

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Accord Financial Corp. (“**Accord**”)
40 Eglinton Avenue East, Suite 602
Toronto, ON M4P 3A2

Item 2 Date of Material Change

September 13, 2019

Item 3 News Release

A news release with respect to the material change referred to in this report was disseminated through the facilities of CNW Group on September 16, 2019, and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On September 16, 2019, Accord announced that Concentra Bank has invested \$5,000,000 in a new, unlisted series of 7.00% convertible unsecured subordinated debentures (Series B) (the “**Series B Debentures**”) by way of private placement.

The Series B Debentures were issued pursuant to a supplement dated September 13, 2019 to the debenture indenture dated December 18, 2018 between Accord and Computershare Trust Company of Canada (the “**Supplemental Indenture**”). The Supplemental Indenture creates and establishes the terms of the Series B Debentures. The Series B Debentures authorized for issue immediately are limited to an aggregate principal amount of \$10,000,000. The Supplemental Indenture was filed on SEDAR on September 16, 2019.

Among other features, the Series B Debentures have an interest rate of 7.00%, will mature on December 31, 2023 (the “**Maturity Date**”) and interest will be payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2019. At the holder’s option, the Series B Debentures may be converted into common shares of Accord (“**Common Shares**”) at any time prior to the close of business on the earliest of (i) the business day immediately preceding the Maturity Date; (ii) if called for redemption, on the business day immediately preceding the date specified by Accord for redemption of the Series B Debentures; or (iii) if Accord is required to offer to purchase such Series B Debentures pursuant to a change of control purchase offer, on the business day immediately preceding the payment date. The initial conversion price will be \$13.50 per Common Share, and will be subject to adjustment in certain circumstances.

Accord will use the net proceeds of the private placement of Series B Debentures to repay a portion of its bank indebtedness and for general and working capital purposes.

Item 5 Full Description of Material Change

See the news release attached as Appendix “A”.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Stuart Adair
Senior Vice President, Chief Financial Officer
sadair@accordfinancial.com
(416) 642-5647

Item 9 Date of Report

September 19, 2019.

Accord Financial Corp. and Concentra Bank Announce Strategic Alliance and Private Placement of Convertible Unsecured Subordinated Debentures

TORONTO and REGINA, Sept. 16, 2019 /CNW/ - Accord Financial Corp. (TSX – ACD) ("Accord") and Concentra Bank ("Concentra") are pleased to announce the formation of a strategic alliance and a \$5 million private placement of convertible unsecured subordinated debentures. The strategic alliance, expected to be formalized by September 30, will allow both parties to deliver a broader range of banking and financing solutions to their clients, clearly enhancing the value they deliver in their respective markets. Accord and Concentra will also consider developing new products together as opportunities arise.

Highlights

- With more than \$35 billion of total assets under administration, Concentra is the leading provider of wholesale banking and trust solutions to credit unions across Canada
- Accord is one of North America's leading independent commercial finance companies, serving a broad base of the country's most dynamic industries since 1978
- The alliance will capitalize on significant cross-referral opportunities, giving each organization access to new markets and enhancing their value proposition within existing markets
- Concentra's investment in Accord will boost its capital base, paving the way for continued growth

Accord's asset-based lending, factoring and equipment finance solutions have been embraced by small and medium-sized businesses throughout Canada and the United States. Through this strategic alliance, Concentra will offer Accord's suite of innovative solutions through its network of 200+ credit unions, serving 5.5 million customers, of which approximately 10% are commercial clients. "This alliance is an outstanding opportunity for us to reach a broad cross-section of the Canadian economy, especially in areas and industries under-served by the traditional banks," said Simon Hitzig, Accord's President & CEO. "We look forward to enhancing the business relationships each organization already has, and creating new ones together."

Concentra, as a Schedule I chartered bank, offers a comprehensive suite of banking products, including deposits, cash management, senior bank debt, and trust services. Accord plans to offer these same products to its coast-to-coast network of business clients who would benefit extensively from these solutions. "This alliance enhances the solution set we can deliver through the credit union system and gives us access to a new channel to deliver our unique banking solutions," said Concentra President & CEO Don Coulter. "Both organizations bring an entrepreneurial spirit to serving Canada's business community, an approach that naturally puts us on the same page as our clients."

In connection to this strategic partnership, Concentra has invested \$5 million in unlisted Series B convertible unsecured subordinated debentures (the "Debentures") via private placement. The Debentures have an interest rate of 7.00%, will mature on December 31, 2023 (the "Maturity Date") and interest will be payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2019. At Concentra's option, the Debentures may be converted into common shares of Accord ("Common Shares") at any time prior to the close of business on the

earliest of (i) the business day immediately preceding the Maturity Date; (ii) if called for redemption, on the business day immediately preceding the date specified by Accord for redemption of the Debentures; or (iii) if Accord is required to offer to purchase such Debentures pursuant to a change of control purchase offer, on the business day immediately preceding the payment date. The initial conversion price will be \$13.50 per Common Share, and will be subject to adjustment in certain circumstances.

Accord will use the net proceeds of the private placement of Debentures to repay a portion of its bank indebtedness and for general and working capital purposes.

INFOR Financial Inc. acted as the exclusive financial advisor to Accord in connection with the establishment of the strategic partnership and the private placement.

About Accord Financial Corp.

Accord Financial Corp., founded in 1978, is one of North America's leading independent finance companies. Serving clients throughout the United States and Canada, Accord's flexible finance programs cover the full spectrum of asset-based lending, including: factoring, inventory finance, equipment finance, trade finance and film/media finance. For 41 years, Accord has simplified access to capital, helping businesses seize opportunity and drive success.

About Concentra Bank

As Canada's leading provider of wholesale banking and trust solutions to credit unions, Concentra partners with its clients and fintechs to offer Canadians commercial lending, mortgages, securitization, foreign exchange, cash and treasury management, and leasing solutions. Wealth management offerings from Concentra Trust focus on registered plans, personal and corporate trust services, and estate planning and administration. In 2018 Concentra adopted a new business model and strategy, and in 10 years, it aspires to be Canada's leading mid-market commercial bank, while continuing to support the credit union system. Concentra's purpose, "Creating the future of banking, to enable your success," commits the bank to improving its organization, communities and industry and to being a bold leader in banking, creating solutions with customers' needs in mind. As of March 31, 2019, Concentra managed total loan assets of more than \$8.1 billion.

Forward-Looking Statements

This press release includes forward-looking statements about Accord and Concentra. In certain cases, forward-looking statements are 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 'expects', 'anticipates', 'intends', 'plans', 'believes', 'budgeted', 'estimates', 'forecasts', 'targets' 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 and are inherently subject to, among other things, risks, uncertainties and assumptions about Accord's and Concentra's operations, economic factors and the industry generally, as well as those factors referred to in the "Risks and Uncertainties That Could Affect Future Results" section on pages 27 to 30 of Accord's annual report for the year ended December 31, 2018, which is incorporated by reference into its Annual Information Form dated March 22, 2019, and "Caution Regarding Forward-Looking Statements" on page 1 of Concentra's 2018 Management's Discussion and Analysis.

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 Accord and Concentra. The reader is cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements, which may not be appropriate for other purposes. Accord and Concentra are under no obligation (and expressly

disclaim 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.

SOURCE Accord Financial Corp.

View original content: <http://www.newswire.ca/en/releases/archive/September2019/16/c7976.html>

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