



**easyhome Ltd.**  
**Notice of Annual and Special Meeting of Shareholders**  
**May 8, 2012**

Notice is hereby given that the annual and special meeting of the holders of common shares of easyhome Ltd. (the "**Corporation**") will be held at The Gallery Room, TMX Broadcast Centre, the Exchange Tower, 130 King Street West, Toronto, Ontario M5X 1J2 on Tuesday, May 8, 2012 at 10:00 a.m. (EDT) for the following purposes:

- (a) to receive the Corporation's audited comparative consolidated financial statements as at and for the financial year ended December 31, 2011 and the auditors' report thereon;
- (b) to elect directors;
- (c) to re-appoint auditors and to authorize the Board of Directors to fix their remuneration;
- (d) to consider and, if thought advisable, to pass with or without variation, a resolution in the form of Schedule A to the accompanying Management Information Circular approving an increase in the number of deferred share units available for issue under the Corporation's deferred share unit plan (the "DSU Plan"); and
- (d) to transact such other business as may properly come before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the meeting. *Registered shareholders* who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope to Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, fax number 416-595-9593. *Non-registered shareholders* who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Equity Financial Trust Company not later than 2:00 p.m. (EDT) on May 4, 2012, or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED the 5th day of April, 2012.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read "DK Johnson", written over a horizontal line.

Donald K. Johnson  
Chairman

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**easyhome Ltd.**  
**Management Information Circular for the Annual and special Meeting of**  
**Shareholders**  
**May 8, 2012**

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**PROXIES**

**SOLICITATION OF PROXIES**

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation, by or on behalf of the management of easyhome Ltd. (the “Corporation”), of proxies to be used at the Corporation’s annual and special meeting of the holders of common shares (the “Common Shares”) to be held on May 8, 2012 (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Equity Financial Trust Company at nominal cost. The cost of soliciting will be borne by the Corporation.

**APPOINTMENT OF PROXYHOLDER**

The person(s) designated by management of the Corporation in the enclosed form of proxy are directors or officers of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the person(s) or company(ies) designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope to Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, fax number 416-595-9593. In the case of *non-registered shareholders* who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Equity Financial Trust Company not later than 2:00 p.m. (EDT) on May 4, 2012 or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the adjournment time.

**REVOCAION OF PROXY**

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or the shareholder’s attorney, who is authorized in writing, to or at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

**VOTING OF PROXIES**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

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## VOTING SHARES

### VOTING SHARES

As at April 5, 2012 the Corporation had 11,874,373 Common Shares outstanding, each carrying the right to one vote per share. **A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.**

### RECORD DATE

The Board of Directors has fixed April 5, 2012 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

### PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Corporation, as at April 5, 2012 no person beneficially owned, directly or indirectly, or controls or directs, more than 10% of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

<b>Name</b>	<b>Aggregate number of Common Shares</b>	<b>Percentage of outstanding Common Shares</b>
Donald K. Johnson	3,250,607 <sup>1</sup>	27.4%
Maxam Opportunities GP Ltd.	2,255,350 <sup>2</sup>	19.0%

**Note:**

(1) 2,865,338 of these shares are owned by VYCO Ltd., a corporation controlled by a family trust. Mr. Johnson is a discretionary beneficiary of such trust and President of VYCO Ltd.

(2) 1,605,583 of these shares are owned by Maxam Opportunities Fund LP and 649,767 of these shares are owned by Maxam Opportunities Fund (International) LP. Both funds are managed by Maxam Opportunities GP Ltd.

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## **MATTERS TO BE ACTED UPON AT THE MEETING**

The purpose of the Meeting is to consider and take action on the following items:

### **PRESENTATION OF FINANCIAL STATEMENTS**

The Corporation's consolidated financial statements for fiscal 2011, together with the auditors' report on those financial statements, have been mailed to Shareholders and are also available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Management will present the consolidated financial statements to Shareholders in attendance at the Meeting.

### **ELECTION OF DIRECTORS**

The number of directors to be elected at the Meeting is six. Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

The Corporation's current Form of Proxy permits shareholders to vote for each individual director. Such a voting mechanism allows shareholders to evaluate the suitability of each nominee and to vote for or withhold their vote from individual nominees. The Board has adopted a policy stipulating that if the votes in favour of the election of a director nominee at a shareholders' meeting represent less than a majority of the shares voted and withheld, the nominee will submit his or her resignation promptly after the meeting, for the Corporate Governance and Nominating Committee's consideration. The Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation offer will be disclosed to the public. The nominee will not participate in any Committee or Board deliberations on the resignation offer.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated in the chart "About the Nominated Directors".** Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following are the names of the six proposed nominees for election as directors of the Corporation:

Donald K. Johnson, O.C., LL.D  
David Ingram  
David Appel

David Lewis  
David Thomson  
Sean Morrison

The section of this Circular entitled "About the Nominated Directors" sets out detailed information on each of the nominees including the nominee's age, province or state and country of residence, principal occupation, date first appointed to the Board, public board memberships and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at April 5, 2012. The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually. All of the nominees are currently directors of the Corporation.

## **REAPPOINTMENT AND REMUNERATION OF AUDITORS**

Ernst & Young LLP are the current auditors of the Corporation. At the Meeting, the holders of Common Shares will be requested to re-appoint Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors' remuneration.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the re-appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the remuneration of the auditors.**

During fiscal 2011 and 2010, fees charged by Ernst & Young LLP were as follows:

<b>Fees</b>	<b>Year Ended December 31, 2011 (\$)</b>	<b>Year Ended December 31, 2010 (\$)</b>
Audit Fees	775,000	375,000
Audit-Related Fees	8,800	85,000
Tax Fees	199,000	132,000
Other Fees	-	359,500
<b>Total Fees</b>	<b>982,800</b>	<b>951,500</b>

Audit fees include the annual audits of the Corporation's consolidated financial statements and the financial statements of the Corporation's U.S. subsidiary, easyhome U.S. Ltd. It also includes the quarterly reviews of the Corporation's consolidated financial statements and accounting services related to the conversion to International Financial Reporting Standards. Audit related fees include other sundry services related to reporting and accounting. Tax fees include corporate income tax return compliance and personal tax compliance for certain officers. Other fees include investigative services related to the previously disclosed employee fraud at one easyfinancial Services kiosk.

## **APPROVAL OF AN AMENDMENT TO THE DEFERRED SHARE UNIT PLAN**

At the Meeting, pursuant to the policies of the TSX, the holders of Common Shares (excluding those insiders entitled to receive a benefit under the DSU Plan) will be requested to consider and, if thought advisable, to pass with or without variation, a resolution in the form of Schedule A approving an increase in the number of deferred share units available for issue under the Corporation's deferred share unit plan (the "DSU Plan"). For more information, please see "Equity Based and Other Compensation Plans – Deferred Share Unit Plan"

The Corporation is currently authorized by the TSX and its shareholders to reserve 150,000 Common Shares for issuance under section 3.2 of the DSU Plan, representing approximately 1.3% of the outstanding Common Shares as at April 5, 2012. At their meeting on March 5, 2012, the Board of Directors resolved to increase the number of Common Shares available for issuance under the DSU Plan by 175,000 so that, subject to approval by the TSX and the Corporation's shareholders (excluding those insiders entitled to receive a benefit under the DSU Plan) the maximum number of Common Shares reserved for issuance under the DSU Plan will increase to 325,000, representing approximately 2.7% of the outstanding Common Shares as at April 5, 2012.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the approval of the resolution in the form of Schedule A approving an increase in the number of deferred share units available for**

**issue under the Corporation's DSU Plan, which resolution will only be passed if approved by a majority of the votes of disinterested shareholders cast at the meeting.**



**ABOUT THE NOMINATED DIRECTORS**

<b>Donald K. Johnson, O.C., LL.D</b> Ontario, Canada Age: 76 Director Since: June 1999		Mr. Johnson is Chairman of <i>easyhome Ltd.</i> , and Member, Advisory Board, BMO Capital Markets, the investment and corporate banking subsidiary of BMO Financial Group. Mr. Johnson is a former Senior Advisor, BMO Capital Markets, prior to which he was Vice-Chairman of BMO Nesbitt Burns Inc, an investment advisor. Active on a number of Boards, Mr. Johnson is Chairman Emeritus and a director of Business for the Arts, a director of the Toronto General & Western Hospital Foundation, a director and member of the Executive Committee of the Richard Ivey School of Business Advisory Board, a member of the 2012 Major Individual Giving Cabinet of the United Way of Greater Toronto, and a director of Manicouagan Minerals Inc.
Board / Committee Member	Public Board Membership	Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised
Board	easyhome Ltd. Manicouagan Minerals Inc.	3,250,607

<b>David Ingram</b> Ontario, Canada Age: 46 Director Since: December 2000		Mr. Ingram became President and Chief Executive Officer of <i>easyhome Ltd.</i> in May 2001 after serving as the Corporation's Executive Vice President and Chief Operating Officer since December 2000. He is also Vice Chair and a trustee of the Boys & Girls Club of Canada Foundation, and a Member of the Foundation's Strategic Team.
Board / Committee Member	Public Board Membership	Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised
Board	easyhome Ltd.	373,429

<b>David Appel</b> Ontario, Canada Age: 61 Director Since: August 2010		Mr. Appel is currently a Corporate Director. Mr. Appel has had a career in law, business and government service and is a director of a number of charitable organizations. Mr. Appel is a member of the Quebec Bar.
Board / Committee Member	Public Board Membership	Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised
Board Audit Committee Compensation Committee Corporate Governance and Nominating Committee	easyhome Ltd.	94,855

<b>David Lewis</b> Ontario, Canada Age: 75 Director Since: August 1993		Mr. Lewis is a retired banker; his last position was Chairman and Chief Executive Officer of Continental Bank of Canada. He serves as a Director of The Caldwell Partners International Inc. and West Street Capital Corporation.
<b>Board / Committee Member</b>	<b>Public Board Membership</b>	<b>Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised</b>
Board Audit Committee Compensation Committee Corporate Governance and Nominating Committee	easyhome Ltd. Caldwell Partners International Inc. West Street Capital Corporation	91,900

<b>Sean Morrison</b> British Columbia, Canada Age: 42 Director Since: January 2012		Mr. Morrison is a Corporate Director. Mr. Morrison is the Co-Founder and a Managing Partner of Maxam Capital Corporation, an investment company. Prior to forming Maxam, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a graduate of the University of British Columbia with a degree in Commerce and holds a Chartered Accountant designation.
<b>Board / Committee Member</b>	<b>Public Board Membership</b>	<b>Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised</b>
Board Audit Committee Compensation Committee	easyhome Ltd.	2,255,350

<b>David Thomson</b> Ontario, Canada Age: 72 Director Since: January 2012		Mr. Thomson is a Corporate Director. Mr. Thomson is a former President of Great West Life Properties. Prior to joining Great West, he was Executive Vice President of Oxford Development Group. Mr. Thomson currently serves on two other public company Boards and is a member of the audit committee of each. He is Chairman of the Toronto Dominion Bank Private Giving Foundation.
<b>Board / Committee Member</b>	<b>Public Board Membership</b>	<b>Shares Beneficially Owned Directly or Indirectly or Over Which Control or Discretion is Exercised</b>
Board Audit Committee Compensation Committee Corporate Governance and Nominating Committee	easyhome Ltd. Hanfeng Evergreen Inc. Morguard Corporation	5,000

Of the shares shown opposite the name of Mr. Johnson (which represent a 27.4% common equity and voting interest in the Corporation), Mr. Johnson is the direct or indirect holder of 385,269 Common Shares and has control or direction over 2,865,338 Common Shares registered in the name of VYCO Ltd., a private company of which Mr. Johnson is President (VYCO Ltd. is controlled by a family trust of which Mr. Johnson is a discretionary beneficiary).

Of the shares shown opposite the name of Mr. Morrison (which represent a 19.0% common equity and voting interest in the Corporation), Mr. Morrison has control or direction over 1,605,583 Common Shares registered in the name of Maxam Opportunities Fund LP and 649,767 Common Shares registered in the name of Maxam Opportunities Fund (International) LP, both of which are investment funds managed by Maxam Capital Corp., a private company of which Mr. Morrison is a managing partner.

Pursuant to an agreement dated May 7, 2010 and terminated on November 15, 2011, between VYCO Ltd. and VC & Co. Incorporated, a corporation related to a former director, Mr. Wesley Voorheis, VC & Co. Incorporated agreed to provide advisory services to VYCO Ltd. in connection with VYCO's shareholding in the Corporation, and to provide the services of Mr. Voorheis as a director of the Corporation, for a fee equivalent to Mr. Voorheis' standard hourly rate, less standard Board and Committee fees paid to Mr. Voorheis by the Corporation. For the year ended December 31, 2011, VYCO paid \$52,594 to VC & Co. Incorporated pursuant to such arrangement.

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## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Set out below is a description of the Corporation's approach to corporate governance in relation to the guidelines for effective corporate governance (the "Guidelines") set out in National Policy 58-201 – *Corporate Governance Guidelines*, which was introduced by the Canadian Securities Administrators on June 30, 2005 concurrently with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "National Instrument") and which accompanied amendments to Multilateral Instrument 52-110 – *Audit Committees*. The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their Committees and the effectiveness and education of board members. The National Instrument requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

### **BOARD MANDATE**

The Board assumes responsibility for the overall stewardship of the Corporation and discharges this responsibility directly and through delegation of specific responsibilities to Committees of the Board, the Chair and officers of the Corporation. The role and responsibility of the Board is set out in a formal written mandate which is attached hereto as Appendix A.

The Corporation does not have a fixed retirement age or date for directors. Directors may continue to serve subject to their ability to perform their duties and their performance as directors.

As set out in its mandate, the Board has established three Committees to assist with its responsibilities: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each of the Committees have written mandates approved by the Board and are composed entirely of independent directors pursuant to the Corporation's policies.

### **INDEPENDENT DIRECTORS**

The National Instrument defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular director is an "independent director" or a "non-independent director", the Board considers the factual circumstances of each director in the context of the Guidelines.

The Guidelines provide that the Board should have a majority of independent directors. It is the policy of the Corporation that two-thirds of the members of the Board shall be independent. The Board is currently comprised of six members, five of whom are "independent directors" within the meaning of the National Instrument. The five independent directors are Donald K. Johnson, David Lewis, David Appel, Sean Morrison and David Thomson. The remaining director, David Ingram, has a material relationship with the Corporation as he acts as President and Chief Executive Officer of the Corporation. As a result, David Ingram is not considered to be independent within the meaning of the National Instrument.

## **THE BOARD CHAIRMAN**

In accordance with the Guidelines that provide that the Chair of the Board should be independent and the Corporation's policy that the Chair of the Board shall at all times be an individual who is not otherwise an officer or employee of the Corporation or any of its affiliates, the Chair of the Board, Donald K. Johnson, is an independent director. The Chair is responsible for acting as the communication link between the directors and the management of the Corporation, supervising the performance of management (with the Board), managing the affairs of the Board and managing shareholder communications (with the management of the Corporation).

## **POSITION DESCRIPTIONS**

The Board has developed position descriptions for the Chair and for Committee Chairs. The Board has also developed a position description for the Chief Executive Officer.

## **AUDIT COMMITTEE**

The Audit Committee is currently comprised of four directors of the Corporation, David Lewis (Chair), David Appel, Sean Morrison and David Thomson, all of whom are independent and financially literate for purposes of Multilateral Instrument 52-110 – *Audit Committees*. The qualifications, responsibilities and operation of the Audit Committee, as well as fees paid to the Corporation's external auditors, are set out under the heading "Audit Committee Information" in the Corporation's Annual Information Form dated March 6, 2012 a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com), and in the Audit Committee Mandate which forms Schedule A to the Annual Information Form. The fees paid to the external auditors are also set out on page 6 of this Circular.

## **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE**

The Corporate Governance and Nominating Committee is currently comprised of three directors of the Corporation, David Appel (Chair), David Lewis and David Thomson, all of whom are independent. The responsibilities, powers and operation of the Corporate Governance and Nominating Committee are set out in the Committee mandate, a copy of which is attached as Appendix B.

As described in its mandate, the Corporate Governance and Nominating Committee is responsible for, among other things, identifying and recommending to the Board suitable candidates for nomination as new directors, and reviewing the credentials of directors standing for re-election.

In order to fulfil this mandate, the Committee takes into consideration the current strengths, competencies, skills and experience of the Board members, retirement dates and the strategic direction of the Corporation. The Committee also undertakes, on an annual basis, an examination of the size of the Board with a view to determining the impact of the number of directors, the effectiveness of the Board, and recommends to the Board, if necessary, a reduction or increase in the size of the Board. In this regard, the Corporate Governance and Nomination Committee is responsible for:

- (a) determining the criteria, profile and qualifications for new nominees to fill vacancies on the Board;
- (b) identifying, interviewing and recruiting such new nominees as may be required; and
- (c) recommending the slate of directors to be nominated for election at the annual general meeting of Shareholders.

The Committee consults with the Chairman and the Chief Executive Officer in its process of recruiting new directors.

## **COMPENSATION COMMITTEE**

The Compensation Committee is currently comprised of three directors of the Corporation, David Lewis (Chair), David Appel, David Thomson and Sean Morrison, all of whom are independent. The responsibilities, powers and operation of the Compensation Committee are set out in the Committee mandate, a copy of which is attached as Appendix C.

As described in its mandate, the Compensation Committee is responsible for, among other things, reviewing and recommending the form and adequacy of compensation arrangements for directors and executive officers, having regard to associated risks and responsibilities. Compensation includes but is not limited to salary, bonuses, benefits, share option grants, share purchases and other compensation as appropriate. Additionally, the Committee reviews and makes recommendations to the full Board on all matters pertaining to bonus plans, salary policy, share option and share purchase plans for all other employees. The Committee annually reviews its compensation practices by comparing them to surveys of relevant competitors and sets objective compensation based on this review.

Each member of the Compensation Committee is considered by the Board to have direct experience relative to executive compensation by way of their business experience and educational background. The following is a brief summary of the education and experience that is relevant to the performance of their responsibilities as Committee members.

### David Lewis, B.Com, SM

Mr. Lewis is a retired banker. His last position was Chairman and CEO of Continental Bank of Canada. Mr. Lewis is the chair of the Nominating/Corporate Governance/Compensation Committee of Caldwell Partners International.

### David Appel

Mr. Appel has had a career in law, business, and government service and is a director of a number of charitable organizations. Mr. Appel was the Chairman of the Toronto Foundation for Student Success where he was involved in significant discussions concerning the hiring end compensation of Foundation employees.

### David Thomson

Mr. Thomson is a Corporate Director and is a former President of Great West Life Properties. In his role as President of Great West Life Properties, Mr. Thomson was responsible for salary and bonus determinations for over 130 employees.

### Sean Morrison

Mr. Morrison is the Co-Founder and a Managing Partner of Maxam Capital Corporation. Prior to forming Maxam, Mr. Morrison was a partner at Capital West Partners, a Vancouver-based investment banking firm. Mr. Morrison is a Chartered Accountant.

## **ORIENTATION AND CONTINUING EDUCATION**

The Corporation has a formal process of orientation and education for new members of the Board. The Corporate Governance and Nominating Committee is responsible for providing an orientation program for new directors. Such a program allows directors to contribute effectively from the outset of their appointment and includes:

- (a) meetings with the Chair and the Chief Executive Officer to familiarize the new director with the nature of the business, current issues, the Corporation's strategy, the Corporation's expectations concerning input from directors and directors' general responsibilities;
- (b) discussion with other Board members with respect to the functioning of the Board, management of the Corporation, prospects, issues and similar matters;

(c) the opportunity to visit some of the Corporation's facilities and meet with corporate officers in order to develop a better appreciation for the business; and

(d) provision of reference materials including current and historical financial information, corporate governance materials, business plan, company contacts, most recent annual reports, management information circulars, analysts' reports and similar materials.

In addition, the Corporate Governance and Nominating Committee is charged with the responsibility to identify and provide continuing education opportunities for all directors, so that directors maintain or enhance their skills and abilities as directors, and their knowledge of the Corporation's business remains current.

The directors are provided with written and oral presentations which continue to educate them on the Corporation's operations. The Corporation encourages participation of directors in continuing director education programs and supports them by reimbursing tuition and out-of-pocket expenses.

### **ETHICAL BUSINESS CONDUCT**

The Board has adopted a written code of business conduct (the "Code") for the Corporation's directors, officers and employees that sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Code is available on the Corporation's website and has been filed on and is accessible through SEDAR at [www.sedar.com](http://www.sedar.com).

The Board has established an independent confidential hotline in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including termination. The Compensation Committee is responsible for reviewing management's monitoring of compliance with the Code. Further, the Board, through the Audit Committee, receives any reports of unethical behaviour received through the Ethics Hotline and otherwise.

In 2005, management also launched a forum through the Corporation's Intranet to enable associates to communicate with senior management. The forum provides every associate with the ability to ask questions and to receive prompt responses. The Corporation is committed to addressing each question personally and promptly.

In addition, in order to ensure independent judgment in considering transactions and agreements, no director is permitted to attend any portion of a meeting or to vote on any transaction or agreement, if such director: (i) is a party to the agreement or transaction; (ii) is a director or officer of a party to the agreement or transaction; or (iii) has a material interest in the agreement or transaction (subject to certain exemptions as provided by applicable law).

### **ASSESSMENTS**

The Chair of the Board and the Corporate Governance and Nominating Committee are responsible for assessing the effectiveness of the Board as a whole and the Committees of the Board.

Annually, each director is asked to complete a questionnaire to assess the performance and mandate of the Board, its Committees and the directors. The Chair of the Board and the chair of the Corporate Governance and Nominating Committee review the responses and report to the full Board.

In addition, the Chair of the Board and members of the Corporate Governance and Nominating Committee meet privately with each director to discuss his or her effectiveness and contribution to the Board. The Chair of the Board also meets with each Committee chair to review and discuss the composition of the Committee, the contributions of the individual Committee members and the effectiveness of the Committee generally in discharging its mandate. The Chair reports his discussions to

the Corporate Governance and Nominating Committee, which makes recommendations to the Board as appropriate. The Board discusses each of these matters in detail and takes appropriate action where advisable.

### **IN CAMERA SESSIONS**

The Board and its Committees hold an in camera session at each meeting of the Board or Committee, respectively, attended only by independent directors.

### **MEETINGS AND DIRECTORS' ATTENDANCE**

During the financial year ended December 31, 2011, 21 Board meetings were held and from January 1, 2012 to the date hereof, 4 Board meetings were held. In addition, any independent director may at any time request a meeting of solely independent directors. The information presented below reflects the Board and Board Committee meetings held since January 1, 2011 to the date hereof and attendance of the directors during such time.

#### **Summary of Board and Committee Meetings Held**

<b>Meeting</b>	<b>Number of Meetings Held</b>
Board of Directors	25 (21 in 2011)
Audit Committee	11 (10 in 2011)
Compensation Committee	10 (9 in 2011)
Corporate Governance and Nominating Committee	13 (11 in 2011)

#### **Summary of Attendance of Directors**

<b>Director</b>	<b>Total Board Meetings Attended</b>	<b>Total Committee Meetings Attended</b>
Donald K. Johnson	25 of 25	Not Applicable
David Ingram	25 of 25	Not Applicable
David Appel	24 of 25	25 of 25
David Lewis	25 of 25	23 of 23
David Thomson <sup>(1)</sup>	2 of 2	1 of 1
Sean Morrison <sup>(1)</sup>	2 of 2	2 of 2

**Notes:**

(1) David Thomson and Sean Morrison were appointed to the Board of Director on January 10, 2012

### **SUMMARY OF OTHER DIRECTORSHIPS**

Currently, the directors/nominees listed below serve as directors of other reporting issuers (or the equivalent)

<b>Director/Nominee</b>	<b>Public Company</b>
Donald K. Johnson	Manicouagan Minerals Inc.
David Ingram	None
David Appel	None
David Lewis	The Caldwell Partners International Inc. West Street Capital Corporation
Sean Morrison	None
David Thomson	Hanfeng Evergreen Inc. Morguard Corporation



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## **COMPENSATION OF DIRECTORS**

### **PHILOSOPHY AND OBJECTIVES**

The Board, with input from the Compensation Committee, and considering information from external consultants, is responsible for developing and implementing the directors' compensation plan. The main objectives of the directors' compensation plan are to:

- (a) recruit and retain qualified individuals to serve as members of the Board and contribute to the overall success of the Corporation;
- (b) compensate the directors in a manner that is competitive with other comparable public issuers and commensurate with the risks and responsibilities assumed in Board and Board Committee membership.

### **COMPENSATION OF DIRECTORS**

Effective from October 1, 2011, the directors of the Corporation who were not officers or employees of the Corporation were entitled to be paid an annual fee of \$40,000, with the exception of the Chairman of the Board who was entitled to an annual fee of \$100,000. Directors are entitled to a fee for each meeting of the Board of Directors and each meeting of a committee of the Board attended of \$1,500 if the meeting is at least one hour in length (and otherwise at the discretion of the chair of the meeting). The Corporation also pays a \$10,000 annual fee for each Committee chair held by a director (\$12,500 for the chair of the Audit Committee) and an annual committee membership fee of \$4,000 is paid to all committee members excluding the committee chairs.

Any director who is resident in Canada and not subject to any United States federal or state securities laws may elect to receive all or a portion of amounts payable to him or her in respect of services provided to the Corporation in his or her capacity as a member of the Board in a calendar year in the form of DSUs. See "Description of Equity Based Compensation Plans – Deferred Share Unit Plan".

The directors are also reimbursed for travel and out-of-pocket expenses incurred in their capacity as directors.

The directors of the Corporation from time to time are granted options to purchase Common Shares pursuant to the Corporation's Share Option Plan. See "Description of Equity Based Compensation Plans – Share Option Plan". The term of options granted to the directors is six years and they vest fully 12 months after the anniversary date of the grant. During the year ended December 31, 2011, no options were granted to directors. The aggregate value of the Common Shares of the Corporation owned, directly or indirectly, or controlled or directed, by the directors as at December 31, 2011 was \$31,868,240.

## **DIRECTORS' COMPENSATION TABLE**

The following table sets out information concerning the compensation earned by Directors from the Corporation during the financial year ended December 31, 2011.

<b>Name</b>	<b>Fees earned<sup>(2)</sup> (\$)</b>	<b>Share-based awards<sup>(3)</sup> (\$)</b>	<b>Option-based awards<sup>(4)</sup> (\$)</b>	<b>Non-equity incentive plan comp. (\$)</b>	<b>Pension value (\$)</b>	<b>All other comp. (\$)</b>	<b>Total (\$)</b>
Donald K. Johnson <sup>(1)</sup>	15,953	87,397	-	-	-	-	103,350
David Appel <sup>(1)</sup>	11,965	79,420	-	-	-	-	91,385
David Lewis <sup>(1)</sup>	13,373	84,529	-	-	-	-	97,902
Rod Adams <sup>(6)</sup>	28,283	-	-	-	-	-	28,283
James Bowland <sup>(1)(6)</sup>	20,837	105,124	-	-	-	-	125,961
Walter Gates <sup>(6)</sup>	69,250	-	-	-	-	-	69,250
Steve Richardson <sup>(1)(6)</sup>	60,161	23,654	-	-	-	-	83,815
Wesley Voorheis <sup>(5)(6)</sup>	77,000	-	-	-	-	-	77,000

### **Notes:**

(1) These Directors elected to receive DSUs in lieu of the fees they earned during the year. The remaining Directors received cash as remuneration.

(2) In the fourth quarter of 2011, the Company depleted its maximum reserve to grant DSUs. The Directors that elected to receive DSUs in lieu of cash were remunerated in cash on a pro-rata basis.

(3) During 2011, Mr. Johnson received DSU's valued at \$74,297 (10,576 units) for fees earned and \$13,100 (1,668 units) for dividends earned on the DSU's held during the year. Mr. Appel earned DSU's valued at \$77,035 (10,642 units) for fees earned and \$2,385 (320 units) for dividends earned on the DSU's held during the year. Mr. Lewis earned DSU's valued at \$76,377 (10,695 units) for fees earned and \$8,152 (1,049 units) for dividends earned on the DSU's held during the year. Mr. Bowland earned DSU's valued at \$102,821 (14,535 units) for fees earned and \$2,303 (309 units) for dividends earned on the DSU's held during the year. Mr. Richardson earned DSU's valued at \$23,654 (4,254 units) for fees earned and \$nil for dividends earned on the DSU's held during the year.

(4) Represents the dollar amount based on the grant date fair value of the 2011 option awards.

(5) VC & Co. Incorporated, a company related to Mr. Voorheis, also received an additional \$52,594 in fees paid by VYCO Ltd., as described above under "Election of Directors".

(6) Mr. Adams, Mr. Bowland, Mr. Gates, Mr. Richardson and Mr. Voorheis ceased to be directors on December 21, 2011.

## **INCENTIVE PLAN AWARDS**

The following table sets out, for each director, information concerning all option-based and share-based awards outstanding as of December 31, 2011. (This includes awards granted before the most recently completed financial year.)

### **Equity Based Incentives – Outstanding Options, RSUs and PSUs**

Name	Option-based awards				Share-based awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Donald K. Johnson	4,000	20.33	05/10/2012	-	-	-
	4,000	18.05	04/27/2014	-	-	-
	2,000	9.25	05/04/2016	-	-	-
David Appel	2,000	10.79	08/13/2016	-	-	-
David Lewis	2,000	20.33	05/10/2012	-	-	-
	2,000	18.05	04/27/2014	-	-	-
	2,000	9.25	05/04/2016	-	-	-

**Note:**

(1) Based on the closing price of the Common Shares on the TSX on December 30, 2011, of \$5.25.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

Name	Option-based awards – value vested during the year <sup>(1)</sup> (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Donald K. Johnson	-	-	-
David Appel	-	-	-
David Appel	-	-	-

**Notes:**

(1) Represents the dollar value that would have been realized if the options which vested in the current year had been exercised on the vesting date. This is calculated by determining the difference between the market price of the underlying securities and the exercise price of the options on the date they vest.

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## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### **Executive Compensation Governance and Philosophy**

The Compensation Committee of the Board has the mandate to establish and implement the Corporation's executive compensation policies and monitor its compensation practices, with the objective that executive compensation be reasonable, competitive and fair. The Compensation Committee is responsible for reviewing and approving all officers' compensation and equity based compensation plans.

The Corporation's executive compensation policy is designed to incorporate a pay for performance philosophy. The policy has been established to encourage and reward executive officers on the basis of individual and business performance. Compensation for executive officers of the Corporation is comprised of three components: base salary, annual bonus incentive and equity based incentive.

The Corporation's objective with respect to its compensation program is to attract, retain and motivate employees at all levels to achieve Corporation and individual performance goals. The Corporation's compensation program is designed to reward individual performance based on predetermined individual goals as well as the Corporation's financial targets, such as profitability, and adherence to corporate values. The Corporation's strategy is to align compensation with corporate objectives including appropriate risk management strategies. Historically, elements of compensation included competitive base wages, short-term incentives such as bonus plans, and equity based incentives such as stock options and restricted share units ("RSUs"). The Corporation has discontinued the grant of RSUs. Instead, the Corporation adopted a performance share unit plan (the "PSU Plan") in 2010 as a long-term equity incentive mechanism as described below.

The Corporation chooses to pay each element of its compensation program in order to attract, retain and motivate employees as well as to remain competitive in the Canadian and US industry and retail environment, and to encourage long term employment. Equity awards as determined by the Board of Directors are based on the recommendations of the President and Chief Executive Officer. Performance targets are based on financial measurements as agreed by the Board of Directors. Each of these elements fits into the Corporation's overall compensation strategy by aligning individual and corporate performance to business strategies.

Furthermore, the terms of the PSUs include (and the terms of the RSUs historically included) performance criteria in order for them to vest. Finally, the Board of Directors periodically reviews the number of option grants in relation to the Corporation's outstanding pool of Options and market capitalization.

In 2009 the Corporation retained Towers Watson to provide advice with respect to the Corporation's long-term incentive programs ("LTIP"). On May 4, 2010 the Board of Directors, upon the recommendation of the Compensation Committee, determined that it would be advisable to change the Corporation's LTIPs to reflect its current employee base, the economic environment, and the declining availability of stock options in the existing Share Option Plan. In this regard, the Board approved the following steps:

- (a) Implementing the PSU Plan for senior executives and other senior management, which would involve the grant annually of performance-based phantom share units which would vest at the end of three years, be settled solely in cash, and be tied to a performance measure (growth in earnings per share).
- (b) Discontinuing new awards under the Corporation's restricted share unit plan ("RSU Plan") and limiting new stock option grants to the senior management and Board of Director levels and, on a limited basis, to other field management upon the achievement of milestones; in addition, the expiry date for new stock options could be extended in appropriate circumstances beyond 5 years (but in no event beyond 10 years), as permitted under the Share Option Plan.

- (c) The CEO and other senior executives receiving initial LTIP awards comprised of 80% PSUs and 20% stock options, both being subject to performance-based vesting criteria, which will move to 100% PSUs as the availability of stock options declines.
- (d) Directors of business units and Vice Presidents receiving 100% PSUs.
- (e) Annual grants being mathematically determined by an employee's compensation and position with the organization.

In determining the relative emphasis placed by the Corporation on cash compensation versus equity based incentives (which include both options and PSUs), the Compensation Committee regularly uses surveys provided by external consultants. These consultants assist the Compensation Committee by providing data in respect of the Corporation's competitors in the U.S. and Canada as well as comparisons to retailers in Canada and companies with a similar market capitalization in Canada. The Compensation Committee has historically targeted compensation practices to be at the 75th percentile of Canadian benchmarks. However, with the Corporation's recent entry to the U.S., U.S. benchmarks are also taken into consideration. Corporations included in Canadian benchmarking are referenced in the Retail Industry Compensation and Benefits Surveys, published yearly by Mercer LLC ([www.imercer.com/CA/tabs/home.aspx](http://www.imercer.com/CA/tabs/home.aspx)), with reference to annual corporate sales volumes. Corporations included in the United States benchmarking are competitors Rent-A-Center Inc. and Aaron Rents, Inc. Additionally, in 2007, easyhome contracted with Towers Watson for a full executive compensation review, including the President and Chief Executive Officer. As a result of this review, a new contract for the President and Chief Executive Officer was approved by the Board of Directors.

For the purposes of its 2011 compensation analysis, the Corporation considered comparative compensation data as described above.

Executive compensation, including perquisites and personal benefits, as recommended by the President and Chief Executive Officer, are reviewed by the Compensation Committee and recommended to the full Board of Directors. Such perquisites may include annual medicals, car allowance and gas card, for which employees are reimbursed by the Corporation. Exceptions to these would be detailed in the individual employment agreements for each executive.

### **Independent Compensation Consultant**

The Compensation Committee has the discretion to retain, at the corporation's expense, independent consultants to assist the Committee. The Committee engages Towers Watson Canada Inc. ("Towers"), formerly Towers Perrin Canada Inc. as its independent compensation consultants.

In its role as independent compensation consultants, Towers provided the following services:

- (a) market data, benchmarking and analysis required by the Committee;
- (b) independent evaluation of proposals, data, and analysis prepared by our senior management; and,
- (c) commentary on executive compensation principles, trends, and best practices.

In the course of performing its services, the Committee's independent consultant received instructions from, and consulted on a regular basis with, the Committee Chair and senior management. While the Committee takes the information and advice provided by its independent compensation consultant into consideration, the Committee is ultimately responsible for its own decisions and recommendations to the Board. All work performed by the independent consultant must be pre-approved by the Compensation Committee.

None of our directors or Named Executive Officers has any affiliation or relationship with Towers. During 2011, Towers did not provide any services to the corporation (nor did Towers receive any payments for services), other than those services provided directly to, or reviewed and approved by, the Compensation Committee.

During 2011, (i) the aggregate fees, before taxes, billed by Towers for services related to determining compensation for any of the corporation's directors and executive officers was \$1,630 and (ii) the aggregate fees billed for all other services provided by Towers, or any of its affiliates was \$9,785. During 2010, (i) the aggregate fees, before taxes, billed by Towers for services related to determining compensation for any of the corporation's directors and executive officers was \$4,485 and (ii) the aggregate fees billed for all other services provided by Towers, or any of its affiliates was \$6,270. In both 2011 and 2010, the fees for other services related to the development and refinement of the Corporation's Equity Based Incentive plan.

### **Risks Associated With the Corporation's Compensation Policies and Practices**

The Compensation Committee is responsible for, among other things, risk oversight of the Corporation's compensation policies and practices (the "Compensation Program"). The Compensation Program seeks to mitigate risk by incorporating performance targets that encourage both achievement of specific individual targets as well as satisfaction of the Corporation's corporate goals. For example, the phantom share units vest at the end of three years based on performance criteria tied to growth in earnings per share. In addition, individual annual short-term bonus incentives for all employees except the Chief Executive Officer are not paid unless a certain threshold of the corporate financial target is met. In the case of the Chief Executive Officer, the payment of the portion of the annual short-term bonus incentive related to individual performance goals achievement is not tied to the achievement of a certain threshold of the corporate financial target. In addition, the Corporation prohibits its executives and directors from purchasing instruments designed to hedge or offset a decrease in the market value of equity securities granted as compensation including prepaid variable forward contracts, equity swaps, collars and units of exchange funds. The Compensation Committee considered the implications of the risks associated with the Corporation's Compensation Program and determined that the compensation arrangements for the Named Executive Officers do not encourage excessive or inappropriate risk-taking behaviour. Further, the Compensation Committee has not identified any risks arising from the Corporation's Compensation Program that are reasonably likely to have a material adverse effect on the Corporation.

### **Compensation of the President and Chief Executive Officer**

The President and Chief Executive Officer's compensation is determined by the Compensation Committee and approved by the Board. Factors considered by the Compensation Committee in this determination include the size and complexity of the Corporation's operations, the role the President and Chief Executive Officer is expected to play in the performance of the Corporation, peer executive compensation arrangements in other retail companies similar to the Corporation which are of comparable size to the Corporation and an evaluation of the performance of the Corporation, in light of the prevailing economic climate at that time. The Compensation Committee targets the overall annual compensation of the Corporation's President and Chief Executive Officer to be at approximately the 75<sup>th</sup> percentile of the overall annual compensation of the Chief Executive Officers of the Corporation's major Canadian retail competitors, and around the 50<sup>th</sup> percentile of the overall annual compensation of the Chief Executive Officers of the Corporation's major North American merchandise leasing business competitors. The benchmarking criteria and process are as set out above.

In setting compensation for the President and Chief Executive Officer, the Compensation Committee also considers the following objectives: (i) obtaining and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) reviewing performance both on an individual basis and with respect to the business of the Corporation in general. In determining the President and Chief Executive Officer's base salary and bonus the most heavily weighted of the criteria noted above were items (ii), (iii) and the financial performance of the Corporation.

In assessing the President and Chief Executive Officer's long term compensation, the Committee relied upon external surveys to ensure it was competitive relative to similar organizations. The Committee was also influenced by the Corporation's performance relative to its own strategic plans.

## **EXECUTIVE COMPENSATION ELEMENTS**

### **Base Salary**

Base salaries are established at levels which are meant to be competitive with other companies in the retail and consumer finance industries similar to and of comparable size to the Corporation. Base salaries are determined following an assessment of the executive officer's past performance, experience and level of responsibility and the importance of the position to the Corporation. Base salaries are not based on a specific relationship to the performance of the Corporation and are reviewed annually by the Compensation Committee.

### **Annual Short-Term Bonus Incentive**

The Corporation's annual short-term bonus incentive plan is designed to enhance the pay for performance philosophy by aligning the financial and operational interests and motivations of the Corporation's management team and employees with the annual financial returns of the Corporation. It also serves to motivate management to work towards common annual performance objectives while acknowledging and rewarding individual goal achievement. For all employees except the Chief Executive Officer, Corporation financial targets must be achieved at the minimum of 92% of target EBT (earnings before taxes) before any annual bonus incentive plan payments are considered. In the case of the Chief Executive Officer, the payment of the portion of the annual short-term bonus incentive related to individual goal achievement is not tied to the achievement of a minimum percentage of the target EBT.

The executive management team is eligible for annual bonus incentive plan payments that consist of corporate and individual performance goals. These incentive plan payments are based 90% on the Corporation's financial performance to target and 10% on the achievement of specific individual goals, except for i) the Senior Vice President of Operations, whose incentive plan is based 50% on the Corporation's financial performance to target and 50% on the achievement of specific individual goals and ii) the President and Chief Executive Officer, whose incentive plan payment is based 89% on the Corporation's financial performance to target and 11% on the achievement of specific individual goals. For all other positions, the Corporation's financial performance to target accounts for 50% and the achievement of specific individual goals accounts for the other 50% of the total incentive plan payments, at target.

On March 28, 2011, the Board of Directors approved an annual bonus incentive plan for 2011 (the "2011 Executive Incentive Plan"). The eligible participants included senior management, managerial/supervisory personnel and office support staff. The target for earnings before tax of \$19.2 million as specified in the 2011 Executive Incentive Plan were not achieved as actual results were \$13.7 million and so no payments were made to any participants under the 2011 Executive Incentive Plan with the exception of the Chief Executive Officer. For 2011, The Chief Executive Officer did not receive any payments under the 2011 Executive Incentive Plan related to the Corporation's financial performance but did receive an amount equal to \$55,000 or 10% of his then current salary for the successful achievement of his individual performance goal, as set by the Board. For 2011, the Chief Executive Officers individual performance goal was the sufficient remediation of internal control deficiencies such that the Corporation's Chief Executive Officer and Chief Financial Officer could conclude that the design and operation of the Company's internal controls over financial reporting were effective as at December 31, 2011.

### **Equity Based Incentive (Long-Term)**

The Corporation's long-term equity incentive program is designed to recognize and reward management for the impact of longer-term strategic actions and to align the interests of the Corporation's key

employees and its shareholders. Additionally, the equity incentive program assists with the retention of key management personnel and helps attract talented individuals to the Corporation.

The Corporation's equity incentive program consists of two main components; a share option plan and the PSU plan. Detailed descriptions of the Corporation's Equity Based Incentive Programs are found under the subheading "Equity Based and other Compensation Plans" on page 30 of this document.

### **SUMMARY COMPENSATION TABLE**

The following table sets out information concerning the compensation earned from the Corporation and the Corporation's subsidiaries during the financial years ended December 31, 2011, 2010, and 2009 by the Corporation's Chief Executive Officer and Chief Financial Officer and the Corporation's other most highly compensated executive officers (collectively, the "Named Executive Officers").

Name and principal position	Year	Salary (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan comp. (\$)		Pension Value (\$)	All other comp. (\$)	Total comp. (\$)
					Annual incentive plans	Long-term incentive plans			
David Ingram <sup>(3)</sup> President and Chief Executive Officer	2011	541,250	538,501 <sup>(4)</sup>	49,500	55,000	66,136 <sup>(5)</sup>	-	53,696 <sup>(6)</sup>	1,304,083
	2010	515,000	434,689	103,000	-	-	-	95,919	1,148,608
	2009	515,000	14,248	-	-	-	-	60,783	590,031
Steve Goertz <sup>(7)</sup> Senior Vice-President, and Chief Financial Officer	2011	295,625	119,523	10,890	-	-	-	9,600 <sup>(7)</sup>	435,638
	2010	268,745	93,251	22,000	-	-	-	9,600	393,596
	2009 <sup>(8)</sup>	113,782	91,151	46,175	50,000	-	-	4,348	305,456
Dave Maries Senior Vice-President, Marketing and Merchandising	2011	275,000	112,335	9,900	-	-	-	108,662 <sup>(9)</sup>	505,897
	2010	275,000	97,853	22,000	-	-	-	98,739	493,592
	2009	275,000	7,981	-	-	-	-	66,828	349,809
Rick Atkinson Senior Vice-President, Development	2011	214,725	85,930	7,787	-	25,453 <sup>(5)</sup>	-	12,000 <sup>(7)</sup>	345,895
	2010	207,500	73,013	16,800	-	-	-	12,000	309,313
	2009	197,537	4,417	10,679	-	-	-	12,000	224,633
Charley Hamill <sup>(10)</sup> Senior Vice-President, Leasing Operations	2011	210,303	87,985	8,100	-	-	-	37,731 <sup>(11)</sup>	344,119
	2010	202,868	35,200	-	3,464	-	-	27,530	269,062
	2009	190,173	-	-	-	-	-	38,909	229,082

**Notes:**

(1) For years prior to 2010, amounts shown represent restricted share units ("RSUs"), valued as of the date of grant by multiplying the number of units that are expected to vest at the target performance by the market value of the underlying shares on the date they are awarded. For 2010 and 2011, amounts shown represent performance share units ("PSUs"), valued as of the date of grant and assuming that the target performance of 10% cumulative annual growth rate of the Corporation's earnings per share ("CAGR") over a three year period is achieved.

No payments or issuance of shares related to share based awards were received by the Named Executive Officers in 2009, 2010 or 2011. Actual payments or issuance of shares, if any, will be determined when the units vest and any payments will be based upon the share price at the vesting date.

(2) Represents the dollar amount based on the grant date fair value of the option awards determined using the Black-Scholes option pricing method. For option based awards granted in 2010 and 2011, amounts shown represent option awards valued as of the date of grant and assuming that the target performance of 10% cumulative annual growth rate of the Corporation's earnings per share ("CAGR") over a three year period is achieved.

(3) On November 14, 2008, Donald K. Johnson, Chairman of the Board of the Corporation, provided a loan of \$1,250,000 to Mr. Ingram for the purpose of assisting Mr. Ingram with the purchase of a residence (the "Loan"). The Loan is unsecured, bears interest at bank prime plus one quarter of one per cent and was to initially mature on November 14, 2009. Pursuant to an agreement dated April 25, 2011 and amended on January 3, 2012, the Loan is to be repaid in instalments, with the final instalment due on April 30, 2014.



- (4) In 2011, Mr. Ingram received \$123,750 as advances under the Company's long term incentive plan, matched to a reduction in future long term incentive plan payments otherwise payable in future periods.
- (5) Represents a payment in lieu of option based awards issued in a prior fiscal period.
- (6) This amount includes a car allowance of \$14,400 per annum, life insurance and expenses paid by the Corporation on Mr. Ingram's behalf of \$21,220 and a gross amount paid of \$18,076 to compensate for personal tax paid on taxable benefits.
- (7) This amount includes a car allowance.
- (8) Mr. Goertz joined the Corporation in July 2009 and the salary represents payments for the period from July 2009 to the end of the fiscal year. Additionally, Mr. Goertz received a one-time bonus payable upon joining the Corporation.
- (9) This amount includes a reimbursement of \$73,471 for personal tax planning and a tax equalization payment, a car allowance of \$9,600, medical premiums paid of \$15,014 and short term incentives of \$10,577.
- (10) Mr. Hamill was promoted to the position of Senior Vice-President, Leasing Operations in February 2011.
- (11) This amount includes a tax equalization payment of \$25,313 and a car allowance of \$11,400.

The total annual salary, annual incentive plans, and all other cash compensation of the Named Executive Officers of the Corporation for 2011, was \$2,028,931 or 14.8% of pre-tax income for such year; for 2010, was \$1,482,503 or 17.5% of pre-tax income for such year; and for 2009 was \$1,828,426 or 22.1% of pre-tax income for such year.

### **INCENTIVE PLAN AWARDS**

The following tables set out information concerning all option-based and share-based awards outstanding as at December 31, 2011. (This includes awards granted before 2011).

#### **Equity Based Incentives – Outstanding Options, RSUs and PSUs**

Name and principal position	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup> (\$)
David Ingram President and Chief Executive Officer	75,000 150,000 <sup>(3)</sup> 97,454 <sup>(4)</sup> 48,768 <sup>(4)</sup>	16.05 19.71 8.51 8.69	05/09/2012 12/31/2013 05/14/2015 04/25/2016	- - - -	RSUs: 29,993 PSUs: 220,796 <sup>(5)</sup>	RSUs: 157,463 PSUs: 1,159,179	RSUs: - PSUs: -
Steven Goertz Senior Vice-President and Chief Financial Officer	25,000 20,816 <sup>(4)</sup> 10,730 <sup>(4)</sup>	9.03 8.51 8.69	08/11/2015 05/14/2015 04/25/2016	- - -	RSUs: 10,943 PSUs: 47,915 <sup>(5)</sup>	RSUs: 57,451 PSUs: 251,554	RSUs: - PSUs: -
David Maries Senior Vice-President, Marketing and Merchandising	35,000 20,000 20,816 <sup>(4)</sup> 9,754 <sup>(4)</sup>	16.05 18.18 8.51 8.69	05/09/2012 04/29/2014 05/14/2015 04/25/2016	- - - -	RSUs: 18,336 PSUs: 45,556 <sup>(5)</sup>	RSUs: 96,264 PSUs: 239,169	RSUs: - PSUs: -
Rick Atkinson Senior Vice-President, Development	35,000 6,000 15,896 <sup>(4)</sup> 7,672 <sup>(4)</sup>	16.05 9.02 8.51 8.69	05/09/2012 05/08/2015 05/14/2015 04/25/2016	- - - -	RSUs: 6,959 PSUs: 35,326 <sup>(5)</sup>	RSUs: 36,535 PSUs: 185,461	RSUs: - PSUs: -
Charley Hamill Senior Vice-Operations, Leasing	- 8,000 7,980 <sup>(4)</sup>	- 18.75 8.69	- 02/21/2014 04/25/2016	- - -	RSUs: 9,140 PSUs: 28,088 <sup>(5)</sup>	RSUs: 47,985 PSUs: 147,462	RSUs: - PSUs: -

**Notes:**

- (1) All outstanding options vest at 20% per year after the first anniversary of the date of grant unless specified.
- (2) Based on the closing price of the Common Shares on the TSX on December 30, 2011, of \$5.25.

- (3) These options vest at 20% per year after the first anniversary of the date of grant provided the specified performance criteria is attained.
- (4) These option awards vest on the third anniversary of the grant date, including a portion that vest only if the specified performance criteria are achieved, and allow for up to 200% vesting. If the targeted CAGR of 10% is achieved, 100% of the option awards vest. 100% of the option awards vest if the CAGR is less than target. 100% to 200% of the option awards vest on a prorated basis if the CAGR is more than target and is between 10% and 20%. If the CAGR is greater than 20%, 200% of the option awards vest. The number of options specified represents the maximum number of options available to vest if the maximum specified performance criteria is achieved (200% vesting).
- (5) These PSUs vest on the third anniversary of the grant date and on a prorated basis in proportion to the CAGR and allow for up to 200% vesting. If the targeted CAGR of 10% is achieved, 100% of the PSUs vest. 80% to 100% of the PSUs vest on a prorated basis if the CAGR is less than target and between 8% and 10% (0% to 100% of the PSUs vest on a prorated basis if the CAGR is less than target and between 9% and 10% for PSUs issued in 2010). 100% to 200% of the PSUs vest on a prorated basis if the CAGR is more than target and is between 10% and 20%. If the CAGR is greater than 20%, 200% of the PSUs vest. Additional PSUs are credited to reflect dividends paid on the Common Shares of the Corporation. The number of PSUs specified represents the maximum number of PSUs available to vest if the maximum specified performance criteria is achieved (200% vesting).

### Equity Based Incentives – Value Vested or Earned During the Year

	Option-based awards – value vested during the year <sup>(1)</sup>	Share-based awards – value vested during the year <sup>(2)</sup>	Non-equity incentive plan compensation – value earned during the year
Name	(\$)	(\$)	(\$)
David Ingram	-	-	-
Steven Goertz	-	-	-
David Maries	-	-	-
Rick Atkinson	-	-	-
Charley Hamill	-	-	-

**Notes:**

- (1) Represents the dollar value that would have been realized if the options which vested in the current year had been exercised on the vesting date. This is calculated by determining the difference between the market price of the underlying securities and the exercise price of the options on the date they vest.
- (2) Represents the dollar value realized upon vesting of RSUs. This is calculated by multiplying the number of units by the market value of the underlying shares on the vesting date.

### TERMINATION AND CHANGE OF CONTROL BENEFITS/EMPLOYMENT AND CONSULTING CONTRACTS

#### David Ingram

The Corporation and Mr. David Ingram entered into a revised employment agreement, effective April 25, 2011, with respect to Mr. Ingram’s appointment, for an indefinite term, as President and Chief Executive Officer of the Corporation. This agreement replaced Mr. Ingram’s previous employment agreement that had become effective on April 1, 2007. The revised agreement provides for (i) an annual salary (as at December 31, 2011) of \$550,000 per annum (subject to annual review); (ii) Mr. Ingram to participate in the Corporation’s Annual Short-Term Bonus Incentive Plan with respect to the payment of an annual bonus (see – “Executive Compensation – Executive Compensation Elements - Annual Short Term Bonus Incentive”); (iii) Mr. Ingram to participate in the Corporation’s Equity Based Incentive Plan (see – “Executive Compensation – Executive Compensation Elements – Equity Based Incentive”); (iv) a monthly car allowance of \$1,200 plus reimbursement of normal car operating costs; (v) reimbursement of the employee portion of company health plan expenses; (vi) reimbursement of the cost of additional life insurance with a face value of the greater of \$1,000,000 and 2.5 times total base salary and annual short-term bonus incentive; (vii) reimbursement of the cost of disability premiums which equate monthly disability income with Mr. Ingram’s after-tax compensation; (viii) Mr. Ingram to receive an additional \$165,000 for each 12-month period from April 1, 2011 to March 31, 2014, such additional payments matched to a reduction in future long term incentive plan payments otherwise payable to Mr. Ingram; and (ix) Mr. Ingram and Mr. Johnson agreed that the Loan referred to in Note 4 of the Summary

Compensation Table on page 22 of this Circular would be repaid in instalments, with the final instalment due on the later of April 2013 and the receipt of any Equity Based Incentive Plan payments.

In the event of termination by the Corporation of Mr. Ingram's employment, other than for cause, Mr. Ingram would be entitled to receive an amount equal to two times his annual base salary and bonus (bonus being calculated as the average of the bonus paid in the two years preceding the termination date), plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Ingram's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$1,363,532.

In the event of a change of control, Mr. Ingram's unvested options and RSUs immediately vest. If, after a change in control, Mr. Ingram's employment is terminated other than for cause or if he resigns within 12 months following the change of control, he is entitled to receive his full salary and benefits to the date of termination and a payment equal to two times the aggregate of his then annual salary and the bonus paid to him in the immediate prior year. The Corporation estimates that, assuming Mr. Ingram's employment was terminated on December 31, 2011 in such circumstances, and assuming no bonus paid in the immediate prior year, the incremental payments and benefits would be approximately \$1,520,996. A "change of control" is defined as a person or group of persons acting jointly or in concert (other than Donald K. Johnson and his associates) becoming beneficial owners of 30% or more of the outstanding shares of the Corporation, or a merger occurring with another corporation as a result of which the shareholders of the Corporation own less than 50% of the voting rights of the successor corporation, or a liquidation or winding up of the Corporation taking place. The agreement also contains non-competition and non-solicitation provisions.

#### **Steven Goertz**

The Corporation and Mr. Steven Goertz entered into an employment agreement, effective May 25, 2009, with respect to Mr. Goertz' appointment, for an indefinite term, as Senior Vice-President and Chief Financial Officer of the Corporation. The agreement provides for (i) an annual salary (as at December 31, 2011) of \$302,500 per annum (subject to annual review); (ii) Mr. Goertz to participate in the Corporation's Annual Short-Term Bonus Incentive Plan with respect to the payment of an annual bonus (see – "Executive Compensation – Executive Compensation Elements - Annual Short Term Bonus Incentive"); (iii) Mr. Goertz to participate in the Corporation's Equity Based Incentive Plan (see – "Executive Compensation – Executive Compensation Elements – Equity Based Incentive"); (iv) a monthly car allowance of \$800 plus reimbursement of normal car operating costs; (v) a special one-time payment of \$50,000 upon joining the Corporation; and (vi) the granting of 25,000 options to purchase Common Shares and 10,000 RSUs.

In the event of termination by the Corporation of Mr. Goertz' employment, other than for cause, he would be entitled to an amount equal to 12 months pay in lieu of notice plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Goertz's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$358,787.

If, within a six month period immediately following a Change of Control (as defined in the employment agreement between the Corporation and Mr. Goertz), the Corporation terminates Mr. Goertz's employment without cause or unilaterally changes a fundamental term of Mr. Goertz's employment in a material and detrimental way, all unvested options and RSUs will immediately vest and he is entitled to receive his full salary and benefits to the date of termination and 12 months' base salary and continuation of benefits for the duration of such 12 months. The Corporation estimates that, assuming Mr. Goertz's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$416,237.

## **David Maries**

The Corporation and Mr. David Maries entered into an employment agreement dated May 3, 2001 with respect to Mr. Maries' employment as Vice-President, Marketing and Merchandising of the Corporation. The Agreement provides for (i) an annual salary (as at December 31, 2011) of \$275,000 per annum (subject to annual review); (ii) Mr. Maries to participate in the Corporation's Annual Short-Term Bonus Incentive Plan with respect to the payment of an annual bonus (see – "Executive Compensation – Executive Compensation Elements - Annual Short Term Bonus Incentive"); (iii) Mr. Maries to participate in the Corporation's Equity Based Incentive Plan (see – "Executive Compensation – Executive Compensation Elements – Equity Based Incentive"); (iv) tax equalization on base pay and car allowance to U.S. rates; (v) a monthly car allowance of \$800 plus reimbursement of normal car operating costs; (vi) the cost of a medical and dental health plan equivalent to what Mr. Maries had in his previous employment; (vii) reimbursement of personal income tax preparation costs; (viii) reimbursement of approved relocation costs in moving Mr. Maries from Denver, Colorado to Youngstown, N.Y.; and (ix) the granting of 112,500 options to purchase Common Shares of the Corporation, which options were granted on May 22, 2001.

In the event of termination of Mr. Maries' employment, other than for cause, he would be entitled to receive an amount equal to 12 months pay in lieu of notice plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Maries' employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$331,287.

## **Rick Atkinson**

The Corporation and Mr. Rick Atkinson entered into an employment agreement dated April 3, 2001 with respect to Mr. Atkinson's employment as Senior Vice President, Development of the Corporation. The Agreement provides for (i) an annual salary (as at December 31, 2011) of \$216,300 per annum (subject to an annual review); (ii) Mr. Atkinson to participate in the Corporation's Annual Short-Term Bonus Incentive Plan with respect to the payment of an annual bonus (see – "Executive Compensation – Executive Compensation Elements - Annual Short Term Bonus Incentive"); (iii) Mr. Atkinson to participate in the Corporation's Equity Based Incentive Plan (see – "Executive Compensation – Executive Compensation Elements – Equity Based Incentive"); and (iv) a monthly car allowance of \$1,000 plus reimbursement of normal car operating costs.

In the event of termination of Mr. Atkinson's employment, other than for cause, he would be entitled to receive an amount equal to one month's pay for each year of completed service in lieu of notice plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Atkinson's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$241,254.

## **Charles P. Hamill III**

The Corporation and Mr. Charley Hamill entered into a new employment agreement dated February 14, 2011 with respect to Mr. Hamill's employment as Senior Vice-President, Operations, of the Corporation. This agreement replaced Mr. Hamill's previous employment agreement that had become effective on October 31, 2007. The Agreement provides for (i) an annual salary (as at December 31, 2011) of \$225,000 per annum (subject to an annual review); (ii) Mr. Hamill to participate in the Corporation's Annual Short-Term Bonus Incentive Plan with respect to the payment of an annual bonus (see – "Executive Compensation – Executive Compensation Elements - Annual Short Term Bonus Incentive"); (iii) Mr. Hamill to participate in the Corporation's Equity Based Incentive Plan (see – "Executive Compensation – Executive Compensation Elements – Equity Based Incentive"); (iv) tax equalization payments equivalent to 15% of the annual salary; (v) a monthly car allowance of \$1,000 plus reimbursement of normal car operating costs; and (vi) reimbursement of personal income tax preparation costs.

In the event of termination of Mr. Hamill's employment, other than for cause, he would be entitled to receive an amount equal to 12 months pay in lieu of notice plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Hamill's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$244,249.

If, as a result of a change in control, Mr. Hamill is terminated, other than for cause, Mr. Hamill would be eligible to receive 12 months pay in lieu of notice plus the value of all option and share based awards which vest in accordance with the particular plans. The Corporation estimates that, assuming Mr. Hamill's employment was terminated on December 31, 2011 in such circumstances, the incremental payments and benefits would be approximately \$244,249.

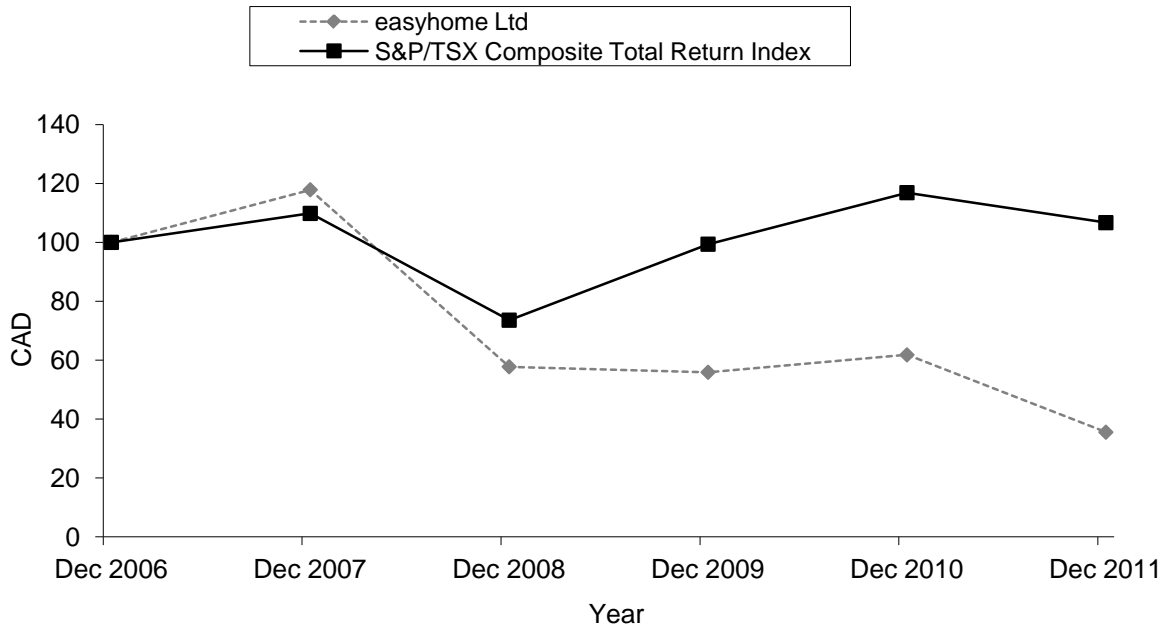
### **STOCK PERFORMANCE GRAPH**

The following graph illustrates the total cumulative return on a \$100 investment in Common Shares made on December 31, 2006 as compared with the total cumulative return on a \$100 investment in the S&P/TSX Index made on December 31, 2006. Dividends declared on Common Shares are assumed to be reinvested. The Common Share performance as set out in the graph does not necessarily indicate future price performance.

The trend in the Corporation's total cumulative shareholder return, as shown in the graph below, is not consistent with the trend in the amount of total compensation paid to the Named Executive Officers for the three years ended December 31, 2011, as shown in the Summary Compensation Table on page 22 of this Circular. For the five year measurement period, the increase in compensation has outpaced the shareholder returns due primarily to (i) the decline in the Corporation's share price resulting from the impact of the recent negative economic climate, operational issues on the Corporation's financial results and the impact of the Employee Fraud in 2010; (ii) the introduction of a new, Equity Based Incentive Plan (see – "Executive Compensation – Executive Compensation Elements – Equity Based Incentive"); (iii) changes made to executive compensation to account for the transition by the Corporation from one congruent business unit to three complementary business units; and (iv) compensation paid out to former Named Executive Officers as payment in lieu of severance as a result of restructuring activities. This increase was offset in part by reduced or eliminated annual bonus incentive payouts as performance targets were not met.

For the purpose of the above discussion, Named Executive Officer compensation is defined as aggregate annual compensation, which equals the sum of base salary, annual bonus incentive payments and equity based incentive awards and excluding all other compensation.

**Return on \$100 Investment  
easyhome Ltd. v S&P/TSX Composite Total Return Index**



	2006	2007	2008	2009	2010	2011
<b>Corporation's Common Shares</b>	100	118	58	56	62	36
<b>S&amp;P/TSX Composite Total Return Index</b>	100	110	74	99	117	107

## EQUITY BASED AND OTHER COMPENSATION PLANS

The following table sets out information concerning the number and price of securities to be issued under equity and other compensation plans to employees and others.

Equity compensation plans approved by security holders	Number of securities to be issued upon exercise of options, warrants and rights (as at December 31, 2011)	Weighted average exercise price of outstanding options, warrants and rights (as at December 31, 2011) (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in (a)) (as at December 31, 2011)
	(a)	(b)	(c)
Options	715,362	13.80	16,314
RSUs (includes dividends)	99,127	13.17	139,761
DSUs (includes dividends)	136,255	9.56	6
<b>Total</b>	<b>950,744</b>	<b>13.09</b>	<b>156,081</b>

### **SHARE OPTION PLAN**

Under the Share Option Plan, options to purchase Common Shares may be granted to eligible participants (collectively, "Optionees") designated under the Share Option Plan. The maximum number of common shares available for issue under the Share Option Plan is 2,038,000, representing 17.2% of the Corporation's total number of Common Shares as of April 5, 2012. (The Share Option Plan was amended, with shareholder approval, in 2008 to increase the maximum number of options from 1,750,000 to 2,038,000, provided that the number of Common Shares which may be issued to non-employee directors of the Corporation at any time shall not exceed 0.75% of the Corporation's outstanding Common Shares, and to amend the amendment provision of the Plan).

Optionees to whom options may be granted, the number of options to be granted and the exercise price of each option are determined in accordance with the Share Option Plan. The exercise price per Common Share may not be less than the Market Price (as defined by the Share Option Plan). Each option, unless terminated pursuant to the Share Option Plan, expires on a date to be determined in accordance with the Share Option Plan at the time the option is granted, which date may not exceed ten years from the date of the grant of the option. Each option is exercisable over such period as determined at the time of issue; provided that, if no vesting period is determined at the time of issue, no more than 20% of the Common Shares subject to the option will be exercisable during each twelve month period from the date of the grant. The maximum number of Common Shares reserved for issuance to any one person upon the exercise of options is limited to 5% of the total number of Common Shares outstanding at the date of grant. All options are non-assignable.

The Compensation Committee reviews industry statistics and comparator groups (see Executive Compensation - Executive Compensation Governance and Philosophy), and regularly consults with Towers Watson with respect to the appropriateness of stock option grants recommended by the Chief Executive Officer. Previous grants and the availability in the option pool are taken into account when making new grants.

Subject to any resolution passed by the Board of Directors, options expire upon the Optionee ceasing to be a director, officer or a part-time or full-time employee of the Corporation or of any subsidiaries. If, before the expiry of the option, the employment of the Optionee with the Corporation or any subsidiary terminates by reason of death of the Optionee, such option may be exercised by the legal representative(s) of the estate of the Optionee at any time during the first six months following the death of the Optionee. If there is a qualified offer (as defined in the Share Option Plan) which results in a person and his affiliates and associates holding more than 50% of the Common Shares, all options outstanding become immediately exercisable in accordance with the Share Option Plan. In the event of a sale for all or substantially all of the assets of the Corporation, all options become exercisable in accordance with the Share Option Plan.

The Board may amend or discontinue the Share Option Plan at any time upon receipt of requisite regulatory approvals including without limitation, the approval of the TSX, provided, however, that shareholder approval is also required for the following amendments: (1) increasing the number of Common Shares reserved for issuance; (2) reducing the option price for the benefit of an insider, or cancelling and re-issuing any option; (3) extending the exercise term of an option (subject to specific exceptions); (4) permitting options to be assignable; (5) increasing the number of Common Shares issuable to non-employee directors of the Corporation at any time in excess of 0.75% of the Corporation's outstanding Common Shares; and (6) amending the amendment provisions of the Share Option Plan. Any amendments to the terms of an existing option shall also require regulatory approval, including without limitation, the approval of the TSX.

<b>Option Summary as at April 5, 2012</b>	<b>Options Granted in Prior Fiscal Years</b>	<b>Options Granted from January 1, 2011 to April 5, 2012</b>	<b>TOTAL</b>	<b>Percentage of Outstanding Shares</b>
Maximum number of options to be granted			2,038,000	17.2%
Less: Options granted and exercised for Common Shares	(1,306,324)	-	(1,306,324)	11.0%
Less: Options granted and unexercised Issued and vested but not exercised	(251,290)	-	(251,290)	2.1%
Issued but not yet vested or exercised	(361,542)	(95,530)	(457,072)	3.9%
	(612,832)	(95,530)	(708,362)	6.0%
Options available to be granted			23,314	0.2%

The total number of options granted under the Share Option Plan is 2,014,686 as at April 5, 2012. The total number of Common Shares issuable under the Share Option Plan pursuant to unexercised grant options and options available to be granted is 731,676 representing 6.2% of the Corporation's total number of Common Shares as at April 5, 2012. The maximum number of Common Shares reserved for issuance to any one person upon the exercise of options or under any other share compensation agreement is limited to 5% of the total number of Common Shares outstanding at the date of grant.

### **RESTRICTED SHARE UNIT PLAN**

In 2004, the Corporation implemented a restricted share unit plan (the "RSU Plan"). Under the terms of the RSU Plan, the Corporation may grant restricted share units ("RSUs") to such permanent employees of the Corporation, its subsidiaries or designated affiliates who have been designated by the Corporation for participation in the RSU Plan and who have agreed to participate in the RSU Plan ("Participants"), in such number, on such terms and at such times as the Corporation may, in its sole discretion determine. The Compensation Committee administers the RSU Plan in compliance with applicable laws and the rules of the TSX, and subject to approval of the Board of Directors for certain matters. In 2010, the Corporation determined to institute the PSU Plan and discontinued future grants under the RSU Plan.

The Compensation Committee determined, subject to the approval of the Board of Directors, the number of RSUs to be granted, and to which Participants, under the RSU Plan. RSUs granted to a Participant are credited to the Participant's RSU account. The vesting schedule for RSUs is determined by the Compensation Committee, subject to the approval of the Board of Directors, at the time of grant and is set out in the agreement between the Corporation and the Participant under which the RSU is granted (the "Grant Agreement"). Each RSU granted gives the Participant the right to receive, with respect to each such RSU that vests in accordance with the terms of the grant, one Common Share, at the time, in the manner and subject to the restrictions set out in the RSU Plan and the Grant Agreement. Subject to certain terms and conditions of the RSU Plan and the Grant Agreement, 30 business days following the vesting of RSUs, the Corporation shall issue Common Shares to the Participant in respect of such vested RSUs.



The RSU Plan was amended March 7, 2006 to clarify the treatment of unvested RSUs in the event of a Participant's termination of employment. Specifically, the RSU Plan was amended to provide that (i) where a Participant's employment is terminated by the Corporation for cause all RSUs in the Participant's account, whether vested or not, will be forfeited; and (ii), subject to the discretion of the Corporation, where a Participant's employment is terminated by the Corporation without cause, RSUs in the Participant's account that have not vested will vest on a pro rata basis, based on the Participant's length of employment during the relevant vesting period, provided any applicable corporate performance criteria are satisfied. If an employee resigns before the vesting period has elapsed none of the participant's RSU's vest.

Under the RSU Plan, and subject to the terms of any written employment agreement, in the event of a "Reorganization" (being the acquisition by a person or group of 40% or more of the Corporation's voting shares or 50% or more of its rental assets), the Board may in its discretion permit the Participant to elect to receive the Common Shares underlying the RSUs, or substitute equivalent securities of a successor entity, or deal with the RSUs in another manner as it determines.

On May 3, 2007 the shareholders of the Corporation approved further amendments to the RSU Plan to increase the number of RSU's available for issuance under the RSU Plan from 225,000 to 365,000 and to amend the amendment provision of the RSU Plan, so that the Board of Directors is authorized to amend, suspend, cancel or terminate the RSU Plan and the RSUs granted thereunder at any time in whole or in part, provided that amendments to (1) increase the number of Common Shares issuable under the RSU Plan; (2) add non-employee directors as eligible participants under the RSU Plan; (3) provide for other types of compensation through equity issuances (in addition to RSUs); or (4) amend the amending provision of the RSU Plan (other than as permitted under the rules of the TSX or any other exchange on which the Common Shares become listed), will require shareholder approval, and amendments, suspensions, cancellations or terminations that adversely affect a participant's rights will, unless the participant consents, apply only to RSUs granted after the date of such amendment, suspension, cancellation or termination. The amendment was made to specifically identify those amendments that will require both the approval of the Board of Directors and shareholder approval, pursuant to TSX policies.

The interest of a Participant under the RSU Plan is not transferable except, if permitted by applicable law, to a spouse, minor children or minor grandchildren or a personal holding company or family trust controlled by the Participant, the shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's minor children or the Participant's minor grandchildren and after his or her lifetime, shall enure to the benefit of and be binding on the Participant's beneficiary.

<b>RSU Summary as at April 5, 2012</b>	<b>RSUs Granted in Prior Fiscal Years</b>	<b>RSUs Granted from January 1, 2011 to April 5, 2012</b>	<b>TOTAL</b>	<b>Percentage of Outstanding Shares</b>
Maximum number of RSUs to be granted			365,000	3.1%
Less: RSUs granted and redeemed for Common Shares	(126,112)	-	(126,112)	1.1%
Less: RSUs granted and unexercised	(99,127)	(1,523)	(100,650)	0.8%
RSUs available to be granted			138,238	1.2%

The total number of RSUs exercisable into Common Shares that have been granted under the RSU Plan is 226,762 as at April 5, 2012. The total number of Common Shares issuable under the RSU Plan pursuant to unexercised RSUs and RSUs available to be granted is 238,888 representing 2.0% of the Corporation's total number of Common Shares as at April 5, 2012.

## **PERFORMANCE SHARE UNIT PLAN**

The PSU Plan for senior management provides for annual grants of performance-based phantom share units which vest at the end of three years, are settled solely in cash, and are tied to performance-based vesting criteria.

The Compensation Committee administers the PSU Plan in compliance with applicable laws and subject to the approval of the Board of Directors for certain matters.

The Compensation Committee determines, subject to the approval of the Board of Directors, the number of PSUs to be granted, and to which Participants, under the PSU Plan. PSUs granted to a Participant are credited to the Participant's PSU account. The vesting schedule for PSUs is three years and is set out in the agreement between the Corporation and the Participant under which the PSU is granted (the "Grant Agreement"). Each PSU granted gives the Participant the right to receive, with respect to each such PSU that vests in accordance with the terms of the grant, an amount in cash equal to the market value of one Common Share at the third anniversary of the date of grant, at the time, in the manner and subject to the restrictions set out in the PSU Plan and the Grant Agreement. The PSUs are subject to performance-based vesting criteria based upon an increase in earnings per share over the three year period. PSUs become 100% vested at cumulative 10% growth in earnings per share over the three year period, increasing in stages to 200% vesting at cumulative 20% or more growth in earnings per share over such period and decreasing in stages to 80% vesting at less than cumulative 8% growth in earnings per share over such period (decreasing in stages to 0% vesting at less than cumulative 9% growth for PSUs issued in 2010). As at December 31, 2011 if the PSUs issued at outstanding were to vest, at 100% vesting, 280,179 PSUs would become vested and at 200% vesting, 560,358 PSUs would become vested.

Where a Participant's employment is terminated by the Corporation for cause all PSUs in the Participant's account, whether vested or not, will be forfeited. Subject to the discretion of the Corporation, where a Participant's employment is terminated by the Corporation without cause, PSUs in the Participant's account that have not vested will vest on a pro rata basis, based on the Participant's length of employment during the relevant vesting period, provided any applicable corporate performance criteria are satisfied. If an employee resigns before the vesting period has elapsed none of the participant's PSU's vest.

Under the PSU Plan, and subject to the terms of any written employment agreement, in the event of a "Reorganization" (being the acquisition by a person or group of 40% or more of the Corporation's voting shares or 50% or more of its rental assets), the Board may in its discretion waive applicable vesting conditions to a maximum of 100% vesting, or substitute equivalent securities of a successor entity, or deal with the PSUs in another manner as it determines.

The Board of Directors is authorized to amend, suspend, cancel or terminate the PSU Plan and the PSUs granted thereunder at any time in whole or in part, provided that amendments, suspensions, cancellations or terminations that adversely affect a participant's rights will, unless the participant consents, apply only to PSUs granted after the date of such amendment, suspension, cancellation or termination.

The interest of a Participant under the PSU Plan is not transferable except, if permitted by applicable law, to a spouse, minor children or minor grandchildren or a personal holding company or family trust controlled by the Participant, the shareholders or beneficiaries of which, as the case may be, are any combination of the Participant, the Participant's spouse, the Participant's minor children or the Participant's minor grandchildren and after his or her lifetime, shall enure to the benefit of and be binding on the Participant's beneficiary.

## **DEFERRED SHARE UNIT PLAN**

In 2005, the Corporation implemented a deferred share unit plan (the "DSU Plan") which permits the Corporation, at its option, to award deferred share units ("DSUs") to Canadian directors of the Corporation, its subsidiaries and its designated affiliated entities. The Board administers the DSU Plan in

compliance with applicable laws and the rules of the TSX. On May 8, 2009, the shareholders of the Corporation approved amendments to the DSU Plan to increase the number of Common Shares available for issuance under the DSU Plan from 50,000 to 150,000, representing 1.3% of the Corporation's total number of Common Shares as of December 31, 2011. as well as amendments to the DSU Plan's amendment provisions, as described below.

It is proposed that the DSU plan be amended to increase the number of Common Shares available for issuance from treasury thereunder from 150,000 to 325,000, representing 2.7% of the Corporation's total number of Common Shares as at April 5, 2012.

The DSU Plan is intended to strengthen the link between director and shareholder interests and to enhance the Corporation's ability to attract and retain qualified, high calibre and talented individuals to serve as members of the Board. Any member of the Board who is resident in Canada and not subject to any United States federal or state securities laws (each, an "Eligible Director") may receive all or a portion of amounts payable to him or her in respect of services provided to the Corporation in his or her capacity as a member of the Board in a calendar year ("Annual Remuneration") in the form of DSUs. Each DSU is equivalent to one Common Share (subject to adjustments in the event of share splits, share dividends or consolidations affecting the number of Common Shares outstanding). DSUs shall be credited to the account of an Eligible Director in accordance with the terms of the DSU Plan. Each Eligible Director must make an election designating the portion of his or her Annual Remuneration that is to be paid by the Corporation in DSUs, which election shall be effective for that year (or balance thereof) in respect of which the election is made. Each Eligible Director may make another election in respect of his or her Annual Remuneration for a subsequent calendar year by filing a new election in accordance with the terms of the Share Unit Plan. In the absence of a new election in respect of his or her Annual Remuneration for a subsequent calendar year, the portion elected in the latest election shall continue to apply for that calendar year. The number of DSUs (including fractional DSUs) to be credited to the account of an Eligible Director as of a particular date in each fiscal quarter of the Corporation is determined by dividing the portion of the Annual Remuneration for the applicable fiscal quarter of the Corporation to be satisfied by DSUs by the weighted average price of a Common Share of the Corporation on the TSX for the five trading days immediately preceding the particular day (the "Market Value").

The DSUs elected by an Eligible Director fully vest upon being credited to the Corporation's books of account. The Eligible Director is entitled to payment of such DSUs at the earlier of: (i) the date on which the Eligible Director has ceased to be a director and employee of the Corporation; and (ii) the date of the Eligible Director's death (the "Termination Date"). Subject to the requirements of applicable laws, the Eligible Director may designate in writing a person who is a dependent or relation of the Eligible Director as his beneficiary to receive any benefits that are payable under the DSU Plan upon the death of such Eligible Director. In no event may the rights or interests of an Eligible Director under the DSU Plan be assigned, except to the extent that certain rights may pass to a designated beneficiary or legal representative upon death of the Eligible Director, by will or by the laws of succession and distribution. At the sole discretion of the Board, the Eligible Director's DSUs may be redeemed for Common Shares, a cash payment or a cash payment by the Corporation which is used to purchase Common Shares on the open market or any combination thereof. All amounts payable to, or in respect of, a director under the DSU Plan will be paid on or before December 31st of the year commencing immediately after the applicable director's Termination Date. The value of the DSUs redeemed by or in respect of an Eligible Director shall be determined as at the elected entitlement date to be the product of (i) the number of DSUs then credited to the Eligible Director's account and redeemed on the elected entitlement date, multiplied by (ii) the Market Value (the product of which is the "Redemption Value"). In the event of a change or exchange of the Common Shares, such equitable adjustments as the Board may reasonably determine shall be made.

Pursuant to amendments approved by the Corporation's shareholders on May 9, 2009, the Board of Directors is generally authorized without shareholder approval to amend, suspend, cancel or terminate the DSU Plan and the DSUs granted thereunder at any time in whole or in part, including, but not limited to, (i) amendments of a "housekeeping" nature including, without limiting the generality of the foregoing,

any amendment for the purpose of curing any ambiguity, error or omission in the DSU Plan or to correct or supplement any provision of the DSU Plan that is inconsistent with any other provision of the DSU Plan; (ii) necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX); (iii) amendments necessary in order for DSUs to qualify for favourable treatment under applicable taxation laws; (iv) amendments respecting administration of the DSU Plan; (v) any amendment to the vesting provisions of the DSU Plan or any DSU; (vi) amendments to the definitions of certain terms in the DSU Plan; (vii) amendments to the settlement provisions of the DSU Plan or relating to any DSU, whether or not such DSU is held by an insider of the Corporation; (viii) amendments necessary to suspend or terminate the DSU Plan; and (ix) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law; provided that amendments to (1) increase the maximum number of Common Shares issuable from treasury under the DSU Plan; (2) change the definition of “market value” which would result in a decrease in the “redemption value” of the DSUs under the Plan; (3) extend the term of the DSUs, benefitting an insider; or (4) amend the amending provision of the DSU Plan (other than as permitted under the rules of the TSX or any other exchange on which the Common Shares become listed), will require shareholder approval, and amendments, suspensions, cancellations or terminations that adversely affect a participant’s rights will, unless the participant consents, apply only to DSUs granted after the date of such amendment, suspension, cancellation or termination.

<b>DSU Summary as at April 5, 2012</b>	<b>DSUs Granted in Prior Fiscal Years</b>	<b>DSUs Granted from January 1, 2011 to April 5, 2012</b>	<b>TOTAL</b>	<b>Percentage of Outstanding Shares</b>
Maximum number of DSUs to be granted			150,000	1.3%
Less: DSUs granted and redeemed	(30,949)	(19,791)	(50,740)	0.4%
Less: DSUs granted and unexercised	(64,303)	(34,951)	(99,254)	0.9%
DSUs available to be granted			6	0.0%

The total number of DSUs that have been granted under the DSU Plan is 149,994 as at April 5, 2012, representing approximately 1.3% of the outstanding Common Shares. The total number of Common Shares issuable under the DSU Plan pursuant to unexercised DSUs and DSUs available to be granted is 99,260 representing 0.9% of the Corporation’s total number of Common Shares as at April 5, 2012. If the proposed amendment to the DSU Plan is approved by the TSX and the Corporation’s shareholders (excluding those insiders entitled to received a benefit under the DSU Plan), the total number of Common Shares issuable under the DSU Plan pursuant to unexercised DSUs and DSUs available to be grated will be 274,260, representing 2.3% of the Corporation’s total number of Common Shares as at April 5, 2012.

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## OTHER INFORMATION

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$30 million per loss and \$30 million for each policy period. The deductible amount per insurable loss is \$100,000. The premium paid by the Corporation for this coverage was \$122,500 for the year ended December 31, 2011.

### **INDEBTEDNESS OF EXECUTIVE OFFICERS**

No nominee as director, nor any senior executive or executive officer of the Corporation or any person related thereto was indebted to the Corporation over the fiscal year ended December 31, 2011.

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**AVAILABLE INFORMATION AND APPROVAL**

**AVAILABLE INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Corporation is provided in the Corporation's consolidated financial statements and MD&A for its most recently completed financial year.

Shareholders of the Corporation may request copies of the Corporation's consolidated financial statements and MD&A by contacting the Chief Financial Officer or the President of the Corporation at the Corporation's executive office, which is located at 33 City Centre Drive, Suite 510, Mississauga, Ontario, L5B 2N5.

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**DIRECTORS' APPROVAL**

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

Dated as of April 5th , 2012.



Donald K. Johnson  
Chairman

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**SCHEDULE A**

**RESOLUTION APPROVING AN AMENDMENT TO THE  
DEFERRED SHARE UNIT PLAN OF EASYHOME LTD.**

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**WHEREAS** the Board of Directors has approved an amendment to the Corporation's deferred share unit plan (the "DSU Plan") as described in the Corporation's management information circular dated April 5, 2012, subject to the approval of the Toronto Stock Exchange and the holders of common shares (the "Common Shares") excluding those insiders entitled to receive a benefit under the DSU plan on the basis set out in the management information circular of the Corporation;

**NOW BE IT RESOLVED THAT:**

1. Section 3.2 of the DSU Plan be amended to increase the maximum number of Common Shares reserved for issuance from treasury under the DSU Plan from 150,000 to 325,000.
2. Any one officer or director of the Corporation is authorized to do all such acts and things and to execute such other documents, whether under the corporate seal of the Corporation or otherwise, that may be necessary to give effect to this resolution.

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## **APPENDIX A**

### **EASYHOME LTD.**

#### **BOARD OF DIRECTORS' MANDATE**

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##### **DIRECTOR QUALIFICATIONS**

It is the policy of the Corporation that two thirds of the members of the Board of Directors (the "Board") shall be independent. A director shall be independent if he or she does not have a direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. Directors in the following seven circumstances listed below, subject to the applicable provisions of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Multilateral Instrument 52-110 – *Audit Committees*, are considered to have a "material relationship" with the Corporation:

- (a) The director is or has been within the last three years an employee or executive officer of the Corporation;
- (b) The director's immediate family member is or has been within the last three years an executive officer of the Corporation;
- (c) The director is a partner of a firm that is the Corporation's internal or external auditor, is an employee of that firm, or was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
- (d) The director's spouse, minor child or stepchild, or child or stepchild who shares a home with the director (i) is a partner of a firm that is the Corporation's internal or external auditor, or (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning), or (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation's audit within that time;
- (e) The director or the director's immediate family member is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serve on the entity's compensation committee;
- (f) The director or the director's immediately family member who is employed as an executive officer of the Corporation received more than \$75,000 per year in direct compensation from the Corporation during any 12 month period within the last three years; or
- (g) The director is a shareholder with the ability to exercise a majority of votes for the election of the Board.

In addition, the composition of the Board will comply with the applicable requirements of the Business Corporations Act (Ontario), the stock exchanges on which the company lists its securities and the relevant securities regulatory authorities. The Board will also consider any applicable stock exchange or other authoritative guidelines or recommendations regarding the composition of the Board and the independence of directors.

##### **STRUCTURE**

The Chairman of the Board shall at all times be an individual who is not otherwise an officer or employee of the Corporation or any of its affiliates.



The Board shall establish a process for the nomination of new directors. The Corporate Governance and Nominating Committee will have the responsibility and authority to make recommendations to the Board regarding the nomination of new directors, based on such factors as such Committee considers advisable from time to time.

The Board shall establish an annual board review process which has three components: an evaluation of the effectiveness of the Board as a whole; an evaluation of the performance of each individual Director; and an evaluation of the effectiveness of each of the committees of the Board. This review process shall relate directly to the description of the duties and responsibilities of the Board and to the mandates of its committees.

The Board shall hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. A quorum for the transaction of business at a meeting of directors, shall, subject to section 4.08 of the by-laws of the Corporation, be a majority of the number of directors.

## **RESPONSIBILITIES**

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Management's discharge of its responsibilities is subject to continuing oversight by the Board. Subject to Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chairman, nominating candidates for election to the Board, appointing committees and determining director compensation. The Board will consider the recommendation and advice of the applicable Committees in carrying out its responsibilities. Its principal duties fall into seven categories.

### **1. SELECTION OF THE MANAGEMENT**

(a) The Board has the responsibility for the appointment and replacement of a Chief Executive Officer (a "CEO"), for monitoring CEO performance, determining CEO compensation and providing advice and counsel in the execution of the CEO's duties.

(b) The Board has the responsibility for approving the appointment and remuneration of all corporate officers, acting upon the recommendation of the Compensation Committee and the CEO.

(c) The Board has the responsibility for, to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

(d) The Board has the responsibility for ensuring that adequate provision has been made for management succession, including the appointment, training and monitoring of senior management.

### **2. MONITORING AND ACTING**

(a) The Board has the responsibility to approve annual capital and operating plans, to monitor the Corporation's performance against these plans and to revise and alter its direction through management in light of changing circumstances.

(b) The Board has the responsibility to take action when performance falls short of its goal or other special circumstances warrant (for example, mergers and acquisitions or changes in control).

(c) The Board has the responsibility for approving any payment of dividends to shareholders and other activities and transactions as specified by corporate law.

(d) The Board should monitor on a periodic, regular basis management's identification and assessment of the principal business risks facing the Corporation and should ensure that management has implemented appropriate systems to manage these risks.

### **3. STRATEGY DETERMINATION**

The Board has the responsibility to participate with management directly or through its committees in developing and approving the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals. The Board shall, on at least an annual basis, adopt a strategic plan for the Corporation which takes into account, among other things, the opportunities and risks of the business.

### **4. POLICIES AND PROCEDURES**

(a) The Board has the responsibility to approve and monitor compliance with all significant policies and procedures by which the Corporation is operated, which shall include without limitation:

(i) adopting a set of corporate governance principles and guidelines;

(ii) adopting a communication policy for the Corporation, with reference to the guidelines in National Policy 51-201 – *Disclosure Standards*;

(iii) adopting a written code of business conduct and ethics, applicable to all directors, officers and employees.

(b) The Board has the responsibility to approve and monitor the Corporation's internal control and management information systems.

(c) The Board has the responsibility to develop clear position descriptions for the chair of the Board and the chair of each Board committee;

(d) The Board has a particular responsibility to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

### **5. SHAREHOLDER COMMUNICATION**

(a) The Board has the responsibility for ensuring that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis.

(b) The Board has the responsibility for ensuring that the financial results are reported fairly and in accordance with generally accepted accounting standards.

(c) The Board has the responsibility for ensuring the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.

(d) The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.

(e) The Board has the responsibility for establishing measures for receiving feedback from shareholders and other stakeholders.

### **6. ADDITIONAL EXPECTATIONS OF BOARD MEMBERS**

In addition to the responsibilities and duties described above, there are additional expectations of easyhome Directors including the following:

(a) Board members are expected to maintain the highest personal and professional values, integrity and ethics. This shall include compliance with the easyhome Corporate Code of Conduct.

(b) Board members are expected to bring a probing and objective perspective to the Board and be prepared to challenge management.

(c) Board members are expected to attend all Board and Committee meetings (as applicable) and devote the necessary time and attention to Board matters. This shall include the advance review of materials to be adequately prepared for Board meetings and keeping informed about the Corporation's business and relevant developments outside the Corporation that affects its business.

(d) Directors are expected to own common shares or deferred share units of the Corporation with a value equivalent to the lesser of three times the annual retainer or 3,000 shares within three years of joining the Board.

## **7. LEGAL REQUIREMENTS**

(a) The Board is responsible for ensuring that legal requirements have been met, and documents and records have been properly prepared, approved and maintained.

(b) The Ontario Business Corporations Act and general principles of Canadian corporate law specify that it is the responsibility of the Board to manage or supervise the management of the business and affairs of the Corporation and in so doing:

(i) to act honestly and in good faith with a view to the best interests of the Corporation;

(ii) to exercise the care, diligence and skill that reasonable prudent people would exercise in comparable circumstances; and

(iii) to act in accordance with its obligations contained in the Ontario Business Corporations Act, the securities legislation of relevant provinces, other relevant legislation and regulations, and the Corporation's articles and by-laws.

(c) In particular, it should be noted that the following matters must be considered by the Board as a whole:

(i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;

(ii) the filling of a vacancy among the directors or in the office of the auditor;

(iii) terms on which securities may be issued and the declaration of dividends;

(iv) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;

(v) the payment of a commission to any person in consideration of the purchase or agreement to purchase shares of the Corporation from the Corporation;

(vi) the approval of management proxy circulars;

(vii) the approval of any take-over bid circular or directors' circular;

- (viii) the approval of the financial statements of the Corporation; and
- (ix) adoption, amendment or repeal of by-laws of the Corporation.

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**APPENDIX B**

**EASYHOME LTD.**

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE MANDATE**

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**MEMBER QUALIFICATIONS**

The Corporate Governance and Nominating Committee of the Board of Directors (the “Committee”) shall consist of three or more directors, all of whom shall be independent; as such term is defined in the applicable laws governing the Corporation, the applicable stock exchanges and the applicable securities regulatory authorities.

**STRUCTURE**

The Committee shall serve as a standing committee of the Board of Directors (the “Board”). Members of the Committee shall be appointed by the Board and the Board shall designate one member to chair the Committee.

The Committee shall meet at least annually or more frequently as needed. A quorum shall consist of not less than two members of the Committee. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution of the Committee.

All resolutions of the Committee shall be reported to the Board at the next regularly scheduled meeting of the Board, unless the Committee determines that the matter should be brought before the Board prior to such meeting.

The Committee is authorized to retain independent counsel and advisors that the Committee determines to be necessary to permit it to carry out its duties, with the cost to be borne by the Corporation.

**PURPOSE**

The Committee’s mandate is to assist the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement.

**RESPONSIBILITIES**

The Committee is responsible for:

- (a) examining the effectiveness of the Corporation’s corporate governance practices and proposing such procedures and policies as the Committee believes are appropriate to ensure that:
  - (i) the Board clearly functions independently of management,
  - (ii) management is clearly accountable to the Board, and
  - (iii) procedures are in place to monitor the effectiveness of performance of the Board, committees of the Board and individual directors;
- (b) providing an appropriate orientation program for new directors such that all new directors fully understand the role of the Board and its committees as well as the contribution individual

directors are expected to make (including the commitment of time and energy that the Corporation expects from its directors);

(c) identifying and providing continuing education opportunities for all directors, so that directors may maintain or enhance their skills and abilities as directors, and their knowledge of the Corporation's business remains current;

(d) periodically reviewing the mandates of the Board and committees of the Board and making recommendations to the Board if any changes to the mandates or additional committees of the Board are required or appropriate;

(e) developing such codes of conduct and other policies as are appropriate to deal with the confidentiality of the Corporation's information, insider trading and the Corporation's timely disclosure and other public Corporation obligations;

(f) taking such other steps as the Committee decides are appropriate, in consultation with the Board, to ensure that proper corporate governance practices are in place for the Corporation, with reference to the corporate governance guidelines established by the securities regulatory authorities or recommendations and other regulatory requirements on corporate governance;

(g) approving outside counsel or advisors to be engaged by individual directors when deemed appropriate with the cost to be borne by the Corporation; and

(h) Review and assess annually director attendance, performance and the size and composition of the Board, all in conjunction with the Chairman of the Board.

In addition, the Committee shall be responsible for identifying and recommending to the Board suitable candidates for nomination as new directors, and reviewing the credentials of directors standing for re-election. In making its recommendations, the nominating committee shall consider the following:

(a) the competencies and skills that the Board considers necessary for the Board, as a whole, to possess;

(b) the competencies and skills that the Board considers each existing director to possess; and

(c) the competencies and skills each new nominee will bring to the boardroom.

In addition, the Corporate Governance Committee shall recommend to the Board from time to time an independent director who:

(a) shall chair meetings of the Board of Directors in circumstances where the Chairman has a conflict;

(b) shall act as a contact person for other directors who wish to discuss matters involving the Chairman of the Board, and in this regard may convene and chair meetings of directors (other than the Chairman and any management director); and

(c) shall act as Chairman of the Board on an interim basis in the event of the death or incapacity of the Chairman of the Board, until the Board has elected a permanent successor Chairman.

The Committee shall review and assess annually the adequacy of this mandate, the effectiveness of the Committee's performance and, when necessary, shall recommend changes to the Board for the Board's approval.

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**APPENDIX C**

**EASYHOME LTD.**

**COMPENSATION COMMITTEE MANDATE**

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**MEMBER QUALIFICATIONS**

The Compensation Committee of the Board of Directors (the "Committee") shall consist of three or more directors, a majority of whom shall be independent, as such term is defined in the applicable laws governing the Corporation, the applicable stock exchanges and the applicable securities regulatory authorities. In addition, where practicable as a best practice, not more than one-third of the members of the Committee shall be the incumbent CEO of a business entity.

**STRUCTURE**

The Committee shall serve as a standing committee of the Board of Directors (the "Board"). Members of the Committee shall be appointed by the Board and the Board shall designate two members to co-chair the Committee.

The Committee shall meet at least annually or more frequently as needed. A quorum shall consist of not less than two members of the Committee. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution of the Committee.

All resolutions of the Committee shall be reported to the Board at the next regularly scheduled meeting of the Board, unless the Committee determines that the matter should be brought before the Board prior to such meeting.

The Committee is authorized to retain independent counsel and advisors that the Committee determines to be necessary to permit it to carry out its duties, with the cost to be borne by the Corporation. Human resources advisors engaged by the Committee shall report directly to the Committee and not to management.

**PURPOSE**

The goals of the Committee are to enable the Corporation to attract, retain and motivate the most qualified talent who will contribute to the long - term success of the Corporation by:

- (a) Aligning compensation with the Corporation's business objectives and performance; and
- (b) Aligning incentives with the interests of shareholders to maximize shareholder value.

The Corporation emphasizes the importance of clearly communicating performance objectives and works to ensure that performance - based compensation is competitive with the market place.

## **RESPONSIBILITIES**

The Committee's primary responsibilities include developing compensation recommendations for the approval of the Board for the Corporation's executive officers, acting upon the recommendation of the Chief Executive Officer, and developing compensation recommendations for the directors of the Corporation. Compensation includes, but is not limited to, salary, bonuses, benefits, equity/quasi-equity incentive compensation grants or awards, and other compensation as appropriate. Additionally, the Committee shall review and make recommendations to the Board on all matters pertaining to bonus plans, salary policy, and equity/quasi-equity incentive compensation grants or awards for all other employees.

The Committee shall recommend to the Board the written objectives and corporate goals of the Chief Executive Officer and his direct reports. The Committee, with the Chairman of the Board, shall annually assess the performance of the Chief Executive Officer in light of those objectives and corporate goals and recommend for approval of the Board the Chief Executive Officer's compensation level based on this assessment. In addition, the Committee shall develop, review and assess annually a plan for management succession, including the appointment, training and monitoring of the Chief Executive Officer and other senior management, and shall recommend such plan to the Board for approval.

The Committee shall annually review the Corporation's compensation practices by comparing them to surveys of relevant competitors and set objective compensation based on this review.

The Committee shall review the Corporation's executive compensation disclosure before such information is publicly disclosed.

The Committee is responsible for ensuring that there is an appropriate written code of business conduct and ethics (the "Code") for the Corporation. The Code shall be applicable to all directors, officers and employees of the Corporation. The Committee shall be responsible for establishing a process for monitoring compliance therewith.

The Committee shall review and assess annually the adequacy of this mandate, the effectiveness of the Committee's performance, and when necessary, shall recommend changes to the Corporate Governance and Nominating Committee.