**NOTICE OF MEETING OF HOLDERS OF**
**THE 10% UNSECURED**
**SUBORDINATED DEBENTURES ISSUED ON**
**DECEMBER 18, 2018 AND DUE JANUARY 31, 2026**

**TO BE HELD ON JANUARY 27, 2026**

**MANAGEMENT INFORMATION CIRCULAR**

**December 22, 2025**

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. You are encouraged to contact your financial, legal, income tax or other professional advisors regarding the subject matter hereof. 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.**
**(the "Corporation")**

# LETTER TO DEBENTUREHOLDERS

**Re: Debenture Amendments**

Dear holders ("**Debentureholders**") of the 10% Unsecured Subordinated Debentures due January 31, 2026 (the "**Debentures**") issued under the trust indenture dated December 18, 2018, as supplemented by the first supplemental indenture dated September 13, 2019, the second supplemental indenture dated August 15, 2023, the third supplemental indenture dated December 31, 2023, and the fourth supplemental indenture dated July 15, 2024 (the "**Indenture**") between the Corporation and Computershare Trust Company of Canada (the "**Debenture Trustee**").

## Debentureholder Meeting

The Corporation has called a meeting (the "**Meeting**") of Debentureholders at 5300 Commerce Court West, 199 Bay St., Toronto, ON M5L 1B9 on January 27, 2026 at 10:00 a.m. (Eastern Time).

## Purpose of the Meeting

The Meeting has been called to seek your support to amend the Debentures to extend their maturity date from January 31, 2026 to July 31, 2026 and to adjust certain interest payment terms as described below. These amendments are being proposed in light of the Corporation's current liquidity position, the constraints under the Corporation's senior credit facility, and the timing of our ongoing financing and strategic initiatives.

As has been disclosed in the Corporation's public filings, the Corporation has been working with financial advisors to pursue a broad range of strategic initiatives to repay or refinance its outstanding debt obligations, to further simplify the business and strengthen the balance sheet. As at November 30, 2025, the Corporation had total debt of approximately $303 million under various credit facilities (including the Debentures), of which $200 million was recourse to the Corporation and the balance of $103 million was non-recourse debt at the subsidiary level. On December 15, 2025, the Corporation announced the following refinancing plan: (i) negotiation of an amendment to its main senior credit facility (the "**Senior Credit Facility**") to, among other things, extend the maturity date to February 27, 2026, which amendment became effective December 22, 2025; (ii) entering into a non-binding letter of intent for the sale (the "**AFIU Transaction**") of a majority of the loans of Accord Financial, Inc. ("**AFIU**") which, if completed, is expected to reduce outstanding indebtedness by approximately $45 million; and (iii) ongoing discussions with a number of potential lenders regarding the refinancing of the Corporation's senior debt on the basis that the AFIU Transaction will be completed. The Corporation also announced the deferral of the interest payment due to Debentureholders on December 31, 2025, which deferred interest will be paid on the new July 31, 2026 maturity date, if the Debenture Amendments are approved. Following completion of the foregoing initiatives, the Corporation will be exclusively focused on the Canadian small and medium enterprise sector, where it has been a market leader since 1978. With refinanced senior debt supporting a more streamlined organization and business strategy, the Board believes the Corporation will be better positioned to support a refinancing of the Debentures on or before the new proposed maturity date of July 31, 2026.

The proposed amendments to the Debentures (the "**Debenture Amendments**") comprise the following:

(i) Extending the maturity date of the Debentures from January 31, 2026 to July 31, 2026;

(ii) Increasing the interest rate on the Debentures from 10% to 12% per annum, which increase would be effective as of January 31, 2026 such that on the July 31, 2026 maturity date Debentureholders will receive 13 months' worth of accrued interest, calculated at a rate of 10% for the period from July 1, 2025 to and including January 30, 2026 and a rate of 12% for the period from January 31, 2026 to and excluding July 31, 2026; and

(iii) Waiving the breach of the Indenture arising from the Corporation's failure to pay interest on the Debentures on the December 31, 2025 interest payment date.

Given the constraints arising from the Corporation's current financial position, including the priority and covenants under its senior credit facilities, the Board believes that the proposed Debenture Amendments are the most practical and value-preserving path available to the Debentureholders at this time. Approval of the Debenture Amendments would provide the Corporation with additional time to manage its obligations and implement its refinancing plan. Without the amendments, the Corporation would face an imminent inability to satisfy its obligations at the existing January 31, 2026 maturity date, due to current terms of its senior credit facilities restricting interest or principal repayments. A default under the Indenture would in turn trigger a default under the Senior Credit Facility and the Senior Notes which would permit the senior lenders to take enforcement action. By extending the maturity date of the Debentures, Debentureholders would avoid an immediate default scenario and provide the Corporation with the time necessary to implement its refinancing plan. In addition, the interest rate increase to 12% per annum from January 31, 2026 through July 31, 2026 compensates Debentureholders for the additional time to maturity and the deferral of the December 31 interest payment.

**Board Recommendation**

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

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**" and, as of December 16, 2025, have traded on an "interest flat" basis. 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.

**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 Computershare Trust Company of Canada, as tabulation agent (the "**Tabulation Agent**") no later than 10:00 a.m. (Eastern Time) on January 23, 2026.

***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-email: ieddy@accordfinancial.com.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "*Simon Hitzig"*

Simon Hitzig
President and Chief Executive Officer

December 22, 2025