



ACCORD

FINANCIAL

**NOTICE OF MEETING OF HOLDERS OF
THE 7% CONVERTIBLE UNSECURED
SUBORDINATED DEBENTURES ISSUED ON
DECEMBER 18, 2018 AND DUE DECEMBER 31, 2023**

TO BE HELD ON AUGUST 10, 2023

MANAGEMENT INFORMATION CIRCULAR

June 30, 2023

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. If you are in doubt as to what decision to make, please contact your financial, legal, income tax or other professional advisors. If you have any questions or require more information, please contact Accord Financial Corp.

THE BOARD OF DIRECTORS OF ACCORD FINANCIAL CORP. UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR THE DEBENTURE AMENDMENTS AS SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.

ACCORD FINANCIAL CORP.
LETTER TO DEBENTUREHOLDERS

Re: Debenture Amendments

Dear holders of the 7% Convertible Unsecured Subordinated Debentures issued on December 18, 2018 and due December 31, 2023 (the “**Debentures**”):

You, as holders (“**Debentureholders**”) of the Debentures of Accord Financial Corp. (the “**Corporation**”) are being asked to consider at a meeting (the “**Meeting**”) of Debentureholders, which has been called for August 10, 2023, a resolution (the “**Debentureholder Resolution**”) that would authorize and approve certain amendments (the “**Debenture Amendments**”) to the Corporation’s trust indenture dated December 18, 2018, as supplemented by the first supplemental indenture dated September 13, 2019 (the “**Indenture**”) between the Corporation and Computershare Trust Company of Canada (the “**Debenture Trustee**”) and to the Debentures, which, if approved by the Debentureholders, will:

- (i) Increase the interest rate on the Debentures from 7% to 10%, which increase would be effective as of January 2, 2024 due to the trading mechanics of the Toronto Stock Exchange (“**TSX**”);
- (ii) Extend the maturity date of the Debentures from December 31, 2023 to January 31, 2026;
- (iii) Remove the conversion right of the Debentureholders;
- (iv) Remove the Corporation’s right to repay the principal amount of the Debentures in common shares of the Corporation (“**Common Shares**”) on the new maturity date or any redemption date; and
- (v) Provide that the Debentures are not redeemable prior to February 1, 2024 except in the event of a change of control as provided in the Indenture.

If the Debenture Resolution is approved, the Debenture Amendments will be reflected in a supplemental trust indenture between the Corporation and Debenture Trustee with the expected effective date of August 15, 2023 (provided that the increase to the underlying interest rate will only be effective as of January 2, 2024 due to the trading mechanics of the TSX).

The Debenture Resolution must be approved by the holders of at least 66⅔% of the principal amount of the Debentures present in person or by proxy at the Meeting and entitled to vote in respect of the Debenture Amendments.

The Debentures trade on the TSX under the symbol “**ACD.DB**”. The Corporation has applied to the TSX for approval of the Debenture Amendments and the Debenture Amendments remain subject to the approval of the TSX.

Benefits of the Debenture Amendments

The Board of Directors of the Corporation (the “**Board**”) believes that the Debenture Amendments provide a number of benefits to the Corporation and the Debentureholders. The Board expects that the Debenture Amendments, if approved by the Debentureholders, would provide the following advantages to the Debentureholders:

- **Increased Interest Rate:** Increasing the interest rate from 7% to 10% provides an attractive yield to Debentureholders.
- **Extension of Maturity Date:** The extension of the maturity date will afford Debentureholders a longer period of time during which to receive interest at a favourable rate.

- **Removal of Share Repayment Right:** Removing the Corporation's right to repay the principal amount in Common Shares provides more certainty as to the form and value of principal at maturity or any redemption date.
- **Consent Fee:** Any Debentureholder that votes for the Debenture Amendments in accordance with the terms and conditions herein will receive a cash consent fee of \$20 per \$1,000 principal amount of Debentures held by such Debentureholder as of the Record Date (as defined herein) (the "**Consent Fee**") provided that certain other conditions required for the payment of the Consent Fee are satisfied, including that the Debenture Amendments are validly approved by Debentureholders and the TSX.

For more information, see "Benefits of Debenture Amendments" in the accompanying management information circular (the "**Circular**").

Consequences if Debenture Amendments Not Approved

In the event that the Debenture Amendments are not approved, the Debentures will mature on the scheduled maturity date of December 31, 2023 and the Corporation will consider the alternatives available to it to address the maturity of the Debentures. The options may include arranging for alternate debt financing in order to fund the pay-out in cash of the principal amount and/or satisfying the obligation to pay the amount owing on maturity, in whole or in part, through the issuance of Common Shares.

Consent Fee

On or about September 30, 2023, and subject to the conditions to the payment of the Consent Fee set out in the Circular, the Corporation will pay the Consent Fee of \$20 per \$1,000 principal amount of Debentures to Debentureholders that delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favor of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on August 8, 2023. All other Debentureholders will not be eligible to receive the Consent Fee, but will be bound by the Debenture Amendments if they become effective.

Board Recommendation

The Board has concluded that the Debenture Amendments are in the best interests of the Corporation. The Debenture Amendments will provide the Corporation with continuity of financing with an amount and terms that will facilitate continued growth, and avoid the time and expense of arranging for alternative financing to repay the Debentures in 2023 at a time when financial and capital markets are uncertain. At the same time, increasing the interest rate, extending the maturity date, and committing to repayment of principal in cash will also provide Debentureholders with attractive terms over a longer period of time. The Board therefore recommends that Debentureholders approve the Debenture Amendments.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE FOR THE DEBENTUREHOLDER RESOLUTION WHICH AUTHORIZES AND APPROVES THE DEBENTURE AMENDMENTS.

Debentureholder Meeting

The Corporation has called the Meeting to consider the Debenture Amendments at 5300 Commerce Court West, 199 Bay St., Toronto, ON M5L 1B9 on August 10, 2023 at 10:00 a.m. (Eastern Time). For details on how to vote, please read the accompanying Circular.

Proxy Information

As a Beneficial Debentureholder (i.e. a non-registered Debentureholder), an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Debentures for you, or for someone else on your behalf, and the Debentures are registered in the name of the nominee. In accordance with applicable

securities laws, the Corporation distributes copies of its meeting materials to intermediaries for onward distribution to Beneficial Debentureholders. As a Beneficial Debentureholder, you will most likely receive a Voting Instruction Form from Broadridge Financial Solutions, Inc. ("**Broadridge**") on behalf of intermediaries. However, it is also possible that in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Debentures.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

To vote FOR the Debentureholder Resolution, Debentureholders can do so by using any of the methods outlined below in accordance with the instructions on the accompanying Form of Proxy or Voting Instruction Form:

By Mail:

Step 1. Mark the "**FOR**" box in the Form of Proxy or Voting Instruction Form.

Step 2. Sign and date the Form of Proxy or Voting Instruction Form.

Step 3. Mail the Form of Proxy or Voting Instruction Form in accordance with the instructions on the Form of Proxy or Voting Instruction Form to arrive as soon as practicable. A Form of Proxy or Voting Instruction Form must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on August 8, 2023.

Through Financial Broker:

Debentureholders may contact their brokers or send their Form of Proxy or Voting Instruction Form to their broker who can vote on the Debentureholder's behalf.

Beneficial Debentureholders wishing to vote their Debentures at the Meeting by providing instructions to their broker or other intermediary through which they hold their Debentures should contact their broker or other intermediary in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting.

By Fax:

Use the fax number on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

By Internet:

Follow the instructions on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

Management Information Circular and Questions / Additional Information

The accompanying Circular provides a detailed description of the Debenture Amendments. Please give this material your careful consideration. If you require additional assistance, you should consult your financial, legal, income tax and/or other advisors.

Your vote is important. Whether or not you attend the Meeting, please take the time to vote your Debentures in accordance with the instructions contained in the accompanying Circular and on the Form of Proxy or the Voting Instruction Form. If you have any questions or require assistance, please contact the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer or by telephone at (416) 961-0304 or by e-mail: ieddy@accordfinancial.com.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Simon Hitzig*"

Simon Hitzig
President and Chief Executive Officer

June 30, 2023

**ACCORD FINANCIAL CORP.
NOTICE OF MEETING OF HOLDERS OF
THE 7% CONVERTIBLE UNSECURED
SUBORDINATED DEBENTURES ISSUED ON
DECEMBER 18, 2018 AND DUE DECEMBER 31, 2023**

TO BE HELD ON AUGUST 10, 2023

TO THE DEBENTUREHOLDERS:

Notice is hereby given that a meeting (the **"Meeting"**) of the holders (the **"Debentureholders"**) of the 7% Convertible Unsecured Subordinated Debentures Issued on December 18, 2018 and Due December 31, 2023 (the **"Debentures"**) of Accord Financial Corp. (the **"Corporation"**) will be held at the offices of the Corporation located at 5300 Commerce Court West, 199 Bay St., Toronto, ON M5L 1B9 on August 10, 2023 at 10:00 a.m. (Eastern Time) for the following purposes:

- (1) to consider, and if deemed appropriate, to approve an extraordinary resolution (the **"Debentureholder Resolution"**) in the form attached as Appendix "A" to the management information circular (the **"Circular"**) accompanying this Notice of Meeting of Debentureholders, which will approve certain amendments (the **"Debenture Amendments"**) to the Corporation's trust indenture dated December 18, 2018, as supplemented by the first supplemental indenture dated September 13, 2019 (the **"Indenture"**) between the Corporation and Computershare Trust Company of Canada (the **"Debenture Trustee"**) and to the Debentures, and will authorize the Corporation and the Debenture Trustee to enter into a supplemental trust indenture between the Corporation and the Debenture Trustee which will embody the Debenture Amendments (the **"Supplemental Indenture"**), all as more particularly described in the Circular; and
- (2) to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting.

The Debentureholder Resolution, if approved by the votes of Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting, or any adjournment thereof, in accordance with the provisions of the Indenture, will be binding upon the Debentureholders, whether present at or absent from the Meeting or whether or not they consented to the Debentureholder Resolution. Accordingly, it is important that your Debentures be represented and voted whether or not you plan to attend the Meeting in person or that you submit your proxy or voting instruction form containing your vote.

The Board of Directors of the Corporation has established the record date for the Meeting as the close of business on June 26, 2023 (the **"Record Date"**). Only Debentureholders of record at the close of business on the Record Date will be entitled to receive notice of the Meeting or any adjournment thereof, and to vote at the Meeting or any adjournment thereof or to appoint or revoke a proxy. No Debentureholder becoming a Debentureholder of record after the Record Date will be entitled to vote at the Meeting or any adjournment thereof.

Any Debentureholder that votes for the Debenture Amendments in accordance with the terms and conditions set out in the Circular will receive a cash consent fee of \$20 per \$1,000 principal amount of Debentures held by such Debentureholder as of the Record Date (the **"Consent Fee"**) provided that certain other conditions required for the payment of the Consent Fee are satisfied, including that the Debenture Amendments are validly approved by Debentureholders and the TSX.

The quorum for the Meeting shall consist of Debentureholders representing at least 25% of the principal amount of the Debentures outstanding on the date of the Meeting. If a quorum is not present in person or by proxy within 30 minutes after the time appointed for the Meeting, the Meeting, if convened by or on the requisition of the Debentureholders, shall be dissolved, but in any other case the meeting shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or represented by proxy shall form a quorum, even if they hold less than 25% of the outstanding principal amount.

Please review the Circular carefully and in full prior to voting, as the Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Circular is available under the Corporation's SEDAR profile at www.sedar.ca.

Debentureholders must complete the Form of Proxy or Voting Instruction Form as instructed on the Form of Proxy/Voting Instruction Form and described in the Circular. To be valid, the Form of Proxy or Voting Instruction Form must be received by TSX Trust Company no later than 10:00 a.m. (Eastern Time) on August 8, 2023, or if the Meeting is adjourned, no later than 10:00 a.m. (Eastern Time) on the last business day preceding the day to which the Meeting is adjourned.

If you have any questions or require assistance, please contact the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer or by telephone at (416) 961-0304 or by email: ieddy@accordfinancial.com.

ACCORD FINANCIAL CORP.

(Signed) "*Simon Hitzig*"

Simon Hitzig,
President and Chief Executive Officer

June 30, 2023

**MANAGEMENT INFORMATION CIRCULAR
OF ACCORD FINANCIAL CORP.**

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MANAGEMENT INFORMATION CIRCULAR

The information contained in this management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies to be used at the meeting of the holders (the “**Debentureholders**”) of the 7% Convertible Unsecured Subordinated Debentures issued on December 18, 2018 and due December 31, 2023 (the “**Debentures**”) of Accord Financial Corp. (the “**Corporation**”) to be held at 5300 Commerce Court West, 199 Bay St., Toronto, ON M5L 1B9 on August 10, 2023 at 10:00 a.m. (Eastern Time) (the “**Meeting**”), and at all adjournments thereof, for the purpose(s) set forth in the accompanying Notice of Meeting.

INTRODUCTION

Information Contained in this Circular

This Circular is provided in connection with the solicitation of proxies by and on behalf of the management of the Corporation for use at the Meeting and any adjournment thereof. No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Debentureholders other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to whether to vote for the Debentureholder Resolution or be considered to have been authorized by the Corporation.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

The accompanying Form of Proxy or Voting Instruction Form is for use by Debentureholders in connection with the Debenture Amendments, and Debentureholders are encouraged to vote in accordance with the instructions set out therein.

Notice to Debentureholders in the United States

The Debentures have not been and will not be registered under the *United States Securities Act of 1933* (the “1933 Act”).

The solicitation of proxies for the Meeting is not subject to the proxy requirements of the *United States Securities Exchange Act of 1934*, as amended (the “**1934 Act**”). Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Debentureholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The enforcement by investors of civil liabilities under the United States federal and state securities laws may be affected adversely by the fact that the Corporation is incorporated outside the United States, that some or all of its officers and directors are residents of a foreign country, that all or a substantial portion of the assets of the Corporation and said persons are located outside the United States. As a result, it may be difficult or impossible for Debentureholders in the United States to effect service of process within the United States upon the Corporation, or its officers and directors, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws. In addition, Debentureholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons

predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws, or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws.

You should be aware that the Debenture Amendments may have tax consequences both in the United States and in Canada. Tax considerations applicable to Debentureholders subject to United States federal taxation have not been included in the Circular, and such Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “**SEC**”), ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute “**forward-looking statements**”. All statements included in this Circular that address forward-looking events, conditions or results of operations, including in respect of the Debenture Amendments, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may,” “should,” “will,” “could,” “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe,” “future” or “continue” or the negative forms thereof or similar variations. Forward looking statements in this Circular include, but are not limited to, the expected terms of the Debenture Amendments; the expected effective date of the Debenture Amendments; and the expected benefits of the Debenture Amendments to the Corporation and to the Debentureholders. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Debentureholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including, but not limited to the risk that the Debenture Amendments will not be successfully completed for any reason and the risk applicable to any debt instrument that, if completed, the Corporation may not be able to pay the interest and/or repay the principal amount outstanding under the Amended Debentures when due, and that the Corporation or Debentureholders may not realize the anticipated benefits of the Debenture Amendments. Many of such risks and uncertainties are outside the control of the Corporation and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to the factors described under the heading “Risk Factors” in the 2022 AIF (as defined herein) and the most recent MD&A (as defined herein) and under “Risks Related to the Debenture Amendments” in this Circular. Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Currency and Date Information

In this Circular, all dollar amounts are expressed in Canadian dollars unless otherwise specified. Information contained in this Circular is given as of June 30, 2023, unless otherwise specifically stated.

THE DEBENTURE AMENDMENTS

General

Debentureholders are being asked to consider, and if deemed appropriate, to adopt, the Debentureholder Resolution which, if approved by the Debentureholders, will authorize the Debenture Trustee to enter into the Supplemental Indenture to affect the Debenture Amendments, which will amend the Indenture by:

1. Increasing the interest rate on the Debentures from 7% to 10%, which increase would be effective as of January 2, 2024 due to the trading mechanics of the Toronto Stock Exchange ("**TSX**");
2. Extending the maturity date of the Debentures from December 31, 2023 to January 31, 2026;
3. Removing the conversion right of the Debentureholders;
4. Removing the Corporation's right to repay the principal amount of the Debentures in common shares of the Corporation ("**Common Shares**") on the new maturity date or any redemption date; and
5. Providing that the Debentures are not redeemable prior to February 1, 2024 except in the event of a change of control as provided in the Corporation's trust indenture dated December 18, 2018, as supplemented by the first supplemental indenture dated September 13, 2019 (the "**Indenture**").

Other than the foregoing amendments, the Indenture and Debentures will substantially remain unchanged. The full text of the Debentureholder Resolution is attached to this Circular as Appendix "A".

If the Debentureholder Resolution is approved by the Debentureholders, the Debenture Amendments will be reflected in a supplemental trust indenture between the Corporation and the Debenture Trustee with the expected effective date of August 15, 2023 (the "**Supplemental Indenture**") (provided that the interest rate increase will be effective as of January 2, 2024 due to the trading mechanics of the TSX).

Quorum

The quorum for the Meeting shall consist of Debentureholders representing at least 25% of the principal amount of the Debentures outstanding on the date of the Meeting. If a quorum is not present in person or by proxy within 30 minutes after the time appointed for the Meeting, the Meeting, if convened by or on the requisition of the Debentureholders, shall be dissolved, but in any other case the meeting shall stand adjourned to such date, being not less than 14 nor more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or represented by proxy shall form a quorum, even if they hold less than 25% of the outstanding principal amount.

Outstanding Debentures

As at the date hereof, the Corporation has issued and outstanding \$20,650,000 principal amount of Debentures. On a poll each Debentureholder of record as of the close of business on the Record Date, being June 26, 2023, present in person or represented by proxy duly appointed by an instrument in writing is entitled to one vote at the Meeting in respect of each \$1,000 principal amount of Debentures which he, she or it holds as at the Record Date.

Directors and officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, 8% of the outstanding Debentures. As at the date hereof, the directors and officers of Corporation are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Debentures.

Required Debentureholder Approval

For the Debentureholder Resolution to be adopted, it must be approved by votes “**FOR**” by Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting and voting on the Debentureholder Resolution. The Debenture Amendments will be effective on the date that the Corporation enters into the Supplemental Indenture with the Debenture Trustee, embodying such amendments (provided that the increase to the underlying interest rate will only be effective as of January 2, 2024).

Debentureholders may (1) vote FOR the Debentureholder Resolution by using any of the methods set out on the accompanying Form of Proxy or Voting Instruction Form in accordance with the instructions set out therein, or (2) vote in person at the Meeting – see the instructions set out under “General Proxy and Meeting Matters.” The Meeting is scheduled to be held at 5300 Commerce Court West, 199 Bay St., Toronto, ON M5L 1B9 at 10:00 a.m. (Eastern Time) on August 10, 2023.

The Debentureholder Resolution, if approved in accordance with the provisions of the Indenture, will be binding upon all Debentureholders.

Listing

The Debentures trade on the TSX under the symbol “**ACD.DB**”. The Corporation has applied to the TSX for approval of the Debenture Amendments and the Debenture Amendments remain subject to the approval of the TSX.

BACKGROUND TO AND REASONS FOR THE DEBENTURE AMENDMENTS

Background to the Debenture Amendments

The board of directors of the Corporation (the “**Board**”) regularly reviews and evaluates the Corporation’s capital structure and strategic options with a view to enhancing securityholder value. The Board has been identifying and evaluating the options available to the Corporation to address the upcoming maturity of the Debentures. The Corporation has several alternatives available to it, including retiring the Debentures with Common Shares or cash under the existing terms of the Debentures, refinancing the Debentures with another financing vehicle, selling assets or amending the terms of the Debentures to extend the maturity date. The Board believes that implementation of the proposed Debenture Amendments are in the best interests of the Corporation as they will provide the Corporation with continuity of financing with an amount and terms that will facilitate continued growth, and avoid the time and expense of arranging for alternative financing to repay the Debentures in 2023 at a time when financial and capital markets are uncertain. At the same time, increasing the interest rate, extending the maturity date, and committing to repayment of principal in cash will also provide Debentureholders with attractive terms extending beyond the existing maturity date. The Board believes the proposed amended terms will therefore be beneficial to both the Corporation and the Debentureholders.

Benefits of the Debenture Amendments

The Corporation believes that the Debentureholders will benefit from the Debenture Amendments, as set out below.

(a) *Extension of the Maturity Date*

The extension of the maturity date will afford Debentureholders a longer period of time during which to receive interest at a favorable rate.

(b) *Increased Interest Rate*

An increased interest rate of 10% represents an attractive yield to Debentureholders in today’s market.

(c) *Removal of Conversion Right*

The Corporation believes that removal of the right to convert the Debentures into Common Shares will not have any material impact on the Debentureholders as the price at which the Debentures convert into Common Shares is \$13.50 per Common Share, which is far above the current market price of the Common Shares.

(d) *Removal of Share Repayment Right*

The Corporation will no longer have the right to repay the principal amount of the Debentures in Common Shares on the new maturity date of the Debentures or any redemption of the Debentures by the Corporation. This eliminates the possibility that Debentureholders may be forced to accept repayment of their Debentures in Common Shares rather than cash in the future, without their consent.

(e) *Consent Fee*

On or about September 30, 2023, and subject to the conditions to the payment of the Consent Fee set out in the Circular, the Corporation will pay the Consent Fee to Debentureholders that delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favor of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on August 8, 2023. See “**Consent Fee**” below for more details.

Consequences if Debenture Amendments Not Approved

In the event that the Debenture Amendments are not approved, the Debentures will mature on December 31, 2023 and the Corporation will consider the alternatives available to it to address the maturity of the Debentures. The options may include arranging for alternate debt financing in order to fund the pay-out in cash of the principal amount and/or satisfying the obligation to pay the amount owing on maturity, in whole or in part, through the issuance of Common Shares.

Consent Fee

Any Debentureholder who votes for the Debenture Amendments in accordance with the terms and conditions herein, provided that the Debenture Amendments are validly approved by Debentureholders and the TSX, will receive \$20 per \$1,000 principal amount of Debentures held by such Debentureholder as of the Record Date provided that such Debentureholders delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favor of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on August 8, 2023. All other Debentureholders will not be eligible to receive the Consent Fee but will be bound by the Debenture Amendments if they become effective. Payment of the Consent Fee will be conditional upon, among other things, the Debentureholder Resolution being validly approved by Debentureholders and satisfaction of the other conditions precedent to the execution of the Supplemental Indenture described in the Circular. Assuming that all of the Debentureholders vote in favour of the Debenture Amendments, the aggregate amount of the Consent Fee payable by the Corporation on or about September 30, 2023 will be \$413,000 to the Debentureholders.

The obligation of the Corporation to pay any Consent Fee is subject to the following conditions:

1. The prior approval of the Debenture Amendments by the TSX;
2. Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting voting FOR the Debentureholder Resolution marking the “**VOTES FOR**” box on their Form of Proxy or Voting Instruction Form and signing and depositing it in accordance with the instructions;
3. The execution and delivery of the Supplemental Indenture by the Corporation and the Debenture Trustee; and

4. The absence of any law, regulation or stock exchange rule that would, and the absence of any pending or threatened injunction or other proceeding that (if adversely determined) would, make unlawful or invalid or enjoin the Debentureholder Resolution, the implementation of the Debenture Amendments or the entering into of the Supplemental Indenture, or the payment of any Consent Fee, or that would question the legality or validity thereof (collectively, the “**Payment Conditions**”).

The Payment Conditions are for the benefit of the Corporation, and such conditions may be asserted by the Corporation, regardless of the circumstances giving rise to such Payment Conditions, and, provided the TSX has approved the Debenture Amendments, the Corporation may waive any of the other Payment Conditions, in whole or in part (other than condition (3) above). Any determination by the Corporation described in this paragraph shall be final and binding upon all persons.

Recommendation of the Board

The Board has concluded that the proposed Debenture Amendments are in the best interests of the Corporation as they will provide the Corporation with continuity of financing with an amount and terms that will facilitate continued growth, and avoid the time and expense of arranging for alternative financing to repay the Debentures in 2023 at a time when financial and capital markets are uncertain. At the same time, increasing the interest rate, extending the maturity date, and committing to repayment of principal in cash will also provide Debentureholders with attractive terms extending beyond the existing maturity date. Debentureholders. The Board therefore recommends that Debentureholders approve the Debenture Amendments. **See “Background to the Debenture Amendments” and “Benefits of the Debenture Amendments” for further information.**

In coming to its conclusion and recommendations, the Board considered, among other things, the purpose and benefits to the Corporation and Debentureholders of the Debenture Amendments as outlined herein, and information concerning the Corporation’s business and financial needs and its expectations relating to commodity and financial markets.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE FOR THE DEBENTUREHOLDER RESOLUTION WHICH AUTHORIZES AND APPROVES THE DEBENTURE AMENDMENTS.

RISKS RELATED TO THE DEBENTURE AMENDMENTS

Market for Debentures

The Debentures currently trade on the TSX. However, no assurance can be given that an active or liquid trading market for the Debentures will continue or be sustained. If an active or liquid market for the Debentures fails to be sustained, the prices at which the Debentures trade may be adversely affected. Whether or not the Debentures will trade at lower prices depends on many factors, including the liquidity of the Debentures, prevailing interest rates and the markets for similar securities, the market price of the Corporation’s common shares, general economic conditions and the Corporation’s financial condition, historic financial performance and future prospects.

Existing and Prior Ranking Indebtedness

The Debentures are subordinate to senior indebtedness of, and to any indebtedness of trade creditors of, the Corporation. The Debentures are also effectively subordinated to claims of creditors of the Corporation’s subsidiaries, except to the extent that the Corporation is a creditor of such subsidiaries ranking at least pari passu with such creditors. In the event of the Corporation’s insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of such senior indebtedness before being available to pay the Corporation’s obligations to the holders of the Debentures. Accordingly, all or a substantial portion of the Corporation’s assets could be unavailable to satisfy the claims of the holders of the Debentures.

Purchase on a Change of Control

The Corporation may be required by Debentureholders to offer to purchase for cash all outstanding Debentures upon the occurrence of a Change of Control (as defined in the Indenture). However, it is possible that following a Change of Control, the Corporation will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. In addition, the Corporation's ability to purchase the Debentures in such an event may be limited by law by the terms of other present or future agreements relating to indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. The Corporation's future credit agreements or other agreements may contain provisions that could prohibit the purchase of the Debentures by the Corporation. The Corporation's failure to purchase the Debentures would constitute an event of default under the Indenture (and the Supplemental Indenture), which might constitute a default under the terms of the Corporation's other indebtedness at that time.

Redemption Prior to Maturity

The Supplemental Indenture will provide that as of February 1, 2024 and prior to the maturity date, the Debentures may be redeemed, at the option of the Corporation at any time and from time to time, in the circumstances and at the redemption prices set forth in the Supplemental Indenture, together with any accrued and unpaid interest. Holders of Debentures should assume that this redemption option, when available, will be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Debentures.

Tax Laws

The Indenture does, and the Supplemental Indenture will, contain a requirement that the Corporation increase or "**gross up**" the amount of interest payable to Debentureholders in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. Debentureholders who are not resident in Canada should consult with their own tax advisors regarding the withholding tax consequences of disposing, assigning or transferring a Debenture to a person resident or deemed to be resident in Canada (other than the Corporation) since the Corporation is only required to pay amounts for withholding to a non-resident holder for any such interest or deemed interest which the Corporation pays or is deemed to have paid. Income tax consequences in relation to the Debentures will vary according to the circumstances of each investor.

Absence of Covenant Protection

The Indenture does not, and the Supplemental Indenture will not, restrict the Corporation or any of its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its assets to secure any indebtedness. The Indenture does not, and the Supplemental Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation or any of its subsidiaries.

Certain Consequences if the Debenture Amendments are not approved by Debentureholders

If the Debentureholder Resolution is not approved by the Debentureholders at the Meeting, or any adjournment thereof, and the maturity of the Debentures therefore remains at December 31, 2023, the Corporation will consider the alternatives available to it to address the maturity of the Debentures. The options may include arranging for alternate debt financing in order to fund the pay-out in cash of the principal amount together with the accrued and unpaid interest thereon and/or satisfying the obligation to pay the amount owing on the maturity date, in whole or in part, through the issuance of Common Shares. The Corporation may consider paying-out all of the Debentures through the exercise of the Common Share Repayment Right (as defined in the Indenture) on the maturity date. Under the Common Share Repayment Right, the number of Common Shares issuable would be determined by dividing the principal amount of the Debentures being redeemed by 95% of the then Current Market Price (as defined in the Indenture) of the Common Shares, as

determined in accordance with the Indenture, on the date of maturity. This would result in dilution of existing shareholders' interest in the Corporation and may have a negative impact on the Corporation's future discussions with its senior lenders and providers of subordinated debt financing.

Risks to Approving the Debentureholder Resolution

To the extent that Debentureholders vote in favour of the Debentureholder Resolution, Debentureholders may ultimately find that the Corporation is unable to repay the Debentures at the amended maturity date. Following the maturity date of the existing Debentures but before the maturity date of the Amended Debentures, the Corporation may become subject to a bankruptcy or similar proceeding. If Debentureholders vote in favour of the Debentureholder Resolution, Debentureholders will be exposed to the risk of nonpayment for a longer period of time.

No Independent Valuation

The Corporation has not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the terms of the Amended Debentures or the relative values of the existing Debentures or the Amended Debentures. If Debentureholders vote in favour of the Debentureholder Resolution, Debentureholders may receive less value than if they vote against the Debentureholder Resolution. The Corporation cannot assure Debentureholders that if you vote in favour of the Debentureholder Resolution that, you will receive more or as much value than if you choose to vote against the Debentureholder Resolution.

Conditions Precedent for Debenture Amendments

The Debenture Amendments will not be completed unless and until all conditions precedent to the Debenture Amendments described herein are satisfied or waived. See "Required Debentureholder Approval". There can be no certainty that all conditions precedent to the Debenture Amendments will be satisfied. Some of the conditions precedent are outside of the control of the Corporation, including the approval of the Debentureholders and receipt of final TSX approval. Even if the Debenture Amendments are approved by the requisite number of Debentureholders, it may not be completed. If for any reason the Debenture Amendments are not completed, the market price of the Common Shares and Debentures may be adversely affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of the Corporation or result in the Debenture Amendments not being completed.

Additional risks relating to the Corporation can be found in the Corporation's 2022 AIF (as defined herein) and the most recent MD&A (as defined herein), which is available under the Corporation's SEDAR profile at www.sedar.com.

CERTAIN INFORMATION CONCERNING THE CORPORATION

General

The Corporation operates as a finance company focused on providing financial services to industrial and commercial enterprises in Canada and the United States. The Corporation provides a wide range of asset-based financial services, including asset-based lending, receivables financing, factoring, inventory financing, lease and equipment financing, working capital financing, film and media financing, and unsecured working capital financing benefitting from a partial guarantee from Export Development Canada. It also provides credit protection and receivables management services. The Corporation's clients operate in many different industries, including apparel, financial and professional services, leasing, manufacturing, wholesale and distribution, retail, transportation, media, chemicals, real estate, oilfield services, telecommunications, textiles, printing and industrial products.

For information with respect to the Corporation, see the Corporation's Public Disclosure Documents which are available under the Corporation's SEDAR profile at www.sedar.com.

Trust Indenture

The current terms of the Debentures are set forth in the Indenture. A copy of the Indenture is posted for public access on the Corporation's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request to the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer, or by telephone at (416) 961-0304 or by e-mail: ieddy@accordfinancial.com.

Documents Incorporated by Reference

The following documents of the Corporation filed with securities commissions or similar authorities in each of the provinces of Canada are incorporated by reference into this Circular (collectively, the "**Public Disclosure Documents**"):

- (a) the audited consolidated financial statements of Corporation as at and for the year ended December 31, 2022, and the independent auditor's report thereon;
- (b) the management's discussion and analysis of the Corporation's operating results and financial position for the year ended December 31, 2022;
- (c) the annual information form of the Corporation dated March 31, 2023 for the year ended December 31, 2022 (the "**2022 AIF**");
- (d) the management information circular for the Corporation's 2023 annual meeting of shareholders dated April 24, 2023;
- (e) the interim consolidated financial statements of the Corporation as at and for the quarter ended March 31, 2023; and
- (f) the management's discussion and analysis of the Corporation's operating results and financial position dated May 8, 2023 for the quarter ended March 31, 2023 (the "**MD&A**").

Copies of the documents incorporated by reference herein and all of the Corporation's other public filings providing additional information relating to the Corporation are located and may be obtained on the Corporation's profile at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

Market for Securities

The Common Shares are listed and posted for trading on the TSX under the trading symbol "**ACD**". The table below sets forth the monthly trading volumes and high and low prices of the Common Shares on the TSX during the periods indicated:

Month	High (\$)	Low (\$)	Volume
June 2022	9.50	8.75	51,421

Month	High (\$)	Low (\$)	Volume
July 2022	9.19	8.84	22,546
August 2022	9.36	8.15	17,519
September 2022	8.62	8.16	5,282
October 2022	8.20	7.65	14,107
November 2022	8.17	7.50	12,165
December 2022	8.20	7.50	25,020
January 2023	8.09	7.38	11,975
February 2023	7.80	7.45	64,578
March 2023	7.40	6.70	52,384
April 2023	7.15	6.31	9,186
May 2023	6.59	6.00	25,780
June 1 – June 28, 2023	6.65	6.00	32,735

The Debentures are listed and posted for trading on the TSX under the trading symbol “**ACD.DB**”. The table below sets forth the monthly trading volumes and the high and low prices for the Debentures during the periods indicated:

Month	High (\$)	Low (\$)	Volume
June 2022	102.00	98.00	760
July 2022	100.00	98.50	1,030
August 2022	100.00	98.50	220
September 2022	99.00	98.00	950
October 2022	100.09	95.01	700
November 2022	100.00	96.01	1,040
December 2022	99.10	98.00	1,180
January 2023	99.50	95.51	2,800
February 2023	99.60	99.00	590
March 2023	99.75	97.51	900
April 2023	n/a	n/a	no trades
May 2023	100.00	98.50	1,440
June 1 – June 28, 2023	100.00	95	310

Prior Sales

No Common Shares and securities convertible into Common Shares were sold during the twelve-month period prior to the date of this Circular.

Interests of Directors and Officers in the Debenture Amendments

The interest of the executive officers and directors of the Corporation in the Debenture Amendments, being their holdings of Common Shares and Debentures, are summarized in the following table. The Board was aware of these interests and considered them, among other matters, when recommending approval of the Debenture Amendments. Messrs. Hitzig, Prager and Warden are the only executive officers and directors beneficially holding Debentures and have advised the Board that they intend to vote in favour of the Debentureholder Resolution.

Name and Position	Number and Percentage of Common Shares Held	Principal Amount and Percentage of Debentures Held ⁽²⁾
Simon Hitzig	2,222,090 (25.96%) ⁽¹⁾	1,300 / \$1,300,000

<i>President and Chief Executive Officer</i>		
Gary Prager <i>Director</i>	8,900 (0.1%)	330 / 330,000
Stephen Warden <i>Director</i>	9,000 (0.11%)	25 / \$25,000

Notes:

- (1) Simon Hitzig exercises control over Hitzig Bros., Hargreaves & Co. Inc. which is the beneficial owner of 2,000,000 of these shares and 750 of these convertible debentures.
- (2) The value of convertible debentures held is the number of debentures held multiplied by the closing price of the Corporation's convertible debentures on the TSX on June 19, \$1,000.

Interest of Informed Persons in Material Transactions

Except as disclosed below or elsewhere in this Circular or incorporated by reference herein, neither the Corporation nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material Canadian federal income tax considerations to Debentureholders arising from and relating to the Debenture Amendments. This summary is applicable to Debentureholders who, at all relevant times, for purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the "**Tax Act**"), are resident or deemed to be resident in Canada, deal at arm's length and are not affiliated with the Corporation and hold Debentures as capital property (a "**Holder**"). Generally, the Debentures will be considered to be capital property to a holder provided that the holder does not hold the Debentures in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Debentures as capital property may, in certain circumstances, be entitled to make an irrevocable election under subsection 39(4) of the Tax Act to have their Debentures and every other "Canadian security" (as defined in the Tax Act) owned by such holders in the taxation year of the election and all subsequent taxation years treated as capital property. Such holders should consult their own tax advisors regarding the availability and the advisability of such election in their particular circumstances.

This summary does not apply to a Debentureholder: (i) that is a "financial institution" (as defined in the Tax Act) for the purposes of the "mark-to-market" rules in the Tax Act; (ii) an interest in which would be a "tax shelter investment" (as defined in the Tax Act); (iii) that is a specified financial institution (as defined in the Tax Act); (iv) that has entered or will enter into a "derivative forward agreement" with respect to the Debentures within the meaning of the Tax Act; or (v) that has made a functional currency reporting election for purposes of the Tax Act.

No ruling from the Canada Revenue Agency (the "**CRA**") has been requested, or will be obtained, regarding the Canadian federal income tax consequences of the Debenture Amendments or the receipt of the Consent Fee to Debentureholders. This summary is not binding on the CRA, and the CRA is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the CRA and the Canadian courts could disagree with one or more of the positions taken in this summary.

This summary is based upon the facts set out in this Circular, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior

to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current published administrative practices and assessing policies of the CRA. While this summary assumes that the Tax Proposals will be enacted as currently proposed, no assurance can be given that this will be the case.

This summary is not exhaustive of all possible Canadian federal income tax consequences, and does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in administrative practices or assessing policies of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, and should not be considered to be, legal or tax advice to any Debentureholder, and no representations with respect to the income tax consequences to any such holder are made. Debentureholders should consult their own tax advisors for advice with respect to the income tax consequences to them of the Debenture Amendments and acquiring, holding and disposing of Debentures, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of holding Debentures and the Debenture Amendments.

Amendment of Debentures

It is not certain whether the Debenture Amendments would result in a disposition of the Debentures for Canadian tax purposes. Canadian jurisprudence has held that the amendment of several fundamental terms of a debt instrument can result in the creation of a new debt obligation in some circumstances, and for certain purposes. Thus, there can be no assurance that the CRA would not treat the Debenture Amendments as a disposition of the Debentures, or that a Canadian court would agree with the CRA's position. Each Debentureholder should consult its own tax advisor regarding the proper treatment of the Debenture Amendments for Canadian tax purposes.

In the event that the Debenture Amendments do not cause a disposition of the Debentures, then a Holder will not be considered to have disposed of the Debentures by virtue of the Debenture Amendments for purposes of the Tax Act.

In the event that the Debenture Amendments do cause a disposition of the Debentures, a Holder will be deemed to have received proceeds of disposition equal to the fair market value of the Debentures owned by the Holder at the time that the Debenture Amendments become effective (the "**Effective Time**"). The Holder will generally realize a capital gain (or a capital loss) on the disposition equal to the amount by which the Holder's deemed proceeds of disposition (net of any amount required to be included in the Holder's income as interest) exceed (or are exceeded by) the adjusted cost base to the Holder of the Debentures owned at the Effective Time and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under the heading "Taxation of Capital Gains and Losses". The cost of the Debentures to the Holder immediately after the Effective Time will be equal to the fair market value of the Debentures at such time.

Consent Fee

A Holder who receives the Consent Fee will generally be required to include in computing income for a taxation year the amount of the Consent Fee that is received by the Holder in that taxation year. The income tax treatment of the Consent Fee is, however, not certain and no tax ruling has been sought or obtained from the CRA. Holders should consult their own tax advisors in this regard.

Taxation of Debentureholders

Interest on Debentures

A Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Debenture that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Holder disposes of a Debenture in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Holder's income for a preceding taxation year.

Any other Holder will be required to include in computing income for a taxation year all interest on a Debenture that is received or receivable by such Holder in that taxation year (depending on the method regularly followed by the Holder in computing income), including on a redemption or repayment on maturity, except to the extent that the interest was included in the Holder's income for that or a preceding taxation year. In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to a Holder (other than a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary), such Holder will be required to include in computing income for a taxation year any interest that accrues (or is deemed to accrue) to the Holder on the Debenture up to the end of any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in computing the Holder's income for that year or a preceding year.

Any amount paid by the Corporation as a penalty or bonus because of the early repayment or repurchase of all or part of the principal amount of the Debenture (other than a repurchase in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will be deemed to be received by the Holder as interest on the Debenture and will be required to be included in the Holder's income as described above, to the extent such amount can reasonably be considered to relate to, and does not exceed the value at the time of payment of, interest that would otherwise have been payable on the Debenture for the taxation years of the Corporation ending after the payment of such amount.

Disposition of Debentures

A disposition or deemed disposition of a Debenture by a Holder, including a redemption, payment on maturity or purchase for cancellation or otherwise, will generally result in the Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Losses".

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition will be included in computing the income of the Holder as described above under "Interest on Debentures", and will be excluded in computing the Holder's proceeds of disposition of the Debenture.

Taxation of Capital Gains and Losses

Generally, one-half of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year must be included in the income of the Holder for the year, and one-half of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

Alternative Minimum Tax

Capital gains realized by a Holder that is an individual or a trust (other than certain trusts) may affect the Holder's liability to pay alternative minimum tax under the Tax Act. Holders should consult their own tax advisors with respect to the application of alternative minimum tax.

Other Income Taxes

A Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) (or a "substantive CCPC" (as defined in certain Tax Proposals)) may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which generally includes interest income and taxable capital gains.

GENERAL PROXY AND MEETING MATTERS

Solicitation of Proxies and Voting Instructions

This Circular is furnished in connection with the solicitation of proxies and voting instructions by management of the Corporation to be used at the Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally or by telephone by directors, officers or regular employees of the Corporation or its subsidiaries. The Corporation will bear the total cost of the solicitation of proxies and voting instructions and will bear the legal, printing and other costs associated with the preparation of this Circular.

The Corporation reserves the right to terminate, extend or modify the terms of the solicitation of proxies and voting instructions and/or cancel the Meeting at any time prior to the Meeting by notifying Debentureholders via news release and notifying the Debenture Trustee in writing.

If you have any questions or require more information with regard to voting your Debentures please contact the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer or by telephone at (416) 961-0304 or by e-mail: ieddy@accordfinancial.com.

Appointment and Revocation of Proxies

The persons named in the enclosed Form of Proxy or Voting Instruction Form are directors or officers of the Corporation. **A Debentureholder has the right to appoint some other person, who need not be a Debentureholder, to represent him or her at the Meeting and may do so by crossing out the persons named in the proxy and inserting such person's name in the blank space provided in the Form of Proxy or Voting Instruction Form or by completing another proper form of proxy.**

To be valid, votes must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on August 8, 2023, or if the Meeting is adjourned, no later than 10:00 a.m. (Eastern Time) on the last business day preceding the day to which the Meeting is adjourned, or be deposited with the Chair of the Meeting prior to the commencement of the Meeting or any reconvened meeting. The document appointing a proxy must be in writing and completed and signed by a Debentureholder or his or her attorney authorized in writing or, if the Debentureholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

A Debentureholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as noted above; (b) by depositing an instrument in writing executed by the Debentureholder or by his or her attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (c) in any other manner permitted by law.

Voting of Proxies

The persons named in the accompanying Form of Proxy or Voting Instruction Form will vote Debentures in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Debentureholder as indicated on the Form of Proxy or Voting Instruction Form and if the Debentureholder specifies a choice with respect to any matter to be acted upon, the Debentures will be voted accordingly. **In the absence of such instructions, such Debentures will be voted FOR the Debentureholder Resolution.**

The persons appointed under the Form of Proxy or Voting Instruction Form are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy or Voting Instruction Form and Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. In the event that amendments to or variations to matters identified in the Notice of Meeting or other matters are properly brought before the Meeting or any adjournment thereof, it is the intention of the persons designated in the enclosed Form of Proxy or Voting Instruction Form to vote in accordance with their best judgment on such matter or business. At the time of the printing of this Circular, the directors of the Corporation knew of no such amendments, variations or other matters.

Information for Beneficial Debentureholders

The Debentures have been issued in part in the form of a global book-entry only certificate registered in the name of CDS. CDS is the sole registered holder of such Debentures. Accordingly, substantially all Debentureholders do not hold their Debentures in their own name, but are the beneficial holders (the “**Beneficial Debentureholders**”). Debentures are held by Beneficial Debentureholders through one or more intermediaries, such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan. Beneficial Debentureholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “**NOBOs**”. Beneficial Debentureholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as “**OBOs**”. The Corporation is sending the Notice of Meeting, this Circular, and either the Form of Proxy or Voting Instruction Form, as applicable, indirectly to NOBOs. The Corporation will pay for intermediaries to deliver the proxy-related materials and voting instruction form for the Meeting to OBOs.

In Canada, brokers and other intermediaries are required to seek voting instructions from Beneficial Debentureholders in advance of meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Debentureholders in order to ensure that their Debentures are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Debentureholder by its broker is identical to that provided to registered Debentureholders, but its purpose is limited to instructing the registered Debentureholder how to vote on behalf of the Beneficial Debentureholder. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge normally prepares a “**Voting Instruction Form**” based on the Corporation’s form of proxy which it then distributes to Beneficial Debentureholders. The Voting Instruction Form must be returned to Broadridge by the Beneficial Debentureholder in order for the Beneficial Debentureholder’s voting instructions to be acted upon. Broadridge will tabulate all instructions received by it and provide appropriate instructions in respect of the voting of the Debentures. A Beneficial Debentureholder who receives a Voting Instruction Form cannot use that form to vote Debentures directly at the Meeting. The Voting Instruction Form must be completed in accordance with the instructions and returned to Broadridge well in advance of the Meeting to have the Debentures voted at the Meeting.

Beneficial Debentureholders who wish to attend the Meeting and vote their Debentures in person, or appoint someone to do so on their behalf, must do so as proxyholder for the registered holder, as substantially all Debentures are registered in the name of CDS. Beneficial Debentureholders who wish to attend the Meeting and vote their Debentures as proxyholder for the registered holder, CDS, or appoint someone on their behalf, should enter their own name, or the name of the person they wish to attend and vote for them, in the blank space on the Voting Instruction Form or Form of Proxy provided to them. Once completed, the Voting

Instruction Form or Form of Proxy should be signed and dated, and returned as directed by the instructions provided well in advance of the Meeting.

How to Vote Your Debentures

Your vote is important. Please read the information below so that your Debentures are properly voted. As a Beneficial Debentureholder (i.e. a non-registered Debentureholder), an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Debentures for you, or for someone else on your behalf, and the Debentures are registered in the name of the nominee. In accordance with applicable securities laws, the Corporation distributes copies of its meeting materials to intermediaries for onward distribution to Beneficial Debentureholders. As a Beneficial Debentureholder, you will most likely receive a Voting Instruction Form from Broadridge on behalf of intermediaries. It is also possible, however that, in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Debentures.

Submitting Voting Instructions

You can submit your vote/consent by using one of the following methods in accordance with the instructions on the accompanying Form of Proxy or Voting Instruction Form:

By Mail:

Step 1. Mark the appropriate box in the Form of Proxy or Voting Instruction Form to vote FOR or vote against the Debentureholder Resolution.

Step 2. Sign and date the Form of Proxy or Voting Instruction Form.

Step 3. Mail the Form of Proxy or Voting Instruction Form in accordance with the instructions on the Form of Proxy or Voting Instruction Form to arrive as soon as practicable. Votes must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on August 8, 2023.

Through Financial Broker:

Debentureholders may contact their broker or send their Form of Proxy or Voting Instruction Form to their broker who can vote on the Debentureholder's behalf.

By Fax:

Use the fax number on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

By Internet:

Follow the instructions on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote by fax, internet or mail in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

Voting in Person

If you have received a Voting Instruction Form and wish to attend the Meeting in person or have someone else (who need not be a Debentureholder) attend on your behalf, you must complete, sign and return the Voting Instruction Form in accordance with the instructions on the form in that regard well in advance of the

Meeting. Unless prohibited by law, the person you designate to attend the Meeting will have full authority to present matters to the Meeting and vote all matters presented at the Meeting or any adjournment thereof, even if those matters are not set out in the Voting Instruction Form or this Circular. You, or such other designated person if applicable, may then vote your Debentures in person at the Meeting if a ballot is taken.

Revoking a Voting Instruction Form or Proxy

If you wish to revoke a Voting Instruction Form or a Form of Proxy as to any matter on which a vote has not already been cast pursuant to its authority and you received your Voting Instruction Form from Broadridge, and voted by fax or internet, you may vote again by fax or internet prior to the deadline specified by Broadridge. If you received your Voting Instruction Form from Broadridge and voted by mail, please contact your account service provider at your intermediary for instructions should you wish to revoke your Voting Instruction Form. In any case, you must comply with any applicable requirements relating to the revocation of votes made by Voting Instruction Form or Form of Proxy.

OTHER BUSINESS

Management of the Corporation does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

DEBENTURE TRUSTEE

The Debenture Trustee under the Indenture is Computershare Trust Company of Canada, a trust company licensed to carry on business in Canada having an office in Toronto, Ontario.

DEBENTUREHOLDER RIGHTS AND ADDITIONAL INFORMATION

Some of your rights as a Debentureholder, including those relating to the Meeting, are described generally in this Circular. For more details, reference is made to the full text of the Indenture, a copy of which is posted for public access on the Corporation's SEDAR profile at www.sedar.com, or, alternatively, can be obtained upon written request by contacting the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer or by telephone at (416) 961-0304 or by e-mail: ieddy@accordfinancial.com.

Additional information relating to the Corporation, including the Public Disclosure Documents, may be found on www.sedar.com. Debentureholders may also request these documents by contacting the Corporation at 40 Eglinton Avenue East, Suite 602, Toronto, Ontario M4P 3A2, Attention: Chief Financial Officer or by telephone at (416) 961-0304 or by e-mail: ieddy@accordfinancial.com.

BOARD APPROVAL

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

ACCORD FINANCIAL CORP.

(Signed) "*Simon Hitzig*"

Simon Hitzig,
President and Chief Executive Officer

June 30, 2023

APPENDIX A
DEBENTUREHOLDER RESOLUTION

Capitalized terms herein, unless otherwise defined herein, have the meanings ascribed thereto in the management information circular of Accord Financial Corp. (the “**Corporation**”) dated June 30, 2023 (the “**Circular**”).

BE IT RESOLVED as an Extraordinary Resolution (as such term is defined in the Indenture (as defined below)) that:

- (a) the Corporation is hereby authorized to enter into a second supplemental trust indenture to the trust indenture dated December 18, 2018, as supplemented by the first supplemental indenture dated September 13, 2019 (the “**Indenture**”) between the Corporation and Computershare Trust Company of Canada (the “**Debenture Trustee**”) governing the 7% Convertible Unsecured Subordinated Debentures of the Corporation due December 31, 2023 (the “**Debentures**”), which will amend the Indenture as follows:
 - (i) Increase the interest rate on the Debentures from 7% to 10% (the “**Interest Rate Increase**”) which increase would be effective as of January 2, 2024 due to the trading mechanics of the Toronto Stock Exchange;
 - (ii) Extend the maturity date of the Debentures from December 31, 2023 to January 31, 2026;
 - (iii) Remove the conversion right of the Debentureholders;
 - (iv) Remove the Corporation’s right to repay the principal amount of the Debentures in common shares of the Corporation on the new maturity date or any redemption date;
 - (v) Provide that the Debentures are not redeemable prior to February 1, 2024 except in the event of a change of control as provided in the Indenture; and
 - (vi) Amend the designation of the Debentures from “7.00% Convertible Unsecured Subordinated Debentures” to “10.00% Unsecured Subordinated Debentures” or such other designation as may be determined by the directors of the Corporation which name change would be effective as of January 2, 2024 concurrently with the Interest Rate Increase.

all as described in the Circular, and to be set forth in the second supplemental indenture substantially in the form presented to the directors of the Corporation to be entered into among the Corporation, as issuer, the Debenture Trustee, as trustee, with such minor amendments as any officer or director of the Corporation may approve (the “**Supplemental Indenture**”);

- (b) the Debenture Trustee is hereby authorized and directed to, execute and deliver the Supplemental Indenture to give effect to the foregoing amendments to the Indenture and all amendments incidental or ancillary thereto;
- (c) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the holders of the Debentures or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Corporation or its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution (as defined in the Indenture) and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;

- (d) notwithstanding that this Extraordinary Resolution has been approved by the Debentureholders, the Corporation is authorized, without further notice to or approval of the Debentureholders, to not proceed with the transactions contemplated herein including not entering into the Supplemental Indenture;
- (e) any director or officer of the Corporation is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, including if appropriate, without further notice to the Debentureholders, revocation of this Extraordinary Resolution at any time prior to the effective date of the Supplemental Indenture, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and
- (f) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

