goeasy Ltd.

Annual Information Form

February 16, 2022

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CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form includes forward-looking statements about goeasy Ltd. and its subsidiaries ("goeasy" or the "Company", except as otherwise indicated or context would so require) including, but not limited to, its business operations, strategy and expected financial performance and condition. Forward-looking statements include, but are not limited to, those with respect to the estimated number of new locations to be opened, forecasts for growth of the consumer loans receivable portfolio, annual revenue growth forecasts, strategic initiatives, new product offerings and new delivery channels, anticipated cost savings, planned capital expenditures, anticipated capital requirements and the Company's ability to secure sufficient capital, liquidity of goeasy, plans and references to future operations and results, critical accounting estimates, expected lower charge off rates on loans with real estate collateral and the benefits resulting from such lower rates, the size and characteristics of the Canadian non-prime lending market, and the continued development of the type and size of competitors in the market. In certain cases, forward-looking statements that are predictive in nature, depend upon or refer to future events or conditions, and/or can be identified by the use of words such as "expect", "continue", "anticipate", "intend", "aim", "plan", "believe", "budget", "estimate", "forecast", "foresee", "target" or negative versions thereof and similar expressions, and/or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based on certain factors and assumptions, including expected growth, results of operations and business prospects and are inherently subject to, among other things, risks, uncertainties and assumptions about goeasy's operations, economic factors and the industry generally. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those expressed or implied by forward-looking statements made by goeasy. Some important factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, goeasy's ability to enter into new lease and/or financing agreements, collect on existing lease and/or financing agreements, open new locations on favorable terms, secure new franchised locations, offer products which appeal to customers at a competitive rate, respond to changes in legislation, react to uncertainties related to regulatory action, raise capital under favorable terms, compete, manage the impact of litigation (including shareholder litigation), control costs at all levels of the organization and maintain and enhance the system of internal controls.

goeasy cautions that the foregoing list is not exhaustive. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements included in this Annual Information Form, and further details and descriptions of these and other factors are disclosed in this Annual Information Form, including under the section "Risk Factors".

The reader is cautioned to consider these, and other factors carefully and not to place undue reliance on forward-looking statements, which may not be appropriate for other purposes. The Company is under no obligation (and expressly disclaims any such obligation) to update or alter the forward-looking statements whether as a result of new information, future events or otherwise, unless required by law.

Additional information is contained in the Company's filings with Canadian securities regulators, including the Company's Annual Report. These filings are available on SEDAR at www.sedar.com and on the Company's website at www.goeasy.com (http://investors.goeasy.com/).

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as RTO Enterprises Inc. ("**RTO**") under the laws of Alberta by Certificate and Articles of Incorporation dated December 14, 1990 and was continued as an Ontario corporation pursuant to Articles of Continuance dated July 22, 1993. Effective August 1, 1993, RTO acquired Aumo Explorations Inc. ("Aumo"), a reporting issuer in the Province of Ontario. Aumo was incorporated under the laws of Ontario by Articles of Incorporation dated December 15, 1980. Pursuant to Articles of Amalgamation dated July 31, 1993, and the terms of an Amalgamation Agreement dated June 24, 1993, Aumo and RTO were amalgamated. At the date of amalgamation, Aumo had no significant assets or liabilities. The purpose of the amalgamation was to acquire a public company such that shareholders of RTO would have greater liquidity and marketability in respect of their common shares.

On July 30, 2002, the articles of the Company were amended to consolidate the Company's issued and outstanding Common Shares in the capital of the Company on a one for ten basis.

On December 2, 2002, the articles of the Company were amended to create a class of Preference Shares ("**Preference Shares**"). On October 30, 2003, the articles of the Company were further amended to remove a limitation on the redemption of Preference Shares.

At the Company's annual and special meeting held on May 1, 2003, shareholders approved the change of the Company's name from RTO Enterprises Inc. to easyhome Ltd. ("easyhome") and that change became effective on July 2, 2003.

On May 11, 2005, the articles of the Company were amended to split the Company's issued and outstanding shares on a one and a half for one basis.

On January 1, 2008, three of easyhome's Canadian subsidiaries, RTO (Rentown) Inc., RTO (Rentown) 2000 and RTO Asset Management Inc., amalgamated pursuant to the laws of Alberta under the name RTO Asset Management Inc.

On September 25, 2008 easyhome acquired 89% of the outstanding shares of Insta-rent Inc. ("**Insta-rent**"), an Edmonton based merchandise leasing company which was listed on the TSX Venture Exchange. The Company subsequently acquired the remaining 11% of Insta-rent's outstanding shares and delisted that company.

On December 23, 2010, all of the assets and liabilities of Insta-rent Inc. were transferred to its parent company, easyhome Ltd., including 100% of the common shares of Insta-rent Ltd. As a result, Insta-rent Ltd. became a direct wholly owned subsidiary of easyhome Ltd. Additionally, on January 1, 2011, RTO Distribution Inc. and RTO Asset Management Inc. amalgamated pursuant to the laws of Alberta under the name RTO Asset Management Inc. RTO Asset Management Inc. remains a wholly owned subsidiary of easyhome Ltd. After this reorganization, Insta-rent Ltd. held 100% of the preferred shares of RTO Asset Management Inc.

On December 31, 2014, all of the assets and liabilities of Insta-rent Ltd. were transferred to its parent company, easyhome Ltd., and subsequently dissolved on May 6, 2015.

On July 29, 2015, the Company held a special meeting of shareholders, where shareholders approved the change of the Company's name from easyhome Ltd. to goeasy Ltd. and that change became effective on September 14, 2015.

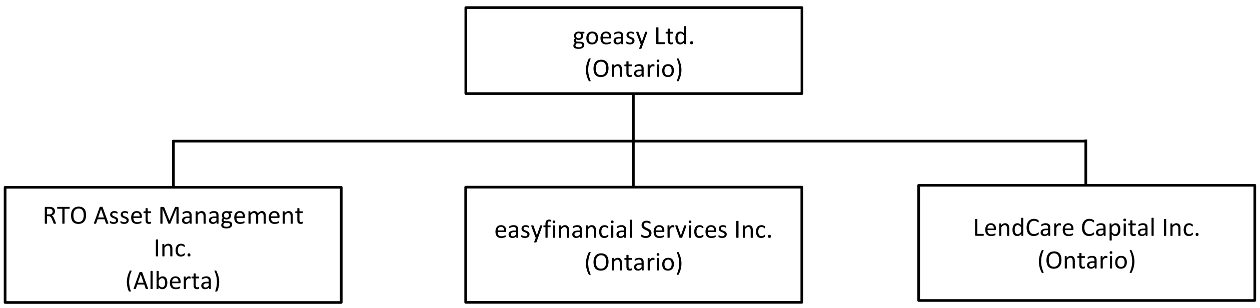
The registered office, head office and executive office of goeasy is located at 33 City Centre Drive, Suite 510, Mississauga, Ontario, L5B 2N5.

Intercorporate Relationships

goeasy is the holder of all of the common shares in the capital of its principal subsidiaries, RTO Asset Management Inc., and easyfinancial Services Inc. goeasy holds 100% of the preferred shares of RTO Asset Management Inc.

On April 30, 2021, through its newly created wholly-owned subsidiary, 2830844 Ontario Inc., the Company acquired 100% of the outstanding equity of LendCare Holdings Inc., a Canadian point-of-sale consumer finance and technology company. Subsequent to the year-end, on January 1, 2022, 2830844 Ontario Inc. and LendCare Holdings Inc. and all its subsidiaries were amalgamated into one Company called LendCare Capital Inc.

goeasy's principal subsidiaries are as set forth in the following chart:



RTO Asset Management Inc. operates the Company's Canadian merchandise leasing business, including acquiring the assets for lease and holding the facility leases for the Company's Canadian stores while easyfinancial Services Inc. and LendCare Capital Inc. operate the Company's consumer lending operations.

On December 7, 2020, goeasy established goeasy Securitization Trust (the "Trust"), a structured entity where goeasy has control but does not have ownership of a majority of voting rights.

DESCRIPTION OF THE BUSINESS

General overview

goeasy Ltd. is a Canadian company headquartered in Mississauga, Ontario, that provides non-prime leasing and lending services through its easyhome, easyfinancial and LendCare brands. Supported by more than 2,300 employees, the Company offers a wide variety of financial products and services including lease-to-own merchandise, unsecured and secured instalment loans. goeasy aspires to help put non-prime consumers on a path to a better financial future, by helping them rebuild their credit and graduate back to prime lending. Customers can transact seamlessly through an omni-channel model that includes an online and mobile platform, over 400 locations across Canada, and point-of-sale financing offered in the retail, power sports, automotive, home improvement and healthcare verticals, through more than 4,000 merchants across Canada. Throughout the Company's history, it has acquired and organically served over 1.1 million Canadians and originated over $7.7 billion in loans, with one in three easyfinancial customers graduating to prime credit and 60% increasing their credit score within 12 months of borrowing.

With 31 years of leasing and lending experience, goeasy has developed a deep understanding of the non-prime Canadian consumer. Of the 29.6 million Canadians with an active credit file as at December 31, 2021, 8.2 million had credit scores less than 720 and are deemed to be non-prime, down from 8.4 million in 2020 due to the upward migration of consumer credit scores as a result of the pandemic. Collectively, these Canadians carry $186 billion in credit balances, down from $196 billion in 2020, and represent the Company's target market. These consumers, many of which are unable to access credit from banks and traditional financial institutions, turn to goeasy to avoid the high cost of payday loans. By graduating customers to progressively lower rates of interest, goeasy is uniquely positioned to deliver against its vision of providing everyday Canadians a path to a better tomorrow, today.

goeasy funds its business through a combination of equity and debt instruments. goeasy's common shares ("**Common Shares**") are listed for trading on the Toronto Stock Exchange ("**TSX**") under the trading symbol "GSY". The Company has been able to consistently secure additional capital at increasingly lower rates in order to continue fueling the growth of its business and has sufficient capital and borrowing capacity to meet its growth plans through the fourth quarter of 2023 based on the Company's organic growth assumptions. goeasy is rated BB- with a stable trend from S&P, and Ba3 with a stable trend from Moody's.

Accredited by the Better Business Bureau, goeasy is the proud recipient of several awards in recognition of its exceptional culture and continued business growth including Waterstone Canada's Most Admired Corporate Cultures, Glassdoor Top CEO Award, Achievers Top 50 Most Engaged Workplaces in North America, Greater Toronto Top Employers Award, the Digital Finance Institute's Canada's Top 50 FinTech Companies, ranking on the TSX30 and placing on the Report on Business ranking of Canada's Top Growing Companies and has been certified as a Great Place to Work®. The Company is represented by a diverse group of team members from over 75 nationalities who believe strongly in giving back to communities in which it operates. To date, goeasy has raised and donated over $4.35 million to support its long-standing partnerships with BGC Canada, Habitat for Humanity and many other local charities.

Overview of easyfinancial

In 2006, easyfinancial, the Company's non-prime consumer lending division began operating with the goal of bridging the gap between traditional financial institutions and costly payday lenders. The Company's consumer lending segment is a leading provider of non-prime credit in Canada and operates through the easyfinancial and LendCare brands (through an acquisition completed in 2021 discussed further in detail below).

Historically, consumer demand for non-prime loans in Canada was satisfied by the consumer-lending arms of several large, international financial institutions. Since 2009, many of the largest branch-based participants in this market (including Wells Fargo, HSBC Finance and CitiFinancial) have either closed their operations or dramatically reduced their size due to changes in banking regulations related to risk adjusted capital requirements. Today, traditional financial institutions are generally unwilling or unable to offer credit solutions to consumers that are deemed to be a higher credit risk due to the consumer's financial situation or less-than-perfect credit history. For this reason, demand in this market is met by a variety of industry participants who offer diverse products including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending. Generally, industry participants have tended to focus on a single product rather than providing consumers with a broad integrated suite of financial products and services. As a result, easyfinancial is one of a small number of coast-to-coast non-prime lenders with a history of success.

The business model of easyfinancial is based on lending out capital in the form of unsecured and secured consumer credit primarily to non-prime borrowers who are generally unable to access credit from traditional sources such as major banks. The company originates loans up to $50,000 with rates between 9.9% - 46.9%, which are fixed payment instalment products. All payments made by borrowers are reported to credit reporting agencies to help customers rebuild their credit. easyfinancial also offers a number of optional ancillary products including a customer protection program that provides creditor insurance, a home and auto benefits product which provides roadside assistance, a gap insurance product which covers buyer and lender from any shortfall in case of total loss insurance claim, warranty coverage on select products which are financed, and a credit monitoring and optimization tool that helps customers understand the steps to take to rebuild their credit and improve their financial outcomes.

The Company charges its customers interest on the money it lends and also receives a commission for the optional ancillary products it offers through third party providers. The interest, additional commissions and various fees, collectively produce the total portfolio yield the Company generates on its loan book. The Company's total portfolio yield relative to its cost of capital and loan losses is a key driver of profitability.

As a lender, the Company expects to incur credit losses related to those customers who are unable to repay their loans. Given the higher risk nature of the non-prime borrower, the credit losses are reflective of the higher rate of interest it charges. The Company's proprietary credit models allow it to set the level of risk it is willing to accept. The Company could take less credit risk and reduce its loan losses, but it would come at the expense of profitable volume. Likewise, the Company could accept more risk to drive greater growth and profitability, but it would come with higher losses and have downstream impacts on the cost and ability to access capital. Ultimately, the Company's objective is to optimize profitability and operating margins by striking the right balance between origination velocity (the applicants it approves) and the loss rate of the portfolio.

The Company offers its products and services through an omnichannel business model, including a retail branch network, digital platform and indirect lending partnerships. The Company had 294 easyfinancial locations (including 5 kiosks within easyhome stores and 3 operations centres) in 10 Canadian provinces as of December 31, 2021. In addition to its retail branch network, customers can also transact online which remains a critical source of new customer acquisition and accounts for 41% of the Company's application volume. The Company also originates loans through its point-of-sale channel that includes hundreds of retail and merchant partnerships. Through its partnership with PayBright developed in 2019, Canada's leading provider of instant point-of-sale financing, the Company is able to offer its non-prime instalment loan product through the PayBright platform at the point-of-sale, a partnership which continued with Affirm Inc.'s acquisition of PayBright in 2020.

On April 30, 2021, the Company completed the acquisition of 100% of the outstanding equity of LendCare Holdings Inc. ("LendCare"), a Canadian point-of-sale consumer finance and technology company founded in 2004. LendCare is a technology enabled, non-bank consumer lender that provides a full spectrum point-of-sale solution to enable its merchant partners' customers to finance the purchase of good and services. Through its proprietary origination software, LendCare specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement verticals. LendCare also offers ancillary products, including credit life, disability, loss of employment and gap insurance, and warranty coverage. The acquisition of LendCare has accelerated the Company's expansion into the point-of-sale financing channel and provided a complementary near-prime product range, improves and diversifies the Company's credit profile, further expanding goeasy across the credit spectrum and increasing the weighted average credit score of its borrowers.

Although the Company leverages multiple acquisition channels to attract new customers, approximately 71% of loans are managed at local branches. Through its many years of experience in non-prime lending, the Company believes that an omnichannel model optimizes loan performance and profitability, while providing a high-touch and personalized customer experience. The customer loyalty developed through these direct personal relationships extends the length of the customer relationship and improves the repayment of loans which ultimately leads to lower charge offs and higher lifetime value.

In addition to its unique omnichannel model, the Company also differentiates itself through its customer experience and specifically the journey of providing customers a path to improving their credit and graduating back to prime borrowing. This is done through the Company's broad product range which provides customers with progressively lower interest rates, access to credit rebuilding products such as its creditplus starter loan, free financial education and tools and services that help them better understand and manage their credit scores. Whether a customer is looking to establish, repair, build or strengthen their credit profile by borrowing funds or using the equity in their home to secure a larger loan at a lower rate, easyfinancial can provide a lending solution that best serves their individual needs.

Through its many years of experience and a disciplined approach to growth and managing risk, easyfinancial has demonstrated a history of stable and consistent credit performance. Since implementing centralized credit adjudication in 2011, the Company has successfully managed annualized net charge off rates within its stated targeted range. Lending decisions are made using proprietary custom scoring models, which combine machine learning and advanced analytical tools to optimize the balance between loan volume and credit losses. These models have been developed and refined over time by leveraging the accumulation of extensive customer application, demographic, borrowing, repayment and consumer banking data that determines a customer's creditworthiness, lending limit and interest rate. These models improve the accuracy of predicting default risk for the non-prime customer when compared to a traditional credit score. Credit risk is further enhanced by industry-leading underwriting practices that include pre-qualification, credit adjudication, affordability calculations, centralized loan verification, and repayment by the customer via electronic pre-authorized debit directly from the customer's bank account on the day they receive their regularly schedule income. The Company also requires supporting documentation for all of its successful applicants who take out a direct to consumer loan. Through the Company's proprietary custom scoring models, coupled with the personal relationships its employees develop with customers at its branch locations, the Company believes it has found an optimal balance between growth and prudent risk management and underwriting.

Overview of easyhome

easyhome, is Canada's largest lease-to-own Company and has been in operation since 1990 offering customers brand name household furniture, appliances and electronics through flexible lease agreements. In 2021, easyhome accounted for 18% of consolidated revenue (2020 – 22%) and leasing revenue accounted for 80% of easyhome revenue (2020 – 84%).

Through its 158 locations which includes 34 franchise stores or through its eCommerce platform, Canadians turn to easyhome as an alternative to purchasing or financing their goods. With no down payment or credit check required, easyhome offers a flexible solution that helps consumers get access to the goods they need, with the flexibility to terminate their lease at any time without penalty.

In 2017, easyhome began offering unsecured lending products in almost 100 easyhome locations. As at December 31, 2021, there are 120 easyhome locations offering lending products. This expansion allowed the Company to further increase its distribution footprint for its financial services products by leveraging its existing real estate and employee base. This transition has enabled easyhome stores to diversify its product offering and meet the broader financial needs of its customers.

In 2019, easyhome began reporting customer's lease payments to the credit reporting agencies as a way to further enhance its vision of providing its customers with a path to a better tomorrow. With every on-time lease payment, easyhome customers can now build their credit and ultimately use the easyhome transaction as a stair step into other financial products and services that easyfinancial offers.

Reportable operating segments

For management reporting purposes, the Company has two reportable operating segments:

- The easyfinancial operating segment lends out capital in the form of unsecured and secured consumer loans to non-prime borrowers. easyfinancial's product offering consists of unsecured and real estate secured installment loans. The LendCare operating segment specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement categories. The majority of LendCare loans are secured by personal property or a Notice of Security Interest. The Company aggregates operations of easyfinancial and LendCare into one reportable operating segment called easyfinancial, on the basis of their similar economic characteristics, customer profile, nature of products, and regulatory environment. This aggregation most accurately reflects the nature and financial results of the business activities in which the Company engages, and the broader economic and regulatory environment in which it operates.

  The Company's chief operating decision maker ("CODM"), which has been determined by the Company to be the Chief Executive Officer, utilizes the same key performance indicators to allocate resources and assess the performance of the operating segments. The CODM uses several metrics to evaluate the performance of the operating segments, including but not limited to, the volume of consumer loan originations and the risk-adjusted margin of the businesses (comprising the yield on the consumer loan portfolios net of the annualized loss rates). These key financial and performance indicators, which are used to assess results, manage trends and allocate resources to each of the operating segments, have been, and are expected to remain, similar. In addition, the Company will gradually centralize and share some of the common functions such as finance and certain aspects of human resources and information technology.

  The customers served by the easyfinancial and LendCare operating segments are Canadian consumers, the majority of whom are classified as non-prime borrowers and seeking alternative financial solutions to those of a traditional bank. These consumers actively use a wide range of financial products and will migrate across the products offered in each segment. Furthermore, the nature of products sold by each of the operating segments and the distribution methods of those products are similar. Both the easyfinancial and LendCare operating segments offer unsecured and secured instalment loans, which are offered through a retail network of branches or merchant partnerships, complemented by an online digital platform. In addition, both operating segments are subject to the same federal and provincial legislations and regulations applicable to the consumer lending industry.

- The easyhome reportable operating segment provides leasing services for household furniture, appliances and electronics and unsecured lending products to retail consumers.

Corporate Strategy

The Company has developed a strategy based on four key strategic pillars. These priorities have remained consistent since 2017 and continue in the Company's strategic initiatives, as it furthers its vision of helping the non-prime customer access responsible financial products on their journey to improved credit, lower rates and a better tomorrow.

The Company's four strategic pillars include focusing on developing a wide range of credit products, expanding its channels and points of distribution, diversifying its geographic footprint and lastly, focusing on improving the customer's financial wellness through its products, pricing, ancillary tools and services and customer relationships.

Product Range

The Company's objective is to build a full suite of non-prime consumer credit products, which currently includes unsecured and secured lending products at various risk adjusted interest rates and a broad suite of value-add ancillary services. As of December 31, 2021, the Company offers traditional unsecured instalment loans, home equity secured instalment loans, automotive vehicle financing, and loans to finance the purchase of retail goods, powersports and recreational vehicles, home improvement and healthcare products and services. The Company will continue to expand and grow the products it offers with the goal of providing non-prime consumers with the same type of choices and options available to prime consumers through a traditional bank. As the Company brings new products to market, it will explore existing conventional products as well as develop new forms of credit that meet the unique needs of its customers and can provide meaningful improvements to their financial health. Future products may include credit cards, lines of credit and additional products for credit establishment, including cash secured credit.

Channel Expansion

The Company operates 3 distinct and complementary distribution and acquisition channels including 411 retail lending outlets (291 easyfinancial branches and 120 easyhome stores where loans are offered as of December 31, 2021), its online platform and point-of-sale financing available through approximately 4,000 dealerships and merchant partners. Based on the dollar volume of originations from 2021, the retail branch channel represented 24.8% of application volume and 57.2% of loan originations, online represented 53.8% of application volume and 26.4% of originations and point-of-sale financing represented 21.4% of applications and 16.3% of originations. 70.8% of loan originations were funded and/or serviced in a branch location, 22.5% were funded and/or serviced through a point-of-sale channel, with the remainder serviced in the Company's national shared services centre. Expanding its channels of distribution is a key strategic priority, as the Company seeks new ways to make credit accessible in a convenient manner for its customers. The Company will continue to pursue new opportunities that include expanding its retail network, developing a more dynamic and personalized digital experience supported by mobile, adding new automotive and powersports dealerships, adding new merchant partnerships and seeking new third-party lending and referral partnerships. The point-of-sale market continues to be an attractive opportunity as consumers gravitate to spreading payments over time through a buy now, pay later model. This opportunity and the lack of supply for second look financing in Canada was key in prompting the Company's 2019 partnership with PayBright, now Affirm, and its acquisition of LendCare.

Geographic Diversification

Canada continues to provide a substantial runway for growth for many years to come for goeasy with over 8.2 million non-prime Canadians facing limited options for credit. The market is vast and underserved, providing adequate room for expansion. While the Company finished 2021 with 294 easyfinancial locations, it estimates its retail footprint for easyfinancial will expand to support between 300 and 325 locations across Canada in the coming years. The Company will continue to incrementally add locations in select markets as it works toward expanding its footprint. In particular, retail branch expansion will be focused on the province of Quebec, which represents a large market opportunity, and completing our footprint in key urban markets such as Toronto and Vancouver. The Company also remains focused on adding new dealer and merchant partners across Canada to increase the distribution of its products and make them more accessible to all Canadians.

The Company also believes there is significant opportunity to consider international markets where the easyfinancial business model can be replicated. The two markets the Company believes are the most attractive are the United States and the United Kingdom. In the United States it is estimated that there are over 100 million non-prime consumers and in the United Kingdom it is estimated that there are over 12 million non-prime consumers. The consumers in these markets utilize credit products such as those offered by the Company. The Company remains active in exploring potential acquisition opportunities within the domestic Canadian financial services industry, as well as in these international markets.

Financial Wellness

The Company competes on a unique point of differentiation which is a focus on its customers' financial wellness and more specifically, the journey of providing customers a path to improve their credit and graduate back to prime borrowing rates. With 8.2 million non-prime Canadians, of which 69% have been denied credit by banks and other financial institutions, goeasy plays an extremely important role in the financial ecosystem. By providing access to credit and a second chance for its customers, the Company serves as a key steppingstone in helping them rebuild their credit through products that report each payment to the credit reporting agencies. The Company is proud to have helped over 60% of its customers improve their credit score while 1 in 3 customers have graduated to prime lending. The Company is also focused on providing its consumers a path to reducing their cost of borrowing, by progressively offering its customers with on-time payments access to products with lower rates of interest. Between 2017 and 2021, the company has reduced the weighted average interest charged on its loans from 46% to 33.5%.

The Company has always set itself apart from the competition by seeing beyond the initial transaction with the customer and instead, focusing on building one to one personalized relationships that are based on trust and respect for every customer's unique situation. The Company is proud to provide a free financial literacy center for all Canadians that includes hundreds of articles and tools to help its customers better understand and manage their personal finances.

As the Company continues to evolve, ensuring its suite of products and services are designed to meet its customer's needs across the entire credit spectrum is critically important. Whether a customer is establishing credit as a new Canadian or repairing damaged credit as a result of a life event, goeasy's laddered suite of products ensures every customer has access to honest and responsible lending.

Competition

Based on the Company's current product suite, it operates within a subset of the broader non-prime market, valued at approximately $186 billion. This market is largely underserved and led by goeasy and the former CitiFinancial, rebranded as Fairstone, a business that has since been acquired by Duo Bank of Canada. Over the years, there have been numerous pure-play online lenders that have struggled, as none of them have been able to achieve scale and success in non-prime lending through an online-only model. On the other hand, there also continues to be a migration of larger payday loan companies moving into traditional instalment lending.

The Company also competes with a wide range of consumer lenders operating in each distinct category within its point-of-sale finance channel. The automotive financing market contains several other non-prime consumer lenders, requiring the Company to be highly competitive in its automotive finance offering. Within the other verticals such as powersports, home improvement, retail and healthcare, there are few competitors offering non-prime credit for the purchase of goods and services. The Company remains competitive by offering a combination of a quick and frictionless approval process, high approval rates and competitive interest rates for borrowers, who are also customers of the merchant partner. Although the Company closely monitors the competitive landscape, it believes it has a wider range of product and services than many of the other market participants, enabling it to provide consumers with a differentiated offering.

easyhome faces competition from a small footprint of U.S. based merchandise leasing companies and other smaller leasing competitors within the Canadian market. easyhome also faces competition from store based and online furniture, appliance and electronic retailers that offer financing options as well as consumer finance companies. Although the merchandise leasing industry in Canada is mature, the increased availability of access to non-prime credit and the prevalence and ease of access to everyday used household goods via online and social media, has resulted in less overall demand of the Company's leasing category.

The goeasy Customer

The customers that easyfinancial serves are everyday Canadians that are hardworking and have often been met with life circumstances that have negatively affected their credit profile. They work in industries that include hospitality, leisure and manufacturing and have an average age of 43 and individual income of approximately $53,000 per year. They have a debt to disposable income ratio of about 142.4%, compared to the much higher Canadian average of 167.0% due in part to easyfinancial customers having a lower rate of home ownership of 19% compared with the Canadian average of approximately 68%.

69% of non-prime Canadians have been denied credit by banks and other lenders and are faced with limited borrowing options. For these Canadians, goeasy plays a critical role in the financial system, which not only provides them with access to the credit they need for everyday expenses and purchases, but also helps them rebuild their credit for the future.

Economic Cycles

The Company's financial services and merchandise leasing businesses provide access to non-prime consumers. This customer segment has been found to perform well during periods of economic growth, while also remaining stable and resilient during periods of economic shock, when compared to less riskier segments of the population (i.e. prime, etc.). Some of the reasons behind why the non-prime customer segment perform well during periods of economic stress include: i) non-prime borrowers tend to under-index on the rate of home ownership, which reduces their sensitivity to housing prices and interest rates; ii) non-prime borrowers tend to under-index on their total level of debt to income as a result of their reduced access to credit, specifically mortgage debt; iii) non-prime borrowers tend to over-index on the purchase of creditor insurance, which provides additional protection against unemployment or illness; and iv) non-prime borrowers are employed across a wide variety of industry sectors, with no significant concentration, thus the proportion affected by disruption in certain industries will often not affect the overall population disproportionately.

As a result, the non-prime customer segment is likely to experience a nominal level of increased repayment risk during periods of economic uncertainty when compared to more prime credit segments. These conclusions were supported in the findings of independent studies conducted by TransUnion during the recessionary periods of 2001 and 2009, and are also based on the Company's own experience during the recession of 2015 in Alberta and the significant economic downturn related to the COVID-19 pandemic in 2020. The Company's credit performance during the first year of the COVID-19 pandemic improved relative to prior periods, as additional support came from government income subsidies and expanded use of customer borrowing assistance measures offering more flexible repayment options to customers. As the economic effects of the pandemic are now largely in the past, these programs have curtailed, and the Company has seen a normalization of loss performance that reflects an appropriate level of steady-state risk in the loan portfolio.

Employees

As at December 31, 2021, goeasy had 2,394 employees of which 2,352 were permanent full-time employees and 42 were part-time employees. Of the 2,352 full-time employees, 65% are directly supporting customers in-person with 921 employed at easyfinancial retail branch locations and 643 employed at easyhome retail store locations. The remaining 35% of full-time employees form a centralized support hub represented by the 314 employees at the Company's corporate office, 228 at the LendCare division office and 288 employees at its National Shared Services Centre that provides sales, service, collections and underwriting support to the retail network.

None of goeasy's employees are unionized. goeasy considers its relations with its employees to be positive with its highest ever Employee Engagement score of 84% in 2021, as well as being recognized as one of Canada's Most Admired Corporate Cultures by Waterstone (2021), Greater Toronto's Top Employers (2020) and North America's Most Engaged Workforce by Achiever's (2019). In 2021, goeasy added certification as a Great Place to Work® after an independent analysis conducted by the Great Place to Work® Institute Canada.

Typically, each easyfinancial stand-alone location requires a staff of two to seven employees, each easyfinancial kiosk requires a staff of two to three employees and an easyhome store requires a staff of four to seven employees – the staffing by location varies depending on the volume of transactions and the active customer count.

Each easyfinancial or easyhome store manager reports to a regional manager, who supervises the management of all the locations within a particular region, with each region having approximately ten locations. Each regional manager reports to a divisional vice president. Store managers, regional managers and divisional vice presidents receive a portion of their compensation in the form of bonuses determined under a profit incentive arrangement, which measures both selling activity and responsible credit and collection behaviours. This arrangement is designed to promote growth and optimize revenues, while ensuring a healthy portfolio of performing loans and a best-in-class customer experience.

Corporate Social Responsibility

Since its inception, the Company's approach to Corporate Social Responsibility has been a balance of time and financial investment as it strives to make a positive impact on the communities in which it operates. With a strong focus on providing better tomorrows not only for our customers, but also for local communities and beyond, goeasy has contributed over $4.35 million in charitable donations to date. This includes cumulative donations of $3.8 million through its longstanding partnership with BGC (formerly known as Boys & Girls Clubs of Canada) to help the clubs with their mission of providing safe, supportive places where children and youth can experience new a safe and healthy learning and social environment. In 2014, goeasy expanded its partnership with the clubs and launched easybites, an ambitious $2.5 million, 10-year initiative to build functioning kitchens in all 100 BGCs across Canada. By the end of 2021, the Company had completed 60 kitchens to help feed today's youth, while providing opportunities to learn how to prepare healthy meals that encourage the development of good habits and life skills. The Company's Corporate Social Responsibility efforts extend beyond local communities as it supports charitable endeavours in developing countries through its partnership with Habitat for Humanity's Global Village program to build homes for those in need. Since 2014, the Company has taken over 125 goeasy employees to Nicaragua, India, Guatemala, Cambodia and Bolivia, where it has helped build 27 homes and 18 smokeless stoves for a total of 45 housing solutions for families in extreme poverty. Reflecting on 2021, goeasy and its employees made a meaningful difference in many communities across Canada and abroad, stepping up to help those affected by COVID-19 as well as donating to social causes that are close to the hearts of its employees. Recognizing the need to support our communities at their most significant time of need, the Company collectively raised and donated a record $550,000 to support important causes including BGC Canada, Habitat for Humanity Global Village (helping build an additional 4 housing solutions in Malawi), Black Opportunity Fund, Pflag Canada, Indian Residential School Survivors Society, the Mississauga Food Bank, Mariam Society and Red Cross Canada. In addition, the Company donated over 19,400 pounds of food to the Mississauga Food Bank during the 2021 Thanksgiving season and gifted 1,100 new toys to BGCs and other organizations across the country during Christmas 2021.

Facilities

The Company leases all of its branches or store locations, which are generally located in convenient strip shopping centres, plazas, or stand-alone buildings, often accompanied by grocery chains, pharmacies, restaurants and big box retailers. All easyfinancial kiosks are located within existing easyhome stores.

The terms of the Company's leases are generally five to seven years and contain renewal options at fair market value rates. goeasy is generally required to pay a proportional share of real estate taxes, as well as insurance and utilities. goeasy believes that its policy of leasing all of its premises gives it the flexibility to respond to shifting consumer patterns and changing space requirements. goeasy has not experienced substantial difficulty in renewing leases or acquiring substitute facilities for its stores and stand-alone locations, although Canadian lease rates have been trending upwards in recent years.

goeasy's corporate office and its National Shared Services Centre in Mississauga, Ontario consists of 82,300 square feet of leased premises with a lease term that expires on May 31, 2028. The Company's LendCare division primarily operates from its Pickering, Ontario office, which consists of 27,200 square feet of leased premises with a lease term that expires on April 30, 2023. The Company also operates an office in Montreal, Quebec, with resources supporting the easyfinancial and LendCare operations, which consists of 5,600 square feet of leases premises with a lease term that expires on December 31, 2024.

As at December 31, 2021, the Company operated 294 (2020 – 266) easyfinancial locations, including 3 operations centres. The easyfinancial locations and operations centres were all located in Canada with a province-by-province breakdown as follows: British Columbia 35; Alberta 29; Saskatchewan 9; Manitoba 9; Ontario 126; Quebec 42; New Brunswick 13; Nova Scotia 16; Prince Edward Island 3; and Newfoundland and Labrador 12.

As at December 31, 2021, the Company operated 158 (2020 – 161) easyhome stores including 124 (2020 – 126) corporately owned stores and 34 (2020 – 35) franchise locations. All of the corporately owned stores were located in Canada with a province-by-province breakdown as follows: British Columbia 14; Alberta 18; Saskatchewan 5; Manitoba 3; Ontario 41; Quebec 9; New Brunswick 10; Nova Scotia 12; Prince Edward Island 2; and Newfoundland and Labrador 10. At the end of 2021, easyhome had 34 (2020 – 35) franchise stores in Canada in the provinces of Ontario and Alberta.

Regulatory Matters

The activities of easyfinancial and easyhome are governed by federal laws, which out set a maximum rate of interest, and by the various consumer protection acts that exist in each province. goeasy Ltd. is not subject to payday loan legislation and is not regulated by the Office of the Superintendent of Financial Institutions.

Section 347 of the Criminal Code, R.S.C. 1985, c. C-46 (the "Criminal Code"), prohibits the charging of an effective annual rate of interest that exceeds sixty percent for an agreement or arrangement for credit advanced. For the purposes of section 347, "interest" is broadly defined to include the aggregate of all charges and expenses, whether in the form of a fee, fine, penalty, commission or other similar charge or expense or in any other form, paid or payable for the advancing of credit under the agreement or arrangement. The Company believes that easyfinancial and the lending business activities of easyhome are subject to section 347 of the Criminal Code and closely monitors any legislative activity in this area, as well as government consultations.

There is no federal legislation in Canada that specifically regulates the easyhome's merchandise leasing transactions. While management of the Company is of the view that its merchandise leasing business does not involve the provision of credit, it could be determined that aspects of easyhome's merchandise leasing business are subject to the Criminal Code. The Company has implemented measures to ensure that the aggregate of all charges and expenses under its merchandise lease agreement do not exceed the maximum interest rate allowed by law. Where aspects of easyhome's business are subject to the Criminal Code, and the Company has not complied with the requirements thereof, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages; and (2) criminal prosecution for violation of the Criminal Code, any of which outcomes could have a material adverse effect on the Company.

Although lenders in all provinces must abide by the Criminal Code, the provinces of Quebec, Alberta, Manitoba and British Columbia have established provincial high cost of credit regimes ("HCCR"). HCCRs, each of which are part of the broader provincial consumer protection regime in their respective provinces, impose additional requirements, including licensing and disclosures, on lenders when lending above certain interest rate thresholds. In these provinces, HCCRs apply to loans with interest rates that are: 32% or higher in Alberta; higher than 32% in Manitoba; in Quebec, an HCCR applies to loans with effective rates higher than a floating rate of 22% plus the Bank of Canada's Bank Rate; and in British Columbia 32% or higher, which will be in force in May 2022. The Company complies with all current requirements and continues to participate in the regulatory process, monitor the landscape, and will respond as necessary as this regulation continues to develop. The Company will continue to adapt its business to comply with HCCR regulatory changes and is well positioned to respond to any enhanced disclosure requirements.

Provinces that do not have a specific HCCR regulate the extension of credit (loans, lines of credit and leases) through cost of credit or cost of borrowing regulations set out under provincial consumer protection legislation. Beyond regulating the extension of credit, consumer protection legislation in the provinces in which the Company operates specify that if the Company's business involves certain types of customer contracts (e.g., future performance agreements, online or telephone agreements) then the Company may be required to comply with various disclosure requirements and must grant customers certain cancellation and other rights. The Company complies with all such requirements.

Management of the Company has reviewed and revised its business model to ensure it is in compliance with the applicable provincial legislation. However, there is a risk that regulatory bodies or consumers could assert that certain provincial legislation is applicable where the Company had determined that it is not and that the Company is not in compliance with such applicable statutory requirements, or that new regulations could come into force that affect the Company's business. If it should be determined that the Company has not complied with the requirements of applicable federal or provincial legislation, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages; and (2) prosecution for violation of the legislation, any of which outcomes could have a material adverse effect on the Company.

Legal Proceedings

The Company is involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, financial performance or cash flows.

The Company has agreed to indemnify its Directors and Officers and particular employees in accordance with the Company's policies. The Company maintains insurance policies that may provide coverage against certain claims.

GENERAL DEVELOPMENT OF THE BUSINESS – 3 YEAR HISTORY

goeasy's commitment to its vision of providing everyday Canadians a path to a better tomorrow today, has never been stronger. Key developments and highlights that have occurred over the past three years include:

2021 General Developments of The Business

Strategic Acquisition of LendCare

On April 30, 2021, the Company completed the acquisition of 100% of the outstanding equity of LendCare, a Canadian point-of-sale consumer finance and technology company, from LendCare's founders and CIVC Partners for $324.8 million, of which $313 million was paid in cash and $11.8 million was paid in the Company's common shares.

Minority Equity Investment in Brim Financial Inc.

In 2021, the Company invested $10.5 million to acquire a minority equity interest in Brim Financial Inc., a Canadian fintech company and globally certified credit card issuer.

Changes to the Board of Directors

Effective on March 15, 2021, Jason Mullins, the Company's President & Chief Executive Officer, was appointed as the newest member of goeasy's Board.

Changes to the Company's Management Team

Effective July 15, 2021, Jackie Foo was named as Executive Vice-President and Chief Operating Officer ("**COO**") of easyfinancial and easyhome retail and contact centre operations.

Effective November 5, 2021, Farhan Ali Khan and Sabrina Anzini were named the Company's Chief Corporate Development Officer and the Company's Chief Legal Officer, respectively.

$172.5 Million Bought Deal Equity Offering

On April 16, 2021, the Company closed its bought deal equity offering of 1,404,265 subscription receipts of the Company ("**Subscription Receipts**") (including 183,165 Subscription Receipts issued pursuant to the exercise in full by the syndicate of underwriters of the over-allotment option granted by the Company), at a price of $122.85 per Subscription Receipt, for gross aggregate proceeds of $172.5 million (the "**Offering**"). The Subscription Receipts issued pursuant to the Offering commenced trading on the TSX on April 16, 2021 under the ticker symbol GSY.R. As a result of the completion of the LendCare acquisition on April 30, 2021, each of the 1,404,265 outstanding Subscription Receipts were automatically exchanged for one common share of the Company. The Subscription Receipts were delisted from the TSX after the close of market on April 30, 2021.

US$320 Million Notes Offering

On April 29, 2021, the Company closed its offering of US$320 million of 4.375% senior unsecured notes maturing on May 1, 2026 ("**2026 Notes**") with interest payable semi-annually on May 1 and November 1 of each year and commencing on November 1, 2021. Concurrently with the offering, the Company entered into a cross currency swap agreement to fix the foreign exchange rate for the proceeds from the offering and for all required payments of principal and interest under these 2026 Notes at a fixed exchange rate of USD1.000 = CAD1.2501, effectively hedging the obligation at $400 million with a Canadian dollar interest rate of 4.818%. The net proceeds of the offering of 2026 Notes were used to finance a portion of the purchase price for the acquisition of LendCare.

Upsizing Revolving Securitization Warehouse Facility

In September 2021, the Company renegotiated the revolving securitization warehouse facility, increasing its size to $600 million and providing more flexible eligibility criteria and favourable advances rates. The Revolving Securitization Warehouse Facility continues to be underwritten by National Bank Financial Markets ("**NBFM**"), matures on December 7, 2023 and bears interest equal to 1-month Canadian Dollar Offered Rate ("**CDOR**") plus 185 bps, an improvement of 110 bps.

2020 General Developments of The Business

Purchase of Mogo Inc's $31.3 million Consumer Loan Portfolio and Forming of Commercial Lending Partnership

On February 28, 2020, goeasy acquired a $31.3 million gross consumer loans receivable portfolio from Mogo Inc. ("**Mogo**"). The transaction also included $12.4 million of previously written-off consumer loans and a commitment from Mogo to market and promote easyfinancial to its current and prospective members. In addition to acquiring the loan portfolio, the transaction also included a three-year lending partnership with Mogo after a successful five-month pilot that began in October 2019. Under this arrangement, goeasy will become Mogo's exclusive provider of all non-prime consumer loans.

Sale of Minority Equity Interest in PayBright in connection with the Sale of PayBright to Affirm

In September 2019, goeasy invested $34.3 million to acquire a minority equity interest in PayBright. On December 3, 2020, goeasy announced the sale of its minority equity interest in PayBright Inc. as part of a transaction for PayBright Inc. to sell 100% of its shares to Affirm Holdings Inc. ("**Affirm**"). Under the terms of the sale transaction, goeasy received i) total cash of $23.0 million, excluding one-time expenses and closing adjustments, ii) 655,416 common shares of Affirm, and iii) 468,154 common shares of Affirm held in escrow and subject to forfeiture if certain PayBright revenue milestones are not met. Subsequent to the closing of the sale transaction on January 1, 2021, Affirm completed an initial public offering and its shares now trade on the Nasdaq Global Select Market under the symbol "AFRM". goeasy is continuing its commercial partnership with Affirm following the closing of the sale transaction.

Changes to the Board of Directors

Effective March 24, 2020, the Honourable James Moore was appointed as a new member of goeasy's Board. Mr. Moore is an incredibly well-accomplished and decorated government relations advisor with a career spanning 20 years of experience in public service and advisory.

Effective July 6, 2020, Tara Deakin was appointed as the newest member of goeasy's Board. Tara is a talented Human Resources executive with near 20 years of experience gained at industry leading organizations. Today, Tara is Executive Vice-President and Chief People Officer at Spin Master Ltd., a leading global children's entertainment company.

Changes to the Company's Management Team

Effective June 15, 2020, Michael Eubanks was named the Company's Senior Vice-President and Chief Information Officer ("**CIO**"). Mr. Eubanks brings over 24 years of Information Technology leadership experience from the LCBO, Canadian Tire Corporation and Best Buy International.

Effective September 14, 2020, Farhan Ali Khan was named the Company's Senior Vice-President of Corporate Development and Investor Relations. Mr. Ali Khan brings more than 10 years of progressive experience in mergers & acquisitions, investment banking and capital markets to goeasy. Most recently, he served as Managing Director, Investment Banking for RBC Capital Markets.

Redemption of Outstanding 5.75% Convertible Debentures

On July 31, 2020 goeasy redeemed all convertible debentures that remained unconverted in accordance with the notice of redemption issued on June 29, 2020. Of the $43.8 million principal amount of convertible debentures issued and outstanding, the Company redeemed $2.4 million aggregate principal amount of debentures that remained unconverted. Approximately 954,302 common shares were issued to debenture holders who elected to convert.

$200 Million Securitization Facility

On December 10, 2020 goeasy completed the establishment of a new $200 million revolving securitization warehouse facility structured and underwritten by NBFM. The securitization facility will be collateralized by consumer loans originated by goeasy's wholly owned subsidiary, easyfinancial Services Inc., and has an initial term of three years. Interest on advances will be payable at the rate of 1-month CDOR plus 295 bps.

2019 General Developments of The Business

Leadership Transition

As part of the senior leadership succession plan announced in April of 2018, effective January 1, 2019, David Ingram transitioned into the role of the Company's Executive Chairman from his previous role as the President and Chief Executive Officer ("**CEO**"). Mr. Ingram served in the role of President and CEO for 18 years and oversaw the growth and transformation of the business. Jason Mullins, the Company's former President and COO, was appointed as the Company's new President in April of 2018 and also assumed the role of CEO effective January 1, 2019. Mr. Mullins was instrumental in the transition of goeasy from a predominantly consumer leasing business to now being a Canadian leader in the alternative financial services market through easyfinancial. As of January 1, 2019, Mr. Don Johnson, the Company's Chairman of the board of directors (the "**Board**") for the prior 18 years moved into the role of Chairman Emeritus of the Board.

Appointment of Hal Khouri as Chief Financial Officer

Effective August 12, 2019, Hal Khouri was named the Company's Executive Vice-President and Chief Financial Officer ("**CFO**"). Mr. Khouri brings over 21 years of financial services experience in consumer lending, retail banking, accounting and audit.

$1 Billion Loan Portfolio Achieved

In August of 2019, easyfinancial surpassed a $1 billion consumer loan portfolio. This achievement marked a key milestone in the Company's history as it continues to fulfill its mission of providing customers a path to improve their credit and graduate to prime borrowing.

Amendments to Credit Facility

During 2019, the Company amended its Credit Facility to increase the maximum principal amount available from $174.5 million to $310.0 million, available on a revolving credit basis, and extended the maturity date to February 12, 2022 (from November 1, 2020). The interest rate on advances from the Credit Facility was also reduced from the previous rate of Canadian Bankers' Acceptance Rate ("**BA**") plus 450 bps or the lender's prime rate ("**Prime Rate**") plus 350 bps, to BA plus 300 bps (reduced 150 bps) or Prime Rate plus 200 bps (reduced 150 bps). The Company intends to use borrowings under the increased Credit Facility to expand its consumer loan portfolio.

New easyfinancial Brand Campaign Launched

In the fall of 2019, the Company launched a new fully integrated brand campaign for its consumer lending division, easyfinancial. The campaign focused on bringing to life the company's vision of helping to put its customers on a path to a better tomorrow as they improve their credit and graduate to prime lending. The national media campaign leveraged TV, radio, print, out of home in the greater Toronto area, and digital channels to reinforce the company's brand narrative of providing better tomorrows. The campaign's emotional stories focused on authentic and relatable human moments that highlighted the benefit of taking a step forward today, to ensure a better financial tomorrow.

Strategic Partnership and Investment in PayBright

In September 2019, goeasy announced a strategic partnership and minority equity investment of $34.3 million in PayBright, Canada's leading provider of instant point-of-sale financing. Through this new strategic partnership, goeasy's consumer lending division, easyfinancial, became the primary provider of non-prime financing within PayBright's point-of-sale payments platform. Each year in Canada there is estimated to be more than $30 billion of credit extended to consumers through financing and "buy-now, pay-later" programs offered at the point-of-sale and this partnership positions goeasy extremely well to capitalize on that market opportunity. By integrating goeasy's non-prime installment loan product into the PayBright platform, the companies together now offer Canada's leading provider of instant point-of-sale payment solution that serves the entire credit spectrum of Canadian consumers. Growing the Company's point-of-sale financing business further supports the its strategic imperative of expanding its channels of distribution and making credit more accessible to non-prime customers.

easyhome Begins Reporting Lease Payments to Credit Reporting Agencies

In October of 2019, easyhome began reporting customer's lease payments to the credit reporting agencies as a way to help them improve and build their credit. With every on-time payment an easyhome customer makes, they are working towards demonstrating positive payment behaviour which over time could result in an improvement to their credit scores.

Creditoptimizer Product Launched

In October of 2019, the Company launched a new product to replace its credit monitoring service called creditoptimizer. This first of its kind simulator tool in Canada, provides Canadians with a personalized plan that can help them manage and improve their credit score. With an interactive dashboard that displays a customer's credit details and history, along with simulator tools that provide detailed information about how to improve a customer's credit, this tool is another way the Company continues to execute against its vision of providing everyday Canadians a path to a better tomorrow.

US$550 Million Offering of Senior Unsecured Notes

On November 27, 2019, the Company issued US$550 million of 5.375% senior unsecured notes due on December 1, 2024 (the "**2024 Notes**"). Concurrent with the issuance of the 2024 Notes, the Company entered into a cross-currency swap through a derivative financial instrument to fix the foreign currency exchange rate for the proceeds from the offering and for all required payments of principal and interest under the 2024 Notes at a fixed exchange rate of USD1.000 = CA$1.3242, thereby fully hedging the US$550 million 2024 Notes at a Canadian dollar interest rate of 5.65%. The cross-currency swaps fully hedge the obligation under the 2024 Notes to $728.3 million.

Recipient of 5 Business and Culture Awards

In 2019, goeasy earned 5 prestigious awards as recognition for its exceptional culture, continued business growth and its purpose to help everyday Canadians on a path to a better financial future. These awards include being named one of Achievers 50 Most Engaged Workplaces in North America, Canada's Top 50 FinTech Companies by the Digital Finance Institute, ranked in the inaugural TSX30 Program as one of the 30 top-performing TSX stocks over a three-year period based on dividend-adjusted share price appreciation, being named one of Canada's Top Growing Companies as part of the inaugural Report on Business list of Canada's Top Growing Companies for its three-year cumulative revenue growth, and lastly, being named a Top Employer in the Greater Toronto Area. These awards have been a significant source of pride for the organization as recruiting and retaining top talent is critical to the execution of the Company's strategy. These awards have reinforced the focus and importance the Company has put on developing a strong culture and positive employee experience as yet another way to set itself apart from other competitors in the market.

RISK FACTORS

Overview

The Company is exposed to a variety of commercial, operational, financial and regulatory risks. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Corporate Governance, Nominating and Risk Committee of the Board reviews the Company's risk management policies on an annual basis.

Strategic Risk

Strategic risk is the risk from changes in the business environment, fundamental changes in demand for the Company's products or services, improper implementation of decisions, execution of the Company's strategy or inadequate responsiveness to changes in the business environment, including changes in the competitive and regulatory landscapes.

The Company's growth strategy is focused on easyfinancial. The Company's ability to increase its customer and revenue base is contingent, in part, on its ability to secure additional locations for easyfinancial, to grow its consumer loans receivable portfolio, to access customers through new delivery channels, to secure and maintain merchant partnerships, to successfully develop and launch new products to meet evolving customer demands, to secure growth financing at a reasonable cost, to maintain profitability levels within the mature easyhome business and to execute with efficiency and effectiveness.

The impact of poor execution by management or an inadequate response to changes in the business environment could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Market Risk

Macroeconomic Conditions

Certain changes in macroeconomic conditions, many of which are beyond the Company's control, can have a negative impact on its customers and its performance. The Company's primary customer segment is the non-prime consumer. These cash and credit constrained customers are affected by adverse macroeconomic conditions such as higher unemployment rates or costs of living, which can lower collection rates and result in higher charge off rates and adversely affect the Company's performance, financial condition and liquidity. The Company can neither predict the impact current economic conditions will have on its future results, nor predict when the economic environment will change.

There can be no assurance that economic conditions will remain favorable for the Company's business or that demand for loans or default rates by customers will remain at current levels. Reduced demand for loans would negatively impact the Company's growth and revenues, while increased default rates by customers may inhibit the Company's access to capital, hinder the growth of the loan portfolio attributable to its products and negatively impact its profitability. Either such result could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

COVID-19 Pandemic

The Company's business has been impacted by the COVID-19 pandemic, which has created significant societal and economic disruptions. The COVID-19 pandemic has had, and will continue to have, a broad impact across industries and the economy, including effects on consumer confidence, global financial markets, regional and international travel, supply chain distribution of various products for many industries, government and private sector operations, the price of consumer goods, country-wide lockdowns in various regions of the world, and numerous other impacts on daily life and commerce.

With the active vaccination campaigns during the year, Canada saw improvements in containing outbreaks of the COVID-19 pandemic and the economy reopened at a different pace across the country. Lighter control measures led to partial economic recovery. However, towards the end of 2021, the emergence of new variants, including the Omicron variant, have led the Canadian government, and governments around the world, to re-institute measures to combat the spread of COVID-19, including, but not limited to: the implementation of travel bans, border closings, mandated capacity limits and closures, self-imposed quarantine periods and social and physical distancing policies, which have contributed to the material disruption to businesses globally, resulting in continued economic uncertainty.

The ever-changing and rapidly-evolving effects of COVID-19, the duration, extent and severity of which are currently unknown, on investors, businesses, the economy, society and the financial markets could, among other things, add volatility to the global stock markets, change interest rate environments, and increase delinquencies and defaults. With the stricter control measures back in place, the Company will continue to remain vigilant in its efforts to mitigate the impact of COVID-19 related risks to the Company. The COVID-19 virus, and the measures to prevent its spread, may continue to contribute to a higher level of uncertainty with respect to management's judgements and estimates.

Interest Rate Risk

Interest rate risk measures the Company's risk of financial loss due to adverse movements in interest rates.

As at December 31, 2021, the revolving credit facility has a variable interest rate at either the BA rate plus 300 bps or the Prime plus 200 bps, at the option of the Company. Subsequent to December 31, 2021, the Company announced an amendment to the credit facility resulting in a reduction to the variable interest rate to BA rate plus 225 bps or the Prime plus 75 bps, at the option of the Company. The Company does not hedge interest rates on the revolving credit facility. Accordingly, future changes in interest rates will affect the amount of interest expense payable by the Company to the extent that draws are made on the variable rate revolving credit facility. As at December 31, 2021, the Company's has no drawn amount against its revolving credit facility.

The revolving securitization warehouse facility has a variable interest rate at 1-month CDOR plus 185 bps. The Company entered into an interest rate swap agreement as a cash flow hedge to protect itself against the variability of future interest payments by paying a fixed rate based on the weighted average life of the securitized loans and receiving variable rate equivalent to 1-month CDOR. As such, each drawn taken on the facility has a hedge implemented that results in interest rates becoming fixed for the duration of that draw.

As at December 31, 2021, 100% of the Company's drawn debt balances effectively bear fixed rates due to the type of debt and the aforementioned interest rate swap agreements.

Foreign Currency Risk

The 2024 Notes and 2026 Notes are US$ denominated. In connection with the offering of these notes, the Company entered into cross-currency swaps to hedge the risk of changes in foreign exchange rates for the obligations of the notes and for all required payments of principal and interest.

The Company sources some of its merchandise out of the U.S. and, as such, its Canadian operations have some U.S. denominated cash and payable balances. As a result, the Company has both foreign exchange transaction and translation risk. Although the Company has U.S. dollar denominated purchases, it has historically been able to price its lease transactions to compensate for the impact of foreign currency fluctuations on its purchases. However, in periods of rapid change in the Canadian to U.S. dollar exchange rate, the Company may not be able to pass on such changes in the cost of purchased products to its customers, which may negatively impact its financial performance.

Competition

The Company estimates the size of the Canadian market for non-prime consumer lending, excluding mortgages, is approximately $186 billion. This demand is currently being met by a wide variety of industry participants that offer diverse products, including auto lending, credit cards, installment loans, retail finance programs, small business lending and real estate secured lending. Generally, industry participants have tended to focus on a single product offering rather than providing consumers with multiple alternatives. As a result, the suppliers to the marketplace are quite diverse.

Competition in the non-prime consumer lending market is based primarily on access, flexibility and cost (interest rates). Consumers are generally able to transition between the different types of lending products that are available in the marketplace to satisfy their need for these different characteristics. The Company expects the competition for non-prime consumer lending in Canada will remain relatively stable for the foreseeable future. While traditional financial institutions are likely to decrease their risk tolerance and move farther away from non-prime lending, regional financial institutions such as credit unions, payday lenders, marketplace lenders and online lenders may consider expansion into the non-prime market.

The Company also faces direct competition in the Canadian market from other merchandise leasing companies. Other factors that may adversely affect the performance of the leasing business are increased sales of used furniture and electronics online and at retail stores that offer a non-prime point-of-sale purchase financing option. Additional competitors, both domestic and international, may emerge since barriers to entry are relatively low.

The Company may be unable to compete effectively with new and existing competitors, which could adversely affect its revenues and results of operations. In addition, investments required to adjust to changing market conditions may adversely affect the Company’s business and financial performance.

Credit Risk

Credit risk is the risk of loss that arises when a customer or counterparty fails to pay an amount owing to the Company.

The maximum exposure to credit risk is represented by the carrying amount of the amounts receivable, consumer loans receivable and lease assets with customers under merchandise lease agreements. The Company makes consumer loans and leases products to thousands of customers pursuant to policies and procedures that are intended to ensure that there is no concentration of credit risk with any particular individual, company or other entity, although the Company is subject to a higher level of credit risk due to the credit constrained nature of many of the Company’s customers and in circumstances where its policies and procedures are not complied with.

The credit risk on the Company's consumer loans receivable made in accordance with policies and procedures is impacted by both the Company's credit policies and the lending practices which are overseen by the Company's Credit Committee comprised of members of senior management. Credit quality of the customer is assessed using proprietary credit scorecards and individual credit limits are defined in accordance with this assessment. The Company evaluates the concentration of risk with respect to customer loans receivable as low, as its customers are located in several jurisdictions and operate independently. The Company develops underwriting models based on the historical performance of groups of customer loans, which guide its lending decisions. To the extent that such historical data used to develop its underwriting models is not representative or predictive of current loan book performance, the Company could suffer increased loan losses.

The Company maintains an allowance for credit losses as prescribed by IFRS 9 and as described fully in the notes to the Company's consolidated financial statements for the year ended December 31, 2021. The process for establishing an allowance for loan losses is critical to the Company's results of operations and financial conditions and is based on historical data, the underlying health and quality of the consumer loan portfolio at a point in time, and forward-looking indicators. To the extent that such inputs used to develop its allowance for credit losses are not representative or predictive of current loan book performance, the Company could suffer increased loan losses above and beyond those provided for on its consolidated financial statements.

The Company cannot guarantee that delinquency and loss levels will correspond with the historical levels experienced, and there is a risk that delinquency and loss rates could increase significantly and have a material adverse effect on the financial results of the Company.

The credit risk related to lease assets with customer's results from the possibility of customer default with respect to agreed upon payments or in not returning the lease assets. The Company has a standard collection process in place in the event of payment default, which includes the recovery of the lease asset if satisfactory payment terms cannot be worked out with the customer, as the Company maintains ownership of the lease assets until payment options are exercised.

For amounts receivable from third parties, the risk relates to the possibility of default on amounts owing to the Company. The Company deals with credible companies, performs ongoing credit evaluations of counterparties and consumers and creates an allowance for uncollectible amounts when determined to be appropriate.

The Company has established a Credit Committee and created processes and procedures to identify, measure, monitor and mitigate significant credit risks. However, to the extent that such risks go unidentified or are not adequately or expeditiously addressed by senior management, the Company and its financial performance could be adversely affected.

Liquidity and Funding Risk

Liquidity Risk

The Company has been funded through various sources, including the revolving credit facility, the revolving securitization warehouse facility, the 2024 Notes and 2026 Notes, and public market equity offerings. The availability of additional financing will depend on a variety of factors, including the availability of credit to the financial services industry and the Company's financial performance and credit ratings.

The Company has publicly stated that it intends to significantly expand its consumer lending business. To achieve this goal, the Company may require additional funds which can be obtained through various sources, including debt or equity financing. There can be no assurance, however, that additional funding will be available when needed or will be available on terms favorable to the Company. The inability to access adequate sources of financing, or to do so on favorable terms, may adversely affect the Company's capital structure and ability to fund operational requirements and satisfy financial obligations. If additional funds are raised by issuing equity securities, shareholders may incur dilution.

Liquidity risk is the risk that the Company's financial condition is adversely affected by an inability to meet funding obligations and support the Company's business growth. The Company manages its capital to maintain its ability to continue as a going concern and to provide adequate returns to shareholders by way of share appreciation and dividends. The Company's capital structure consists of external debt and shareholders' equity, which comprises issued capital, contributed surplus and retained earnings.

All of the Company's debt facilities must be renewed on a periodic basis. These facilities contain restrictions on the Company's ability to, among other things, pay dividends, sell or transfer assets, incur additional debt, repay other debt, make certain investments or acquisitions, repurchase or redeem shares and engage in alternate business activities. The facilities also contain a number of covenants that require the Company to maintain certain specified financial ratios. Failure to meet any of these covenants could result in an event of default under these facilities which could, in turn, allow the lenders to declare all amounts outstanding to be immediately due and payable. In such a case, the financial condition, liquidity and results of the Company's operations could materially suffer.

The Company has been successful in renewing and expanding its credit facilities in the past to meet the needs of its growing consumer lending business. If the Company is unable to renew these facilities on acceptable terms when they become due, there could be a material adverse effect on the Company's financial condition, liquidity and results of operations.

Debt Service

The Company's ability to make scheduled payments on, or refinance its debt obligations, depends on its financial condition and operating performance, which are subject to a number of factors beyond its control. The Company may be unable to maintain a level of cash flows from operating activities sufficient to permit it to repay the principal and interest on its indebtedness.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, it could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, reduce its growth plans, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to obtain such alternative measures on commercially reasonable terms, or at all and, even if successful, those alternative actions may not allow it to meet its scheduled debt service obligations. The Company's credit agreements restrict its ability to dispose of assets and use the proceeds from those dispositions and may also restrict its ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. The Company may not be able to consummate any such dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

The Company's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all would materially and adversely affect its business, results of operations and financial condition. Failure to meet its debt obligations could result in default under its lending agreements. In the event of such default, the holders of such indebtedness could elect to declare all of the funds borrowed thereunder to be immediately due and payable, together with accrued and unpaid interest, and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. If the Company's operating performance declines, it may need to seek waivers from the holders of such indebtedness to avoid being in default under the instruments governing such indebtedness. If the Company breaches its covenants under its indebtedness, it may not be able to obtain a waiver from the holders of such indebtedness on terms acceptable to the Company or at all. If this occurs, the Company would be in default under such indebtedness, and the holders of such indebtedness could exercise their rights as described above and the Company could, among other remedies that may be available, be forced into bankruptcy, insolvency or liquidation. A default under the agreements governing certain of the Company's existing or future indebtedness and the remedies sought by the holders of such indebtedness could make the Company unable to pay principal or interest on the debt.

Debt Covenants

The agreements governing the Company's credit facilities contain restrictive covenants that may limit its discretion with respect to certain business matters. These covenants may place significant restrictions on, among other things, the Company's ability to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, and to sell or otherwise dispose of assets. In addition, the agreements governing the Company's credit facilities may contain financial covenants that require it to meet certain financial ratios and financial condition tests.

If the Company fails to maintain the requisite financial ratios under the agreement governing its credit facilities, it will be unable to draw any amounts under the revolving credit facility until such default is waived or cured as required. In addition, such a failure could constitute an event of default under the Company's lending agreements entitling the lenders to accelerate the outstanding indebtedness thereunder unless such event of default is cured as required by the agreement. The Company's ability to comply with these covenants in future periods will depend on its ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond its control.

The restrictions in the agreements governing the Company's credit facilities may prevent the Company from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with companies that are not similarly restricted. The Company may also incur future debt obligations that might subject it to additional restrictive covenants that could affect its financial and operational flexibility.

The Company's ability to comply with the covenants and restrictions contained in the agreement governing the Company's credit facilities may be affected by economic, financial and industry conditions beyond its control. The breach of any of these covenants or restrictions could result in a default under the agreements that would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable (including terminating any outstanding hedging arrangements), together with accrued and unpaid interest, or cause cross-defaults under the Company's other debts. If the Company is unable to repay its secured debt, lenders could proceed against the collateral securing the debt. This could have serious consequences to the Company's financial condition and results of operations and could cause it to become bankrupt or insolvent.

Credit Ratings

The Company received credit ratings in connection with the issuance of its 2024 Notes and 2026 Notes. Any credit ratings applied to the 2024 Notes and 2026 Notes are an assessment of the Company's ability to pay its obligations. The Company is under no obligation to maintain any credit rating with credit rating agencies and there is no assurance that any credit rating assigned to the 2024 Notes and 2026 Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering, withdrawal or failure to maintain any credit ratings applied to the 2024 Notes and 2026 Notes may have an adverse effect on the market price or value and the liquidity of the 2024 Notes and 2026 Notes and, in addition, any such action could make it more difficult or more expensive for the Company to obtain additional debt financing in the future.

Operational Risk

Operational risk, which is inherent in all business activities, is the potential for loss as a result of external events, human behaviour (including error and fraud, non-compliance with mandated policies and procedures or other inappropriate behaviour) or inadequacy, or the failure of processes, procedures or controls. The impact may include financial loss, loss of reputation, loss of competitive position or regulatory and civil penalties. While operational risk cannot be eliminated, the Company takes reasonable steps to mitigate this risk by putting in place a system of oversight, policies, procedures and internal controls.

Dependence on Key Personnel

One of the significant limiting factors in the Company's performance and expansion plans will be the hiring and retention of the best people for the job. Over the past few years, the Company has strengthened its hiring competencies and training programs.

In particular, the Company is dependent upon the abilities, experiences and efforts of its senior management team and other key employees. The loss of these individuals without adequate replacement could have a material adverse impact on its business and operations.

As a consequence of its growth strategy and relatively high employee turnover at the store and branch level, the Company requires a growing number of qualified managers and other store or branch personnel to successfully operate its expanding branch and store network. There is competition for such personnel, and there can be no assurances that the Company will be successful in attracting and retaining the personnel it may require. If the Company is unable to attract and retain qualified personnel or its costs to do so increase dramatically, its operations would be materially adversely affected.

Outsource Risk

The Company outsources certain business functions to third-party service providers, which increases its operational complexity and decreases its control. The Company relies on these service providers to provide a high level of service and support, which subjects it to risks associated with inadequate or untimely service. In addition, if these outsourcing arrangements were not renewed or were terminated or the services provided to the Company were otherwise disrupted, the Company would have to obtain these services from an alternative provider. The Company may be unable to replace, or be delayed in replacing, these sources and there is a risk that it would be unable to enter into a similar agreement with an alternate provider on terms that it considers favorable or in a timely manner. In the future, the Company may outsource additional business functions. If any of these or other risks relating to outsourcing were realized, the Company's financial position, liquidity and results of operations could be adversely affected.

Fraud Risk

Employee error and employee and customer misconduct could subject the Company to financial losses or regulatory sanctions and seriously harm the Company's reputation. Misconduct by its employees could include hiding unauthorized activities, improper or unauthorized activities on behalf of customers or improper use of confidential information. It is not always possible to prevent employee error and misconduct, and the precautions the Company takes to prevent and detect this activity may not be effective in all cases. Employee error could also subject the Company to financial claims for negligence.

If the Company's internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured, exceeds applicable insurance limits or if insurance coverage is denied or not available, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Technology Risk

The Company is dependent upon the successful and uninterrupted functioning of its computer, internet and data processing systems. The failure of these systems could interrupt operations or materially impact the Company's ability to enter into new lease or lending transactions and service or collect customer accounts. Although the Company has extensive information technology security and disaster recovery plans, such a failure, if sustained, could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

Breach of Information Security

The Company's operations rely heavily on the secure processing, storage and transmission of confidential and sensitive customer and other information through its information technology network. Other risks include the Company's use of third-party vendors with access to its network that may increase the risk of a cyber security breach. Third-party breaches or inadequate levels of cyber security expertise and safeguards may expose the Company, directly or indirectly, to security breaches.

A breach, unauthorized access, computer virus, or other form of malicious attack on the Company's information security may result in the compromise of confidential and/or sensitive customer or employee information, destruction or corruption of data, reputational harm affecting customer and investor confidence, and a disruption in the management of customer relationships or the inability to originate, process and service the Company's leasing or lending portfolios which could have a material adverse effect on the Company's financial condition, liquidity and results of operations.

To mitigate the risk of an information security breach, the Company regularly assesses such risks, has a disaster recovery plan in place and has implemented reasonable controls over unauthorized access. The store network and corporate administrative offices, including centralized operations, takes reasonable measures to protect the security of its information systems (including against cyber-attacks). The Chief Information Officer of the Company oversees information security. However, such a cyber-attack or data breach could have a material adverse effect on the Company and its financial condition, liquidity and results of operations.

Privacy, Information Security, and Data Protection Regulations

The Company is subject to various privacy and information security laws and takes reasonable measures to ensure compliance with all requirements. Legislators and regulators are increasingly adopting new privacy and information security laws which may increase the Company's cost of compliance. While the Company has taken reasonable steps to protect its data and that of its customers, a breach in the Company's information security may adversely affect the Company's reputation and also result in fines or penalties from governmental bodies or regulators.

Risk Management Processes and Procedures

The Company has established a Risk Oversight Committee and created regular and ongoing processes and procedures to identify, measure, monitor and mitigate significant risks to the organization. However, to the extent such risks go unidentified or are not adequately or expeditiously addressed by management, the Company could be adversely affected.

Compliance Risk

Internal Controls Over Financial Reporting

The effective design of internal controls over financial reporting is essential for the Company to prevent and detect fraud or material errors that may have occurred. The Company is also obligated to comply with the Form 52-109F2 Certification of interim filings and 52-109F1 Certification of annual filings of the Ontario Securities Commission, which requires the Company's CEO and CFO to submit a quarterly and annual certificate of compliance. The Company and its management have taken reasonable steps to ensure that adequate internal controls over financial reporting are in place. However, there is a risk that a fraud or material error may go undetected and that such material fraud or error could adversely affect the Company.

Government Regulation and Compliance

The Company takes reasonable measures to ensure compliance with governing statutes, regulations and regulatory policies. A failure to comply with such statutes, regulations or regulatory policies could result in sanctions, fines or other settlements that could adversely affect both its earnings and reputation. Changes to laws, statutes, regulations or regulatory policies could also change the economics of the Company's merchandise leasing and consumer lending businesses including the salability or pricing of certain ancillary products which could have a material adverse effect on the Company.

Section 347 of the Criminal Code prohibits the charging of an effective annual rate of interest that exceeds sixty percent for an agreement or arrangement for credit advanced. The Company believes that easyfinancial is subject to section 347 of the Criminal Code and closely monitors any legislative activity in this area. The application of additional capital requirements or a reduction in the maximum cost of borrowing could have a material adverse effect on the Company's financial condition, liquidity and results of operations. At present, additional provincial regulation in certain geographic areas focusing on high-cost credit loans have been adopted, but do not materially impact the Company's business operations.

While management of the Company is of the view that its merchandise leasing business does not involve the provision of credit, it could be determined that aspects of easyhome's merchandise leasing business are subject to the Criminal Code. The Company has implemented measures to ensure that the aggregate of all charges and expenses under its merchandise lease agreement do not exceed the maximum interest rate allowed by law. Where aspects of easyhome's business are subject to the *Criminal Code*, and the Company has not complied with the requirements thereof, the Company could be subject to either or both (1) civil actions for nullification of contracts, rebate of some or all payments made by customers, and damages; and (2) criminal prosecution for violation of the Criminal Code, any of which outcomes could have a material adverse effect on the Company.

Numerous consumer protection laws and related regulations impose substantial requirements upon lenders involved in consumer finance, including leasing and lending. Also, federal and provincial laws impose restrictions on consumer transactions and require contract disclosures relating to the cost of borrowing and other matters. These requirements impose specific statutory liabilities upon creditors who fail to comply with their provisions.

easyfinancial is subject to minimal regulatory capital requirements in connection with its operations in Saskatchewan. Otherwise, the Company operates in an unregulated environment with regard to capital requirements.

Accounting Standards

From time to time the Company may be subject to changes in accounting standards issued by accounting standard-setting bodies, which may affect the Company's consolidated financial statements and reduce its reported profitability.

Legal and Reputational Risk

Reputation

The Company's reputation is very important to attracting new customers to its platform, securing repeat lending to existing customers, hiring the best employees and obtaining financing to facilitate the growth of its business. While the Company believes that it has a good reputation and that it provides customers with a superior experience, there can be no assurance that the Company will continue to maintain a good relationship with customers or avoid negative publicity.

In recent years, consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on non-bank consumer loans, not making the proper distinction between payday loans and non-prime loans. Such consumer advocacy groups and media reports generally focus on the annual percentage rate for this type of consumer loan, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories. The finance charges the Company assesses can attract media publicity about the industry and be perceived as controversial. Customer's acceptance of the interest rates the Company charges on its consumer loans receivable could impact the future rate of the growth. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, the Company could become subject to more restrictive laws and regulations applicable to consumer loan products that could have a material adverse effect on the Company's business, prospects, results of operations, financial condition or cash flows.

The Company's ability to attract and retain customers is highly dependent upon the external perceptions of its level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters — even if related to seemingly isolated incidents, or even if related to practices not specific to short-term loans, such as debt collection — could erode trust and confidence and damage the Company's reputation among existing and potential customers, which would make it difficult to attract new customers and retain existing customers, significantly decrease the demand for the Company's products, result in increased regulatory scrutiny, and have a material adverse effect on the Company's business, prospects, results of operations, financial condition, ability to raise growth capital or cash flows.

Litigation

From time to time and in the normal course of business, the Company may be involved in material litigation or may be subject to regulatory actions. There can be no assurance that any litigation or regulatory action in which the Company may become involved in the future will not have a material adverse effect on the Company's business, financial condition or results of operations. Lawsuits or regulatory actions could cause the Company to incur substantial expenditures, generate adverse publicity and could significantly impair the Company's business, force it to cease doing business in one or more jurisdictions or cause it to cease offering one or more products.

The Company is also likely to be subject to further litigation and communications with regulators in the future. An adverse ruling or a settlement of any current or future litigation or regulatory actions against the Company or another lender could cause the Company to have to refund fees and/or interest collected, forego collections of the principal amount of loans, pay multiple damages, pay monetary penalties and/or modify or terminate its operations in particular jurisdictions. Defense of any lawsuit or regulatory action, even if successful, could require substantial time and attention of the Company's management and could require the expenditure of significant amounts for legal fees and other related costs.

Possible Volatility of Stock Price

The market price of the Common Shares, similar to that of many other Canadian (and indeed worldwide) companies, has been subject to significant fluctuation in response to numerous factors, including significant shifts in the availability of global credit, swings in macro-economic performance due to volatile shifts in oil prices and unexpected natural disasters, concerns about the global economy and potential recession, economic shocks such as the ongoing global pandemic related to an outbreak of COVID-19 and the 2015 decline in oil prices and their related impacts on the Canadian economy, as well as variations in the annual or quarterly financial results of the Company, timing of announcements of acquisitions or material transactions by the Company or its competitors, other conditions in the economy in general or in the industry in particular, changes in applicable laws and regulations and other factors. Moreover, from time to time, the stock markets experience significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. No prediction can be made as to the effect, if any, that future sales of Common Shares or the availability of shares for future sale (including shares issuable upon the exercise of stock options) will have on the market price of the Common Shares prevailing from time to time. Sales of substantial numbers of such shares or the perception that such sales could occur may adversely affect the prevailing price of the Common Shares. Significant changes in the stock price could jeopardize the Company's ability to raise growth capital through an equity offering without significant dilution to existing shareholders.

Insurance Risk

The Company's insurance policies may not comprehensively cover all risks and liabilities because appropriate coverage may not be available (or may not adequately cover all losses) or the Company may elect not to insure against certain risks. It may elect not to do so, for example, where it considers the applicable premiums to be excessive in relation to the perceived risks and benefits that may accrue. As a result, the Company may be held liable for material claims beyond its insurance coverage limits that could materially and adversely impact financial performance and reputation. In addition, any significant claim against such policies may lead to increased premiums on renewal and/or additional exclusions to the terms of future policies. If insurance (including cyber insurance) is not available to cover a claim or the quantum of a claim exceeds policy limits, the Company will be exposed to the financial impact of the event which could have an adverse impact on the Company's business, financial performance and operations.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Preference Shares, issuable in series, with the attributes of each series to be determined by the Board. The issued and outstanding capital of the Company as at December 31, 2021, consists of 16,199,384 Common Shares.

In December 2002, the articles of the Company were amended to create the first series of Preference Shares. In 2003, these Preference Shares were redeemed and as at December 31, 2021, there are no Preference Shares outstanding.

Common Shares

The following is a summary of the principal attributes of the Common Shares.

Voting Rights

Holders of the Common Shares are entitled to receive notice of, and to attend all meetings of the shareholders of the Company. At any such meeting, other than a meeting at which only the holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series, each Common Share confers one vote.

Dividends

The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as may be declared by the Board of the Company, out of funds legally available therefore, subject to the preferential rights of any shares ranking prior to the Common Shares with respect to the payment of dividends.

Rights on Dissolution

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Common Shares will be entitled to receive on a pro-rata basis all the assets of the Company remaining after payment of all the Company’s liabilities, subject to the preferential rights of any shares ranking prior to the Common Shares with respect to the distribution of assets upon liquidation, dissolution or winding-up of the Company.

Pre-emptive and Conversion Rights

No pre-emptive or conversion rights attach to the Common Shares and the Common Shares, when fully paid, are not liable to further call or assessment. No other class of voting shares may be created without the approval of the holders of the Common Shares voting separately as a class.

Preference Shares

The following is a summary of the principal attributes of the authorized Preference Shares, none of which are outstanding.

Issuance in One or More Series

The Board may authorize the issuance of Preference Shares at any time and from time to time in one or more series. Before any shares of a particular series are issued, the Board shall fix the number of shares and such series and determine, subject to the limitations set out in the articles, the designation, rights, privileges, restrictions and conditions to be attached to the shares of such series.

Ranking

No rights, privileges, restrictions or conditions attaching to a series of Preference Shares shall confer upon the shares of the series a priority in respect of dividends or in respect of return of capital in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, over the shares of any other series of Preference Shares.

Preference Shares are entitled to priority over the Common Shares and over any other shares of any other class of the Company ranking junior to the Preference Shares with respect to the payment of dividends and/or the return of capital in the distribution of assets in the event of liquidation or dissolution or winding-up of the Company whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs as the Directors of the Company shall determine at the time of determining the number and designation of, and the rights, privileges, restrictions and conditions attaching to, the series of Preference Shares.

If any amount of cumulative dividends, whether or not declared, or declared non-cumulative dividends or amounts payable on a return of capital in the event of the liquidation, dissolution or winding-up of the Company in respect of a series of Preference Shares is not paid in full, the Preference Shares of all series shall participate rateably in respect of all accumulated cumulative dividends, whether or not declared, and all declared non-cumulative dividends, and in respect of amounts payable on return of capital in the event of liquidation, dissolution or winding-up of the Company; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the Preference Shares with respect to amounts payable on return of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment and satisfaction of claims in respect of dividends.

Voting Rights

The holders of Preference Shares are not entitled as such to receive notice of, to attend or to vote at any meetings of the shareholders of the Company. The holders of Preference Shares are entitled to receive notice of meetings of shareholders of the Company called for the purpose of authorizing the dissolution of the Company or the sale, lease or exchange of all or substantially all the property of the Company other than in the ordinary course of business.

Modifications

The rights, privileges, restrictions and conditions attaching to Preference Shares, as a class, may not be amended, modified or varied in whole or in part except with prior approval of not less than two-thirds of the holders of Preference Shares present (in person or by proxy) at a meeting of the holders of Preference Shares duly called for such purposes in addition to any other approval required by law.

2026 Notes

The 2026 Notes were issued pursuant to an indenture dated as of April 29, 2021, between the Company and Deutsche Bank Trust Company, as trustee. The following is a description of the terms of the 2026 Notes. The following summary of certain provisions of the 2026 Notes is subject to, and is qualified in its entirety by reference to, all the provisions of the 2026 Notes.

The 2026 Notes bear interest at 4.375% per annum, payable semi-annually every May 1 and November 1, commencing on November 1, 2021, and mature on May 1, 2026.

The 2026 Notes include certain prepayment features: i) up to May 1, 2023, all of the 2026 Notes can be prepaid at par plus a premium and accrued and unpaid interest or, if the proceeds are acquired from an equity offering, up to 40% of the 2026 Notes (including future additions) can be prepaid at a price of 104.375% plus accrued and unpaid interest; ii) from May 1, 2023 to April 30, 2024, all of the 2026 Notes can be prepaid at a price of 102.188% plus accrued and unpaid interest; iii) from May 1, 2024 to April 30, 2025, all of the 2026 Notes can be prepaid at a price of 101.094% plus accrued and unpaid interest; and iv) on or after May 1, 2025 the 2026 Notes can be prepaid at par plus accrued and unpaid interest.

If the Company undergoes certain kinds of changes of control, goeasy is required to repurchase the 2026 Notes from holders at a purchase price equal to 101% of the principal amount of the 2026 Notes, plus accrued and unpaid interest, if any, to but excluding the date of purchase.

The 2026 Notes are senior unsecured obligations of the Company and will rank (i) equal in right of payment with all of the Company's existing and future unsubordinated indebtedness; (ii) senior in right of payment to all of the Company's existing and future subordinated indebtedness; effectively subordinated to any of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, including the Company's indebtedness under the Credit Facility; and (iv) effectively subordinated to all existing and future indebtedness and other liabilities, including trade payables, of the Company's subsidiaries that do not guarantee the 2026 Notes.

The Company's obligations under the 2026 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the restricted subsidiaries that guarantees the Company's obligations under the Credit Facility, subject to certain exceptions. The Note Guarantees will be senior unsecured obligations of each of the Guarantors and will rank equally in right of payment with all existing and future unsubordinated indebtedness of each Guarantor and senior in right of payment to all future subordinated indebtedness of the Guarantors. The Note Guarantees will be effectively subordinated to all future secured indebtedness of the applicable Guarantor to the extent of the value of the assets securing such other indebtedness, including such Guarantor's guarantee of the Credit Facility.

2024 Notes

The 2024 Notes were issued pursuant to an indenture dated as of November 27, 2019, between the Company and Deutsche Bank Trust Company, as trustee. The following is a description of the terms of 2024 Notes. The following summary of certain provisions of the Indenture is subject to, and is qualified in its entirety by reference to, all the provisions of the Indenture.

The 2024 Notes bear interest at 5.375% per annum, payable semi-annually every June 1 and December 1, commencing on June 1, 2020, and mature on December 1, 2024.

The 2024 Notes include certain prepayment features: i) up to December 1, 2021, all of the 2024 Notes can be prepaid at par plus a premium and accrued and unpaid interest or, if the proceeds are acquired from an equity offering, up to 40% of the 2024 Notes (including future additions) can be prepaid at a price of 105.375% plus accrued and unpaid interest; ii) from December 1, 2021 to November 30, 2022, all of the 2024 Notes can be prepaid at a price of 102.688% plus accrued and unpaid interest; iii) from December 1, 2022 to November 30, 2023, all of the 2024 Notes can be prepaid at a price of 101.344% plus accrued and unpaid interest; and iv) on or after December 1, 2023 the 2024 Notes can be prepaid at par plus accrued and unpaid interest.

If the Company undergoes certain kinds of changes of control, goeasy is required to repurchase the 2024 Notes from holders at a purchase price equal to 101% of the principal amount of the 2024 Notes, plus accrued and unpaid interest, if any, to but excluding the date of purchase.

The 2024 Notes are senior unsecured obligations of the Company and will rank (i) equal in right of payment with all of the Company's existing and future unsubordinated indebtedness; (ii) senior in right of payment to all of the Company's existing and future subordinated indebtedness; effectively subordinated to any of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, including the Company's indebtedness under the Credit Facility; and (iv) effectively subordinated to all existing and future indebtedness and other liabilities, including trade payables, of the Company's subsidiaries that do not guarantee the 2024 Notes.

The Company's obligations under the 2024 Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by each of the Restricted Subsidiaries that guarantees the Company's obligations under the Credit Facility, subject to certain exceptions. The Note Guarantees will be senior unsecured obligations of each of the Guarantors and will rank equally in right of payment with all existing and future unsubordinated indebtedness of each Guarantor and senior in right of payment to all future subordinated indebtedness of the Guarantors. The Note Guarantees will be effectively subordinated to all future secured indebtedness of the applicable Guarantor to the extent of the value of the assets securing such other indebtedness, including such Guarantor's guarantee of the Credit Facility.

Credit Ratings

The Company has received credit ratings from both Moody's Investor Service, Inc. ("Moody's") and Standard & Poor's Rating Services, a division of the McGraw-Hill Companies, Inc. ("S&P") with respect to the 2024 Notes. Credit ratings reflect the general credit worthiness of an issuer or a particular debt issue. Credit ratings do not constitute a recommendation to purchase, sell or hold a particular security.

The 2026 Notes and 2024 Notes were assigned a rating of Ba3 (stable) by Moody's. Moody's credit ratings are on a rating scale that ranges from AAA to C, which represents the range from the highest to lowest quality of such securities. In some instances, Moody's applies numerical modifiers (1, 2 and 3) in each rating classification from AA to CAA. The modifier 1 indicates that the security ranks in the higher end of its rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the security ranks in the lower end of its respective rating category. In addition, Moody's may add a rating outlook of "positive", "negative", "stable" or "developing" which assesses the potential direction of a company's credit rating over the medium term.

The 2026 Notes and 2024 Notes were assigned a rating of BB- (stable) by S&P. S&P's credit ratings are on a rating scale that ranges from AAA to D, which represents the highest to lowest quality of such securities rated. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) to denote relative status within each respective rating category. An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

For more information on each agency's rating methodology and specific ratings visit www.moodys.com and www.standardandpoors.com.

In 2021, each of the rating agencies listed above charged the Company the usual customary fees for their ratings services which include annual surveillance fees. Access to the rating agencies' websites are also typically included as part of their customary service.

Dividends

The Company paid $16,653,000 dividends to holders of Common Shares in 2019, $23,890,000 in 2020 and $38,281,000 in 2021.

On each of April 9, 2021, July 9, 2021, October 8, 2021, and January 14, 2022, the Company paid a dividend of $0.66 per Common Share. On February 16, 2022, the Board declared a quarterly dividend of $0.91 per Common Share payable on April 8, 2022 to shareholders of record on March 25, 2022.

The historic dividend policy of the Company is to declare and pay quarterly cash dividends at the discretion of the Board, as circumstances permit. The Company's dividend policy and practice will be reviewed from time to time in the context of the Company's earnings, financial condition, the need to retain earnings to fund future growth of the business of the Company and other relevant factors. The declaration of a dividend will always be at the discretion of the Board.

Dividend Reinvestment Plan

On March 5, 2012, the Board approved a dividend reinvestment plan (the "DRIP") effective beginning with dividends in respect of Shareholders of record on April 5, 2012. The DRIP enables registered holders of Common Shares of the Company who are eligible for the DRIP to reinvest their cash dividends paid on the Common Shares to purchase additional Common Shares. No commissions, service charges or brokerage fees are payable by participants under the DRIP. The Common Shares acquired under the DRIP will, at the discretion of the Company, either be purchased on the Canadian open market including through the facilities of the TSX or issued by the Company from treasury.

Normal Course Issuer Bid

On December 14, 2021, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a NCIB (the "**2021 NCIB**"). Pursuant to the 2021 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,243,781 Common Shares being approximately 10% of goeasy's public float as of December 7, 2021. As at December 7, 2021, goeasy had 16,254,135 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2021, was 62,825. Under the 2021 NCIB, daily purchases will be limited to 15,706 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The purchases were permitted to commence on December 21, 2021, and will terminate on December 20, 2022, or on such earlier date as the Company may complete its purchases pursuant to the 2021 NCIB. The 2021 NCIB will be conducted through the facilities of the TSX or alternative trading systems, if eligible, and will conform to their regulations. Purchases under the 2021 NCIB will be made by means of open market transaction or other such means as a security regulatory authority may permit, including pre-arranged crosses, exempt offers and private agreements under an issuer bid exemption order issued by a securities regulatory authority. The price that goeasy will pay for any Common Shares will be the market price of such shares at the time of acquisition, unless otherwise permitted under applicable rules.

On December 16, 2020, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a NCIB (the "**2020 NCIB**"). Pursuant to the 2020 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,079,703 Common Shares being approximately 10% of goeasy's public float as of December 9, 2020. As at December 9, 2020, goeasy had 14,801,169 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2020, was 83,554. Under the 2020 NCIB, daily purchases were limited to 20,888 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The 2020 NCIB was permitted to commence on December 21, 2020 and the 2020 NCIB terminated on December 20, 2021. The purchases made by goeasy pursuant to the 2020 NCIB were effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that the Company paid for any Common Shares was the market price of such shares at the time of acquisition. The Company did not purchase any Common Shares other than by open-market purchases. Under the 2020 NCIB, the Company completed the purchase for cancellation through the facilities of the TSX of 333,315 Common Shares at a weighted average price of $186.86 per Common Share for a total cost of $62.3 million.

On December 18, 2019, the Company announced the acceptance by the TSX of the Company's Notice of Intention to Make a NCIB (the "**2019 NCIB**"). Pursuant to the 2019 NCIB, the Company proposed to purchase, from time to time, if considered advisable, up to an aggregate of 1,038,269 Common Shares being approximately 10% of goeasy's public float as of December 9, 2019. As at December 9, 2019, goeasy had 14,346,709 Common Shares issued and outstanding, and the average daily trading volume for the six months prior to November 30, 2019, was 36,081. Under the 2019 NCIB, daily purchases were limited to 9,020 Common Shares, representing 25% of the average daily trading volume, other than block purchase exemptions. The 2019 NCIB was permitted to commence on December 20, 2019 and the 2019 NCIB terminated on December 19, 2020. The purchases made by goeasy pursuant to the 2019 NCIB were effected through the facilities of the TSX, as well as alternative trading systems, and in accordance with the rules of the TSX. The price that the Company paid for any Common Shares was the market price of such shares at the time of acquisition. The Company did not purchase any Common Shares other than by open-market purchases. Under the 2019 NCIB, the Company completed the purchase for cancellation through the facilities of the TSX of 767,855 Common Shares at a weighted average price of $55.18 per Common Share for a total cost of $42.4 million.

On March 23, 2020, TSX provided a temporary relief for its participating organizations for NCIB purchases. From March 23, 2020 to December 31, 2020 ("**Effective Period**"), TSX modified the volume of purchases condition in TSX Rule 6-101 of the TSX Rule Book, subsection (a) of "normal course issuer bid", so that the amount of NCIB purchases must not exceed 50% of the average daily trading volume of the listed securities of that class. During the Effective Period, the Company's daily purchases under the 2019 NCIB was limited to 18,040 Common Shares, representing 50% of the average daily trading volume, other than block purchase exemptions.

Market for Securities

Trading Price and Volume:

The Common Shares are listed on the TSX under the symbol "GSY" ("EH" prior to September 17, 2015). The volume and price range for the Common Shares for each month in 2021 was as follows:

2021	Volume of Common Shares traded	Price Range Low $	Price Range High $
December	1,095,342	169.00	183.18
November	1,348,869	172.09	202.52
October	1,315,085	180.17	206.55
September	1,632,324	194.20	218.35
August	1,601,190	169.75	198.00
July	1,049,022	147.99	174.00
June	1,221,418	141.00	162.90
May	1,655,307	132.05	157.44
April	1,804,501	123.73	151.87
March	1,716,776	114.58	135.12
February	1,515,429	93.26	132.90
January	1,152,325	91.20	107.89

MATERIAL CONTRACTS

Except for certain contracts entered into in the ordinary course of business of the Company, the contracts described below are the only contracts entered into by the Company during 2021 (or prior to 2021 in the case of contracts that are still in effect) that are material to the Company:

(a) **Share Purchase Agreement:** dated April 12, 2021, among the Company and shareholders of LendCare, as sellers for the acquisition of LendCare Holdings Inc. See "*General Development of the Business (3-year History) – Strategic Acquisition of LendCare"*.

DIRECTORS AND OFFICERS

Under the by-laws of the Company, Directors of the Company are elected annually. Each Director holds 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.

Name, Place of Residence, Occupation and Security Holdings

The names, provinces or states of residence, positions, principal occupations and shareholdings of the Directors and executive Officers of goeasy as at December 31, 2021 were as follows:

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised and Vested Deferred Share Units ("**DSUs**")
Donald K. Johnson O.C. Ontario, Canada	Mr. Johnson assumed the role of Chairman Emeritus and a Board Member of the Company on January 1, 2019. Mr. Johnson was the Chairman of the Board of the Company from 2000 to 2018. He is also a member of the Advisory Board for BMO Capital Markets, the investment and corporate banking subsidiary of BMO Financial Group. Mr. Johnson is a former Senior Advisor, BMO Capital Markets, prior to which he was Vice Chairman of BMO Nesbitt Burns Inc. Active on a number of Boards, Mr. Johnson is Chairman Emeritus and a Director of Business for the Arts, a Director of the UHN Foundation, a member of the Advisory Board of the Ivey Business School at Western University, a member of the 2022 Major Individual Giving Cabinet of the United Way of Greater Toronto, and a Director of Murchison Minerals Inc.	June 1999	Common Shares: 2,985,000 Vested DSUs: 80,609 Total Common Shares and vested DSUs: 3,065,609
David Ingram Ontario, Canada	Mr. Ingram assumed the role of Executive Chairman of the Board of the Company on January 1, 2019. Mr. Ingram had been the Company's Chief Executive Officer from 2000 to 2018. In his role as Executive Chairman, Mr. Ingram acts as the Chairman of the Board of Directors while also overseeing the Company's corporate development, investor relations, capital market initiatives as well as the Company's long-term strategy. Prior to goeasy, Mr. Ingram was executive with Kingfisher plc (a retail conglomerate) in the United Kingdom. He has also held progressively senior executive roles with Thorn which included leading a 370-branch network for Rent-A-Center. He was previously a Vice Chair of the Boys & Girls Clubs of Canada Foundation committee and served on its Board of Directors. Mr. Ingram is the founder and owner of Sweat and Tonic, a Toronto based health and wellness boutique gym.	December 2000	Common Shares: 381,009 Vested DSUs: 80,282 Total Common Shares and vested DSUs: 461,291
David Appel(1)(2)(3) Ontario, Canada	Mr. Appel is a Company Director. Mr. Appel had a career in law, business, and government service, and is a Director of a number of charitable organizations. He was active in public policy and advocacy related to provincial consumer protection law. Mr. Appel is a retired member of the Quebec Bar.	August 2010	Common Shares: 256,559 Vested DSUs: 70,356 Total Common Shares and vested DSUs: 326,915

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised and Vested Deferred Share Units ("**DSUs**")
Sean Morrison(1)(2)(3) British Columbia, Canada	Mr. Morrison is a Company Director and President and Chief Executive Officer of Diversified Royalty Corp., a public company which purchases trademarks and receives top-line royalty streams from a diversified group of multi-location business and franchisors. Mr. Morrison was the co-founder and formerly the Managing Partner of Maxam Capital Corporation, a private equity fund. Prior to forming Maxam Capital Corporation, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a graduate of the University of British Columbia with a degree in Commerce and is a Chartered Accountant (CPA CA).	January 2012	Common Shares: 13,444 Vested DSUs: 12,916 Total Common Shares and vested DSUs: 26,360
Karen Basian(1)(2)(3) Ontario, Canada	Ms. Basian is a Company Director and serves on the Board of Directors of Aimia Inc. (TSX: AIM), Newtopia (TSX.V NEWU) and Kognitiv Corporation. Ms. Basian is the Chairman of the Board of Directors of a BookJane. She is also the President of KB Capital Management Inc., a strategy consulting and financial advisory firm and is the co-founder and Principal of 3NP Asset Management, a real estate company. Ms. Basian was previously a Board Director of Flowr; the Chief Financial Officer and Senior Vice President of Operations for 724 Solutions (SVNX.TO); the Chief Global Strategy and Business Development Officer for McCain Foods; Head of Strategy for Frito-Lay North America (a division of PepsiCo); Senior Manager with Bain and Company in the UK and Canada; and International Tax specialist with Deloitte in Canada. Ms. Basian is a Chartered Accountant (CPA CA) and has an M.B.A. from IMD in Lausanne, Switzerland.	November 2014	Common Shares: 12,000 Vested DSUs: 26,798 Total Common Shares and vested DSUs: 38,798
Susan Doniz(1)(2)(3) Ontario, Canada	Ms. Doniz is a Company Director and the Chief Information Officer and Senior Vice President of Information Technology and Data Analytics at Boeing Co. Previously, Ms. Doniz served as the Group Chief Information Officer of Qantas Airways and the Global Chief Information Officer of Aimia Inc. Ms. Doniz sits on several Boards of Directors including, IGM Financials Inc.	May 2016	Common Shares: 2,476 Vested DSUs: 6,090 Total Common Shares and vested DSUs: 8,566
Honourable James Moore(1)(2)(3) British Columbia, Canada	The Honourable James Moore is a Company Director and a Senior Business Advisor at the global law firm Dentons and a Public Policy Advisor at Edelman. He is also the National Vice-Chair of the Canadian Cancer Society, a senior advisor to Canada's Office of the Auditor General, a past member of the NAFTA Council for the Government of Canada and was the 6th Chancellor of the University of Northern British Columbia. Previously he served as Canada's Minister of Industry, Minister of Canadian Heritage & Official Languages, and Secretary of State for the Asia Pacific Gateway and Minister for the 2010 Olympics over a 5-term, 15-year career as a Member of Parliament. Mr. Moore is also on the Board of Xplornet Communications and was previously the Chairman of the Board of Directors of Western Resources.	March 2020	Common Shares: - Vested DSUs: 791 Total Common Shares and vested DSUs: 791

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised and Vested Deferred Share Units (“**DSUs**”)
Tara Deakin[(1)(2)(3)] Ontario, Canada	Ms. Deakin is a Company Director and the Chief People Officer at Spin Master Inc.. She brings over 20 years of multi-faceted Human Resources experience gained at industry leading organizations. She is also a Director on the St. Michael’s Hospital Foundation. Tara holds a Bachelor of Arts from the University of Western Ontario.	July 2020	Common Shares: - Vested DSUs: 1,181 Total Common Shares and vested DSUs: 1,181
Jason Mullins Ontario, Canada	Mr. Mullins is a Company Director and the President and Chief Executive Officer of goeasy, having joined goeasy in 2010. Mr. Mullins served as President and Chief Operating Officer since April 2018 and was appointed as President and Chief Executive Officer in January of 2019. Previously, Mr. Mullins was the Executive Vice President and Chief Operating Officer of goeasy. Mr. Mullins has an extensive career in financial services, coming to goeasy in 2010 from Mogo Finance Technology where he was Vice President of Sales and Operations. He has held previous operations management roles at CIBC and Allied International Credit and has an MBA from the Ivey School of Business at the University of Western Ontario.	April 2011	Common Shares: 85,343 Vested DSUs: - Total Common Shares and vested DSUs: 85,343
Hal Khouri Ontario, Canada	Mr. Khouri is the Executive Vice President and Chief Financial Officer of goeasy having joined the company in August 2019. Prior to goeasy, Mr. Khouri was the Chief Financial Officer of Duo Bank (formerly Walmart Canada Bank). He has extensive financial services experience in financial governance, treasury and capital markets, and optimizing balance sheet funding and liquidity. Mr. Khouri has also held the position of CFO at JPMorgan Chase Canada Bank and previous senior roles at MBNA Canada, Deloitte, and the Ontario Ministry of Finance. He is a Chartered Public Accountant and holds a Bachelor of Commerce with Honors in accounting from the University of Ottawa.	August 2019	Common Shares: 18,020 Vested DSUs: - Total Common Shares and vested DSUs: 18,020
Jackie Foo	Ms. Foo is the Executive Vice President and Chief Operating Officer of goeasy having joined goeasy in July 2021. Prior to joining goeasy, Ms. Foo spent nearly three decades leading customer-facing teams at some of Canada’s best-known brands, including Bell Canada Enterprises (“BCE”), Jenny Craig and Telus. Previously, she held roles at BCE as the Chief Operating Officer for The Source, as well as Vice President of Corporate Stores for Bell and Virgin Mobile. She holds a B.A. from the University of Western Ontario and has completed the Advanced Management Program at the University of Chicago Booth School of Business.	July 2021	Common Shares: 1,235 Vested DSUs: - Total Common Shares and vested DSUs: 1,235

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised and Vested Deferred Share Units (“**DSUs**”)
Jason Appel Ontario, Canada	Mr. Appel is goeasy’s Executive Vice President and Chief Risk Officer, having joined goeasy in January 2013. Mr. Appel was previously Senior Vice President, Decision Management, with Citigroup from 2006 to 2012, and prior to that held senior positions in the mortgages and lending division of CIBC. Mr. Appel holds a Master of Business Administration from the Schulich School of Business and a Bachelor of Arts’ from the University of Toronto.	January 2015	Common Shares: 24,500 Vested DSUs: - Total Common Shares and vested DSUs: 24,500
Andrea Fiederer Ontario, Canada	Ms. Fiederer is goeasy’s Executive Vice President and Chief Marketing Officer having joined goeasy in January 2015. Prior to joining goeasy, Ms. Fiederer held senior marketing roles at Mobilicity and XM Satellite Radio. Ms. Fiederer has also held roles at TELUS and BearingPoint where she worked as a Management Consultant. She has an MBA degree from the Schulich School of Business and a Bachelor of Commerce degree from McGill University.	January 2015	Common Shares: 18,971 Vested DSUs: - Total Common Shares and vested DSUs: 18,971
David Cooper Ontario, Canada	Mr. Cooper is goeasy’s Senior Vice President and Chief Talent Officer, having joined goeasy in January 2015. Prior to joining goeasy, Mr. Cooper held Human Resource leadership roles in financial services at CIBC and, most recently, served as Senior Director of HR and Organizational Development for Moneris. He holds the professional designation of Certified Human Resources Leader and has a Bachelor of Arts with a major in Employment Relations from the University of Toronto.	April 2018	Common Shares: 3,264 Vested DSUs: - Total Common Shares and vested DSUs: 3,264
Sabrina Anzini Ontario, Canada	Ms. Anzini is the Senior Vice President and Chief Legal Officer, having joined goeasy in 2017. Prior to goeasy, Ms. Anzini was Director and General Counsel of Law and Corporate Affairs at LoyaltyOne, Co. She also spent a number of years working for federal cabinet ministers at several government ministries and served as General Counsel to the Office of the Prime Minister of Canada. Ms. Anzini holds a Master of Laws degree from the University of Ottawa, Juris Doctor and Bachelor of Arts degrees from Western University and an Honors Business Administration from the Richard Ivey School of Business at Western University.	April 2018	Common Shares: 2,519 Vested DSUs: - Total Common Shares and vested DSUs: 2,519
Steven Poole Ontario, Canada	Mr. Poole is the Senior Vice President of Operations and Merchandising for the easyhome line of business, having joined goeasy in 2007. Prior to joining goeasy, Mr. Poole was Vice President Merchandising with Loblaw Companies and Senior Vice President Operations for Blacks Photo Corporation. Mr. Poole holds a Master of Business Administration from the Ivey School of Business at Western University and a Bachelor of Applied Science Degree from Acadia University.	March 2018	Common Shares: 8,174 Vested DSUs: - Total Common Shares and vested DSUs: 8,174

Name and Place of Residence	Principal Occupation(s) (for the past 5 years or more)	Became a Director or Officer	Common Shares Beneficially Owned Directly or Indirectly or Over Which Control or Direction is Exercised and Vested Deferred Share Units ("**DSUs**")
Michael Eubanks Ontario, Canada	Mr. Eubanks is the Senior Vice-President and Chief Information Officer, having joined goeasy in June 2020. Prior to goeasy, Mr. Eubanks was the Chief Information Officer at the Liquor Control Board of Ontario (LCBO). He has significant experience in technology leadership in the retail industry having worked for Canadian Tire and Best Buy Canada prior to the LCBO. He is a graduate of York University and currently serves as a Director on the Board of the innovation hub Communitech and was appointed as a Director for Toronto Hydro's Board in 2020.	June 2020	Common Shares: 200 Vested DSUs: - Total Common Shares and vested DSUs: 200
Farhan Ali Khan Ontario, Canada	Mr. Ali Khan is the Senior Vice President and Chief Corporate Development Officer, having joined goeasy in September 2020. Prior to joining goeasy, Mr. Ali Khan was a Managing Director of Investment Banking in the Financial Institutions Group of RBC Capital Markets, where he advised specialty finance and fintech companies on mergers and acquisitions, capital raising and asset finance initiatives. He received his Bachelor of Commerce from the University of Toronto and a Master of Business Administration from the Rotman School of Management at the University of Toronto.	September 2020	Common Shares: 3,197 Vested DSUs: - Total Common Shares and vested DSUs: 3,197

Notes:

(1) Member of the Audit Committee.
(2) Member of the Human Resources Committee.
(3) Member of the Corporate Governance, Nominating and Risk Committee.

As of December 31, 2021, the Directors and executive Officers of the Company beneficially own directly or indirectly or exercised control or direction over 3,815,911 Common Shares or approximately 23.6% of the issued and outstanding Common Shares.

AUDIT COMMITTEE INFORMATION

The Company's Audit Committee Mandate sets out its responsibilities and duties, membership qualifications and procedures for reporting to the Board of directors. A copy of the mandate is attached hereto as Schedule "A". As at December 31, 2021, the Audit Committee was comprised of six Directors, all of whom are independent Directors: Karen Basian (chair), David Appel, Sean Morrison, Susan Doniz, Honourable James Moore and Tara Deakin. Each member of the Audit Committee is considered by the Board of Directors to be financially literate within the meaning of applicable securities laws by way of their business experience and educational background. The following is a brief summary of the education and experience that is relevant to the performance of their responsibilities as Committee members.

Karen Basian (Chair)
Ms. Basian is member of the Board of Directors of Aimia Inc. (TSX: AIM), Newtopia (TSX.V NEWU) and Kognitiv Corporation. Ms. Basian is the Chairman of the Board of Directors of a BookJane. She is also the President of KB Capital Management Inc., a strategy consulting and financial advisory firm and is the co-founder and Principal of 3NP Asset Management, a real estate company. Ms. Basian is a Chartered Accountant (CPA CA) and has an M.B.A. from IMD in Lausanne, Switzerland. Ms. Basian has specialized skills in the areas of finance, operations and risk management.

David Appel
Mr. Appel had a career in law, business, and government service, and is a Director of a number of charitable organizations. He was active in public policy and advocacy related to provincial consumer protection law. Mr. Appel is a retired member of the Quebec Bar. Mr. Appel has specialized skills in the areas of regulatory and legal management.

Sean Morrison
Mr. Morrison is the President and Chief Executive Officer of Diversified Royalty Corp and was the co-founder and formerly the Managing Partner of Maxam Capital Corporation. Prior to forming Maxam Capital Corporation, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a Chartered Accountant (CPA CA). Mr. Morrison has specialized skills in the areas of finance, operations and risk management.

Susan Doniz
Ms. Doniz is the Chief Information Officer and Senior Vice President of Information Technology and Data Analytics at Boeing Co. Previously, Ms. Doniz served as the Group Chief Information Officer of Qantas Airways and the Global Chief Information Officer of Aimia Inc. Ms. Doniz sits on several Boards of Directors including, IGM Financials Inc. Ms. Doniz has specialized skills in the areas of operations, information technology and risk management.

Honourable James Moore
Hon. Moore is a Senior Business Advisor at the global law firm Dentons and a Public Policy Advisor at Edelman. He is also the National Vice-Chair of the Canadian Cancer Society, a senior advisor to Canada's Office of the Auditor General, a past member of the NAFTA Council for the Government of Canada and was the 6th Chancellor of the University of Northern British Columbia. Previously he served as Canada's Minister of Industry, Minister of Canadian Heritage & Official Languages, and Secretary of State for the Asia Pacific Gateway and Minister for the 2010 Olympics over a 5-term, 15-year career as a Member of Parliament. Mr. Moore is also on the Board of Xplornet Communications, and was previously the Chairman of the Board of Directors of Western Resources. Mr. Moore has specialized skills in the areas of operations and risk management.

Tara Deakin
Ms. Deakin is the Chief People Officer at Spin Master Inc.. She brings over 20 years of multi-faceted Human Resources experience gained at industry leading organizations. She is also a Director on the St. Michael's Hospital Foundation. Tara holds a Bachelor of Arts from the University of Western Ontario. Ms. Deakin has specialized skills in the areas of human resources and risk management.

External Auditor Service Fees

During the two most recently completed fiscal years, the Company paid the following fees to Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario (“Ernst & Young”), the Company’s external auditor, for audit, audit-related and tax services:

Audit Fees

Ernst & Young LLP has performed audit services for the Company during the last two fiscal years, which included the audit of the Company’s consolidated financial statements for the fiscal years ended December 31, 2020 and 2021 and accounting consultation in connection with acquisitions. Aggregate fees for audit services for the Company were $874,160 in 2020, and $1,336,056 in 2021.

Audit-Related Fees

No audit-related services were performed by Ernst & Young LLP in 2020 and 2021.

Tax Fees

Ernst & Young LLP has provided tax advice to the Company during the last two fiscal years, which included corporate income tax return compliance and general tax advice related to acquisitions. Aggregate fees for tax related services were $124,032 in 2020 and $214,787 in 2021.

All Other Fees

No other services were performed by Ernst & Young LLP in 2020 and 2021.

Interest of Experts

Ernst & Young was the external auditor of the Company for the years ended December 31, 2020 and 2021 and prepared the independent auditor’s report accompanying the annual financial statements. Ernst & Young is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Pre-Approval Policies and Procedures

The Audit Committee had adopted a Pre-Approval Policy to provide for a consistent approach for the engagement of the Auditors. Before the independent auditor is engaged to render services, the engagement must either be specifically approved by the Audit Committee or entered into pursuant to the Pre-Approval Policy.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent for all classes of stock is TSX Trust Company located in Toronto, Ontario. The register of transfers is located at the offices of the Company's transfer agent.

ADDITIONAL INFORMATION

Additional information including Directors' and Officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Company's management information circular for the Company's annual meeting to be held on May 12, 2022. Additional financial information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2021 and the accompanying management's discussion and analysis of financial condition and results of operations dated February 16, 2022.

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.goeasy.com.

SCHEDULE “A”
goeasy Ltd.
AUDIT COMMITTEE MANDATE
(revised August 7, 2018)

PURPOSE AND SCOPE

The Audit Committee (the “Committee” or the “Audit Committee”) of the Company is a committee of the Board of Directors (the “Board”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

The Committee shall assist the Board in its oversight role with respect to:

- The quality and integrity of financial information.
- The effectiveness of goeasy’s risk management, internal controls and regulatory compliance practices.
- The external auditor’s performance, qualifications and independence.
- Reviewing and approving applicable financial information and documents prior to public disclosure.

MEMBER QUALIFICATIONS

The Committee shall consist of three or more independent directors of goeasy appointed by the Board. Each of the members shall satisfy the applicable independence requirements of the laws governing the Company, including National Instrument 52-110 Audit Committees, as may be amended from time to time.

Each member of the Committee shall be financially literate as defined by the applicable legislation. Financially literate shall mean s/he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. A Committee member who is not financially literate may be appointed to the Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

STRUCTURE

The Committee shall serve as a standing committee of the Board of Directors (the “Board”).

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

At the time of the annual appointment or reappointment of the members of the Committee, the Board shall appoint a Chair of the Committee. The Chair shall be a member of the Committee, preside over all Committee meetings, coordinate the Committee’s compliance with this Mandate, work with management to develop the Committee’s annual work-plan and provide reports of the Committee to the Board.

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub- committee to review any matter within this mandate as the Audit Committee deems appropriate.

MEETINGS

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

The Committee shall meet as often as it determines, but not less frequently than quarterly, to ensure review by the Committee of the company's quarterly results and proposed filings. A secretary shall be appointed for every meeting of the Committee who shall be responsible for maintaining minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. The Chairman of the Committee shall report to the Board on its activities after each of its meetings or upon request of the Board and may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

The Committee will have the opportunity for an in-camera session at the end of every meeting. The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present. The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board. The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

AUTHORITY

The Committee has the authority to:

- Conduct or authorize an independent investigation and retain outside consultants for any matters that come under its scope of responsibilities, with the cost to be borne by the Company.
- Communicate and meet with the external auditor or outside counsel, without the presence of Management.
- Call a meeting of the Board to consider any matter of concern to the Committee

FUNCTIONS AND RESPONSIBILITIES

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

The Committee has the following functions and responsibilities:

External Auditor

- Annually approve and recommend for appointment the external auditor to the Board. The external auditor shall report and be directly accountable to the A/C.
- Review and approve the external auditor's proposed annual audit scope, plan and staffing, including the annual audit fees and terms of the engagement.
- Review and pre-approve all engagements for non-audit services, unless in the aggregate, they are not in excess of 5 percent of the total amount of fees paid by the Company to the external auditor during the fiscal year in which the services are provided. The Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- Oversee the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting, accounting policies and internal controls.
- Review the external auditor's management comment letter and management's responses thereto and enquire as to any disagreements between management and external auditors or restrictions imposed by management on external auditors.
- Evaluate the qualifications, expertise and performance of the external auditors (at least annually). If necessary, initiate the termination of the external auditors, subject to the Board and shareholder approval as required by applicable law.
- At least annually, review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.
- Review the relationships or services that may impact the objectivity and independence of the external auditor, including annual review of the auditor's written statement of all relationships between the auditor and the Company and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's present and former external auditor.
- Provide an open avenue of communication between management, the external auditors and the Board.
- At least annually, discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

Financial Reporting

- Review and recommend to the Board approval of the Company's annual and interim financial statements, management's discussion and analysis of the Company's financial condition and results of operation (MD&A) and press releases prior to the public disclosure of this information.
- Review and recommend to the Board approval of the financially related information and disclosures contained in the Company's Annual Report, the Annual Information Form and the Information Circular prior to public disclosure.
- Review and discuss with management and the external auditor at least annually significant financial reporting issues and judgments made in connection with the preparation and presentation of the financial statements, including any significant changes in the Company's selection and application of accounting principles, any major issues as to the Company's internal controls and any special steps adopted in light of material control deficiencies.
- Review any material change in the Company's accounting policies including alternative treatments and their impacts on the financial statements as presented by management.

- Review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.
- Review with legal counsel any legal matters having a significant impact on the financial reports.
- Review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Internal Audit & Controls

- Receive regular reports from the internal auditor. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.
- Periodically review and approval of the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.
- The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function
- Annually review Management's process for assessing the Company's system of internal controls over financial reporting, including any significant or material deficiencies.
- Review the Company's disclosure controls and procedures and periodically assess the adequacy of those disclosure controls and procedures.
- Annually consider and review with management and the auditors: the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal financial and credit controls; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), and the impact of any identified weaknesses in internal controls on management's conclusions.
- Review related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.
- Review the minutes of the quarterly Disclosure Committee meetings.
- Review and approve the Company's policy on external communication and disclosure of material information, including the form and generic content of any quarterly earnings guidance and of any financial disclosure provided to investment analysts and rating agencies.
- Establish and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.
- Review any material issues raised by any inquiry or investigation by the Company's financial regulators
- Establish and review procedures for the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- Review management's practices in effect over officers' expenses and perquisites.

Financial Risk Management and Fraud

- Review the Company's Financial Risk Management practices on an annual basis and make recommendations to the Board regarding any proposed changes.

- Review on a periodic basis, significant risks inherent in the Company's business and ensure appropriate financial risk management techniques are in place.
- Review the effectiveness of the Company's procedures in relation to the prevention, detection, reporting and investigation of fraud that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting.
- Annually review the adequacy and quality of insurance coverage maintained by the Company.
- Oversee the investigation into occurrences of material fraud
- Communicate and meet with the Company's financial risk executives without the presence of Management, to obtain updates and feedback on the Company's Financial Risk Management practices.
- Review and approve the variable compensation program for the Company's financial risk executives.

Other

- Review recommended appointees to the office of Chief Financial Officer.
- Review and/or approve other financial matters delegated specifically to it by the Board.
- Review its charter mandate and assess annually the adequacy of this mandate, the effectiveness of its performance and, when necessary, will recommend changes to the Corporate Governance, Nominating and Risk Committee.

APPENDIX “A”
MULTILATERAL INSTRUMENT 52-110 – AUDIT COMMITTEES
– MEANING OF INDEPENDENCE

<u>Meaning of Independence</u>

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a “material relationship” is a relationship, which could, in the view of the issuer’s board of directors, is reasonably expected to interfere with the exercise of a member’s independent judgment.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12-month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2006 or (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2007.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of this section, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements

(1) Despite any determination made pursuant to the meaning of independence set forth above, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) An individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.