making.
- Ensure Board consensus within the decision-making process.
- In accordance with the mandate of the board, act as the spokesperson for the Board;
- Facilitate the ongoing formal and informal communication with and among directors of the Board.
- Meet with directors to provide constructive feedback and guidance on a regular basis.
- Serve as the Board's central point of official communication with the CEO. Develops a positive, collaborative relationship with the CEO, including acting as a sounding Board for the CEO on emerging issues and alternative courses of action.
- Promote and facilitate communication and understanding between the management of the Corporation and the Board.
- Ensure, in consultation with the Governance Committee and the full Board, that succession plans are in place at senior executive levels.
- Provide for an effective, objective Board self-evaluation process and support the implementation of recommendations for improvement.
- Seek feedback on his or her performance as chairperson.

Position Description of the Chair of the Governance Committee of the Board

The Chair of the Governance Committee of the Board of Directors is responsible to facilitate highly effective performance by the Committee in fulfilling its duties and responsibilities under its mandate. The Chair is not an executive of the Corporation and is not responsible for the management of any aspect of the Corporation's business. In discharging his/her responsibility, the Chair will provide:

- Oversight and leadership on Corporate governance matters
- Leadership on composition and performance of the Board and its committees
- Board and CEO succession planning
- All matters relating to conflict and conduct review
- Compensation, performance and incentive plan structures
- Review of regulatory compliance
- In accordance with the direction of the Committee, act as the spokesperson for the Committee

Position Description of the Chair of the Audit and Risk Committee of the Board

The Chair of the Audit and Risk Committee of the Board of Directors is responsible for providing leadership to the Committee in fulfilling its duties and responsibilities under its mandate, and doing so at a very high and effective level of performance. In discharging this responsibility, the Chair must create and manage effective working relationships among the Committee members, management and the external auditors. The nature of that relationship should be characterized by the timely sharing of information and concerns, and by the willingness to work together in the best interests of the Corporation and its shareholders.

It is important that the Chairman:

- Meets the Committee's requirements as expressed by its members from time to time;
- Acts as the Committee's spokesperson as required;
- Provides advice and counsel on matters relating to the work of the Committee to:
    - the CEO, CFO or other members of management;
    - the Board of Directors
    - the external auditors;
- Reviews, annually, the Audit and Risk Committee mandate;
- In collaboration with the CFO and the External Auditors creates an annual Work Plan for the Committee

Position Description of the Chair of Investment Committee

The Chair of the Investment Committee provides leadership to enhance the Committee's effectiveness by:

- Ensuring that the areas of responsibilities of the Committee and management are understood and respected by both;
- Overseeing the discharge of the Committee's responsibilities including its reporting to the Board members;
- Acting as the liaison between the Committee and management by working with the Chief Executive Officer or his delegate to ensure that proper information is brought to the Committee including regular management reports and documentary materials in support of management's proposals.

Orientation and Continuing Education

The Governance Committee's duties include ensuring that new members of the Corporation's Board of Directors elected to the Board receive appropriate orientation. The Corporation encourages each director to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

Ethical Business Conduct

Under the guidance of the Audit and Risk Committee, the Board of Directors has adopted a written code of ethics (the "Code") for the Corporation's officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Code is available through SEDAR at www.sedar.com.

The Audit and Risk Committee has approved confidential reporting procedures in order to encourage employees, Directors and Officers to raise concerns regarding matters addressed by the Code, on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal.

The Corporation's managers and Chief Compliance Officer together are responsible for communicating the Code to officers and employees. The Vice President, Human Resources monitors overall compliance with the Code, provided that all issues and concerns specifically related to accounting, internal financial controls and/or auditing will be reviewed and forwarded to the Audit and Risk Committee.

In addition, in order to ensure independent judgment in considering potential transactions in which a Director, Officer or Insider has a material interest, the Governance Committee's duties include: reviewing any issues related to business ethics or potential conflict of interest between the Corporation and any parties related to Directors or Officers of the Corporation, and advise the Board of Directors on the appropriate course of action; reviewing and providing recommendations to the Board on any related party transactions that may have a material effect on the Corporation; and monitoring the procedures to resolve conflicts of interest established by the Board on the recommendation of the Governance Committee.

In addition to the Code, the Corporation has adopted a Disclosure Policy to ensure that communications to the public are timely, factual, accurate and broadly disseminated in accordance with applicable securities laws.

Audit and Risk Committee

Currently, the Audit and Risk Committee is comprised of five directors of the Corporation. The members of the Audit and Risk Committee are Peter Crawford (Chair), Ani Hotoyan-Joly, Serge Lavoie, Angus Ross and Bruce West, all of whom are independent and financially literate for the purposes of NI 52-110, and at least one of whom has accounting or related financial management experience. Further disclosure relating to the Audit and Risk Committee and its members, as required by NI 52-110 can be found on pages 12 and 13 and in Appendix "A" of the Corporation's Annual Information Form dated March 10, 2015, which is available on www.sedar.com.

Governance Committee

The current members of the Governance Committee are Bruce West (Chair), Peter Crawford, Carol Poulsen and Angus Ross. None of the members of the Governance Committee are officers or employees or former officers or employees of the Corporation.

The Governance Committee meets the best practice requirements for independence for the purposes of NI 52-110. The Governance Committee is comprised of a minimum of three directors, all of them being independent directors, and none of whom is an officer or employee of the Corporation. None of the Governance Committee members are eligible to participate in the Corporation's executive compensation programs. The Governance Committee's breadth of executive compensation knowledge was developed from their different combined experiences, as entrepreneurs, business owners and top executives in large corporations.

The Governance Committee is responsible for, among other things, reviewing and recommending the form and adequacy of compensation arrangements for executives, officers and directors, having regard to associated risks and responsibilities. The Committee also provides oversight of corporate governance matters, leadership on composition and performance of the Board and its committees, Board and CEO succession planning and review of regulatory compliance.

In addition, the Governance Committee also functions as a Nominating Committee. The Nominating Committee identifies, screens and recommends candidates to the Board for Board membership. Nominees for director are selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding of the Corporation's business environment and willingness to devote adequate time and effort to Board responsibilities. The procedures for operation of the Nominating Committee are set out in Schedule "B".

The Governance Committee Chair and Board Chair conduct an annual performance review of the Chief Executive Officer based on the performance of the business, achievement of the Corporation's financial and strategic objectives, development of management and other criteria determined by the Governance Committee. The Chief Executive Officer's objectives are discussed with the Board from time to time. These objectives include the general mandate to manage the Corporation and to maximize shareholder value.

The Governance Committee is also responsible for business conduct review, director development and assessment and committee assignments.

Further information regarding the activities and recommendations of the Governance Committee is provided in the "Executive Compensation" section of this Circular.

Activities of the Governance Committee in 2014:

In 2014, the Committee, in accordance with its mandate, accomplished the following:

Compensation

- Reviewed the market positioning of the Corporation and conducted annual merit and market review of senior management compensation, including that of the CEO;
- Reviewed and approved the remuneration for senior management;
- Reviewed and approved Short-Term Incentive Plans for Senior Management and employees and Long-Term Incentive Plans including plans for Senior Management;
- Reviewed and approved the CEO's Short-Term Incentive Plans, Long-Term Incentive Plans and total compensation;

Assessments and Succession Planning

- Met with the CEO to discuss the CEO's performance review for 2014 and discuss objectives for 2015; and
- Reviewed CEO's compensation for 2014

Strategies and Mandate of the Committee

- Reviewed and approved the Executive Compensation section and compensation and data analysis of the 2015 Management Proxy Circular; and
- Reviewed and approved the mandate of the Committee

Board Performance

- Conducted a Board evaluation; and
- Conducted Board skills and personal attribute assessments

Governance and Board Operations

- Review of committee charters and work plans;
- Review of Board mandates; and
- Review of Board tenure and Board independence criteria

Other Board Committees of the Board of Directors

In addition to the Audit and Risk Committee and the Governance Committee, the Board of Directors also has an Investment Committee.

The Investment Committee is comprised of Douglas E. McIntyre (Chair), Ani Hotoyan-Joly and Carol Poulsen, who are independent for the purposes of NI 52-110. The Investment Committee is responsible for, among other things, reviewing and recommending to the Board formal investment guidelines including objectives and investment constraints, for all portfolios of investment assets within the Corporation.

Assessments

The Governance Committee is responsible for assessing the effectiveness of the Board, as a whole, and the committees of the Board. The Governance Committee sponsors an annual self-assessment of the Board's performance as well as the performance of each committee of the Board. The Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees. Further information regarding the assessment process of the Board is described in the Board of Directors Mandate attached as Schedule "A".

Majority voting

The Corporation has not adopted a majority voting policy for election of directors for non-contested meetings, whereby if the number of securities withheld from voting for a particular director nominee exceeds the number of securities voted for the election of that director nominee, then such elected director would be expected to tender his or her resignation. The practice of the Corporation is to consider the directors elected in accordance with the applicable corporate law and securities law requirements to be duly elected directors. For the reasons expressed above, the Corporation considers that its director nominees represent the appropriate set of individuals with the experience, skills and characteristics who are suitable for a well-balanced and competent Board of Directors. In addition, the Board of the Corporation is designed to match the Board of Directors of its principal operating subsidiary, Echelon. The Corporation feels there are other mechanisms through which shareholders may nominate alternative directors if desired.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is contained at the Corporation's website, www.egi.ca and at www.sedar.com, the Internet site maintained by the Canadian securities regulators.

Financial information for the Corporation's most recently completed financial year, being December 31, 2014, is provided in the Corporation's comparative financial statements for the year ended December 31, 2014, and management's discussion and analysis of such financial results.

Upon request to the Corporation, at 2680 Matheson Blvd. East, Suite 300, Mississauga, Ontario L4W 0A5, fax number 905-214-8028, the Corporation will send to the person or company making such request (without charge to a shareholder) a copy of the Corporation's financial statements for the year ended December 31, 2014, and any interim financial statements of the Corporation issued after December 31, 2014, together with management's discussion and analysis of such financial results.

SHAREHOLDER PROPOSALS

Persons 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 before March 10, 2016.

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DIRECTORS' APPROVAL

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

Dated as of March 10, 2015.

Schedule "A"

EGI Financial Holdings Inc.

Board of Directors Mandate

The following mandate has been adopted by the Board of Directors (the "Board") of EGI Financial Holdings Inc. (the "Company") to assist the Board in the exercise of its responsibilities. This mandate reflects the Board's commitment to designing corporate governance principles and guidelines to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing long-term shareholder value. This mandate is subject to modification from time to time by the Board.

THE BOARD

Role of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board. The Board has responsibility for the stewardship of the Company.

The Board's Goals

The Board's goals are to build long-term value for the Company's shareholders, to create a culture of integrity and to assure the vitality of the Company for its customers, employees and the other individuals and organizations who depend on the Company.

To achieve these goals the Board will monitor both the performance of the Company (in relation to its goals, strategy, conduct and competitors) and the performance of the Chief Executive Officer and other senior management, and offer constructive advice and feedback.

Size of the Board

The Board believes that it should generally have no fewer than seven and no more than ten directors. This range permits diversity of experience without hindering effective discussion or diminishing individual accountability. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.

Selection of New Directors

The Board shall be responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The Governance Committee is responsible for identifying, screening and recommending candidates to the Board for Board membership. When formulating its Board membership recommendations, the Governance Committee shall also consider advice and recommendations from others as it deems appropriate.

Board Membership Criteria

Nominees for director shall be selected on the basis of, among other things, experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding of the Company's business environment and willingness to devote adequate time and effort to Board responsibilities.

The Governance Committee shall be responsible for assessing the appropriate balance of criteria required of Board members.

Other Public Company Directorships

The Company does not have a policy limiting the number of other public company boards of directors upon which a director may sit. However, the Governance Committee shall consider the number of other public company boards and other boards (or comparable governing bodies) on which a prospective nominee is a member.

Independence of the Board

The Board shall be comprised of a majority of directors who qualify as independent directors ("Independent Directors") under the criteria of section 1.4 of National Instrument 52-110 ("Rule 52-110").

The Board shall review annually the relationships that each director has with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines have no direct or indirect material relationship with the Company which could, in the view of the board, be reasonably expected to interfere with the exercise of a member's independent judgment will be considered Independent Directors, subject to additional qualifications prescribed under the standards of any applicable exchange or under applicable law. The Board may adopt and disclose categorical standards to assist it in determining director independence.

Directors Who Change Their Present Job Responsibility

The Board does not believe that directors who retire or change the position they held when they became a member of the Board should necessarily be obligated to leave the Board. Promptly following such event, the director must notify the Governance Committee, which shall review the continued appropriateness of the affected director remaining on the Board under the circumstances. The affected director is expected to act in accordance with the Governance Committee's recommendation following such review.

Board Compensation

A director who is also an officer of the Company shall not receive additional compensation for such service as a director.

The Governance Committee will periodically review the level and form of the Company's director compensation, including how such compensation relates to director compensation of companies of comparable size, industry and complexity.

Director's fees (including any additional amounts paid to Chairs of committees and to members of committees of the Board) are the only form of compensatory fee a member of the Audit and Risk Committee may receive from the Company.

Strategic Direction of the Company

The Board is responsible for adopting a strategic planning process. It is management's job to formalize, propose and implement strategic choices and the Board's role to approve strategic direction and evaluate strategic results.

At least annually, the Board shall consider a strategic plan presented by management which takes into account, among other things, the opportunities and risks of the business.

As a practical matter, the Board and management will be better able to carry out their respective strategic responsibilities if there is an ongoing dialogue among the Chief Executive Officer, other members of top management and other Board members. To facilitate such discussions, members of senior management who are not directors may be invited to participate in Board meetings when appropriate.

Risk Identification

The Board or its designated committees shall regularly discuss with management the process for the identification of the principal risks of the Company's business, and shall oversee the implementation of appropriate systems, including internal control and management information systems, to manage those identified risks.

Board Access to Management

Board members shall have access to the Company's management and, as appropriate, to the Company's outside advisors. Board members shall coordinate such access through the Chief Executive Officer and Board members will use judgment to assure that this access is not distracting to the business operation of the Company.

Attendance at Meetings

A director is expected to spend the time and effort necessary to properly discharge such director's responsibilities. Accordingly, a director is expected to regularly attend meetings of the Board and committees on which such director sits, and to review prior to meetings material distributed in advance for such meetings. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairperson of the appropriate committee in advance of such meeting.

Frequency of Meetings

There shall be at least four regularly scheduled meetings of the Board each year. At least one regularly scheduled meeting of the Board shall be held in each quarter.

Attendance of Management Personnel at Board Meetings

The Board encourages the Chief Executive Officer to bring members of executive management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the executive; (ii) make presentations to the Board on matters which involve the executive; and (iii) bring executives with significant potential into contact with the Board. Attendance of such management personnel at Board meetings is at the discretion of the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

Separate Sessions of Non-Management Directors

The non-management directors of the Company shall meet regularly in executive session without management present.

Board Materials Distributed in Advance

Information and materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

Self-Evaluation by the Board

The Governance Committee will sponsor an annual self-assessment of the Board's performance as well as the performance of each committee of the Board, the results of which will be discussed with the full Board and each committee. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the Company.

The Governance Committee will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

Board Orientation and Continuing Education

The Company shall provide new directors with director orientation to familiarize such directors with, among other things, the Company's business, strategic plans, significant financial, accounting and risk management issues, compliance programs, principal officers, and independent auditors. The Company encourages each director to participate in continuing educational programs in order to maintain the necessary level of expertise to perform his or her responsibilities as a director.

BOARD COMMITTEES

Number and Names of Board Committees

The Company shall have three standing committees: Audit and Risk, Governance and Investment. The purpose and responsibilities for the Audit and Risk, Governance and Investment committees shall be outlined in committee charters adopted by the Board. The Board may, from time to time, form a new committee or disband a current committee (other than the Audit and Risk Committee) depending on circumstances. In addition, the Board may determine to form ad hoc committees from time to time, and determine the composition and areas of competence of such committees.

Independence of Board Committees

Each of the Audit and Risk Committee and the Governance Committee shall be composed entirely of Independent Directors satisfying Rule 52-110 (in the case of the Audit and Risk Committee, including both sections 1.4 and 1.5

thereof) and all other applicable legal, regulatory and stock exchange requirements necessary for an assignment to any such committee.

The Investment Committee shall be composed of a majority of Independent Directors.

Assignment and Rotation of Committee Members

The Governance Committee shall be responsible, after consultation with the Chairman of the Board and the Chief Executive Officer, for making recommendations to the Board with respect to the assignment of Board members to various committees. After reviewing the Governance Committee's recommendations, the Board shall be responsible for appointing the members to the committees on an annual basis.

The Governance Committee shall annually review the Committee assignments and shall consider such assignments with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and viewpoints of the various directors.

LEADERSHIP DEVELOPMENT

Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Company's Chief Executive Officer. In doing so, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, knowledge, skills, expertise, integrity, and reputation in the business community. When it is appropriate or necessary, it is the Board's responsibility to remove the Chief Executive Officer and to select a successor.

Evaluation of Chief Executive Officer

The Governance Committee will conduct an annual performance review of the Chief Executive Officer based on the performance of the business, achievement of the Company's financial and strategic objectives, development of management, and as further set forth in its charter.

Succession Planning

The Board is responsible for developing a succession plan for the Chief Executive Officer, and to discuss with the Chief Executive Officer succession plans for other senior management, and will review the plan each year.

Schedule "B"

NOMINATING COMMITTEE PROCEDURES AND DIRECTOR QUALIFICATIONS GUIDELINES

The Governance Committee established by the Board of Directors of EGI Financial Holdings Inc. (the "Company") is responsible for identifying, screening and recommending candidates to the Board to become members of the Company's Board of Directors, considering advice and recommendations from others as it deems appropriate and will review and approve management recommended changes to subsidiary Boards prior to the appointment of Board candidates. For purposes of these procedures, the Governance Committee is constituted as the "Nominating Committee".

The Nominating Committee

The Nominating Committee of the Company's Board of Directors is responsible for implementing the Board and Company policy on diversity within the scope of its mandate, when recruiting directors to the Board. In considering new Board appointments, diversity is one of the key criteria considered by the Nominations Committee. The Board continually reviews its composition having regard to the present and future needs of the Company and the Board's structure, including the balance of expertise, and skills, personal attributes and backgrounds brought by individual directors and their length of service, where continuity and experience can add significantly to the strength of the Board. Diversity is important to us as we believe that only through access to the most diverse pool of talent will we recruit and retain the most talented individuals to serve on our Board.

Procedures

All nominating responsibilities and procedures will be in accordance with local regulatory requirements, and will take into consideration, advice and recommendations from others as it deems appropriate.

Potential candidates for these positions are identified by the Board of Directors and the Nominating Committee through a variety of means, including the use of search firms, recommendations of Board members, recommendations of executive officers and shareholder recommendations received as provided below. Potential candidates for nomination for these positions must provide written information about their qualifications and participate in interviews conducted by individual board members, including the Chair of the Nominating Committee. Candidates are evaluated using the criteria adopted by the Board to determine their qualifications based on the information supplied by the candidates and information obtained from other sources.

The Committee will consider shareholder nominations for these positions that meet the notification; timeliness; consent and information requirements of the Company's By-Laws applicable to nominations that are brought before an annual meeting by a shareholder. The Committee makes no distinctions in evaluating nominees for positions on the Board based on whether or not a nominee is recommended by a shareholder, provided that the procedures with respect to nominations are followed.

In recommending candidates for election for these positions, the Nominating Committee will take into consideration the need for the Board to have a majority of directors that meet the independence requirements of the Corporate Governance Standards of the Canadian Securities Administrators (or other applicable requirements in the case of a subsidiary of the Company) and such other criteria as shall be established from time to time by the Board of Directors.

The Nominating Committee will recommend candidates for election as directors as related to the qualifications indicated in the Board Skills and Personal Attributes guideline. This guideline has been recommended by the Committee to the Board of Directors. The candidate should possess the highest personal and professional ethics, integrity and values, and must be committed to representing the long-term interests of the Company and its shareholders. They must have an objective perspective, practical wisdom and mature judgment, as well as an understanding of the Company's business and the willingness to question what they do not understand.

<u>Consideration of Candidates Recommended by Shareholders</u>

The Nominating Committee will consider candidates submitted by company shareholders. The policies and procedures with respect to the consideration of such candidates are set forth below:

- The recommended candidate is to be submitted to the Company in writing addressed to the Company's Chairman and the Nominating Committee. The written recommendation shall include the following information: full name of candidate (no initials); date of birth; citizenship; residence address; phone and fax number of candidate; a summary of the candidate's educational, professional and business qualifications; a statement signed by the candidate certifying that the candidate wishes to be considered for nomination to the Company's Board of Directors; confirmation if the candidate is an officer or an employee of a financial institution or any affiliate of a financial institution; confirmation if the candidate is a director, officer or an employee of other corporate bodies; and information responsive to the requirements of the Toronto Stock Exchange with respect to the candidate; and states the number of shares of company stock beneficially owned by the candidate or over which the candidate exercises control or direction, directly or indirectly.

- The recommendation shall include a written statement from the candidate as to why the candidate believes that he or she meets the required qualifications and would otherwise be a valuable addition to the Company's Board of Directors.

- The Nominating Committee shall evaluate the recommended candidate and shall, after consideration of the candidate after taking account of the Board Skills and Personal Attributes guideline, to determine whether or not to proceed with the candidate in accordance with the procedures outlined under "Process for Identifying Candidates" below.

These procedures do not create a contract between the Company, on the one hand, and a Company security holder(s) or a candidate recommended by a company security holder(s), on the other hand. The Company reserves the right to change these procedures at any time, consistent with the requirements of applicable law and rules and regulations.

Director Qualifications Criteria

A majority of the Board of Directors of the Company must be "independent" in accordance with the independence requirements of the Corporate Governance Standards of the Canadian Securities Administrators (or in compliance with other applicable requirements in the case of a subsidiary of the Company). In addition to the required board skills and personal attributes identified in the guideline, the minimum qualifications for an independent candidate are as follows:

- The highest personal and professional ethics, integrity and value.

- Broad-based skills and diversity in experience: at an executive, policy-making level in business, academia, government or technology areas relevant to the Company's activities.

- Leadership Experience: Such a person should possess significant leadership experience, such as experience in business, finance/accounting, law, education or government, and shall possess qualities reflecting a proven record of accomplishment and ability to work with others.

- Absence of Conflicting Commitments: Such person should not have commitments that would conflict with the time commitments of a director of the company. Each director should be free of any conflict of interest which would interfere with the proper performance of the responsibilities of a director.

- Reputation and Integrity: Such person shall be of high repute and recognized integrity and not have been convicted in a criminal proceeding or be named a subject of a pending criminal proceeding (excluding traffic violations and other minor offenses). Such person shall not have been found in a civil or regulatory proceeding to have violated any insurance, securities or commodities law, and shall not be subject to any court or regulatory order or decree limiting his or her business activity, including in connection with the purchase or sale of any security or commodity.

- A willingness to devote sufficient time: to become knowledgeable about the Company's business and to carry out his or her duties and responsibilities effectively

Candidates who will serve on the Audit and Risk Committee must have the following additional characteristics:

- All candidates must be financially literate, i.e. have the ability to read and understand fundamental financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements; provided that if the Board of Directors has determined that this would not materially adversely affect the ability of the Audit and Risk Committee to act independently and perform its duties, a new Audit and Risk Committee member who is not financially literate may become financially literate within a reasonable period of time following his or her appointment.

Other factors considered in the selection process may include, but are not limited to the following:

- Experience in the technology areas relevant to the Company's activities;

- Experience as a director or executive officer of a public company or insurance company;
- Experience as an independent public accountant;
- Significant academic experience in a field of importance to the company; and
- Recent experience in an operating role at a public company

Process for Identifying and Evaluating Candidates

The Nominating Committee's process for identifying and evaluating candidates is:

- The Chairman of the Board, the Nominating Committee, or other Board members, identifies the need to add new members to the Board or to the Board of a subsidiary, with specific criteria or to fill any vacancy.
- The Chair of the Nominating Committee initiates a search, working with staff support and seeking input from the members of the Board and senior management, and hiring a search firm, if necessary.
- The Nominating Committee identifies an initial slate of candidates, including any recommended by shareholders and accepted by the Nominating Committee, after taking account of the minimum qualifications criteria set forth above and as indicated in the Board Skills and Personal Attributes guideline.
- The Nominating Committee determines if any Board members have contacts with identified candidates and if necessary, uses a search firm.
- The Chairman of the Board and at least one member of the Nominating Committee interview prospective candidate(s).
- The Nominating Committee keeps the Board informed of the selection progress.
- The Nominating Committee meets to consider and approve final candidate(s)
- The Nominating Committee presents selected candidate(s) to the Board and seeks full Board endorsement of such candidate(s).

When a director's principal occupation, business association or other relevant status changes from the position he or she held when originally elected to the Board or to the Board of a subsidiary, including because of a retirement from such occupation or association, the director shall inform the Chairman of the Board and the Chair of the Nominating Committee.

Schedule “C”

EGI Financial Holdings Inc.

Name Change Resolution

BE IT RESOLVED as a Special Resolution of the shareholders that:

1. The Articles of the Corporation be amended to change the name of the Corporation from “EGI Financial Holdings Inc.” to “Echelon Financial Holdings Inc.”.

2. The Corporation is hereby authorized to file articles of amendment with the Director under the Business Corporations Act (Ontario) at any time after the date of this resolution to give effect to the amendments noted above and to otherwise take all actions required to give effect to such amendments.

3. Any one director of officer of the Corporation is hereby authorized and directed to execute all such documents and to do and perform all other acts and things as he or she, in his or her sole and absolute discretion, deems necessary or desirable to carry out the intent of the foregoing special resolution and the matters authorized thereby, such determination to be conclusively evidenced by the preparation and execution of such document or the doing or performance of such act or thing.

4. Notwithstanding that this resolution has been approved by the shareholders of the Corporation, the directors of the Corporation are authorized without further notice to, or approval of, the shareholders of the Corporation not to proceed with the actions contemplated by this resolution.