TRISURA®
GROUP LTD.

ANNUAL INFORMATION FORM

March 29, 2019

ANNUAL INFORMATION FORM

TABLE OF CONTENTS

Page

Forward-Looking Information

*This annual information form contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Trisura Group Ltd. ("**Trisura Group**" and together with its subsidiaries, "**our Company**") and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".*

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Trisura Group to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura Group undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

TRISURA GROUP LTD.

ANNUAL INFORMATION FORM

Unless otherwise specified herein, the information in this annual information form is presented as at December 31, 2018 and all dollar amounts are expressed in Canadian dollars.

References in this annual information form to "we", "us", "our" and "our Company" refer to Trisura Group, together with its subsidiaries.

Corporate Profile

Trisura Group is a leading international specialty insurance and reinsurance holding company with subsidiaries operating in the surety, risk solutions, corporate insurance and reinsurance niche segments of the market. Our operating subsidiaries include (i) Trisura Guarantee Insurance Company ("**Trisura Guarantee**"), a Canadian specialty insurance company; (ii) Trisura International Insurance Ltd. ("**Trisura International**"), an international reinsurance company; and (iii) Trisura Specialty Insurance Company ("**Trisura Specialty**"), a U.S. specialty insurance company, which received its license to write business across the United States in July 2017 and a financial strength rating of A- (excellent) from A.M. Best Company, Inc. ("**A.M. Best**") in August 2017. Trisura Guarantee started writing business in 2006 and has a strong underwriting track record over its more than 13 years of operation. Trisura International has operated as a reinsurance company for more than 17 years and ceased writing new reinsurance business in 2008. Trisura International may act as a multi-line reinsurer in support of our Canadian and U.S. specialty insurance businesses.

Additional information on Trisura Group is available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at *www.sedar.com* and on Trisura Group's website at *www.trisura.com/group*.

Trisura Group was incorporated on January 27, 2017 under the *Business Corporations Act* (Ontario) (the "**OBCA**") by Brookfield Asset Management Inc. ("**Brookfield**") for the sole purpose of participating in the Spin-Off (as defined below). On June 22, 2017, Brookfield distributed all of the common shares of Trisura Group (the "**Common Shares**") to holders of Brookfield's Class A limited voting shares ("**Brookfield Class A Shares**") and Class B limited voting shares ("**Brookfield Class B Shares**") by way of a special dividend (the "**Spin-Off**"). Holders of Brookfield Class A Shares and Brookfield Class B Shares received one Common Share for every 170 Brookfield Class A Shares or Brookfield Class B Shares held. The Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "TSU".

Trisura Group filed articles of amendment on December 21, 2017 (the "**Consolidation Articles**") to consolidate the Common Shares on the basis of one post-consolidation Common Share for every 10 pre-consolidation Common Shares; provided however, that the holders of less than one Common Share in the aggregate following the consolidation were entitled to receive a cash payment in exchange for such fractional Common Share. Immediately following the filing of the Consolidation Articles, Trisura Group filed further articles of amendment to subdivide the

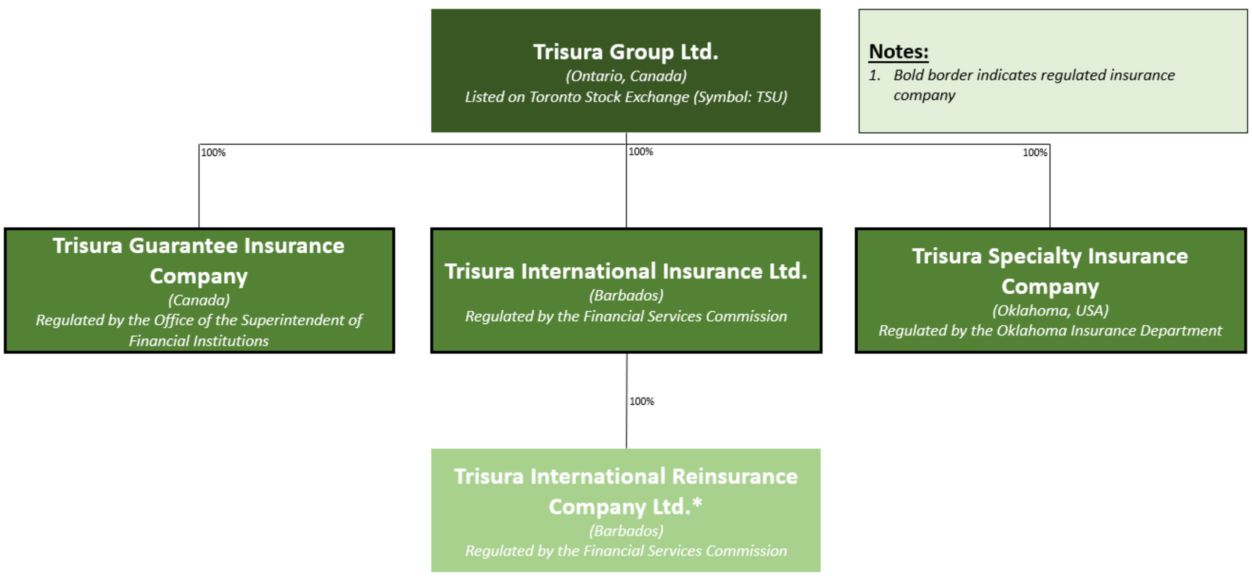
Common Shares by changing each of the issued and outstanding Common Shares into 10 Common Shares. For more information, see *Development of the Business*.

On May 11, 2018, Trisura Group filed further articles of amendment to (i) remove the cumulative voting provisions of the Common Shares and (ii) change the size of the board of directors of Trisura Group (the **"Board"**) from a minimum of three directors and a maximum of 15 directors to a minimum of five directors and a maximum of 10 directors.

The head and registered office of Trisura Group is 333 Bay Street, Suite 1610, Box 22, Toronto, Ontario, Canada, M5H 2R2.

Subsidiaries

As illustrated in the following organizational chart, Trisura Group has three principal regulated subsidiaries: Trisura Guarantee, Trisura Specialty and Trisura International. Each subsidiary is directly or indirectly 100% owned by Trisura Group.



*Incorporated in Barbados on November 14, 2018. Application for a Barbados Qualifying Insurance Company license is pending approval.

Development of the Business

The following is a summary of developments affecting our Company since the Spin-Off. Further information on developments affecting our Company prior to the Spin-Off can be found in our long form prospectus filed in connection with the Spin-Off on SEDAR at *www.sedar.com* on May 12, 2017 (the "**Spin-Off Prospectus**").

On June 15, 2017, in preparation for the Spin-Off, Trisura Group indirectly acquired all of the issued and outstanding shares of Trisura International Holdings Ltd. pursuant to the terms of a share purchase agreement between Brookfield International Limited, a subsidiary of Brookfield, and Trisura Group. Trisura Group also indirectly acquired a 60% interest in Trisura Guarantee pursuant to the terms of (i) a share purchase agreement between TG Holdco Holdings I LP, a subsidiary of Brookfield, and Trisura Group and (ii) a share purchase agreement between TG Holdco Holdings II LP, a subsidiary of Brookfield, and Trisura Group (collectively, the "**Subsidiary Purchase Agreements**"). See *Significant Acquisitions* for more information.

On June 22, 2017, we completed the Spin-Off and the Common Shares began trading on the TSX on a "regular-way" basis.

On June 30, 2017, Partners Value Investments LP ("**PVI**") purchased 368,700 Common Shares on the TSX.

On July 12, 2017, Trisura Group received its Certificate of Authority from the Oklahoma Insurance Department for Trisura Specialty.

On September 27, 2017, our Company secured a financial strength rating of "A-" (Excellent) and a long-term issuer credit rating of "a-" from A.M. Best in respect of Trisura Specialty.

On October 30, 2017, our Company transitioned RSA Canada's contract and commercial surety business in Canada to Trisura Guarantee. RSA Canada's surety portfolio consists of approximately 450 contract and commercial surety accounts with annual premium in excess of $6 million.

On December 1, 2017, Trisura Group completed its indirect acquisition of the remaining 40% interest in Trisura Guarantee from a group of current employees and directors of Trisura Guarantee in exchange for 963,143 Common Shares and 64,000 unlisted cumulative preference shares, series 1 of Trisura Group (the "**Series 1 Preference Shares**") (the "**Management Buyout**"). See *Significant Acquisitions* for more information.

On December 21, 2017, Trisura Group completed a consolidation of the Common Shares such that every 10 Common Shares were consolidated into one Common Share (pursuant to which shareholders who held in the aggregate less than one newly consolidated Common Share were entitled to receive a cash payment in exchange for such fractional Common Share equal to $26.037 per each pre-consolidation Common Share held), which was immediately followed by a share split of every newly consolidated Common Share into 10 Common Shares (the "**Share Consolidation and Split**").

On March 14, 2018, Trisura Group finalized an arrangement to borrow up to $35 million from a major Canadian financial institution on a revolving credit basis (the "**Credit Facility**"). The Credit Facility was arranged by way of a five-year lending facility funded through short-term bankers' acceptances, Canadian prime rate advances, U.S. dollar base rate advances or LIBOR rate advances. The Credit Facility is secured by a general security agreement and a pledge of the outstanding common shares of Trisura Guarantee, Trisura Specialty and Trisura International. In connection with entering into the Credit Facility, the outstanding balance on a loan extended to the former parent company of Trisura Guarantee by a major Canadian financial institution on August 4, 2016 was paid off and discharged in full.

On October 16, 2018, David Clare was appointed as President and CEO of Trisura Group, succeeding Greg Morrison, who continues his involvement with our Company as a member of the Trisura Group Board.

Significant Acquisitions

As noted in *Development of the Business* above, Trisura Group indirectly acquired all of the issued and outstanding shares of Trisura International and a 60% interest in Trisura Guarantee on June 15, 2017 in connection with the Spin-Off. Trisura Group filed a Business Acquisition Report on October 23, 2017 in respect of these acquisitions, which is available on SEDAR at *www.sedar.com*. Further information on these acquisitions and their expected effect on our Company can be found in the Spin-Off Prospectus.

On December 1, 2017, Trisura Group completed its indirect acquisition of the remaining 40% interest in Trisura Guarantee from a group of current employees and directors of Trisura Guarantee in exchange for 963,143 Common Shares and 64,000 Series 1 Preference Shares. Trisura Group filed a Material Change Report on December 4, 2017 and a Business Acquisition Report on February 14, 2018 in respect of this acquisition, which are available on SEDAR at *www.sedar.com*.

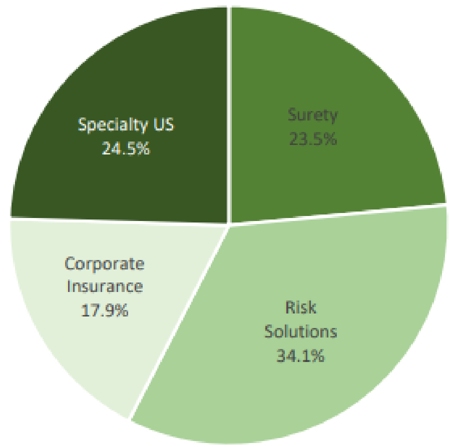
Business of Our Company

Overview

Trisura Group is a leading international specialty insurance and reinsurance holding company with subsidiaries operating in the surety, risk solutions, corporate insurance and reinsurance niche segments of the market. Trisura Guarantee started writing business in 2006 and has a strong underwriting track record over its more than 13 years of operation. Trisura International has operated as a reinsurance company for more than 17 years and ceased writing new reinsurance business in 2008. We expect Trisura International to recommence writing business in the future, initially acting as a multi-line reinsurer in support of our Canadian and U.S. specialty insurance businesses.

Our Company operates through the following four business lines: surety, risk solutions, corporate insurance and reinsurance. Substantially all of our premiums in 2016 and 2017 had been written by Trisura Guarantee in the Canadian specialty insurance market. In February 2018 Trisura Specialty began writing business, and has been a significant contributor to growth. Trisura Guarantee is headquartered in Toronto and has branches in Vancouver, Calgary, Montreal, Quebec City and Halifax, and is licensed in all provinces and territories of Canada. Its distribution network comprises over 150 contracted insurance brokerage firms operating across Canada in all provinces and territories, and includes major international, national and regional firms as well as boutique, niche brokers with a focus on specialty lines. Trisura Specialty is headquartered in Oklahoma City and participates as a hybrid fronting entity in the non-admitted markets, licensed as an excess and surplus lines carrier in Oklahoma with the ability to write business across 50 states. The chart below provides a breakdown of our gross premiums written for the year ended December 31, 2018.

Gross Premiums Written (Year Ended December 31, 2018) (1)(2)



Notes:

(1) Gross premiums written includes annual bonding facility fee income.

(2) No reinsurance premiums were written in 2018.

Specialty Property & Casualty - Canada

Our specialty property and casualty insurance business in Canada consists of our Surety, Risk Solutions and Corporate Insurance business lines, which we write through Trisura Guarantee.

<u>Surety</u>

Surety accounted for approximately 23.5% of our total gross premiums written for the year ended December 31, 2018. The majority of products offered by the Surety business line are:

- Contract surety bonds, such as performance, labour and material payment bonds, primarily for the construction industry;
- Commercial surety bonds, such as license and permit, tax and excise, and fiduciary bonds, that are issued on behalf of commercial enterprises and professionals to governments, regulatory bodies or courts to guarantee compliance with legal or fiduciary obligations; and
- Developer surety bonds, comprising mainly bonds to secure real estate developers' legislated deposit and warranty obligations on residential projects.

<u>Risk Solutions</u>

Risk Solutions accounted for approximately 34.1% of our total gross premiums written for the year ended December 31, 2018. Risk Solutions includes specialty insurance contracts which are structured to meet the specific requirements of program administrators, managing general agencies ("**MGAs**"), captive insurance companies, affinity groups and reinsurers. Our Risk

Solutions business line consists primarily of warranty programs. The Risk Solutions business caters to three different client types:

- Companies that offer warranties and administer warranty programs;
- MGAs or reinsurers that require access to licensed insurance company paper; and
- Associations and groups seeking solutions for their members' unique insurance needs.

Risk Solutions uses four different insurance structures, sometimes in combination, to address clients' insurance requirements:

- Surety structure, where we stand behind the obligations of a warranty program administrator. In the event of the administrator's financial failure, we will step in to ensure consumers' warranty coverages remain intact;
- Fronting structure, where we permit our licensed status to be used by captive insurance companies to issue insurance policies or warranties in exchange for a fronting fee;
- Retrospectively rated policy structure, where we assume the insurance risk on a program, and the actual claims experience is used to determine the ultimate premium. The initial premium incorporates a margin over the expected claims to provide for adverse results; and
- Risk transfer structure, where we assume the risk of the underlying insurance program completely, partially (co-insuring, or sharing, the risk with the program administrator), or when losses exceed a specified amount (as in ''excess of loss'' insurance).

<u>Corporate Insurance</u>

Corporate Insurance accounted for approximately 17.9% of our total gross premiums written for the year ended December 31, 2018. The main products offered by our Corporate Insurance business line are:

- Directors' and officers' liability insurance for public, private and non-profit enterprises. These are also referred to as executive liability products;
- Errors and omissions liability insurance for both enterprises and professionals. These are also referred to as professional liability products and have tailored variations for the media and technology industries and professional practices;
- Business commercial package insurance for both enterprises and professionals. This product combines commercial general liability and property insurance into one comprehensive cover for small to medium-sized enterprises or practices; and
- Fidelity insurance for both commercial entities and financial institutions.

Specialty Property & Casualty – United States

Our specialty property and casualty insurance business in the United States consists of a broad range of surplus lines, which we write through Trisura Specialty. Having started writing business in February 2018, Trisura Specialty accounted for approximately 24.5% of our total gross premiums written for the year ended December 31, 2018. Our U.S. Specialty business operates as a non-admitted surplus lines insurer in 50 states as a hybrid fronting carrier with a fee-based business model. In 2018 we bound 14 programs and ceded over 95% of our premiums to high quality reinsurance partners.

Reinsurance

Trisura International ceased writing new business in 2008 but previously wrote quota share reinsurance (prospective), loss portfolio transfers (retrospective) and niche, specialty contracts covering international risks across multiple commercial lines. Currently, Trisura International is managing its remaining portfolio of in-force reinsurance contracts and will recommence writing new business, initially in support of our Canadian and U.S. specialty insurance businesses. The remaining in-force portfolio of reinsurance contracts is dominated by one large life annuity reinsurance contract denominated in euros, on which annuity reserves and supporting assets change in response to interest rate changes.

Distribution

Our Company's Canadian distribution network comprises over 150 contracted insurance brokerage firms operating across Canada in all provinces and territories. These include major international, national and regional firms as well as boutique, niche brokers with a focus on specialty lines. We are selective in partnering with a limited brokerage force, focusing our efforts on those that are leading brokerage firms in the industry with expertise in specialty lines. We believe in creating positive experiences for our brokers by providing exceptional service and strong products through a solutions-oriented and expert underwriting team. Furthermore, we develop deep and lasting relationships with our brokers and work with them on a strategic level on planning for mutual success. We regularly canvass our brokers to get feedback on where we can improve.

In the U.S. market, our focus is on building strong and profitable relationships with program administrators, MGAs, insurance organizations, reinsurance companies and reinsurance intermediaries to generate business opportunities. Many of these relationships already exist with our management team and can be leveraged to source new business.

Competition

Our Company is a specialty insurance provider. There are numerous competitors in the markets and geographies in which we operate.

The Surety markets are relatively concentrated. In 2017, the top five surety companies operating in Canada had a combined market share of 67%. In 2017, we stood as the fifth largest company in the Canadian surety marketplace, with a market share of 7.8%.

Our Risk Solutions business has seen stable market conditions in its segments of the marketplace. The number of competitors is limited, with few having significant market share.

Products written by our Corporate Insurance business are subject to intense competition, and underwriting conditions remain challenging. We continue to increase our penetration of those markets by focusing on our broker relationships and ensuring we remain in step with the ongoing product enhancements that occur in the corporate insurance business.

We participate in the Excess and Surplus markets in the U.S., which produced $45 billion in premiums in 2017. The fronting market is an evolving space with few established players; however, we have observed a number of new entrants enter the space.

The international reinsurance market is highly competitive. The supply of reinsurance capital available to write reinsurance is abundant and at record levels due to the relative absence of major catastrophe losses in recent years, low interest rates which have increased reinsurers' capital through realized and unrealized gains on their bond portfolios and the influx of alternative providers of reinsurance capital (including hedge funds). In recent years, this has resulted in supply outstripping demand for reinsurance, resulting in reductions in market pricing. In addition, some areas of reinsurance have seen significant erosion of policy terms and conditions designed to mitigate losses for reinsurers. While there are some current indications that the soft market conditions are close to or at the bottom, there can be no guarantee that these soft markets might not continue for some time.

Investment Management

Our investment objectives are to produce an attractive total return on our invested assets after taxes to protect and enhance regulated underwriting capital on a long-term basis and to maintain adequate liquidity for specialty insurance operations. All investment decisions are made with the intention of providing a stable income base without producing an undue level of investment risk.

In 2018 we internalized our investment management and advisory function, allowing Trisura Group to take a centralized investments stance across all subsidiary portfolios.

Employees

Our Company has 151 employees as of December 31, 2018, consisting of two employees at Trisura Group, 126 employees at Trisura Guarantee, nine employees at Trisura International and 14 employees at Trisura Specialty.

Risk Factors

You should carefully consider the following factors in addition to the other information set forth in this annual information form. If any of the following risks occur, our financial condition, results of operations and the value of the Common Shares would likely suffer.

Highly Competitive Specialty Insurance Business

The specialty insurance business remains highly competitive. Elements of competition include pricing, availability and quality of products, capacity, quality and speed of service, ratings, financial strength, distribution systems and technical expertise.

Our Company competes with many other insurance companies. Certain of these competitors are larger and have greater financial resources than are available to our Company. In addition, certain competitors have from time to time decreased their prices in an apparent attempt to gain market share. Unlike our Company, some of our competitors may offer a broader range of policy administration or other services or be willing to take on significant underwriting risk. Any increase in competition in this segment, especially by one or more larger companies, could materially and adversely affect our Company's business, financial condition, results of operations and prospects. Competitors may also acquire distributors to our detriment

As competitors introduce new products and as new competitors enter the market, our Company may encounter additional and more intense competition. There can be no assurance that we will continue to increase revenues or be profitable. To a large degree, future revenues of our Company are dependent upon our ability to continue to develop and market our products and to enhance the capabilities of our products to meet changes in customer needs.

Cyclical Nature of Specialty Insurance Industry

The financial performance of the specialty insurance industry has historically tended to fluctuate in cyclical patterns of ''soft'' markets characterized generally by increased competition, resulting in lower premium rates and underwriting standards, followed by ''hard'' markets characterized generally by lessening competition, stricter underwriting standards and increasing premium rates. Our Company's profitability tends to follow this cyclical market pattern with profitability generally increasing in hard markets and decreasing in soft markets. These factors, together with the industry's historically cyclical competitive pricing, could result in fluctuations in the underwriting results and net income of our Company.

Historically, the results of companies in the specialty insurance industry have been subject to significant fluctuations and uncertainties. Many of these factors are beyond our Company's control. The profitability of specialty insurers can be affected significantly by many factors, including regulatory regimes, developing trends in tort and class action litigation, adoption of consumer initiatives regarding rates or claims handling procedures, and privacy and consumer protection laws that prevent insurers from assessing risk, or factors that have a high correlation with risks considered, such as credit scoring. An economic downturn in those jurisdictions in which our Company writes business or otherwise conducts business activities could result in less demand for specialty insurance and lower policy premiums. Our US business is subject to claims arising out of catastrophes which may have a significant impact on our results of operations and financial condition.

A.M. Best Ratings

Rating agencies evaluate insurance companies based on their ability to pay claims. The ratings of A.M. Best are subject to periodic review using, among other things, proprietary capital adequacy models, and are subject to revision or withdrawal at any time. A.M. Best ratings are directed toward the concerns of policyholders and insurance agencies and are not intended for the protection of investors or as a recommendation to buy, hold or sell securities.

Ratings are an important factor in establishing and maintaining our competitive position in the specialty insurance market and especially in commercial insurance. Each of Trisura Guarantee and Trisura Specialty have been assigned a financial strength rating of A- (Excellent) by A.M. Best with stable outlook. There can be no assurances that Trisura Guarantee or Trisura Specialty will be able to maintain these ratings. Any downgrade in these ratings would likely adversely affect our business through the loss of certain existing and potential policyholders to other companies with higher ratings, and through certain insurance brokerage firms with which we now do business seeking a higher rated issuing carrier to write their business.

Reliance on distribution partners, capacity providers and program administrators ("PAs")

Trisura Guarantee distributes its products primarily through a network of distribution partners. These distribution partners sell our competitors' products and may, subject to certain limitations, stop selling our products altogether. Strong competition exists among insurers for distribution partners with demonstrated ability to sell insurance products. Premium volume and profitability could be materially adversely affected if there is a material decrease in the number of distribution partners that choose to sell our Company's products.

Trisura Specialty offers fronting arrangements to capacity providers that want to access specific U.S. specialty insurance business. Capacity providers may be under common control with a particular PA or may be independent. An independent capacity provider may reinsure a single book or multiple books with various PAs. A single PA may control a single book with one capacity provider or multiple books with various capacity providers. Other specialty insurance companies may compete with Trisura Specialty for this business. These capacity providers and PAs may choose to enter into fronting arrangements with Trisura Specialty's competitors or PAs, or capacity providers may terminate fronting arrangements with Trisura Specialty if they no longer need access to its fronting capacity or for other reasons.

A significant decrease in business from any of these distribution partners, capacity providers or PAs would cause our Company to lose premiums and require us to find other partners to replace those lost premiums.

Insurance Risks:

Insurance risk is the risk that the ultimate cost of claims and loss adjustment expense, as well as acquisition expenses, related to insurance contracts will exceed premiums received in respect of those contracts. This could occur because either the frequency or severity of claims is greater than expected. For Life and Annuity policies, insurance risk may also include differences between expected and actual experience for policyholder behaviour, lapse, timing of claims, longevity, mortality and morbidity.

Some additional components of insurance risk such as product and pricing risk, concentrations of insurance risk and exposure to large losses, and estimates of loss reserves are described below:

1 - Product and Pricing

Pricing risk is the risk that an insurance product has been priced using assumptions that are different from the actual experience of that product line. The pricing process relies on many estimates of future loss costs and loss adjustment expenses. If we do not accurately assess and price for the risks assumed in our insurance policies, profitability could be negatively affected. On the other hand, setting premiums too high could impact competitiveness and growth.

2 - Concentration of insurance risk and exposure to large losses

Concentration risk is the risk that our Company's insurance products are concentrated within a particular geographic area, class of business, or insured, thereby increasing the exposure of our Company to a single event or a series of related events. Unexpected large losses may result from events such as the unforeseen failure of a large contractor, as a result of accumulations of large numbers of insurance or reinsurance contracts exposed to similar perils, exposure to mass torts, terrorism, and natural or man-made catastrophes. Large losses could also be the result of future unforeseen changes in the legal environment that could broaden our insurance coverage beyond the policy's original intent. Certain policy exclusions could also be found to be unenforceable. When a large loss is identified, we may be required to strengthen reserves which could decrease earnings in that period.

3 - Estimates of Loss Reserves

The liability for unpaid claims and loss adjustment expense ("LAE") represents an estimate of the ultimate cost of all claims incurred but not paid by the statement of financial position date. The reserving process employed in determining future claims and LAE payments includes consideration of individual case estimates of future claims and LAE payments on reported claims as well as provisions for future development of case estimates and claims and LAE related to incurred but not reported claims ("IBNR"). In some instances, further provisions are made for the time value of money by applying discount rates based on projected investment income from the assets supporting this liability.

In estimating unpaid claims and LAE, a range of actuarial techniques are used. Typically, these techniques consider historical loss development factors and payment patterns. They require the use of assumptions relating to future development of claims and LAE, future rates of claims frequency and severity, claims inflation, payment patterns and reinsurance recoveries, taking into consideration the circumstances of our Company and the nature of the insurance policies. Most or all of these factors are not directly quantifiable, particularly on a prospective basis, and the effects of these and unforeseen factors could negatively impact our Company's ability to accurately assess the risks of the policies that we write. Typically, the delay to ultimate settlement of claims increases the uncertainty of the estimate of the ultimate cost of those claims and LAE. The uncertainty in estimation tends to be higher for long-tail lines where information typically emerges over time. For the reinsurance business, the time lag in obtaining information from ceding insurers as well as the differing reserve practices employed by ceding insurers can further increase the uncertainty of the estimate. In certain circumstances, explicit actuarial margins are included in the liability in recognition of the inherent uncertainty of the estimates and the possibility of deterioration in experience relative to expectation in relation to claims development, investment return rates and recoverability of reinsurance balances. Actual losses may deviate, perhaps substantially, from the reserves reflected in our Company's financial statements. To the extent reserves prove to be inadequate, our Company would have to increase such reserves and incur a charge to earnings.

Availability of Reinsurance

Our reinsurance arrangements are with a limited number of reinsurers. In recent years, favourable market conditions, including growth in the role of PAs, reinsurance on and offshore and other alternative sources of reinsurance have provided strong capacity to the industry. A decline in the availability of reinsurance, increases in the cost of reinsurance or a decreased level of activity by PAs could increase costs or materially impact the amount of business we could underwrite. There can be no assurance that developments may not occur in the future which might cause a shortage of reinsurance capacity in those classes of business which we underwrite.

Ability to recover amounts due from reinsurers

Our Company uses reinsurance in the ordinary course of business to reduce its exposure to any one claim or event under the policies it issues. Reinsurance is also a key component of the

Trisura Specialty hybrid fronting model. Reinsurance does not relieve our Company of its obligations to policyholders. Our Company is ultimately at risk on the limits of coverage provided under its product offerings, regardless of whether it has ceded a portion of this exposure to reinsurers. If a reinsurer is unwilling or unable to satisfy its obligations, our Company does not have the right to correspondingly reduce its claims payment obligations.

If our Company fails to realize a reinsurance recoverable owed under these arrangements our financial condition could be materially and adversely affected.

Financial Risks:

The significant financial risks are credit risk, liquidity risk and market risk. The notes to our Company's financial statements as at and for the year ended December 31, 2018 provide further detail on these risks and the ways in which we monitor and control these risks. To the extent that those risks emerge, they could have a material adverse effect on our Company's business, financial condition and performance.

1 - Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause our Company to incur a financial loss. Credit risk arises mainly from investments in bonds and short-term securities, the structured insurance assets, and balances receivable from insurance brokers and reinsurers. Concentrations of credit risk can arise from exposures to a single debtor, a group of related debtors or groups of debtors that have similar risk characteristics, for example they may operate in the same or similar industries.

For premiums receivable, our Company uses insurance brokers, MGAs, and program administrators as intermediaries for the distribution of its product offerings and is therefore subject to the risk that these agents fail to remit the premiums they have collected on its behalf.

With respect to credit risk associated with recoveries under reinsurance contracts, see the section "Ability to recover amounts due from reinsurers".

2- Liquidity Risk

Liquidity risk is the risk that our Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk may arise from a number of potential areas including, for example, duration mismatch between assets and liabilities.

Generally, our Company's financial liabilities are settled by delivering cash from the cash flow generated from its operations to satisfy its liquidity requirements, which are primarily operating expenses and claims and loss adjustment payments.

By their nature, the timing and quantum of claims and loss adjustment payments are subject to significant uncertainty and are estimated actuarially. Although our Company has reinsurance treaties in place under which a portion of the claim payments may be recovered, including by way of set off against premiums payable to the reinsurers, such recoveries usually follow the making of payments and often delays of a number of months can occur. Hence our Company must have access to sufficient liquid resources to fund gross amounts payable when required.

Our Company periodically pledges assets under insurance and reinsurance trust arrangements which are therefore not readily available for general use by our Company.

3 – Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes currency risk, interest rate risk and other price risks such as equity risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company has operations in the United States and Canada, as well as European exposure through its reinsurance operations and therefore has exposure to currency risk arising from fluctuations in exchange rates of the Canadian and Euro against the United States dollar.

Interest Rate Risk

Interest rate risk is the potential for financial loss resulting from changes in interest rates. Fixed income investments, structured insurance assets and preferred shares are subject to interest rate risk although, in the case of fixed income investments, to the extent they are held to maturity, the risk is limited to the reinvestment yield being different from the original yield to maturity. The fair value of bonds, change inversely with changes in market rates of interest, with greater impact to bonds with longer durations.

Our Company's discounted unpaid claims balance is also subject to interest rate risk, in particular our Company's life reserves which have longer durations.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

Negative Publicity in the Specialty Insurance Industry

A number of our Company's products and services are ultimately distributed to individual consumers. From time to time, consumer advocacy groups or the media may focus attention on products and service of the specialty insurance industry and/or our Company, thereby subjecting the specialty insurance industry and/or our Company to periodic negative publicity. Negative publicity may also result in increased regulation and legislative scrutiny of practices in the specialty insurance industry as well as increased litigation. Such consequences may increase our Company's costs of doing business and adversely affect our Company's profitability by impeding our ability to market our products and services or increasing the regulatory burdens under which our Company operates.

Reliance on Key Personnel

The success of our Company depends upon the personal efforts of our senior management. The loss of the services of such key personnel could have a material adverse effect on the operations of our Company. In addition, our Company's continued growth depends on our ability to attract and retain skilled management and employees and the ability of our key personnel to manage our Company's growth. Recruiting and retaining skilled personnel is costly and highly competitive. If our Company fails to retain, hire, train and integrate qualified employees and contractors, we may not be able to maintain and expand our business. Certain key personnel are not bound by non-competition covenants. If such personnel depart our Company and subsequently compete with our Company or determine to devote significantly more time to other business interests, such activities could have a material adverse effect on our Company's business, financial condition and performance.

Litigation Risk

We are subject to claims and litigation in the ordinary course of business resulting from alleged errors and omissions in placing specialty insurance and handling claims. The placement of specialty insurance and the handling of claims involve substantial amounts of money. Since errors and omissions claims against our Company may allege our Company's potential liability for all or part of the amounts in question, claimants may seek large damage awards and these claims can involve significant defense costs. Errors and omissions could include, for example, our Company's employees or sub-agents failing, whether negligently or intentionally, to place coverage or file claims on behalf of customers, to appropriately and adequately disclose insurer fee arrangements to our customers, to provide insurance providers with complete and accurate information relating to the risks being insured or to appropriately apply funds that we hold for our customers on a fiduciary basis. It is not always possible to prevent or detect errors and omissions, and the precautions our Company takes may not be effective in all cases.

In addition to litigation associated with our insurance policies, we also face risk associated general corporate and commercial litigation.

Our Company's business, financial condition and/or results may be negatively affected if in the future our corporate insurance coverage, including for errors and omissions, proves to be inadequate or unavailable. In addition, litigation may harm our Company's reputation or divert management resources away from operating our business.

Holding Company

Trisura Group is a holding company and its material assets consist primarily of interests in our operating subsidiaries. Consequently, we depend on distributions and other payments from our operating businesses to provide us with the funds necessary to meet our financial obligations. Our operating businesses are legally distinct from Trisura Group and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to Trisura Group pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements. Our operating businesses are generally required to meet their policyholder and other obligations before making distributions to Trisura Group.

Adverse Effects of Regulatory Changes

The specialty insurance industry is heavily regulated, and changes in the regulations governing the specialty insurance industry in any jurisdiction in which we operate, or increased regulations, may significantly affect the operations and financial results of our Company.

Our Company is subject to the laws, rules and regulations of the jurisdictions in which we carry on business, including Canada, the U.S. and Barbados. These laws, rules and regulations cover many aspects of our business, the assets in which we may invest, the levels of capital and surplus and the standards of solvency that we must maintain, and the amounts of dividends which we may declare and pay. Changes to laws, rules or regulations are difficult to predict and could materially adversely affect our Company's business, results of operations and financial condition. In addition, more restrictive laws, rules or regulations may be adopted in the future that could make compliance more difficult and/or expensive.

Trisura Guarantee is regulated by the Office of the Superintendent of Financial Institutions. Trisura Specialty is regulated by the Department of Insurance in Oklahoma. Trisura International Insurance is regulated by the Financial Services Commission in Barbados. Each of these regulators has broad supervisory and regulatory powers available to them in connection with licenses, solvency capital requirements, investments, dividends, corporate governance, requirements for key personnel, conduct of business rules, periodic examinations and reporting requirements. The regulators have the authority to take enforcement actions and impose sanctions, including directing the regulated entity to refrain from a course of action or to perform acts necessary to remedy situations, imposing fines and the withdrawal of authorization. In certain circumstances, the regulators may take control of regulated insurance or reinsurance companies. There is no guarantee that these regulators would not take such actions under certain circumstances with respect to Trisura Guarantee, Trisura Specialty and/or Trisura International Insurance. The imposition of such actions could have a material adverse effect on our business, financial condition and performance.

Change of Control Restrictions of U.S. Insurance Laws

The laws of the State of Oklahoma, where Trisura Specialty is domiciled, require prior approval by the Department of Insurance in Oklahoma of any change of control of an insurer. ''Control'' is defined as the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the regulated insurance company, whether through the ownership of voting securities, by contract or otherwise. Control is presumed to exist through the direct or indirect ownership of 10% or more of the voting securities of an insurance company domiciled in Oklahoma or any entity that controls an insurance company domiciled in Oklahoma. Any person wishing to acquire ''control'' of our Company would first be required to obtain the approval of the Department of Insurance in Oklahoma or file appropriate disclaimers.

These laws may discourage potential acquisition proposals and may delay, deter or prevent a change of control of our Company, including through transactions (and in particular, unsolicited transactions), that some or all of our shareholders might consider to be desirable.

Regulatory Challenges to Use of Fronting Arrangements

Trisura Specialty enters into arrangements under which it permits its licensed status to be used in partnerships with high quality and collateralized reinsurers to issue insurance policies with PAs. The PA underwrites (consistent with rates and forms agreed by Trisura Specialty and its reinsurers), and administers the business, a Third Party Administrator ("TPA") is hired by Trisura Specialty to settle all claims, and the reinsurer(s) reinsure, on average, 90.0 to 100% of the risks. This is considered a hybrid "fronting" arrangement. Trisura Specialty receives a ceding fee, and shares its proportionate share in the profits or losses of the business it writes with the reinsurer(s). Some state insurance regulators may object to Trisura Specialty's fronting arrangements.

Notwithstanding these state law restrictions on ceding insurers, the Nonadmitted and Reinsurance Reform Act contained in the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the ''NRRA'') provides that all laws of a ceding insurer's nondomestic state (except those with respect to taxes and assessments on insurers or insurance income) are pre-empted to the extent that they otherwise apply the laws of the state to reinsurance agreements of nondomestic ceding insurers. The NRRA places the power to regulate reinsurer financial solvency primarily with the reinsurer's domiciliary state and requires credit for reinsurance to be recognized for a nondomestic ceding company if it is allowed by the ceding company's domiciliary state. A state insurance regulator might not view the NRRA as pre-empting a state regulator's determination that an unauthorized reinsurer must obtain a license or that a statute prohibits Trisura Specialty from engaging in a fronting business. However, such a determination or a conflict between state law and the NRRA could cause regulatory uncertainty about Trisura Specialty's fronting business, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Future Acquisitions

A key part of our Company's growth strategy involves seeking acquisition opportunities. We face competition for acquisitions, including from our competitors, many of whom will have greater financial resources than us. There can be no assurance that we will complete acquisitions. In addition, future acquisitions will likely involve some or all of the following risks, which could materially and adversely affect our Company's business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources, including our Company's management's time and attention; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labour, commercial or regulatory disputes or litigation related to the new enterprise; the risk of environmental or other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by, the operating business being acquired. It is possible that due diligence investigations into businesses being acquired may fail to uncover all material risks, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by us, thereby resulting in a dispute.

Inability to Generate Necessary Amount of Cash to Service Existing Debt

Our Company's ability to pay principal and interest on our credit facility will depend on its future financial performance. Our Company's ability to generate cash will depend on many factors, some of which may be beyond its control, including general economic, financial and regulatory conditions. If our Company cannot generate enough cash flow in the future to service its debt or cannot renew the Credit Facility on its existing terms, it may need to refinance its debt, obtain additional financing (on terms that may be less favourable than existing financing terms) or sell assets. Our Company might not be able to implement any of these strategies on satisfactory terms or on a timely basis, if at all. If our Company is unable to meet its debt service obligations or comply with its covenants, a default under the credit facility would result.

Future Capital Requirements

Our Company's future capital requirements will depend upon many factors, including the performance of Trisura Guarantee, continued development of our U.S. business, and the status of competition. There can be no assurance that financing will be available to our Company on acceptable terms, or at all. If additional funds are raised by issuing equity securities, further dilution to our existing shareholders will result. If adequate funds are not available, our Company may be required to delay, scale back or eliminate our programs. An inability to obtain financing or similar financial support could have a material adverse effect on our Company's business, financial condition and results of operations.

Potential Volatility of Common Share Price

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our Company's control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our Company's quarterly results of operations; (ii) changes in estimates of our Company's future financial performance; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other issuers that investors deem comparable to our Company; (v) the addition or departure of our executive officers and other key personnel; (vi) sales or anticipated sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our Company or our competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have in the past experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if our Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our Company's governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our Company's operations and the trading price of the Common Shares may be materially adversely affected.

Small Company Liquidity Risk

Trisura Group is a relatively small company in terms of market capitalization. As such, the share price of the Common Shares may be more volatile than the shares of larger, more established companies. The Common Shares may trade less frequently and in smaller volume than shares of large companies. As a result, it may be difficult to buy or sell the Common Shares in a timely fashion relative to buying or selling shares of large companies on the secondary market. We may also have relatively few Common Shares outstanding at any given time, so a sale or purchase of Common Shares may have a greater impact on the price of the Common Shares.

Future Sales of Substantial Amount of Share Capital

The articles of incorporation, as amended, of Trisura Group provide that Trisura Group may issue an unlimited number of Common Shares, an unlimited number of non-voting shares and an unlimited number of preference shares (issuable in series), subject to the rules of any stock exchange on which Trisura Group's securities may be listed from time to time. If Trisura Group was to issue any additional Common Shares, non-voting shares or preference shares, or such other classes of authorized shares that are convertible or exchangeable for Common Shares, the percentage ownership of existing holders may be reduced and diluted. We cannot foresee the terms and conditions of any future offerings of our securities nor the effect of such offerings on the market price of the Common Shares. Any issuance of a significant percentage of Trisura Group's securities, or the perception that such issuances may occur, could have a material adverse effect on the market price of the Common Shares and limit our ability to fund our operations through capital raising transactions in the future.

The Board has the authority to issue non-voting shares and preference shares and determine the price, designation, rights (including voting and dividend rights), preferences, privileges, restrictions and conditions of the preference shares, and to determine to whom non-voting and preference shares shall be issued.

Unpredictable Catastrophic Events

Catastrophes can be caused by various natural and man-made events. Natural catastrophic events include hurricanes, windstorms, earthquakes, hailstorms, explosions, severe winter weather and fires. Man-made catastrophic events include hostilities, terrorist acts, riots, crashes and derailments. The incidence and severity of catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, windstorms and earthquakes may produce significant damage in large, heavily populated areas. The frequency and intensity of natural catastrophic events may continue to increase as a result of climate change, and we may incur greater than anticipated losses in respect of such events in the future. Our Company's ability to write new business could also be affected and we may experience an abrupt interruption of activities caused by unforeseeable and/or catastrophic events. Our Company's operations may be subject to losses resulting from such disruptions. Losses can relate to property, financial assets, trading positions and also to key personnel. If our Company's business continuity plans cannot be put into action or do not take such events into account, losses may further increase.

Dependence on Technology

Our Company is heavily dependent on systems technology to process large volumes of transactions and our business would suffer if the technology employed is inadequate or inappropriate to support current and future business needs and objectives. There is no assurance that we will be able to respond to technology failures effectively and with minimal disruption.

Cyber-Security

Our information technology systems may be subject to cyber terrorism intended to obtain unauthorized access to our proprietary information, destroy data or disable, degrade or sabotage our systems, often through the introduction of computer viruses, cyber-attacks and other means, and could originate from a wide variety of sources, including internal or unknown third parties. If our information systems are compromised, do not operate or are disabled, this could have a material adverse effect on our business prospects, financial condition, results of operations.

Other Operational Risks

Through the course of our business we rely on employees, systems, distribution partners, third party vendors and service providers. We are exposed to the potential failure on the part of any of these parties, whether through error, fraud, crime, failure to comply with regulatory standards, failure to comply with internal policies or otherwise. It is not always possible to identify and correct these failures and the internal processes that we have in place may not be effective in all cases at identifying or mitigating these situations in time. In such a case, our reputation, financial condition and results of operations could be negatively impacted.

We rely on estimates and models in the course of our business whether internal models or vendor models. These models have a high degree of uncertainty and are based on historical data, scenarios and judgement that may not accurately reflect future conditions. For example, models are used in the estimation of Probable Maximal Loss for contract surety account, in informing reinsurance purchase decisions, in investment decisions, in pricing, and in reserving. Models estimates could deviate materially from actual experience and thereby have a material negative impact on our financial condition and results of operations.

Description of Securities

Trisura Group's authorized capital consists of:

(a) an unlimited number of Common Shares;

(b) an unlimited number of non-voting shares; and

(c) an unlimited number of preference shares (issuable in series).

As of December 31, 2018, 6,621,680 Common Shares and 64,000 Series 1 Preference Shares were issued and outstanding. Trisura Group has not issued any non-voting shares. The Common Shares are listed on the TSX under the symbol "TSU".

Information on the terms and conditions attached to or affecting each class of Trisura Group's authorized securities is contained in Appendix 'A' of this annual information form.

Dividends and Dividend Policy

The Board may declare dividends at its discretion but does not anticipate paying dividends on the Common Shares in the near future.

Holders of the Series 1 Preference Shares are entitled to a cumulative fixed dividend payable quarterly on the last day of March, June, September and December of each year. More information on the dividend payment rates and times is contained in Appendix 'A' of this annual information form. From the date of issuance of the Series 1 Preference Shares to December 31, 2017, our Company has declared and paid a dividend of $0.13 per Series 1 Preference Share. From January 1, 2018 to December 31, 2018, our Company has declared and paid four quarterly dividends, each of $0.375 per Series 1 Preference Share.

Market for Securities

Trading Price and Volume

The Common Shares are listed for and posted for trading on the TSX under the symbol "TSU". The following table sets out monthly trading information for the Common Shares in 2018 based on information provided by the TSX.

	Price Per Common Share[a]		
Common Shares - TSU	***High*** *($)*	***Low*** *($)*	**Volume Traded** *(#)*
2018			
January	27.25	24.51	123,885
February	25.70	24.33	196,890
March	27.49	24.99	178,442
April	25.80	24.75	153,314
May	26.65	24.00	264,455
June	27.70	25.61	269,539
July	28.09	26.50	104,390
August	28.24	27.32	121,181
September	28.00	26.61	141,906
October	27.99	25.68	130,745
November	27.64	24.58	155,596
December	28.28	25.52	97,220

Notes:

(a) The high and low prices reflect the highest and lowest prices at which a board lot trade was executed in a trading session during the month.

Directors and Officers

Directors of Trisura Group

The directors of Trisura Group are elected by shareholders at each annual meeting of Trisura Group's shareholders, and all directors hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment. As of the date of this annual information form, the Board is comprised of the six directors set out below.

The following table sets forth certain information regarding the directors of Trisura Group.

Name and Municipality of Residence	Principal Occupation	Director Since
DAVID CLARE *Toronto, Ontario, Canada*	President and Chief Executive Officer ("**CEO**") of Trisura Group	2018
PAUL GALLAGHER[(a)(b)(c)] *Toronto, Ontario, Canada*	Vice President, Investments of Carfin Inc.	2017
BARTON HEDGES[(a)(c)] *Delray Beach, Florida, United States*	Former director and CEO of Greenlight Capital Re, Ltd.	2017
GREG MORRISON *Smith's Parish, Bermuda*	Former President and CEO of Trisura Group	2017
GEORGE MYHAL[(b)] *Toronto, Ontario, Canada*	President and CEO of Windermere Investment Corporation	2018
ROBERT TAYLOR[(a)(b)(c)] *Oakville, Ontario, Canada*	Former Chairman and a Director of Trisura Guarantee	2018

Notes:

(a) Member of the audit committee of the Board (the "**Audit Committee**").

(b) Member of the governance and compensation committee of the Board.

(c) Member of the risk committee of the Board.

Each of the directors has held the principal occupation referred to opposite his name during the last five years, except as set forth below:

- Prior to becoming President and CEO of Trisura Group in 2018, Mr. Clare was the Senior Vice President, Chief Investment Officer of Trisura Group. Prior to that, Mr. Clare was a Vice President at PVI, the largest shareholder of Brookfield and Trisura Group.

- Prior to becoming Vice President Investments of Carfin Inc. in 2016, Mr. Gallagher was the Chief Financial Officer ("**CFO**") at Wittington Investments, Limited which owns a number of public and private companies including George Weston Limited, one of North America's largest food processing and distribution groups and Selfridges Group Limited, an international fashion retail company.

- Prior to becoming solely a director of Trisura Group, Mr. Morrison served as the President and CEO of Trisura Group from January 2017 to October 2018. Prior to that, Mr. Morrison had served as the Chairman of Trisura International since 2012.

- Prior to becoming the President and CEO of Windermere Investment Corporation in 2018, Mr. Myhal was the President and CEO of PVI, the largest shareholder of Brookfield and Trisura Group.

Executive Officers of our Company

The following table sets forth certain information regarding the executive officers of our Company.

Name and Municipality of Residence	Position(s) with our Company	Principal Occupation
DAVID CLARE[(a)] *Toronto, Ontario, Canada*	President and CEO of Trisura Group	*President and CEO* Trisura Group
JIMMY DOYLE[(b)] *Malahide, Dublin, Ireland*	CFO and Chief Risk Officer (**"CRO"**) of Trisura Group and President and CEO of Trisura International	*CFO and CRO* Trisura Group
MICHAEL GEORGE *Aurora, Ontario, Canada*	President and CEO of Trisura Guarantee	*President and CEO* Trisura Guarantee
DAVID SCOTLAND[(c)] *Toronto, Ontario, Canada*	CFO of Trisura Guarantee	*CFO* Trisura Guarantee
MICHAEL BEASLEY *Oklahoma City, Oklahoma, United States*	President and CEO of Trisura Specialty	*President and CEO* Trisura Specialty
EILEEN SWEENEY *Wake Forest, North Carolina, United States*	Executive Vice President and CFO of Trisura Specialty	*Executive Vice President and CFO* Trisura Specialty

Notes:

(a) Mr. Clare was appointed as President and CEO of Trisura Group on October 16, 2018. Previously, Mr. Clare was Senior Vice President and Chief Investment Officer of Trisura Group since August 10, 2017.

(b) Mr. Doyle was appointed as CFO of Trisura Group on August 15, 2017.

(c) Mr. Scotland was appointed as CFO on June 29, 2018.

Each of the executive officers has held the principal occupation referred to opposite his or her name during the past five years, except as set forth below:

- Prior to becoming President and CEO of Trisura Group in 2018, Mr. Clare was the Senior Vice President and Chief Investment Officer of Trisura Group. Prior to that, Mr. Clare was a Vice President at PVI, the largest shareholder of Brookfield and Trisura Group.

- Prior to becoming the CFO of Trisura Guarantee, Mr. Scotland served as the Vice President, Finance & Controller of Trisura Guarantee.

- Prior to becoming the President and CEO of Trisura Specialty, Mr. Beasley acted as a consultant to Trisura Group. Previously, Mr. Beasley was a consultant to Great Curve Merchant Bank, President and Vice Chairman of Red Rock Insurance Company and Chief Operating and Underwriting Officer of Western Underwriters Insurance Company.

- Prior to becoming the Executive Vice President and CFO of Trisura Specialty, Ms. Sweeney acted as a consultant to Trisura Group. Previously, Ms. Sweeney was a

Partner at Great Curve Insurance Partners from 2015 to 2016. Ms. Sweeney acted as a consultant to Blue Mountain Capital from 2013 to 2014.

- Mr. Doyle was appointed as CFO of Trisura Group on August 15, 2017. He has served as CEO of Trisura International since 2008.

Ownership of Securities

As of December 31, 2018, the directors and executive officers of our Company as a group, beneficially own, control or direct, directly or indirectly, or exercise control or direction over, an aggregate of 351,203 Common Shares, representing approximately 5.3% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders and Bankruptcies

Except as set forth below, none of the current directors or executive officers of our Company, and to the best of our knowledge, no shareholder expected to hold a sufficient number of securities to affect materially the control of our Company, is, as at the date of this annual information form, or has been within the 10 years before the date of this annual information form, (a) a director, CEO or CFO of any company that was subject to an order that was issued while the existing or proposed director or executive officer was acting in the capacity as director, CEO or CFO; (b) was subject to an order that was issued after the existing or proposed director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Mr. Beasley served as the President and Chief Operating Officer of Red Rock Insurance Company (“**Red Rock**”) from May 2013 to August 2014. On August 21, 2014, the Oklahoma Insurance Commissioner (the “**Receiver**”) was appointed as receiver over the assets of Red Rock. The Receiver alleged claims of negligence and breach of fiduciary duty against the former officers and directors of Red Rock, including Mr. Beasley. The Receiver subsequently determined that Mr. Beasley was not responsible for the financial issues suffered by Red Rock, and the Oklahoma Insurance Department opined that Mr. Beasley’s employment in the insurance industry (including acting as an officer or director) should not be adversely impacted by his actions in conjunction with his Red Rock employment.

Audit Committee Information

Composition of the Audit Committee

The Audit Committee consists of three directors, all of whom are both independent and financially literate within the meaning of National Instrument 52-110 — *Audit Committees*. As of the date of this annual information form, the Audit Committee is comprised of Messrs. Gallagher (Chair), Hedges and Taylor. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. Additional details regarding the relevant education and experience of the members of the Audit Committee is outlined below.

Mr. Gallagher is a member of the boards of Guelph University and Sinai Health Systems and past President of the board of the Children's Aid Society of Toronto. He has previously served on the boards of the Caledon Institute of Social Policy, Rostland Corporation, Ryerson Oil and Gas and Northern Geophysical of America. Mr. Gallagher holds the Institute of Corporate Directors designation, is a Chartered Professional Accountant and holds a Bachelor of Commerce Degree from Lakehead University.

Mr. Hedges previously served as a director and CEO of Greenlight Capital Re, Ltd. Prior to that, he served as President and Chief Operating Officer of Platinum Underwriters Bermuda, Ltd., a property and casualty reinsurer and as Executive Vice President and Chief Operating Officer of Bermuda-based Scandinavian Re, a former insurance and reinsurance company. Mr. Hedges received his B.S. in Mathematics, Computer Science Concentration, from Towson State University in 1987 and is a Fellow of the Casualty Actuarial Society.

Mr. Taylor previously served as Chairman and a director for Trisura Guarantee from 2013 to 2017. As a co-founder of Trisura Guarantee, Mr. Taylor served as the CEO of the company from its inception in 2006 until 2012. He previously served as a management consultant to London Guarantee Insurance Company and was the President and CEO of London Guarantee Insurance Company. Mr. Taylor received his MBA from McMaster University in 1976 and Bachelor of Applied Science in chemical engineering from the University of Waterloo in 1970.

Responsibilities of the Audit Committee

The Audit Committee is responsible for: (i) monitoring our systems and procedures for financial reporting and associated internal controls, and the performance of our Company's auditors; (ii) reviewing certain public disclosure documents before their approval by the full Board and release to the public, such as our quarterly and annual financial statements and management's discussion and analysis; (iii) recommending an auditor to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor; (iv) monitoring financial and non-financial risk exposures and the steps taken to monitor and control such risk exposures; and (v) annually reviewing the guidelines which apply to our Company's treasury and risk management activities and overseeing our Company's overall risk management activities. The Audit Committee meets regularly in private session with our Company's auditors, without management present, to discuss and review specific issues as appropriate. The Audit Committee Charter, as approved by the Board on June 20, 2017, is included in Appendix 'B' of this annual information form.

External Auditor, Fees and Services

The external auditor of our Company is Deloitte LLP ("**Deloitte**"). The following table provides information about the aggregate fees billed to our Company for professional services rendered by Deloitte during 2018 and 2017:

Years ended December 31 *(thousands)*	**2018**	**2017**
Audit Fees...	$509	$396

Audit Fees

Audit fees include fees for services that would normally be provided by the external auditor in connection with statutory and regulatory filings or engagements, including fees for services necessary to perform an audit or review in accordance with generally accepted auditing standards. This category also includes services that generally only the external auditor reasonably can provide, including comfort letters, statutory audits, attest services, consents and assistance with and review of certain documents filed with securities regulatory authorities.

Pre-Approval Policies and Procedures

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy (the "**Audit Policy**"), which governs the provision of services by its external auditor, currently Deloitte. The Audit Policy requires Audit Committee pre-approval of all permitted audit, audit-related, tax and other non-audit services. It also specifies a number of services that may not be provided by Trisura Group's external auditor, including all services prohibited by law from being provided by the external auditor.

Under the Audit Policy, all permitted services to be provided by the external auditor must be pre-approved by the Audit Committee or a designated member of the Audit Committee. Any pre-approval granted by a designated member must be reported to the Audit Committee at its next scheduled meeting.

Under the Audit Policy, the Audit Committee has established a fee threshold for pre-approved services, which is that the aggregate fees paid to the external auditor for pre-approved services must equal no more than 25% of the anticipated audit fees for our Company for the prior year. Each quarter the external auditor provides the Audit Committee with a report of the audit, audit-related, tax and other non-audit services provided for the then-ended quarter, together with the actual fees incurred, for the Audit Committee's ratification.

Interest of Management and Others in Material Transactions

Certain directors and executive officers of Trisura Guarantee participated in the Management Buyout. Certain directors and executive officers of Trisura Group had an interest in the Share Consolidation and Split by virtue of holding Common Shares. David Clare, who at the time was a Senior Vice President of Trisura Group, may also have had an interest in the Share Consolidation and Split as a result of being an officer of PVI (a significant shareholder of Trisura Group) at the time of the Share Consolidation and Split. PVI also had a material interest in the Share Consolidation and Split by virtue of holding Common Shares. For more information, see *Development of the Business*.

Otherwise, no other director, executive officer or associate or affiliate of a director or executive officer, or to the knowledge of the directors and executive officers of Trisura Group after having made reasonable inquiry, any person of Trisura Group who beneficially owns, directly or indirectly, voting securities of Trisura Group carrying more than 10% of the voting rights attached to any class of voting securities of Trisura Group outstanding as of December 31, 2018, or any associate or affiliate thereof, had any material interest, direct or indirect, in any transaction material to Trisura Group within the past three years.

Promoter

Brookfield took the initiative in founding and organizing our Company and accordingly has been considered to be a promoter within the meaning of Canadian provincial securities legislation within the two most recently completed financial years of Trisura Group. Brookfield owns 189,807 Common Shares.

Our Company has not acquired any assets from Brookfield other than as described under *Significant Acquisitions* above.

Brookfield provided Trisura Group with the services of Allen Taylor as CFO of Trisura Group under a management services agreement (the "**Management Services Agreement**") from the Spin-Off until August 15, 2017. In 2017, Brookfield entities provided management and financial services to Trisura Group and recovered costs of $23,000 in respect of the management services provided pursuant to the Management Services Agreement.

Trisura Guarantee has entered into outsourcing arrangements with Brookfield and an entity subject to common control with respect to the provision by them of information technology, internal audit and investment management services. These arrangements were terminated in 2018.

Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its principal office in Toronto, Ontario, Canada.

Interests of Experts

Deloitte is the external auditor of our Company and has advised Trisura Group that it is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Additional Information

Additional financial information is provided in Trisura Group's comparative financial statements and management's discussion and analysis for the year ended December 31, 2018. Additional information, including with respect to directors' and officers' remuneration and indebtedness, principal holders of the Common Shares and Trisura Group's securities authorized for issuance under equity compensation plans is contained in Trisura Group's management information circular dated March 29, 2018 with respect to the annual and special meeting of shareholders of Trisura Group held on May 10, 2018. A copy of these documents may be obtained upon a request to the Secretary of Trisura Group and can be found on SEDAR at *www.sedar.com*. Additional information relating to Trisura Group can be found on SEDAR at *www.sedar.com*.

Appendix ‘A’

Summary of Terms and Conditions of Trisura Group’s Authorized Securities

Common Shares

Each holder of Common Shares is entitled to receive notice of and to attend all meetings of the shareholders of Trisura Group and is entitled to one vote for each Common Share held at all meetings of the shareholders of Trisura Group, except for meetings at which only holders of another specified class or series of shares of Trisura Group are entitled to vote separately as a class or series. The holders of Common Shares are entitled to receive dividends as and when declared by the Board, participating equally with holders of non-voting shares, subject to the preference of the holders of the preference shares and any other shares ranking senior to the Common Shares and non-voting shares with respect to priority in payment of dividends. Stock dividends, if any, will be declared contemporaneously and paid at the same time in equal numbers of additional equity shares of the same class and series such that stock dividends will be paid in Common Shares to holders of the Common Shares and in non-voting shares to holders of the non-voting shares. After payment to the holders of preference shares and any other shares senior to the Common Shares and the non-voting shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or other distribution of our assets for the purpose of winding up our affairs, the holders of Common Shares and the holders of non-voting shares will rank equally with each other and will be entitled to receive the remaining property of Trisura Group that pertains to shareholders in equal amounts per share, without preference or priority of one share or another.

If either of the Common Shares or non-voting shares are subdivided, consolidated, reclassified or otherwise changed, appropriate adjustments would be made at the same time to the rights attaching to the shares of the other class to ensure the preservation of the rights of each class in relation to those of the other.

Book Based System

The Common Shares may be represented in the form of one or more fully registered share certificates held by, or on behalf of, CDS Clearing and Depository Services Inc. (‘‘**CDS’’**) or the Depository Trust Company (“**DTC**”), as applicable, as custodian of such certificates for the participants of CDS or DTC, registered in the name of CDS or DTC or their respective nominee, and registration of ownership and transfers of the Common Shares may be effected through the book-based system administered by CDS or DTC, as applicable.

Non-Voting Shares

The non-voting shares entitle the holders thereof to receive notice of meetings of the shareholders of Trisura Group but do not entitle holders thereof to any votes at such meetings, unless otherwise required by law. The holders of non-voting shares are entitled to receive dividends as and when declared by the Board, participating equally with holders of Common Shares, subject to the preference of the holders of the preference shares and any other shares ranking senior to the non-voting shares and Common Shares with respect to priority in payment of dividends. Stock dividends, if any, will be declared contemporaneously and paid at the same time in equal numbers of additional equity shares of the same class and series such that stock dividends will be paid in non-voting shares to holders of the non-voting shares and in Common Shares to holders of the Common Shares.

After payment to the holders of preference shares and any other shares senior to the non-voting shares and the Common Shares with respect to priority in the distribution of assets in the event of the liquidation, dissolution or other distribution of our assets for the purpose of winding up our affairs, the holders of Common Shares and the holders of non-voting shares will rank equally with each other and will be entitled to receive the remaining property of Trisura Group that pertains to shareholders in equal amounts per share, without preference or priority of one share or another. If either of the non-voting shares or Common Shares are subdivided, consolidated, reclassified or otherwise changed, appropriate adjustments would be made at the same time to the rights attaching to the shares of the other class to ensure the preservation of the rights of each class in relation to those of the other. In certain circumstances, if a take-over bid is made for the Common Shares only, a holder of non-voting shares may, at his or her option, and for the purpose of tendering to such take-over bid, convert any or all non-voting shares then held by such holder into Common Shares on a one-for-one basis during a specified period of time. Our Company is required to give notice of the occurrence of an event entitling the holders of non-voting shares to exercise such conversion right as soon as is reasonably practicable after the seventh day following the date upon which the offer is made or deemed to be made to holders of Common Shares.

Preference Shares

The following is a summary of certain provisions attaching to the preference shares as a class.

Priority

Each series of preference shares will rank on a parity with every other series of preference shares with respect to dividends and return of capital. The preference shares are entitled to a preference over the Common Shares, the non-voting shares and any other shares ranking junior to the preference shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of Trisura Group, whether voluntary or involuntary, or any other distribution of the assets of Trisura Group among our shareholders for the specific purpose of winding-up our affairs.

Directors' Rights to Issue in One or More Series

The preference shares may be issued at any time and from time to time in one or more series. Before any shares of a series are issued, the Board shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in the by-laws of Trisura Group or in the OBCA, determine the designation, rights, privileges, restrictions and conditions to be attached to the preference shares as the case may be, of such series.

Voting Rights of Preference Shares

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of preference shares, the holders of such preference shares as a class are not entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders of Trisura Group.

Amendment with Approval of Holders of Preference Shares

The rights, privileges, restrictions and conditions attached to the preference shares as a class may be added to, changed or removed but only with the approval of the holders of such class of preference shares given as hereinafter specified.

Approval of Holders of Preference Shares

The approval of the holders of a class of preference shares to add to, change or remove any right, privilege, restriction or condition attaching to such class of preference shares as a class or in respect of any other matter requiring the consent of the holders of such class of preference shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of such class of preference shares or passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of such class of preference shares duly called for that purpose.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by the OBCA as in force at the time of the meeting and those, if any, prescribed by the by-laws or the administrative resolutions of Trisura Group with respect to meetings of shareholders. On every poll taken at every meeting of the holders of a class of preference shares as a class, or at any joint meeting of the holders of two or more series of a class of preference shares, each holder of such class of preference shares entitled to vote thereat shall have one vote in respect of each such preference share held.

Series 1 Preference Shares

The following is a summary of certain provisions attaching to the Series 1 Preference Shares, as a series.

Issue Price

The Series 1 Preference Shares have an issue price of $25.00 per share.

Cumulative Preferential Dividends

The holders of the then outstanding Series 1 Preference Shares (the “**Holders**”) shall be entitled to receive, and Trisura Group shall pay thereon, as and when declared by the Board, cumulative preferential cash dividends (the “**Series 1 Dividends**”) payable quarterly at the rates and times provided for below:

(a) For the period from December 1, 2017 to December 31, 2022 (the “**Initial Fixed Rate Period**”), the Series 1 Dividends will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Dividend Payment Date**”) at a rate of 6.00% per annum. On each Dividend Payment Date during the Initial Fixed Rate Period (other than December 31, 2017), the Series 1 Dividend will be equal to $0.375 per share.

(b) For the period commencing on January 1, 2023 and ending on and including December 31, 2027, and for each subsequent five-year period (each a “**Subsequent Fixed Rate Period**”), dividends payable on the Series 1 Preference Shares will be in an annual amount per share determined by multiplying the rate equal to the Government of Canada

Yield on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 7.5% by $25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of Trisura Group, whether voluntary or involuntary, or any other distribution of assets of Trisura Group among its shareholders for the purpose of winding-up its affairs, the Holders shall be entitled to receive $25.00 per Series 1 Preference Share, together with all accrued and unpaid Series 1 Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted or withheld by Trisura Group), before any amounts shall be paid or any assets of Trisura Group distributed to the holders of any shares ranking junior as to capital to the Series 1 Preference Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of Trisura Group.

Redemption at the Option of Trisura Group

Trisura Group may, at any time and from time to time, subject to applicable law, upon giving notice, at its option, without the consent of the Holders redeem all, or any part, of the then outstanding Series 1 Preference Shares by the payment of an amount in cash for each Series 1 Preference Share so redeemed equal to $25.00 per Series 1 Preference Share, together with all accrued and unpaid dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by Trisura Group).

Appendix 'B'

Audit Committee Charter

A committee of the board of directors (the "**Board**") of Trisura Group Ltd. (the "**Company**") to be known as the Audit Committee (the "**Committee**") shall have the following terms of reference:

1. Membership and Chair

Following each annual meeting of shareholders, the Board shall appoint from its number three or more directors (the "**Members**" and each a "**Member**") to serve on the Committee until the close of the next annual meeting of shareholders of the Company or until the Member ceases to be a director, resigns or is replaced, whichever occurs first.

The Members will be selected by the Board on the recommendation of the Governance and Compensation Committee of the Company (the "**Governance Committee**"). Any Member may be removed from office or replaced at any time by the Board. All of the Members will be Independent Directors. In addition, every Member will be Financially Literate and at least one Member will be an Audit Committee Financial Expert. Members may not serve on more than three other public company audit committees, except with the prior approval of the Board.

The Board shall appoint one Member as the chair of the Committee (the "**Chair**"). If the Chair is absent from a meeting, the Members shall select an Acting Chair from among those Members in attendance at the meeting.

2. Subcommittees

The Committee may form subcommittees for any purpose and may delegate to a subcommittee such of the Committee's powers and authorities as the Committee deems appropriate.

3. Responsibilities

The Committee shall:

Auditor

a) oversee the work of the Company's external auditor (the "**auditor**") engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

b) require the auditor to report directly to the Committee;

c) review and evaluate the auditor's independence, experience, qualifications and performance (including the performance of the lead audit partner) and determine whether the auditor should be appointed or re-appointed and nominate the auditor for appointment or re-appointment by the shareholders;

d) where appropriate, terminate the auditor;

e) when a change of auditor is proposed, review all issues related to the change, including the information to be included in the notice of change of auditor required, and the orderly transition of such change;

f) review the terms of the auditor's engagement and the appropriateness and reasonableness of the proposed audit fees;

g) at least annually, obtain and review a report by the auditor describing:

   a. the auditor's internal quality-control procedures; and

   b. any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body such as the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review;

h) at least annually, confirm that the auditor has submitted a formal written statement describing all of its relationships with the Company; discuss with the auditor any disclosed relationships or services that may affect its objectivity and independence; obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and, confirm that the auditor has complied with applicable laws with the rotation of certain members of the audit engagement team;

i) ensure the regular rotation of the audit engagement team members as required by law, and periodically consider whether there should be regular rotation of the auditor;

j) meet privately with the auditor as frequently as the Committee feels is appropriate to fulfill its responsibilities, which will not be less frequently than annually, to discuss any items of concern to the Committee or the auditor, including:

   (i) planning and staffing of the audit;

   (ii) any material written communications between the auditor and management;

   (iii) whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;

   (iv) the extent to which the auditor is satisfied with the nature and scope of its examination;

(v) whether or not the auditor has received the full co-operation of management of the Company;

(vi) the auditor’s opinion of the competence and performance of the Chief Financial Officer and other key financial personnel of the Company;

(vii) the items required to be communicated to the Committee in accordance with generally accepted auditing standards;

(viii) all critical accounting policies and practices to be used by the Company;

(ix) all alternative treatments of financial information within International Financial Reporting Standards (“**IFRS**”) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;

(x) any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with management and management’s response; and

(xi) any illegal act that may have occurred and the discovery of which is required to be disclosed to the Committee pursuant to paragraphs 240.41-42 and 250.22-24 of the Canadian Auditing Standards;

k) annually review and approve the Audit and Non-Audit Services Pre-Approval Policy (the “**Pre-Approval Policy**”), which sets forth the parameters by which the auditor can provide certain audit and non-audit services to the Company not prohibited by law and the process by which the Committee pre-approves such services. At each quarterly meeting of the Committee, the Committee will ratify all audit and non-audit services provided by the auditor to the Company for the then-ended quarter;

l) resolve any disagreements between management and the auditor regarding financial reporting;

m) set clear policies for hiring partners and employees and former partners and employees of the external auditor;

Financial Reporting

n) prior to disclosure to the public, review, and, where appropriate, recommend for approval by the Board, the following:

(i) audited annual financial statements, in conjunction with the report of the external auditor;

(ii) interim financial statements;

(iii) annual and interim management discussion and analysis of financial condition and results of operations;

(iv) reconciliation of the annual or interim financial statements; and

(v) all other audited or unaudited financial information contained in public disclosure documents, including without limitation, any prospectus, or other offering or public disclosure documents and financial statements required by regulatory authorities;

o) review and discuss with management prior to dissemination earnings press releases and other press releases containing financial information (to ensure consistency of the disclosure to the financial statements), as well as financial information and earnings guidance provided to analysts including the use of “pro forma” or “adjusted” non-IFRS information in such press releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;

p) review the effect of regulatory and accounting initiatives, as well as any asset or debt financing activities of the Company’s unconsolidated subsidiaries that are not required under IFRS to be incorporated into the Company’s financial statements (commonly known as “off-balance sheet financing”);

q) review disclosures made to the Committee by the Chief Executive Officer and Chief Financial Officer of the Company during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Company’s internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information, and any fraud involving management or other employees;

r) review the effectiveness of management’s policies and practices concerning financial reporting, any proposed changes in major accounting policies, the appointment and replacement of management responsible for financial reporting and the internal audit function;

s) review the adequacy of the internal controls that have been adopted by the Company to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records and any special audit steps adopted in light of material control deficiencies;

Internal Audit; Controls and Procedures; and Other

t) meet privately with the person responsible for the Company’s internal audit function (the “**internal auditor**”) as frequently as the Committee feels appropriate to fulfill its responsibilities, which will not be less frequently than annually, to discuss any items of concern;

u) require the internal auditor to report directly to the Committee;

v) review the mandate, budget, planned activities, staffing and organizational structure of the internal audit function (which may be outsourced to a firm other than the auditor) to confirm that it is independent of management and has sufficient resources to carry out its mandate. The Committee will discuss this mandate with the auditor, review the appointment and replacement of the internal auditor and review the significant reports to management prepared by the internal auditor and management's responses. As part of this process, the Committee reviews and approves the governing charter of the internal audit function on an annual basis;

w) review the controls and procedures that have been adopted to confirm that material financial information about the Company and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed, review the public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of such controls and procedures;

x) review risks of fraud related to financial reporting that come to the attention of the Committee, either through internal audit or otherwise;

y) periodically review the status of taxation matters of the Company;

z) consider other matters of a financial nature as directed by the Board;

Risk Management Oversight

aa) review the Company's material risk management policies annually and, if considered appropriate, recommend such policies to the Board for approval;

bb) review and consider with senior management the Company's risk capacity, risk-taking philosophy and approach to determining an appropriate balance between risk and reward;

cc) review and evaluate the Company's significant financial risk exposures, including currency, interest rate, credit and market risks, and the steps senior management has taken to monitor and manage such risk exposures (through hedges, swaps, other financial instruments and otherwise), including the management of counterparty risk, in compliance with applicable policies;

dd) review and discuss with senior management the Company's significant non-financial risk exposures, including strategic, reputational, operational, regulatory and business risks, and the steps senior management has taken to monitor and control such risk exposures in compliance with applicable policies;

ee) review and confirm with senior management that material non-financial information about the Company and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed;

ff) review with senior management the quality and competence of management appointed to administer risk management functions;

gg) review with senior management the Company's compliance programs;

hh) review the Company's insurance coverage, deductible levels, reinsurance requirement and various risk-sharing protocols;

ii) review, with legal counsel where required, such litigation, claims, tax assessments and other tax-related matters, transactions, material inquiries from regulators and governmental agencies or other contingencies which may have a material impact on financial results, the Company's reputation or which may otherwise adversely affect the financial well-being of the Company;

jj) review and evaluate the Company's susceptibility to fraud and corruption and management's processes for identifying and managing the risks of fraud and corruption;

kk) review and evaluate risks of fraud related to financial reporting and other risk-related matters, as determined by the Committee; and

ll) consider other matters of a risk management nature as directed by the Board.

4. Limitation of Audit Committee Role

The Committee's function is one of governance and oversight. The Company's management is responsible for preparing the Company's financial statements, along with the internal audit function, for developing and maintaining systems of internal accounting and financial controls, and for developing, maintaining and monitoring systems of risk management throughout the organization. The auditor will assist the Committee and the Board in fulfilling their responsibilities for review of the financial statements and internal controls, and the auditor will be responsible for the independent audit of the financial statements. The Committee expects the auditor to call to its attention any accounting, auditing, internal accounting control, regulatory or other related matters that the auditor believes warrant consideration or action. The risk management function of the Company will assist the Committee in fulfilling its responsibilities for review and oversight of the Company's risk management program. The Committee expects the Company's risk management function and executive management to call to its attention any matters that warrant Committee consideration or action. The Committee recognizes that (i) the internal audit team and the auditor have more knowledge and information about the Company's financial affairs than do the Committee's members and (ii) the Company's management has more knowledge and information about the Company's material risks than do the Committee's members. Accordingly, in carrying out its oversight responsibilities, the Committee does not provide any expert or special assurance as to the Company's risk management activities, financial statements or internal controls or any professional certification as to the auditor's work.

5. Reporting

The Committee will regularly report to the Board on:

a) the auditor's independence;

b) the performance of the auditor and the Committee's recommendations regarding its reappointment or termination;

c) the performance of the internal audit function department;

d) the adequacy of the Company's internal controls and disclosure controls;

e) its recommendations regarding the annual and interim financial statements of the Company and any reconciliation of the Company's financial statements, including any issues with respect to the quality or integrity of the financial statements;

f) its review of any other public disclosure document including the annual report and the annual and interim management's discussion and analysis of financial condition and results of operations;

g) the Company's compliance with legal and regulatory requirements, particularly those related to financial reporting;

h) its review of risk disclosure in the Company's financial reports;

i) the Company's compliance with legal and regulatory requirements; and

j) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

6. Complaints Procedure

The Committee will establish and periodically review a procedure for the receipt, retention, treatment and follow-up of complaints received by the Company through the reporting hotline or otherwise regarding accounting, internal controls, disclosure controls or auditing matters and a procedure for the confidential, anonymous submission of concerns by employees of the Company regarding such matters.

7. Review and Disclosure

The Committee will review this Charter at least annually and submit it to the Governance Committee together with any proposed amendments. The Governance Committee will review this Charter and submit it to the Board for approval with such further amendments as it deems necessary and appropriate.

This Charter will be reproduced in full as an appendix to the Company's annual information form.

8. Assessment

At least annually, the Governance Committee will review the effectiveness of this Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the corporate governance guidelines adopted by the Board. The Committee will also conduct its own assessment of the Committee's performance on an annual basis.

9. Access to Outside Advisors and Senior Management

The Committee may retain any outside advisor, including legal counsel, at the expense of the Company, without the Board's approval, at any time. The Committee has the authority to determine any such advisor's fees and any other retention terms.

The Company will provide for appropriate funding, for payment of compensation to any auditor engaged to prepare or issue an audit report or perform other audit, review or attest services, and ordinary administrative expenses of the Committee.

Members will meet privately with senior management as frequently as they feel is appropriate to fulfill the Committee's responsibilities, but not less than annually.

10. Meetings

Meetings of the Committee may be called by any Member, the Chair of the Board, the Chief Executive Officer or Chief Financial Officer of the Company, the internal auditor or the auditor. Meetings will be held each quarter and at such additional times as is necessary for the Committee to fulfill its responsibilities. The Committee shall appoint a secretary to be the secretary of each meeting of the Committee and to maintain minutes of the meeting and deliberations of the Committee.

The powers of the Committee shall be exercisable at a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Matters decided by the Committee shall be decided by majority vote. Subject to the foregoing, the *Business Corporations Act* (Ontario) and the by-laws of the Company, and, unless otherwise determined by the Board, the Committee shall have the power to regulate its procedure.

Notice of each meeting shall be given to each Member, the internal auditor, the auditor, and to the Chair of the Board and the Chief Executive Officer of the Company. Notice of meeting may be given orally or by letter, electronic mail, telephone or other generally accepted means not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting and attendance at a meeting is deemed waiver of notice. The notice need not state the purpose or purposes for which the meeting is being held.

The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Committee may require the auditors and/or members of the Company's management to attend any or all meetings.

11. Definitions

Capitalized terms used in this Charter and not otherwise defined have the meanings attributed to them below:

"**Audit Committee Financial Expert**" means a person who has the following attributes:

a) an understanding of generally accepted accounting principles and financial statements;

b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;

d) an understanding of internal controls and procedures for financial reporting; and

e) an understanding of audit committee functions;

acquired through any one or more of the following:

a. education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

b. experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

c. experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

d. other relevant experience.

"**Financially Literate**" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

"**Independent Director**" means a director who has been affirmatively determined by the Board to have no material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. In addition to any other requirement of applicable securities laws or stock exchange provisions, a director who:

a) is or was an employee or executive officer, or whose immediate family member is or was an executive officer, of the Company is not independent until three years after the end of such employment relationship;

b) is receiving or has received, or whose immediate family member is receiving or has received, during any 12-month period within the last three years more than C$75,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent;

c) is or was a partner of, affiliated with or employed by, or whose immediate family member is or was a partner of or employed in a professional capacity by, a present or former internal or external auditor of the Company is not independent until three years after the end of the affiliation, partnership or employment relationship with the auditor; and

d) is or was employed as, or whose immediate family member is or was employed as, an executive officer of another company (or its parent or a subsidiary) where any of the present (at the time of review) executive officers of the Company serve or served on that company's (or its parent's or a subsidiary's) compensation committee, is not independent until three years after the end of such service or the employment relationship.

Additionally, an Independent Director for the purpose of the Committee specifically may not:

a. accept directly or indirectly any consulting, advisory, or other compensatory fee from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service); or

b. be an affiliated person of the Company (within the meaning of applicable rules and regulations).

For the purposes of the definition of "Independent Director", the term "Company" includes any parent, subsidiary or other affiliated entity of the Company.

In addition to the requirements for independence set out in paragraph (c) above, Members must disclose any other form of association they have with a current or former external or internal auditor of the Company to the Governance Committee for a determination as to whether this association affects the Member's status as an Independent Director.