



**MOUNT LOGAN**  
C A P I T A L

**NOTICE OF ANNUAL AND SPECIAL MEETING AND  
MANAGEMENT INFORMATION CIRCULAR  
WITH RESPECT TO THE ANNUAL AND SPECIAL  
MEETING OF SHAREHOLDERS OF**

**MOUNT LOGAN CAPITAL INC.**

**TO BE HELD ON MAY 30, 2019**

**MOUNT LOGAN CAPITAL INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 30, 2019**

TAKE NOTICE THAT an annual and special meeting (the “**Meeting**”) of the shareholders of Mount Logan Capital Inc. (“**Mount Logan**” or the “**Corporation**”) will be held at the offices of Wildeboer Dellelce LLP at Suite 800, 365 Bay Street, Toronto, Ontario, on Thursday, May 30, 2019 at 3:00 p.m. (Eastern time) for the following purposes:

1. to receive the consolidated financial statements of Mount Logan for the year ended December 31, 2018, together with the report of the auditors thereon;
2. to elect directors of Mount Logan to hold office until the close of business of the next annual meeting of Mount Logan’s shareholders;
3. to appoint auditors of Mount Logan to hold office until the close of business of the next annual meeting of Mount Logan’s shareholders and to authorize the directors of Mount Logan to fix the auditors’ remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, a special resolution authorizing an amendment to the articles of Mount Logan to consolidate the issued and outstanding common shares of Mount Logan on the basis of one (1) post-consolidation share for up to ten (10) pre-consolidation shares, as more fully described in the accompanying Management Information Circular;
5. to consider and, if deemed advisable, approve, with or without variation, by ordinary resolution, a new stock option plan of the Corporation, including the approval of all unallocated options, rights and other entitlements thereunder, in accordance with the rules of the Neo Exchange Inc. (the “**Neo Exchange**”);
6. to consider and, if deemed advisable, approve, with or without variation, by ordinary resolution, a new performance and restricted share unit plan of the Corporation, including the approval of all unallocated awards, rights and other entitlements thereunder, in accordance with the rules of the Neo Exchange; and
7. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Information relating to the items described above is set forth in the accompanying Management Information Circular of Mount Logan.

Only shareholders of record as of April 25, 2019, the record date, are entitled to receive notice of and to vote at the Meeting. Shareholders who wish to vote at the Meeting must attend the Meeting in person or deposit an instrument of proxy in accordance with the instructions set forth below and in the accompanying Management Information Circular.

DATED at Toronto, Ontario this 29th day of April, 2019.

**By Order of the Board of Directors**

(signed) "*Edward Goldthorpe*"

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Edward Goldthorpe  
Chief Executive Officer

**IMPORTANT**

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be delivered to the Proxy Department of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 not later than 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any adjournment thereof. Late instruments of proxy may be accepted or rejected by the chair of the Meeting in his or her discretion but he or she is under no obligation to accept or reject any particular late instrument of proxy. As an alternative to completing and submitting an instrument of proxy, you may vote electronically on the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone by contacting Computershare Investor Services Inc. at 1-866-732-8683. Shareholders who wish to vote using the internet or by telephone should follow the instructions in the enclosed instrument of proxy.

**MOUNT LOGAN CAPITAL INC.****Management Information Circular for the Annual and Special Meeting of Shareholders  
to be held on Thursday, May 30, 2019**

Information in this Management Information Circular (the “**Circular**”) is given as of April 29, 2019, except as otherwise indicated herein. Unless otherwise indicated, dollar amounts are expressed in Canadian dollars.

**PROXY RELATED INFORMATION****Solicitation of Proxies**

**This Circular is provided in connection with the solicitation of proxies by management of Mount Logan Capital Inc. (“Mount Logan” or the “Corporation”) for use at the annual and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares of Mount Logan (“Shares”).** The Meeting will be held on Thursday, May 30, 2019 at 3:00 p.m. (Eastern time) at the offices of Wildeboer Dellelce LLP at Suite 800, 365 Bay Street, Toronto, Ontario, or at such other time or place to which the Meeting may be postponed or adjourned, for the purposes set forth in the Notice of Meeting accompanying this Circular (the “**Notice**”).

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by regular employees of Mount Logan without special compensation, at nominal cost. The costs of solicitation will be borne by Mount Logan. Mount Logan will pay the reasonable expenses of persons who are the registered but not beneficial owners of Shares for forwarding copies of the Notice, Instrument of Proxy (as hereinafter defined), Circular and related material to beneficial owners. Mount Logan will provide, without cost to such persons, upon request to the Corporate Secretary of Mount Logan, additional copies of the foregoing documents required for this purpose.

Accompanying this Circular is a form of proxy for use at the Meeting (the “**Instrument of Proxy**”). Each Shareholder who is entitled to attend at Shareholders’ meetings is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

**Appointment, Time for Deposit and Revocation of Proxies***Appointment of a Proxy*

**Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy to the Proxy Department of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1.** As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone by contacting Computershare Investor Services Inc. at 1- 866-732-8683. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper Instrument of Proxy. Shareholders who wish to vote using internet or by telephone should follow the instructions provided in the enclosed Instrument of Proxy. Votes cast electronically or by telephone must be submitted no later than 3:00 p.m. (Eastern Time) on Tuesday, May 28, 2019 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

**The persons named as proxyholders in the Instrument of Proxy accompanying this Circular are directors or officers of Mount Logan and are representatives of Mount Logan’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) as**

**his, her or its representative at the Meeting may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Corporate Secretary of Mount Logan, at the place and within the time specified herein for the deposit of proxies.** A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

**In order to validly appoint a proxy, Instruments of Proxy must be received by the Proxy Department of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1 at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the City of Toronto, prior to the time of the Meeting or any adjournment thereof.** After such time, the chair of the Meeting may accept or reject a form of proxy delivered to him or her in his or her discretion but is under no obligation to accept or reject any particular late Instrument of Proxy.

#### *Non-Registered Holders*

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Shares in their own name and thus are considered non-registered beneficial shareholders.** Only registered holders of Shares or the persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA's and similar plans) that the Non-Registered Holder deals with in respect of the Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Holders should note that only proxies deposited by Shareholders whose names appear on the records of Mount Logan as the registered holders of Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators, Mount Logan will have distributed copies of the Notice, this Circular and the enclosed Instrument of Proxy to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. If you are a Non-Registered Holder, your Intermediary will be the entity legally entitled to vote your Shares at the Meeting. Shares held by an Intermediary can only be voted upon the instructions of the Non-Registered Holder. Without specific instructions, Intermediaries are prohibited from voting Shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Non-Registered Holders in advance of the Meeting. Often, the form of proxy supplied to a Non-Registered Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Non-Registered Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Non-Registered Holder may call a toll-free telephone number or access the internet to provide instructions regarding the voting of Shares held by the Non-Registered Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote Shares directly at

the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Shares voted.

Non-Registered Holders should ensure that instructions respecting the voting of their Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Holders in order to ensure that their Shares are voted at the Meeting.

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their Intermediary, a Non-Registered Holder may attend the Meeting as proxyholder for the Intermediary and vote the Shares in that capacity. **Non-Registered Holders who wish to attend the Meeting and indirectly vote their Shares as a proxyholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

The purpose of the above-noted procedures is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Non-Registered Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), Mount Logan is distributing copies of proxy-related materials in connection with the Meeting indirectly to non-objecting beneficial owners of Shares. Mount Logan is not relying on the notice-and-access delivery procedures set out in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting. Mount Logan does not intend to pay for Intermediaries to deliver copies of the proxy-related materials to objecting beneficial owners. Objecting beneficial owners will not receive the proxy-related materials in respect of the Meeting unless the Intermediary holding Shares on behalf of the objecting beneficial owner assumes the cost of delivery.

#### *Revoking a Proxy*

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed in the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of Mount Logan at Suite 800, 365 Bay Street, Toronto, Ontario, M5H 2V1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or deposited with the chair of the Meeting on the day of the Meeting, or any adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. As well, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chair of the Meeting before the proxy is exercised) and vote in person (or withhold from voting). If a Shareholder has voted on the internet or by telephone and wishes to change such vote, such Shareholder may vote again through such means before 3:00 p.m. (Eastern Time) on Tuesday, May 28, 2019 or at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before any adjournment or postponement of the Meeting.

### *Signature on Proxies*

The Instrument of Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. An Instrument of Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Mount Logan).

### *Voting of Proxies*

Each Shareholder may instruct his, her or its proxyholder on how to vote his, her or its Shares by completing the blanks on the Instrument of Proxy. **Shares represented by the enclosed Instrument of Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. In the absence of such direction, such Shares will be voted IN FAVOUR OF PASSING THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW.** If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. As at the date of this Circular, the management of Mount Logan knows of no such amendments or variations or other matters to come before the Meeting.

**Unless otherwise stated, Shares represented by a valid Instrument of Proxy will be voted: (i) in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Shares may be voted in favour of another nominee in the proxyholder's discretion; (ii) in favour of the appointment of KPMG LLP as auditors of Mount Logan and the authorization of the board of directors of Mount Logan (the "Board") to fix their remuneration; (iii) in favour of the Share Consolidation Resolution (as hereinafter defined); (iv) in favour of the Option Plan Resolution (as hereinafter defined); and (v) in favour of the PR Plan Resolution (as hereinafter defined).**

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

### **Voting Shares and Record Date**

Shareholders of record as of April 25, 2019 (the "**Record Date**") are entitled to receive the Notice and to attend and vote at the Meeting. The failure of any Shareholder to receive a copy of the Notice does not deprive the Shareholder of the right to vote at the Meeting. Only holders of Shares as of the Record Date are entitled to vote such Shares at the Meeting.

As at the date of this Circular, Mount Logan had 81,873,130 issued and outstanding Shares, each of which carries the right to two votes in respect of each of the matters properly coming before the Meeting. The Shares are the voting shares of Mount Logan which are issued and outstanding as of the Record Date.

### **Principal Holders of Voting Securities**

To the knowledge of the directors and executive officers of Mount Logan, as at the date of this Circular, no person or corporation beneficially owns, or exercises control or direction over, directly or indirectly, more than 10% of the issued and outstanding Shares.

### **Indebtedness of Directors and Executive Officers**

No individual who is, or at any time during the financial year ended December 31, 2018 was, a director or executive officer of Mount Logan, no proposed nominee for election as a director of Mount Logan, or any associate of any of them is, or at any time since the beginning of the financial year ended December 31, 2018 has been, indebted to Mount Logan or any of its subsidiaries or was indebted to another entity, which indebtedness is, or was at any time during the financial year ended December 31, 2018, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Mount Logan or any of its subsidiaries.

### **Interest of Informed Persons in Material Transactions**

Other than as described herein, no director or executive officer of Mount Logan, nor any proposed nominee for election as a director of Mount Logan, nor any other insider of Mount Logan, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended December 31, 2018, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect Mount Logan or any of its subsidiaries.

### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

Except as otherwise disclosed in this Circular, no person who has been a director or executive officer of Mount Logan at any time since the beginning of the financial year ended December 31, 2018, no proposed nominee for election as a director of Mount Logan nor any associate or affiliate of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. All of the directors and officers of Mount Logan are entitled to receive options pursuant to the 2019 Option Plan (as hereinafter defined) and performance share units and restricted share units under the PR Plan (as hereinafter defined) in accordance with the respective provisions thereof.

## **ARRANGEMENT TRANSACTION**

Over the past three financial years, the Corporation's investment strategy was to seek to generate income mainly from its lending activities, while taking advantage of additional upside through equity participation in the companies which it finances. During this period, the Corporation appointed Marret Asset Management Inc. (the "**Manager**") to manage the operations, business and affairs of the Corporation and to provide all necessary or advisable administrative services and facilities as set forth in the management services agreement between the Corporation and the Manager dated December 23, 2010, as amended (the "**Management Services Agreement**").

On October 19, 2018, the Corporation completed a plan of arrangement carried out under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**") as part of a series of transactions for the purpose of expanding the Corporation's investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform. In connection with the Corporation's expansion of its investment strategy and pursuant to the Arrangement, the Corporation indirectly acquired an interest in certain senior secured loans and debt instruments from a U.S. based loan provider, and directly acquired an interest in certain loans and debt instruments sourced from BC Partners Advisors, L.P. ("**BC Partners**"). Also in



connection with the completion of the Arrangement, the Management Services Agreement was terminated, provided that the Manager and the Corporation agreed that the Manager shall continue to manage the Corporation's investment in Cline Mining Corporation ("Cline") for a fee equal to 1% of the net proceeds of any distribution made by Cline in a particular year or 1% of the net proceeds to the Corporation from a sale of the Corporation's interest in Cline.

Upon completion of the Arrangement, the Corporation internalized the management of its operations, business and affairs and as a result has implemented certain changes to its corporate governance and executive compensation practices, as further described below.

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

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice. These matters are described in turn under the headings below.

#### **Receipt of Financial Statements**

The audited consolidated financial statements of Mount Logan for the financial year ended December 31, 2018 and the report of the auditors' thereon will be presented at the Meeting.

#### **Election of Directors of Mount Logan**

The articles of Mount Logan provide for a minimum of three and a maximum of 11 directors. The Board has determined that the number of directors to be elected at the Meeting is five. The five nominees proposed for election as directors of Mount Logan (the "**Directors**") are listed below.

**In the absence of contrary instructions, the persons named in the accompanying Instrument of Proxy intend to vote for the election of the nominees whose names are set forth below**, each of whom has been a Director since the date indicated below opposite his or her name. Management of Mount Logan does not contemplate that any of the proposed nominees will be unable to serve as a Director, but if, for any reason, at the time of the Meeting, any of the nominees are unable to serve, and unless otherwise specified, it is intended that the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

The following table sets forth information with respect to each person proposed to be nominated for election as a Director, including the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by such person at the date of this Circular. The information as to Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of Mount Logan, has been furnished by the respective nominees individually or obtained from the System for Electronic Disclosure by Insiders ("**SEDI**") and may include Shares owned or controlled by spouses and/or children of such Directors and/or companies controlled by the Directors or their spouses and/or children.

| Name and Place of Residence                                      | Position with Mount Logan and Date First Appointed to the Board | Principal Occupation   | Number and Percentage of Shares Beneficially Owned or Controlled <sup>(1)</sup> |
|--|---|--|---|
| Edward Goldthorpe<br>New York, USA                               | Director and Chief Executive Officer<br>(October 19, 2018)      | Partner in charge of the Global Credit Business for BC Partners since February 2017. Prior to that, President and Chief Investment Officer of Apollo Investment Corporation.   | 1,400,000<br>(1.71%)  |
| Graeme Dell <sup>(2)</sup><br>London, UK                         | Director<br>(October 19, 2018)                                  | Partner and COO at BC Partners since 2014. Prior to that, Group Finance Director at Ashmore Group plc (asset management firm).   | Nil   |
| Perry Dellelce <sup>(3)(4)</sup><br>Ontario, Canada              | Director<br>(October 19, 2018)                                  | Managing Partner of Wildeboer Dellelce LLP.  | 455,000<br>(0.56%)  |
| Sabrina Liak <sup>(2)(3)(4)(5)</sup><br>British Columbia, Canada | Director<br>(October 19, 2018)                                  | Managing Partner of ALOI Investment Management (investment and advisory firm) since 2016. Prior to that, Managing Director and Portfolio Manager at Goldman Sachs – New York.  | 181,819<br>(0.22%)  |
| Radford Small <sup>(2)(3)(4)</sup><br>California, USA            | Director<br>(October 19, 2018)                                  | Principal at Lightspeed Capital (investment firm) since 2018. Prior to that, Vice President at Tesla from 2016-2018. Prior to that, CFO at Solar City (which was acquired by Tesla) from 2015-2016. Prior to that, Managing Director at Goldman Sachs – San Francisco. | 57,985<br>(0.07%)   |

## Notes:

- (1) Percentages are based on 81,873,130 issued and outstanding Shares as of the date of this Circular.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Nominating Committee.
- (4) Member of the Compensation Committee.
- (5) Lead Director.

*Majority Voting for Election of Directors*

The Board has adopted a “majority voting” policy, pursuant to which if a nominee for election as director does not receive a greater number of votes “for” than votes “withheld” at a meeting of Shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of Shareholders at which the director was elected. Upon receiving such offer of resignation, the Corporate Governance and Nominating Committee will consider such offer and make a recommendation to the Board as to whether or not to accept it. In its deliberations, the Corporate Governance and Nominating Committee will consider any stated reasons why Shareholders “withheld” votes from the election of that director, the length of service and the qualifications of the director, the director’s contributions to the Corporation, the effect such resignation may have on the Corporation’s ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the Corporate Governance and Nominating Committee considers relevant. Notwithstanding the foregoing, the Board expects to accept the resignation

except in situations where extenuating circumstances would warrant the director to continue to serve on the Board.

The Board will determine whether or not to accept the resignation within 90 days following the meeting of Shareholders. Mount Logan will announce the decision of the Board in a press release with respect to whether the Board has decided to accept such director's resignation. If the Board determines not to accept the resignation, the press release will state the reasons for that decision.

The director who tendered such resignation will not be part of any deliberations of any Board committee (including the Corporate Governance and Nominating Committee if such director is a member thereof) or of the Board pertaining to the resignation offer.

The "majority voting" policy only applies in circumstances involving an uncontested election of directors. For the purposes of the policy, an "uncontested election of directors" means that the number of nominees for election as a director is not more than the number of directors proposed to be elected to the Board.

### *Biographies of Directors*

Biographical information regarding the foregoing is set forth below:

**Edward Goldthorpe:** Mr. Edward Goldthorpe is the Partner in charge of the Global Credit Business for BC Partners. Previously, he was the President of Apollo Investment Corporation and the Chief Investment Officer of Apollo Investment Management, heading its U.S. Opportunistic Platform. Prior to Apollo, Mr. Goldthorpe worked at Goldman Sachs for 13 years where he most recently ran the bank loan distressed investing desk and spent considerable time in their Special Situations Group. Mr. Goldthorpe currently serves on the Global Advisory Board for the Queen's School of Business and serves on the board of directors for Crescent Point Energy, Her Justice, and Capitalize for Kids. Mr. Goldthorpe holds a Bachelor of Commerce from Queen's University.

**Graeme Dell:** Mr. Graeme Dell is the Chief Operating Officer and a Partner at BC Partners, having joined the firm in 2014. Previously, Graeme spent six years at Ashmore Group plc, a UK-listed asset management firm where he was Group Finance Director. Prior to this, he was Group Finance Director for six years at Evolution Group plc, another UK-listed financial services organization. He initially qualified as a chartered accountant at Coopers & Lybrand before performing roles in operations and finance at Goldman Sachs and Deutsche Bank. Mr. Dell holds a degree in engineering, economics, and management from Oxford University and is an FCA.

**Perry Dellelce:** Mr. Perry Dellelce is the Founder and Managing Partner of Wildeboer Dellelce LLP, one of Canada's leading corporate finance transactional law firms. Mr. Dellelce currently serves as a director on a number of private and public companies and is currently the Chair of the Board of Neo Exchange Inc. (the "**Neo Exchange**"), the Chair of the Board of the Canadian Olympic Foundation and former Chair of the Board of the Sunnybrook Foundation. He was called to the Ontario Bar in 1992. Mr. Dellelce holds a BA from the University of Western Ontario, a MBA from the University of Notre Dame, and a LLB from the University of Ottawa.

**Sabrina Liak:** Ms. Sabrina Liak currently serves as the Managing Partner of ALOI Investment Management, a global investment and advisory firm focused on private equity opportunities. Ms. Liak formerly served as a Managing Director and Portfolio Manager at Goldman Sachs in New York where she managed a private equity portfolio of growth companies for Goldman Sachs Investment Partners, an investment fund. Ms. Liak has served on the board of directors of several companies, including Petroedge

Energy, an exploration company, Lightfoot Capital, a Master Limited Partnership, and FloDesign Wind, a renewable energy company. Ms. Liak joined Goldman Sachs in 2001 in the Fixed Income, Currency, and Commodities Division. Prior to joining Goldman Sachs, Ms. Liak started her career in investment banking at Donaldson, Lufkin & Jenrette. Ms. Liak holds an HBA from the Richard Ivey School of Business at the University of Western Ontario and is a CFA charterholder.

**Radford Small:** Mr. Radford Small most recently served as a Vice President at Tesla where he led the Global Capital Markets team raising over \$6 billion USD in financing. He previously served as SolarCity's CFO prior to Tesla's acquisition of SolarCity. From 1998-2015, Mr. Small served in numerous roles at Goldman Sachs, beginning his career as an Associate in the Natural Resources Investment Banking Group in New York and ending his tenure as a Managing Director in Investment Banking in San Francisco focusing on the Clean Tech and Renewables Group. From 1995-1998, Mr. Small served as Associate Tax Attorney at Coudert Brother in New York. Mr. Small holds a LLM in Tax from the New York University School of Law, a JD from Loyola Law School, and a Bachelor of Arts in Economics from the University of California, Berkeley.

Each proposed nominee as a Director elected will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, as the case may be, unless his or her office is earlier vacated in accordance with the by-laws or the provisions of the *Business Corporations Act* (Ontario) to which Mount Logan is subject or any similar corporate legislation to which Mount Logan becomes subject.

#### *Cease Trade Orders, Bankruptcies and Penalties and Sanctions*

Except as described below, to the knowledge of Mount Logan, no proposed Director is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including Mount Logan) that: (a) was the subject of an order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

- David Guebert was the Chief Financial Officer of Times Three Wireless Inc. ("**Times Three**"). On May 6, 2014, the Alberta Securities Commission issued a cease trade order against Times Three for failing to file required annual financial statements and related management's discussion and analysis and officer certifications. The cease trade order remains in effect and has not been revoked.

To the knowledge of Mount Logan, no proposed Director: (a) is, or within 10 years before the date hereof, has been a director or executive officer of a corporation (including Mount Logan) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director.

No proposed Director has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for the proposed Director.

### **Appointment and Remuneration of Auditors**

At the Meeting, Shareholders will be asked to appoint KPMG LLP as auditors of Mount Logan, to hold office until the next annual meeting of Shareholders. Shareholders will also be asked to authorize the directors of Mount Logan to fix the auditors' remuneration.

**In the absence of contrary instructions, the persons named in the accompanying Instrument of Proxy intend to vote for the appointment of the auditors and authorizing the Board to fix the auditors' remuneration as set forth above.**

### **Approval of Share Consolidation**

The Corporation proposes to effect a share consolidation (the "**Share Consolidation**") of the issued and outstanding Shares on the basis of one (1) new Share for up to ten (10) Shares. If the Share Consolidation Resolution (as hereinafter defined) is approved by Shareholders at the Meeting and implemented by the Board, the Shares will be consolidated into a lesser number of Shares, at the ratio selected by the Board which shall apply uniformly to the Shares (up to a maximum ratio of one (1) new Share for ten (10) Shares). If the Share Consolidation Resolution is approved by Shareholders at the Meeting, the directors will have the sole discretion to implement the Share Consolidation at any time prior to the next annual meeting of Shareholders of the Corporation and at such ratio as they may determine in accordance with the Share Consolidation Resolution, subject to the approval of the Neo Exchange.

#### *Reasons for the Share Consolidation*

The Corporation believes that the current number of outstanding Shares is inconsistent with the size, assets and capital structure of the Corporation. The Corporation is proposing the Share Consolidation in order to position its stock price so as to appeal to a broader range of global investors and with a view to reducing transaction costs for the Corporation and its investors. Some institutional investors and investment funds are reluctant to, or are prohibited by their constituting documents from, investing in lower-priced stocks and brokerage firms may be reluctant to recommend lower-priced stocks to their clients. Additionally, many investors pay commissions based on the number of shares traded when they buy or sell stock. If the price of the Shares was higher, investors would pay lower commissions to trade a fixed dollar amount of Shares than they would if the price were lower. Through the Share Consolidation, the Corporation believes that its Shares would be more attractive to more potential investors, although there can be no assurances that this will happen.

Additionally, the Corporation is of the view that a consolidation of the Shares may serve to improve the corporate image of the Corporation when dealing with new lending partners and borrowers. As the Corporation grows its business, the image and current trading price of the Shares is a potential detriment to gaining new business. The Corporation believes that it has significant growth opportunities and that new business partners may potentially be biased against the Corporation because the trading price of the Shares may imply poor financial strength. Accordingly, the Corporation believes that it may be better able to compete with a higher share price and, if implemented, the Share Consolidation may promote increased liquidity and reduced volatility.

The Board believes that shareholder approval of a maximum potential Share Consolidation ratio (rather than a single share consolidation ratio) provides the Board with maximum flexibility to achieve the desired results of the Share Consolidation, and to ensure that the Corporation remains in compliance with applicable shareholder distribution requirements of the Neo Exchange. If the Share Consolidation Resolution is approved, the Share Consolidation will be implemented, if at all, only upon a determination by the Board that the Share Consolidation is in the best interests of the Corporation and its shareholders at that time. In connection with any determination to implement a Share Consolidation, the Board will set the timing for such a share consolidation and select the specific ratio from within the range for a ratio set forth in the Share Consolidation Resolution.

#### *Implementing the Share Consolidation*

If the Share Consolidation Resolution is approved at the Meeting and the Board determines to implement the Share Consolidation, the Corporation will send a letter of transmittal to registered shareholders which will provide instructions on how registered shareholders may obtain new certificates representing the number of post-consolidation Shares to which they are entitled as a result of the Share Consolidation. Upon receipt of a properly completed and signed letter of transmittal and the share certificate(s) referred to in such letter of transmittal, the Corporation will arrange to have a new share certificate representing the appropriate number of post-consolidation Shares delivered in accordance with the instructions provided by the holder in his, her or its letter of transmittal. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued share certificates. Until surrendered, each share certificate representing pre-consolidation Shares shall be deemed for all purposes to represent the number of post-consolidation Shares to which the holder is entitled as a result of the Share Consolidation.

If the Share Consolidation Resolution is approved by Shareholders at the Meeting and the Board determines to implement the Share Consolidation, the Corporation will effect the Share Consolidation (subject to receipt of all necessary regulatory approvals including the Neo Exchange) through the filing of articles of amendment with the Director appointed under the *Business Corporations Act* (Ontario). The Share Consolidation will become effective on the date shown in the certificate of amendment issued pursuant to the *Business Corporations Act* (Ontario).

#### *Principal Effects of the Share Consolidation*

If approved and implemented, the Share Consolidation will occur simultaneously for all of the Shares at the ratio selected by the Board in accordance with the Share Consolidation Resolution and will affect all Shares uniformly. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Shares and will not materially affect any Shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Shares. No fractional post-consolidation Shares will be issued and no cash will be paid in lieu of fractional interests in post-consolidation Shares. Any fractional interest in Shares resulting from the Share Consolidation will be rounded down to the nearest whole number. In addition, the Share Consolidation will not materially affect any Shareholder's proportionate voting rights. Each Share outstanding after the Share Consolidation will be entitled to two votes in respect of all matters on which holders of Shares are entitled to vote and each Share will be fully paid and non-assessable.

As of the date hereof, the Corporation has 81,873,130 Shares issued and outstanding. Following the completion of the proposed Share Consolidation, the number of Shares issued and outstanding will depend on the ratio selected by the Board in accordance with the Share Consolidation Resolution. The following table sets out the appropriate number of Shares that would be outstanding as a result of the Share Consolidation at the ratios indicated below:

| <b>Proposed Share Consolidation Ratio<sup>(1)</sup></b> | <b>Approximate Number of Outstanding Shares (Post Consolidation)<sup>(2)</sup></b> |
|---|--|
| 1 for 10  | 8,187,313  |
| 1 for 9   | 9,097,014  |
| 1 for 8   | 10,234,141   |
| 1 for 7   | 11,696,161   |
| 1 for 6   | 13,645,521   |
| 1 for 5   | 16,374,626   |
| 1 for 4   | 20,468,282   |
| 1 for 3   | 27,291,043   |
| 1 for 2   | 40,936,565   |

Notes:

- (1) The ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board to effect the Share Consolidation.
- (2) Based on the number of outstanding Shares as of the date hereof.

The implementation of the Share Consolidation alone would not affect the total shareholders' equity of the Corporation or any components of shareholders' equity as reflected on the Corporation's financial statements except: (i) to change the number of issued and outstanding Shares; and (ii) to change the stated capital of the Shares to reflect the Share Consolidation.

The Corporation is authorized to issue an unlimited number of Shares and the Share Consolidation will not have any effect on the number of Shares that remain available for future issuance. The exercise or conversion price and the number of Shares issuable under any convertible securities of the Corporation, including stock options, convertible debentures, and warrants, will be proportionately adjusted upon the Share Consolidation becoming effective.

*Risks relating to the Share Consolidation*

There are numerous factors and contingencies that could affect the price of the Shares before or following the Share Consolidation, including the status of the market for the Shares at the time, the status of the Corporation's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Shares may not be sustainable at the direct arithmetic result of the Share Consolidation and may be lower. If the market price of the Shares is lower than it was before the Share Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization after the Share Consolidation may be lower than before the Share Consolidation. If the Share Consolidation is implemented and the market price of the Shares declines, the decline may have a greater effect on the market value of a Shareholder's holdings had the Share Consolidation not occurred. While the Corporation believes that a higher market price of the Shares could help to maintain the interest of institutional investors who have internal investment policies that either prohibit them from purchasing stocks below a certain minimum price or tend to discourage individual brokers from recommending such stocks to their customers, the Share Consolidation may not result in a per share market price that will attract institutional investors or investment funds, and such share price may not satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of the Shares may not improve. The market price of the Shares will also be based on the Corporation's performance and other factors, which are unrelated to the number of Shares outstanding. Furthermore, the liquidity of the Shares could be adversely affected by the reduced number of Shares that would be outstanding after the Share Consolidation. The Share Consolidation may result in some shareholders owning "odd lots" of Shares on a post-consolidation basis.

“Odd lots” may be more difficult to sell, or require greater transaction costs per Shares to sell, than Shares held in “board lots” of even multiples of Shares.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, pass, with or without variation, the following special resolution to approve the Share Consolidation (the “**Share Consolidation Resolution**”):

“**BE IT HEREBY RESOLVED** as a special resolution of the Corporation that:

1. the articles of Mount Logan Capital Inc. (the “**Corporation**”) be amended to provide that the issued and outstanding common shares of the Corporation (the “**Shares**”) be consolidated on the basis of one (1) new Share for up to ten (10) existing Shares (the “**Share Consolidation**”); provided that any holders of Shares on the date that the articles of amendment to give effect to such Share Consolidation become effective shall not be entitled to receive any fractional Shares following the Share Consolidation and any fractional interest in Shares will be rounded down to the nearest whole number;
2. the board of directors of the Corporation is hereby authorized to determine the ratio for the Share Consolidation within the range of one (1) new Share for up to ten (10) existing Shares;
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of the Corporation or otherwise) that such director or officer may determine to be necessary or desirable to give effect to these resolutions (including, without limitation, the delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario)), the execution, delivery and filing of any such declarations, agreements, documents or other instruments and the doing of such act or thing being conclusive evidence of such determination; and
4. notwithstanding the passage of above resolutions, the Share Consolidation must be implemented prior to the next annual general meeting of shareholders of the Corporation and the directors of the Corporation be and are hereby authorized and empowered to revoke the above resolutions without further approval, ratification or confirmation of the shareholders of the Corporation at any time before it is acted on.”

**The Board believes that it is in the best interests of the Corporation to approve the Share Consolidation Resolution and recommends that Shareholders vote FOR the Share Consolidation Resolution. In the absence of a contrary direction, the persons named in the accompanying Instrument of Proxy intend to vote for the Share Consolidation Resolution. At least two-thirds of the votes cast by Shareholders at the Meeting in favour of the Share Consolidation Resolution is required for the approval.**

#### **Approval of Stock Option Plan and Performance and Restricted Share Unit Plan**

The Corporation currently has in place a fixed number stock option plan (the “**2011 Plan**”) which provides that a maximum of 1,000,000 Shares may be issued upon the exercise of options granted thereunder. As of the date of this Circular, no options to purchase Shares are outstanding under the 2011 Plan and therefore an aggregate of 1,000,000 Shares are available for future grants representing approximately 1.22% of the issued and outstanding Shares as of the date of this Circular. Other than the 2011 Plan, there are no equity-based compensation plans of the Corporation in effect as of the date of this Circular. The Corporation does not intend to grant any options under the 2011 Plan prior to the date of the Meeting.



Following the completion of the Arrangement, which resulted in the broadening of the Corporation's investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform, the Board and the Compensation Committee reviewed the Corporation's short-term and long-term incentive programs to determine if such programs were current, competitive and aligned with the Corporation's expanded strategy. As a result of this review, the Board, on recommendation of the Compensation Committee, has adopted: (i) a new stock option plan (the "**2019 Option Plan**"); and (ii) a new performance and restricted share unit plan (the "**PR Plan**"), in each case, subject to Shareholder approval as described below. Each of the 2019 Option Plan and the PR Plan have been approved by the Neo Exchange, subject to the approval of Shareholders at the Meeting. If each of the 2019 Option Plan and the PR Plan are approved at the Meeting, each will become effective as of the date of the Meeting. If the 2019 Option Plan is approved at the Meeting, the 2011 Plan will concurrently be terminated and no options will be granted thereunder. If the 2019 Option Plan is not approved at the Meeting, the 2011 Plan will remain in effect whether or not the PR Plan is approved. If both the 2019 Option Plan and the PR Plan are not approved at the Meeting, the 2011 Plan will remain in effect.

Each of the 2019 Option Plan and the PR Plan is an "evergreen" plan (or "rolling" plan) since the Shares underlying options and other awards which have been: (i) exercised or vested and redeemed, as applicable, or (ii) forfeited, surrendered, cancelled or otherwise terminated or expire without the delivery of Shares, as applicable, will be available for subsequent grants and the number of options and other awards available to grant increases as the number of issued and outstanding Shares increases.

The Board has determined that the 2019 Option Plan and the PR Plan, collectively, contain appropriate provisions to govern awards of medium- to long-term share-based awards that advance the interests of the Corporation and its Shareholders by providing an incentive to participants for their continued and improving service to the Corporation and to encourage share ownership. In addition, the ability of the Board to set measurable performance vesting criteria for those executives and key employees who receive performance share units under the PR Plan, or other share-based awards with performance vesting criteria, further strengthen alignment with Shareholder interests. In the view of the Board, the combination of the 2019 Option Plan and the PR Plan are well suited to the Corporation as they will give the Board increased flexibility in determining appropriate share-based compensation awards that are tied to performance as the Corporation executes on its expanded investment strategy.

Accordingly, at the Meeting, the Shareholders will be asked to consider and approve, by ordinary resolution, each of the 2019 Option Plan and the PR Plan (together with all unallocated options, awards, rights and other entitlements thereunder, as applicable), which, if approved, will collectively replace the 2011 Plan.

A summary of the 2019 Option Plan is set forth below and a full copy thereof is attached hereto as Appendix "A" to this Circular. A summary of the PR Plan is set forth below and a full copy thereof is attached hereto as Appendix "B" to this Circular.

A summary of the 2011 Plan is set out under the heading "Executive Compensation – Compensation Discussion & Analysis – Components of Executive Compensation – 2011 Plan".

### *2019 Option Plan Summary*

Capitalized terms used in this summary that are not otherwise defined in the Circular shall have the same meaning as defined in the 2019 Option Plan.

The 2019 Option Plan provides that the Administrators may, from time to time, at its discretion, grant to directors, officers, employees and certain other service providers of the Corporation or its subsidiaries (i.e.

a Participant), in connection with their employment or position, options to purchase Shares. The purchase price for any optioned Shares is fixed by the Administrators, which purchase price will not be less than the Fair Market Value of a Share on the date the option is granted, being the closing price of the Shares on the Neo Exchange (or, if the Shares are not then listed on the Neo Exchange, on such other stock exchange or automated quotation system on which the Shares are then listed or quoted, as the case may be, as may be selected by the Administrators for such purpose) on the last trading day on which Shares traded prior to the day on which an Option is granted, provided that if no Shares traded on such date, the Fair Market Value shall be the average of the bid and ask prices in respect of the Shares at the close of trading on such date.

The aggregate number of Shares that are issuable under the 2019 Option Plan upon the exercise of Options which have been granted and are outstanding under the 2019 Option Plan, together with Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 10% of the Shares then issued and outstanding, subject to adjustment to give effect to any relevant changes in the capitalization of the Corporation. Shares in respect of which Options have been granted but which are forfeited, cancelled or otherwise terminated or expire without being exercised shall be available for subsequent Options. As an “evergreen” plan, the Neo Exchange requires that all unallocated options, rights and other entitlements under the 2019 Option Plan be approved by shareholders on a periodic basis, each approval being effective for a period of three years.

The aggregate number of Shares reserved for issuance pursuant to options granted under the 2019 Option Plan and options or other entitlements granted under any other Share Compensation Arrangement to Insider Participants (as a group) shall not exceed 10% of the aggregate number of Shares outstanding (on a non-diluted basis). Within any one-year period, the aggregate number of Shares issued to Insider Participants (as a group) pursuant to options granted under the 2019 Option Plan or options or other entitlements granted under any other Share Compensation Arrangement shall not exceed 10% of the aggregate number of Shares outstanding (on a non-diluted basis).

In addition to the foregoing limits, (i) the maximum aggregate grant date fair value using the Black-Scholes-Merton valuation model of option grants to any non-employee director of the Corporation in any fiscal year of the Corporation shall not exceed \$100,000; and (ii) no grant of Options under the 2019 Option Plan may be made to any non-employee director if such grant could result, together with awards or grants then outstanding under the 2019 Option Plan and any other Share Compensation Arrangement, in the issuance to non-employee directors as a group of a number of Shares exceeding 1% of the number Shares issued and outstanding immediately prior to any such Share issuance.

The 2019 Option Plan provides that Options granted to a citizen or resident of the United States of America and who, at the time of grant, is an employee of the Corporation or any parent or subsidiary of the Corporation may be an “incentive stock option” within the meaning of the U.S. Internal Revenue Code, if so determined by the Administrators. The 2019 Option Plan includes various provisions that apply specifically to each such “incentive stock option”.

Options granted under the 2019 Option Plan have a maximum term of 10 years from the date of grant. Options will become available for purchase by a Participant on a date or dates to be determined by the Administrators on the date of grant. Vested options may be exercised in whole or in part at any time by a Participant by payment of the aggregate exercise price therefor in full either: (a) by cash, certified cheque or bank draft or wire transfer; (b) if approved by the Administrators, through means of a “net settlement,” whereby no exercise price will be due and where the number of Shares issued upon such exercise will be equal to: (A) the product of (1) the number of Shares as to which the Option is then being exercised, and (2) the difference between (x) the then current Fair Market Value per Share and (y) the exercise price per Share, divided by (B) the then current Fair Market Value per Share. A number of Shares equal to the difference between the number of Shares as to which the Option is then being exercised and the number of Shares

actually issued to the Participant upon such net settlement will be deemed to have been received by the Corporation in satisfaction of the exercise price; (c) if approved by the Administrators, through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the exercise price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option; or (d) by such other method as the Administrators may approve or accept.

Subject to the terms of the 2019 Option Plan with respect to a Participant's death, no Options may be transferred or assigned. Options may be exercised by the Participant and, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of an Option by bequest or inheritance. A person exercising an Option may subscribe for Shares only in his or her own name or in his or her capacity as a legal representative. All Options exercised during the Participant's lifetime shall only be exercisable by the Participant or, in the event of his or her disability, by his or her personal representative.

Notwithstanding anything to the contrary set forth in the 2019 Option Plan, upon or in anticipation of any Change of Control, the Administrators may, in their sole and absolute discretion and without the need for the consent of any Participant, take one or more of the following actions contingent upon the occurrence of that Change of Control: (a) cause any or all outstanding Options to become vested and immediately exercisable, in whole or in part; and/or (b) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the Change of Control.

The Board may in its discretion, amend, suspend or terminate the 2019 Option Plan, or any portion thereof, at any time without obtaining the approval of shareholders of the Corporation, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the Neo Exchange), if any, that require the approval of shareholders. Any amendment to any provision of the 2019 Option Plan will be subject to any required regulatory or governmental approvals. Notwithstanding the foregoing, the Corporation will be required to obtain the approval of the shareholders of the Corporation for any amendment related to:

- (a) an increase to the maximum number Shares which may be issued under the 2019 Option Plan, except pursuant to the provisions of the 2019 Option Plan which permit the Administrators to make equitable adjustments in the event of certain transactions affecting the Corporation or its capital;
- (b) an increase in, or the removal of, the limits on the number of Shares Reserved for Issuance to Insider Participants;
- (c) an increase in, or the removal of, the limits on participation in the 2019 Option Plan by non-employee directors;
- (d) a reduction in the exercise price per Share for Options (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of re-issuing an Option to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), except pursuant to the provisions of the 2019 Option Plan which permit the Administrators to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (e) an extension to the term of Options beyond the original expiry date, except in respect of blackout periods and other trading restrictions;

- (f) providing that an Option may be transferred or assigned other than for normal estate settlement purposes;
- (g) the addition of additional categories of Participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis; or
- (h) the deletion or reduction of the range of amendments which require the approval of shareholders of the Corporation.

The Corporation shall not provide financial assistance to Participants in connection with the 2019 Option Plan.

#### *PR Plan Summary*

Capitalized terms used in this summary that are not otherwise defined in this Circular shall have the same meaning as defined in the PR Plan.

The purposes of the PR Plan are to (i) promote a significant alignment between employees and directors of the Corporation and the growth objectives of the Corporation, (ii) associate a portion of participating employees' and directors' compensation with the performance of the Corporation over the long term, and (iii) to attract and retain critical personnel to drive the business success of the Corporation. Grants may be made under the PR Plan to directors, officers and employees of the Corporation or of any subsidiary of the Corporation. PSU and RSU awards that vest in accordance with their terms will be paid in either (a) Shares issued from treasury; or (b) cash.

The aggregate number of Shares that are issuable under the PR Plan to pay awards which have been granted and are outstanding under the PR Plan, together with Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 10% of the Shares then issued and outstanding subject to adjustment to give effect to any relevant changes in capitalization of the Corporation. Shares in respect of which Awards have been granted but which are (i) vested and redeemed or (ii) forfeited, surrendered, cancelled or otherwise terminated or expire without the delivery of Shares shall be available for subsequent Awards. In addition, the number of Shares subject to an Award (or portion thereof) that the Corporation permits to be settled in cash in lieu of settlement in Shares shall be available for subsequent Awards. Within any one-year period, the aggregate number of Shares issued to Insiders (as a group) pursuant to the PR Plan and any other Share Compensation Arrangement shall not exceed 10% of the issued and outstanding Shares (on a no-diluted basis). As an "evergreen" plan, the Neo Exchange will require that all unallocated awards, rights and other entitlements under the PR Plan be approved by shareholders on a periodic basis, each approval being effective for a period of three years.

Awards under the PR Plan shall be limited as follows:

- (a) the total number of Shares reserved for issuance to Insiders (as a group) under the PR Plan, together with Shares reserved for issuance to Insiders under any other Share Compensation Arrangement, shall not at any time exceed 10% of the issued and outstanding Shares (on a non-diluted basis);
- (b) within any one-year period the aggregate number of Shares issued to Insiders (as a group) pursuant to the PR Plan and any other Share Compensation Arrangement shall not exceed 10% of the issued and outstanding Shares (on a no-diluted basis);

- (c) the maximum aggregate grant date fair value using the Black-Scholes-Merton valuation model of awards under the PR Plan, together with awards or grants under any other Share Compensation Arrangement, to any non-employee director of the Corporation in any fiscal year of the Corporation shall not exceed \$150,000; and
- (d) no award under the PR Plan may be made to any non-employee director if such award could result, together with awards or grants then outstanding under the PR Plan and any other Share Compensation Arrangement, in the issuance to non-employee directors as a group of a number of Shares exceeding 1% of the Shares issued and outstanding immediately prior to any such Share issuance.

All issuances of Shares from treasury to pay awards shall be deemed to be issued at a price per Share equal to the Market Value on the date of issuance.

Awards granted under the PR Plan will be made with a specified dollar value (i.e. the Award Value) as of the date of grant, as determined by the Board or by the grant of specific amounts of PSUs or RSUs. In the case of PSUs, the Board may determine any performance criteria applicable to the PSU.

Unless the Board determines to grant a Participant a specific number of PSUs without specifying an Award Value, the PSUs granted to a Participant for a Performance Period shall be determined by dividing the Award Value determined for the Participant for such Performance Period by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.

Unless the Board determines to grant a Participant a specific number of RSUs without specifying an Award Value, the RSUs granted to a Participant shall be determined by dividing the Award Value of an award to be provided to the Participant in the form of RSUs by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.

Each whole PSU and RSU will give a Participant the right to receive either a Share or a cash payment, as determined by the Board, in an amount determined in accordance with the terms of the PR Plan and the applicable Award Agreement. For greater certainty, a Participant shall have no right to receive Shares or a cash payment with respect to any PSUs or RSUs that do not become Vested PSUs or Vested RSUs.

When and if cash dividends are paid on the Shares during the period from the Award Date under the Award Agreement to the date of settlement of the PSUs or RSUs granted thereunder, additional PSUs or RSUs, as applicable, will be credited to the Participant's Account (i.e. Dividend Equivalent Units) in accordance with the terms of the PR Plan. Dividend Equivalent Units shall be subject to the same Vesting conditions and shall Vest and be paid at the same time as the PSUs or RSUs, as applicable, to which they relate.

Upon the first day immediately following the end of the Performance Period, PSUs represented by the PSU Balance as at such date shall Vest subject to the terms of the PR Plan, with the number of Vested PSUs being equal to the PSU Balance as at such date multiplied by the Performance Adjustment Factor as determined by the Board in accordance with the Award Agreement. For certainty, in the event the Performance Adjustment Factor is equal to zero, no PSUs will vest. PSUs which do not become Vested PSUs shall be forfeited by the Participant and the Participant will have no further right, title or interest in such PSUs.

Upon the Vesting Date(s) specified in the applicable Award Agreement the RSUs comprising a Participant's RSU Balance shall Vest in such proportion as may be determined in accordance with the Award Agreement. RSUs which do not become Vested RSUs shall be forfeited by the Participant and the Participant will have no further right, title or interest in such RSUs.

In the event that a Participant's Vested PSUs or Vested RSUs have been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a number of Shares equal to the number of Vested PSUs or Vested RSUs, as the case may be, credited to the Participant's Account (rounded down to the nearest whole number of Shares). In such event, such Shares shall be distributed to the Participant or his legal representative, as applicable, as soon as practicable following the applicable Vesting Date but in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.

In the event that a Participant's Vested PSUs or Vested RSUs have not been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a cash payment equal to: (i) in the case of PSUs, the Market Value determined as of the last day of the Performance Period multiplied by the number of Vested PSUs credited to his PSU Account as of the last day of such Performance Period, (rounded down to the nearest whole number of PSUs); and (ii) in the case of RSUs, the Market Value determined as of the Vesting Date of such RSUs multiplied by the number of Vested RSUs credited to his Account as of the Vesting Date (rounded down to the nearest whole number of RSUs). The cash payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum as soon as practicable following the applicable Vesting Date but in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.

Except as otherwise provided in the Award Agreement governing the grant of PSUs or RSUs to a Participant or a written employment or other agreement between the Participant and the Corporation or any Subsidiary, in the event that, during a Performance Period with respect to PSUs or prior to a Vesting Date with respect to RSUs, (i) the Participant's employment or service as a director is terminated by the Corporation or a Subsidiary of the Corporation for any reason, or (ii) a Participant voluntarily terminates his employment with the Corporation or a Subsidiary of the Corporation or service as a director, including due to retirement, no portion of the PSUs subject to such Performance Period or RSUs that would otherwise Vest on such Vesting Date shall Vest and the Participant shall receive no payment or other compensation in respect of such PSUs or RSUs or loss thereof, on account of damages or otherwise; provided that any Vested PSUs and Vested RSUs will be settled in accordance with the payment of cash or Shares sections of the PR Plan.

The PR Plan may be amended or terminated at any time by the Board in whole or in part, provided that:

- (a) no amendment of the PR Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the rights accrued to such Participants with respect to PSUs or RSUs granted prior to the date of the amendment;
- (b) no amendment of the PR Plan shall be effective unless such amendment is approved by the Neo Exchange; and
- (c) the approval of shareholders of the Corporation shall be obtained for any:
  - (i) amendment for which, under the requirements of the Stock Exchange or any applicable law, shareholder approval is required;

- (ii) a reduction in pricing of an award under the PR Plan (other than an adjustment pursuant to Section 5.3 of the PR Plan in respect of certain transactions of the Corporation or its capital) or the cancellation and reissuance of awards under the PR Plan;
- (iii) extension of the term of an award under the PR Plan;
- (iv) any amendment to remove or exceed the Insider participation limits under the PR Plan;
- (v) any amendment to remove or exceed the limits on participation in the PR Plan by non-employee directors;
- (vi) an increase to the maximum number of Shares which may be issuable under the PR Plan, other than an adjustment pursuant to Section 5.3 of the PR Plan in respect of certain transactions of the Corporation or its capital;
- (vii) the addition of additional categories of Participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis;
- (viii) allowance of awards granted under the PR Plan to be transferable or assignable other than for normal estate settlement purposes; or
- (ix) amendment to the amendment section of the PR Plan.

Subject to the terms of the relevant Award Agreement, in the event of a Change in Control, the PSUs and RSUs credited to the account of the Participant as at the date of the Change in Control, will become vested PSUs and RSUs on a one-for-one basis on the date of Change in Control, unless otherwise determined by the Board. As soon as practical following the Change in Control, the Participant, at the discretion of the Board, will receive a payment in cash or in Shares equal to the number of vested RSUs or PSUs, as applicable, multiplied by the price at which the Shares are valued for the purposes of the transactions giving rise to the Change in Control.

The assignment or transfer of the PSUs or RSUs, or any other benefits under the PR Plan, shall not be permitted, other than by operation of law. The Corporation shall not provide financial assistance to Participants in connection with the PR Plan.

#### *Approval of the 2019 Option Plan*

At the Meeting, Shareholders will be asked to consider and, if though appropriate, pass, with or without variation, the following ordinary resolution to approve the 2019 Option Plan (the “**2019 Option Plan Resolution**”):

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Corporation that:

1. the stock option plan (the “**2019 Option Plan**”) of Mount Logan Capital Inc. (the “**Corporation**”) substantially in the form attached as Appendix “A” to the management information circular of the Corporation, dated April 29, 2019, (the “**Circular**”) be and is hereby approved and adopted as the stock option plan of the Corporation;

2. all unallocated options, rights and other entitlements under the 2019 Option Plan are hereby approved;
3. the Corporation shall have the ability to grant options, rights and other entitlements under the 2019 Option Plan until May 30, 2022, being the date that is three years from the date of the meeting of shareholders at which shareholder approval is being sought for the institution of the 2019 Option Plan (or such later meeting date at which the 2019 Option Plan is approved if such initial meeting is adjourned or postponed);
4. the form of the 2019 Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
5. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of the Corporation or otherwise) that may be necessary or desirable to give effect to these resolutions.”

**The Board recommends that Shareholders vote FOR the Option Plan Resolution. In the absence of a contrary direction, the persons named in the accompanying Instrument of Proxy intend to vote for the Option Plan Resolution. A majority of the votes cast by Shareholders at the Meeting in favour of the Option Plan Resolution is required for the approval.**

*Approval of the PR Plan*

At the Meeting, Shareholders will be asked to consider and, if though appropriate, pass, with or without variation, the following ordinary resolution to approve the PR Plan (the “**PR Plan Resolution**”):

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Corporation that:

1. the performance and restricted share unit plan (the “**PR Plan**”) of Mount Logan Capital Inc. (the “**Corporation**”) substantially in the form attached as Appendix “B” to the management information circular of the Corporation, April 29, 2019, (the “**Circular**”) be and is hereby approved and adopted as performance and restricted share unit plan of the Corporation;
2. all unallocated awards, rights and other entitlements under the PR Plan are hereby approved;
3. the Corporation shall have the ability to grant awards, rights and other entitlements under the PR Plan until May 30, 2022, being the date that is three years from the date of the meeting of shareholders at which shareholder approval is being sought for the institution of the PR Plan (or such later meeting date at which the PR Plan is approved if such initial meeting is adjourned or postponed);
4. the form of the PR Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
5. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of the Corporation or otherwise) that may be necessary or desirable to give effect to these resolutions.”



**The Board recommend that Shareholders vote FOR the PR Plan Resolution. In the absence of a contrary direction, the persons named in the accompanying Instrument of Proxy intend to vote for the adoption of the PR Plan Resolution. A majority of the votes cast by Shareholders at the Meeting in favour of the PR Plan Resolution is required for the approval.**

Under the policies of the Neo Exchange, all unallocated options, awards, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum aggregate number of securities issuable (such as each of the 2019 Option Plan and the PR Plan) must be specifically approved by Shareholders every three years after institution. Subject to adjustment in certain circumstances, the 2019 Option Plan and the PR Plan, collectively, authorizes the issuance of up to 10% of the issued and outstanding Shares from time to time pursuant to their terms. Accordingly, if Shareholder approval of the resolutions in respect of either the 2019 Option Plan and/or the PR Plan is obtained at the Meeting, the Corporation will not be required to seek further approval for the grant of options, awards, rights or other entitlements under the 2019 Option Plan and/or the PR Plan, as applicable, until the Corporation's 2022 annual and special meeting of Shareholders (provided that such meeting is held on or prior to the date that is three years following the date the 2019 Option Plan and/or PR Plan, as applicable, is approved by Shareholders as contemplated in the Circular).

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **Overview**

In general, the Board is responsible for the stewardship of the Corporation. The Board oversees the business and affairs of the Corporation, supervises senior management's day-to-day conduct of business, establishes or approves overall corporate policies where required and involves itself jointly with management in ensuring the creation of shareholder value and the preservation and protection of the Corporation's assets as well as in establishing the Corporation's strategic direction. The Board acts through regularly scheduled Board meetings, which are held on a quarterly basis, with additional meetings being scheduled when required. In addition, there is ongoing communication between senior management and Board members between meetings both on an informal basis and through committee meetings.

To assist in the discharge of its responsibilities, the Board has established an Audit Committee, a Corporate Governance and Nominating Committee and a Compensation Committee. The Compensation Committee was recently created as a standing committee of the Board upon completion of the Arrangement.

The Board believes that sound corporate governance practices are in the best interests of the Corporation and its Shareholders and contribute to prudent and effective decision-making. The Board is committed to remaining abreast of the ongoing evolution of corporate governance standards and practices both in Canada and more broadly. As such, directors of the Corporation are committed to thorough and effective corporate governance arrangements. In addition, the Board supports the Corporation's efforts to align its corporate governance practices with the recommendations currently in effect and contained in National Instrument 58-201 – *Corporate Governance Guidelines* having regard to the Corporation's particular circumstances from time to time.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, which are described below. Upon the completion of the Arrangement, which resulted in the broadening of the Corporation's investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform, the prior directors of the Corporation resigned and the current directors were appointed, the Management Services Agreement was terminated, and the Board and the Corporate Governance and Nominating Committee reviewed the Corporation's corporate governance practices to determine if such practices were appropriate for

the Corporation on a go-forward basis, having regard to the Corporation's particular circumstances and in light of its expanded strategy. As a result of the foregoing, the Corporation implemented certain changes to its corporate governance practices, which are discussed below. The Board will continue to monitor its practices on an ongoing basis and, when necessary, amend such practices or implement such additional practices as it deems appropriate.

### **Board of Directors**

The importance of the independence of the directors from management is fully endorsed by the Corporation. The Mandate of the Board (the "**Mandate of the Board**") provides that at least a majority of the directors must be "independent" for the purposes of all applicable regulatory requirements. The Board has determined that each of Mr. Dell, Ms. Liak, and Mr. Small are "independent" under National Instrument 52-110 – *Audit Committees* and under NI 58-101. The Board has determined that Mr. Dellelce is not independent by reason of his role as managing partner of the law firm that acts as Canadian legal counsel to the Corporation. Mr. Dellelce does not occupy a management position with the Corporation. The Board has also determined that Mr. Goldthorpe is not independent, as he is the Corporation's Chief Executive Officer. Notwithstanding the foregoing, in the view of the Board, the fact that Mr. Goldthorpe occupies a management position with the Corporation and the fact that Mr. Dellelce is the managing partner of the Corporation's Canadian law firm, does not impair the ability of the Board to act independently of management. The Board believes that Mr. Goldthorpe's and Mr. Dellelce's status as non-independent directors does not preclude them from exercising independent judgement with a view to the best interests of the Corporation. The Audit Committee is comprised entirely of "independent" directors, the Corporate Governance and Nominating Committee is comprised of a majority of "independent" directors, and the Compensation Committee is comprised of a majority of "independent" directors.

In addition to their roles as directors of the Corporation, the following individuals also hold positions as directors of the following reporting issuers: Mr. Goldthorpe is a director of Crescent Point Energy Corp.

The Board meets from time to time without the non-independent directors and management being present at *in camera* sessions of independent directors held before, during an adjournment of, or following the conclusion of each meeting of the Board.

The Board elects from its ranks a chairperson to preside at all meetings of the Board. Mr. Goldthorpe was appointed Chair of the Board on October 19, 2018, prior to which John Anderson was the Chair of the Board. The Chair of the Board shall provide leadership to the Board by, among other things (i) promoting a thorough understanding by the directors and management of the duties and responsibilities of the directors and distinctions between the role of the directors and the role of management; (ii) promoting cohesiveness among the directors; and (iii) ensuring processes are in place to monitor legislation and best practices relating to the responsibilities of the Board, and to review the effectiveness of the Board, its committees and individual directors on a regular basis.

Pursuant to the Mandate of the Board, because the current Chair of the Board is not independent, the Board has appointed Sabrina Liak as the Lead Director in order to provide independent leadership to the Board and to facilitate the functioning of the Board independently of the senior officers and the Chair of the Board. The role and responsibilities of the Lead Director are further set out in the Mandate of the Board attached as Appendix "C" to this Circular. In addition, the current Chair of the Board does not serve on any of the Audit Committee, Corporate Governance and Nominating Committee or the Compensation Committee.

The following table sets forth the number of Board and committee meetings held and attendance by directors for the financial year ended December 31, 2018:

| <b>Attendance of Directors</b><br><i>(in person or by telephone)</i> |                                |  |  |   |
|--|--------------------------------|--|--|---|
| <i>Director</i>  | <i>Board Meetings Attended</i> | <i>Audit Committee Meetings Attended</i> | <i>Corporate Governance and Nominating Committee Meetings Attended</i> | <i>Compensation Committee Meetings Attended</i> |
| Edward Goldthorpe <sup>(1)</sup>                                     | 2 of 2                         | N/A                                      | N/A  | N/A   |
| Graeme Dell <sup>(1)</sup>   | 2 of 2                         | 1 of 1                                   | N/A  | N/A   |
| Perry Dellelce <sup>(1)</sup>  | 2 of 2                         | N/A                                      | N/A  | N/A   |
| Sabrina Liak <sup>(1)</sup>  | 2 of 2                         | 1 of 1                                   | N/A  | N/A   |
| Radford Small <sup>(1)</sup>   | 2 of 2                         | 1 of 1                                   | N/A  | N/A   |
| Barry Allan <sup>(2)</sup>   | 3 of 7                         | N/A                                      | N/A  | N/A   |
| John R. Anderson <sup>(2)</sup>                                      | 7 of 7                         | 3 of 3                                   | 1 of 1   | N/A   |
| David Gluskin <sup>(2)</sup>   | 7 of 7                         | 3 of 3                                   | 1 of 1   | N/A   |
| Philip Armstrong <sup>(2)</sup>                                      | 7 of 7                         | 3 of 3                                   | 1 of 1   | N/A   |

(1) Appointed a director of the Corporation on October 19, 2018 upon completion of the Arrangement.

(2) Ceased to be a director of the Corporation on October 19, 2018 upon completion of the Arrangement.

### **Board Mandate**

The Board, both directly and through its committees, supervises the activities and manages the affairs of the Corporation and is responsible for the stewardship of the Corporation and its business.

The Board is kept informed of the Corporation's operations at Board meetings, committee meetings and through reports and discussions with management of the Corporation, as necessary. The Board meets at least four times a year, the Audit Committee meets as deemed necessary by the Board and the Audit Committee, the Corporate Governance and Nominating Committee meets at least twice a year, and the Compensation Committee will meet at least four times a year, with additional meetings of the Board and committees when required. In addition, there is continued communication between senior management of the Corporation and the Board on an informal basis.

The duties and responsibilities of the Board are set out in the Mandate of the Board attached as Appendix "C" to this Circular.

### **Board Committees**

#### *Audit Committee*

The Audit Committee is comprised of the following three directors: Graeme Dell (Chair), Sabrina Liak and Radford Small. The Audit Committee oversees the accounting and financial reporting practices and procedures of the Corporation and the audits of the Corporation's financial statements. Additional information regarding the Audit Committee, including a copy of the charter of the Audit Committee, can be found in the

Corporation's Annual Information Form for the financial year ended December 31, 2018, a copy of which is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Corporate Governance and Nominating Committee*

The Corporate Governance and Nominating Committee is comprised of the following three directors: Perry Dellelce (Chair), Sabrina Liak and Radford Small. The primary functions of the Corporate Governance and Nominating Committee are to: (i) assist the Corporation and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws, instruments, rules and policies and regulatory requirements; and (ii) to promote a culture of integrity throughout the Corporation.

#### *Compensation Committee*

The Compensation Committee is comprised of the following three directors: Sabrina Liak (Chair), Perry Dellelce and Radford Small. The primary functions of the Compensation Committee are to: (i) discharge the Board's responsibilities relating to the compensation of the Corporation's executive officers, (ii) administer the Corporation's incentive compensation and equity-based plans; and (iii) assist the Board with respect to management succession and development.

### **Position Descriptions and Chief Executive Officer Succession Planning**

The Corporation has developed and implemented written position descriptions for the Chief Executive Officer, Chief Financial Officer, Chair of the Board, Chair of the Audit Committee, Chair of the Corporate Governance and Nominating Committee and Chair of the Compensation Committee. Position descriptions are reviewed periodically. In addition, the newly established Compensation Committee will oversee management succession planning and make appropriate recommendations to the Board at least annually regarding the appointment and succession of the Corporation's executive officers.

### **Orientation and Continuing Education of New Directors**

The Board is responsible for developing and implementing, on recommendation of the Corporate Governance and Nominating Committee, a comprehensive orientation program for new directors. The Corporate Governance and Nominating Committee develops the comprehensive orientation programs with a goal of assisting new directors in understanding: (i) the role of the Board and its committees, (ii) the nature of the business and affairs of the Corporation, and (iii) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments. The Corporate Governance and Nominating Committee's continuing education program assists directors to maintain or enhance their skills and abilities as directors and in ensuring that their knowledge and understanding of the Corporation's business remains current.

### **Ethical Business Conduct**

As the Corporation does not have any employees beyond its four executives, the directors of the Corporation have not adopted a written code of ethics. However, the Corporate Governance and Nominating Committee is responsible for promoting a culture of integrity throughout the Corporation. The directors of the Corporation have approved a Conflict of Interest Policy, which sets out the guidelines of the Corporation with respect to addressing conflicts of the interests involving the directors and officers of the Corporation. The Conflict of Interest Policy sets out, among other things, that any potential conflict of interest should be reported immediately to the Chair of the Corporate Governance and Nominating Committee. The directors of the Corporation are responsible for monitoring compliance with the Conflict of Interest Policy, for regularly

assessing its adequacy, for interpreting the policy in any particular situation and for approving any changes to the policy from time to time.

### **Nomination of Directors**

The Corporate Governance and Nominating Committee, composed of a majority of “independent” directors, has the responsibility of identifying individuals qualified to become new directors of the Corporation and recommending to the Board the directors to be nominated for election at annual meetings of Shareholders. The Board ensures that it has an objective nominating process by having a majority independent Corporate Governance and Nominating Committee, by providing such committee with the ability to engage external advisors to assist in a search process and by encouraging the independent directors to recommend nominees to the Board.

In evaluating the competencies and skills of potential new directors, the Corporate Governance and Nominating Committee considers: (i) the competencies and skills necessary for the Board as a whole to possess; (ii) the competencies and skills necessary for each individual director to possess; (iii) the competencies and skills which each new nominee to the Board is expected to bring; and (iv) whether each proposed nominee to the Board will be able to devote sufficient time and resources to the Corporation.

### **Majority Voting in Director Elections**

The Board has adopted a “majority voting” policy that will apply at any meeting of Shareholders where an uncontested election of directors is held. A summary of the Corporation’s “majority voting” policy is set out under the heading “Matters to be Acted upon at the Meeting – Election of Directors of Mount Logan – Majority Voting for Election of Directors”.

### **Compensation**

The Board will approve the compensation of the Chief Executive Officer and consider recommendations of the Chief Executive Officer with respect to the compensation of other members of senior management. Following the completion of the Arrangement, the Board established the Compensation Committee, which consider matters related to executive compensation and makes recommendations to the Board with respect to such matters.

The Compensation Committee, composed entirely of a majority of independent directors, assists the Board in its oversight of executive and director compensation and undertakes the responsibility for, among other things: (a) reviewing and making recommendations to the Board with respect to compensation of the Chief Executive Officer; (b) making recommendations to the Board with respect to non-CEO officer compensation, incentive compensation plans and equity-based plans; and (c) reviewing the Corporation’s compensation disclosure in public documents and preparing the annual report on executive compensation for inclusion in the Corporation’s information circulars.

### **Assessments**

The Corporate Governance and Nominating Committee is charged with assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors on an annual basis, based upon: (i) for directors and committees, the Mandate of the Board and the mandate of the applicable committee respectively, and (ii) for individual directors, their respective position descriptions (if any) as well as the skills and competencies which such director is expected to bring to the Board.

In consultation with the Chair of the Board, the Corporate Governance and Nominating Committee also reviews the committees of the Board, the Chairs of such committees and the mandates of such committees and make such recommendations thereon to the Board as considered advisable.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation currently benefits from a depth of industry experience on the Board. Since the changes to the composition of the Board following the Arrangement, the current Board has been focused on working closely as a group to ensure the Corporation benefits from the valuable input and insight of each director given the broadening of the Corporation's strategic focus from natural resource lending to a broader lending-oriented credit platform. The Corporation believes that term limits for directors would have the effect of forcing directors to resign from the Board who have, or who have developed through their service on the Board, expertise and insight in the highly specialized industry in which the Corporation operates and that term limits impose a rigid and arbitrary rule on a decision that should be flexible and reasoned. Accordingly, the Board has determined that term limits are not appropriate in the Corporation's circumstances.

In the view of the Corporation, optimal corporate governance is aided by a combination of board renewal and board continuity. Directors who have served on the Board for an extended period of time will be in a unique position to provide valuable insight into the operations and future of the Corporation based on their experience with a perspective on the Corporation's history, performance and objectives. The Board believes it is important to have a balance between directors who have a history of serving on the Board and an organizational understanding of the Corporation's business with directors who bring new perspectives and ideas to the Board. Therefore, in lieu of imposing term limits, the Corporation will continue to periodically monitor director performance through formal and informal annual assessments, analyze the skills and experience necessary for the Board and evaluate the need for director changes to ensure that the Corporation has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

### **Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board formally consider the level of representation of women when making executive officer appointments or set targets regarding women on the Board or in executive officer positions. However, informally, in identifying and selecting director or executive officer nominees, the Corporation values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin, as one among the many factors taken into consideration during the search process. The Corporation also considers, among other things, the qualifications, personal qualities, business background and relevant experience of individual candidates as well as the overall composition of the Board or executive officers with a view to identifying and selecting the most ideal and complementary candidates. The Corporate Governance and Nominating Committee and the Board intend to consider on an ongoing basis whether the Corporation should adopt specific policies and practices regarding the representation of women on the Board and in executive office positions, including the setting of targets for such representation.

### **Number of Women on the Board and in Executive Officer Positions**

Assuming the election of all of the director nominees set out in this Circular, one woman (representing 20% of the directors of the Corporation) will be on the Board at the conclusion of the Meeting. There are currently no female executive officers of the Corporation.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Prior to the completion of the Arrangement, the Manager managed the operations, business and affairs of Mount Logan pursuant to the Management Services Agreement. Pursuant to the Management Services Agreement, the Manager was entitled to appoint one director nominee of the Manager (the “**Manager Nominee**”), being Barry Allan, for the 2018 financial year prior to the completion of the Arrangement. Prior to the Arrangement, the Corporation did not have in place any formal objective, criteria or analysis in assessing the compensation of its executive officers. Rather, the Corporation relied mainly on Board discussion of the Corporation’s executive compensation program, which was comprised of base salary and long-term incentives. In connection with the Arrangement, the Corporation internalized the management of its operations, business and affairs and terminated the Management Services Agreement, provided that the Manager and the Corporation agreed that the Manager shall continue to manage the Corporation’s investment in Cline for a fee equal to 1% of the net proceeds of any distribution made by Cline in a particular year or 1% of the net proceeds to the Corporation from a sale of the Corporation’s interest in Cline.

Pursuant to the Management Services Agreement, from the beginning of the Corporation’s most recently completed financial year until the Management Services Agreement was terminated upon completion of the Arrangement, the Manager was paid an aggregate of \$21,000. Further details regarding the Management Services Agreement are available in the Corporation’s management information circular dated May 28, 2018.

Following the Arrangement, which resulted in the broadening of the Corporation’s investment strategy from a focus on natural resource lending to a broader lending-oriented credit platform, the Board reviewed the Corporation’s compensation philosophy to determine if its compensation practices were current, competitive and aligned with the Corporation’s expanded strategy. In connection with this review, the Board established the Compensation Committee with the primary function of: (i) discharging the Board’s responsibilities relating to the compensation of the Corporation’s executive officers, (ii) administering the Corporation’s incentive compensation and equity-based plans and (iii) assisting the Board with respect to management succession and development. The Compensation Committee will review and make recommendations to the Board on an annual basis regarding (i) company-wide compensation programs and practices, (ii) all aspects of the remuneration of the Corporation’s executive officers and directors, and (iii) equity-based plans and any material amendments thereto (including increases in the number of securities available for grant as options or otherwise thereunder).

Following the creation of the Compensation Committee and as a result of its review of the Corporation’s compensation philosophy, the Board, on recommendation of the Compensation Committee, determined that it is in the best interests of the Corporation to design an executive compensation program that achieves the following objectives: (i) provide motivation and incentives to its executives with a view to aligning the interests of the executive officers with the interests of shareholders and and successfully implementing Mount Logan’s business plans; (ii) attract and retain key employees and recognize the scope and level of responsibility of each position; (iii) provide a competitive level of total compensation to all of its executives; and (iv) reward superior performance and achievement. Mount Logan plans to evaluate both performance and compensation to ensure that its compensation practices achieve such objectives. As part of the Corporation’s updated compensation program, the Board, on recommendation of the Compensation Committee, has adopted the 2019 Option Plan and the PR Plan, in each case, subject to Shareholder approval as described herein.

The below describes the Corporation’s updated compensation program following the Arrangement.

### *Process*

The Compensation Committee is responsible for setting objectives and performance goals for the Chief Executive Officer and Mount Logan's other executive officers, assessing the individual performance of the executive officers on a periodic basis, and recommending compensation for the Chief Executive Officer and the other executive officers to the Board.

In recommending the compensation of the executive officers, the Compensation Committee plans to take the following approach:

- identify the competitive market values of total compensation and the separate components of pay (including base salary, short-term incentive plan awards in the form of cash bonuses and long-term incentive plan awards in the form of stock options, restricted share units and/or performance share units for the executive officers);
- consider the strategic value of the role of the Chief Executive Officer and each other executive officer to Mount Logan to determine the target positioning of each such officer's role relative to competitive market value;
- perform an evaluation of the performance and expected performance of the executive officers; and
- ensure compensation consists of a mix of incentive awards largely tied to financial and operating performance of the Corporation.

In evaluating the performance of the Chief Executive Officer and the other executive officers, the Compensation Committee plans to take into account the following factors:

- performance relative to job responsibilities which, in the case of the Chief Executive Officer, includes contributions to strategic planning and execution, financial acumen in running the business, board relations, management development, and management of operations;
- key financial and non-financial achievements based on corporate and personal performance objectives;
- contributions to the leadership team; and
- attracting and retaining key personnel.

### *Benchmarking*

In making compensation decisions following the Arrangement, Mount Logan may seek to compare the total compensation for each of its executive officers against a comparator group of companies. This information would be used primarily in establishing base salary, short-term incentive awards and long-term incentive awards. Given that the Arrangement was only recently completed and the Corporation's limited operating history in respect of its expanded investment strategy, the Corporation has not yet selected a comparator group of companies for the purposes of assessing executive compensation, but may do so in the future.



### *Managing Compensation-Related Risk*

The Compensation Committee plans to periodically consider the implications of the risks associated with Mount Logan's compensation policies and practices. At the present time, the Compensation Committee has not identified any risks associated with Mount Logan's compensation policies and practices that are reasonably likely to have a material adverse effect on Mount Logan. Mount Logan currently uses several practices to discourage or mitigate excessive risk-taking including, among other things: (i) strong corporate governance oversight and culture; (ii) requiring that the Board approve Mount Logan's strategic business plan and budgets, which will be considered in the context of assessing performance and awarding incentives; (iii) using an appropriate mix of pay, including fixed and performance-based compensation with short- and long-term performance conditions; and (iv) retaining discretion to adjust annual incentive payments to take into account unexpected events.

The Board, in consultation with the Compensation Committee, will continue to review Mount Logan's approach to executive compensation as the Corporation executes on its expanded investment strategy and, if deemed appropriate in Mount Logan's circumstances, will consider alternative or supplemental compensation arrangements to mitigate and discourage excessive risk-taking.

### *Financial Instruments*

As of the date hereof, Mount Logan does not have a formal policy that restricts the purchase by its directors, executive officers, or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the director, executive officer or employee. To the knowledge of Mount Logan, none of the Named Executive Officers or Directors have purchased any such financial instruments. Mount Logan will continue to review whether a formal policy in this regard is necessary or advisable as Mount Logan continues to execute its business plan and gain further market visibility.

### *Components of Executive Compensation*

The components of compensation for executive officers of Mount Logan prior to the completion of the Arrangement were:

- base salary; and
- long-term incentive plan compensation in the form of stock options.

Going forward, following the completion of the Arrangement and the Corporation's review of its compensation program, it is anticipated that the components of compensation for executive officers of Mount Logan will consist of:

- base salary;
- short-term incentive plan compensation in the form of cash bonuses; and
- long-term incentive plan compensation in the form of stock options, performance share units and restricted share units.

The mix of these components in any given year will be primarily influenced by the individual performance of the executive officer, the financial performance of Mount Logan and competitive market levels of compensation, with the objective that a significant portion of the total compensation will be contingent on both short-term and long-term performance.

### Base Salary

Mount Logan expects to provide its executive officers with base salary to compensate them for services rendered during the fiscal year and to aid in attracting and retaining quality employees. The base salary for each executive officer will be reviewed annually or upon a promotion or other change in job responsibility, based on the individual's role and level of responsibility and the importance of the position to Mount Logan.

### Short-Term Incentive Plan Compensation – Annual Cash Bonus

Short-term incentive plan awards consist of an annual cash bonus based on a mix of corporate and individual objectives. The purpose of including performance-based incentive compensation, in the form of annual cash bonuses, as part of the total compensation paid to Mount Logan's executive officers, is to create a link between pay and performance to encourage and reward those individuals' contributions in producing strong results and to focus its senior management to work as a team on overall corporate results and strategic initiatives. The maximum annual performance bonus an executive officer will be eligible to receive will be expressed as a percentage of their annual base salary.

### Long-Term Incentive Plan Compensation

Currently, long-term incentive compensation may be provided to executives and directors of the Corporation through the granting of options under the 2011 Plan. Following the Arrangement, the Board, on recommendation of the Compensation Committee, adopted the 2019 Option Plan and the PR Plan, in each case, subject to Shareholder approval as described herein. If each of the 2019 Option Plan and the PR Plan are approved at the Meeting, each will become effective as of the date of the Meeting. If the 2019 Option Plan is approved at the Meeting, the 2011 Plan will concurrently be terminated and no options will be granted thereunder. If the 2019 Option Plan is not approved at the Meeting, the 2011 Plan will remain in effect whether or not the PR Plan is approved. If both the 2019 Option Plan and the PR Plan are not approved at the Meeting, the 2011 Plan will remain in effect.

Equity incentive awards are designed to motivate executives and others to achieve longer-term sustainable business results, align their interests with those of Shareholders and to attract and retain executives. Participants in the 2011 Plan benefit only if the market value of the Shares at the time of option exercise is greater than the exercise price of the option at the time of grant. Generally, all of the officers, directors, employees and other service providers of the Corporation are eligible to participate in the 2011 Plan. The maximum number of Shares issuable under the 2011 Plan is fixed at 1,000,000 Shares.

During the fiscal year ended December 31, 2018, there were no options issued and no options exercised under the 2011 Plan. As of the date of this Circular, no options to purchase Shares are currently outstanding under the 2011 Plan, leaving an aggregate of 1,000,000 Shares available for future grants of options under the 2011 Plan, representing approximately 1.22% of the issued and outstanding Shares as of the date of this Circular. Subject to the approval by the Shareholders of the 2019 Option Plan and the PR Plan, such plans will collectively replace the 2011 Plan. The Corporation does not intend to grant any options under the 2011 Plan prior to the Meeting.

The Compensation Committee is of the view that the 2019 Option Plan and the PR Plan, collectively, provide an appropriate framework for the granting of long-term incentive compensation that aligns with long-term value creation for Shareholders.

Summary of the 2019 Option Plan

If the 2019 Option Plan is approved at the Meeting, the 2019 Option Plan will become effective as of the date of the Meeting and the 2011 Plan will concurrently be terminated and no options will be granted thereunder. If the 2019 Option Plan is not approved at the Meeting, the 2011 Plan will remain in effect.

A summary of the 2019 Option Plan is set out under the heading “Matters to be Acted upon at the Meeting – Approval of Stock Option Plan and Performance and Restricted Share Unit Plan – 2019 Option Plan Summary”.

Summary of the PR Plan

If the PR Plan is approved at the Meeting, the PR Plan will become effective as of the date of the Meeting.

A summary of the PR Plan is set out under the heading “Matters to be Acted upon at the Meeting – Approval of Stock Option Plan and Performance and Restricted Share Unit Plan – PR Plan Summary”.

Summary of the 2011 Plan

The following summary of the 2011 Plan is qualified in all respects by the provisions of the 2011 Plan. Reference should be made to the 2011 Plan for the complete provisions thereof. A copy of the 2011 Plan is available to any Shareholder of the Corporation at or prior to the Meeting upon request to the Secretary of the Corporation.

The purpose of the 2011 Plan is to advance the interests of the Corporation through the motivation, attraction and retention of key employees, directors and consultants of the Corporation by granting such participants options to purchase Shares and thus giving them an on-going proprietary interest in the Corporation.

The 2011 Plan has the following key features:

- The maximum number of Shares made available under the 2011 Plan may not exceed 1,000,000 Shares in the aggregate (representing approximately 1.22% of the outstanding Shares as of the date of this Circular). If options granted under the 2011 Plan are surrendered, terminated or expire without being exercised in whole or in part, new options may be granted covering the Shares not purchased under the lapsed options. As of the date of this Circular, no options to purchase Shares have been granted or are currently outstanding under the 2011 Plan, leaving an aggregate of 1,000,000 Shares available for future grants of options under the 2011 Plan, representing 1.22% of the issued and outstanding Shares as of the date of this Circular.
- Eligible participants under the 2011 Plan include the directors, officers and employees (including both full-time and part-time employees) of the Corporation or of any designated affiliate of the Corporation and any person or company engaged to provide advisory, management, consulting or other services for the Corporation or any designated affiliate of the Corporation, or any employee or consultant of such person or company, for an initial, renewable or extended period of 12 months or more. Subject to the terms of the 2011 Plan, the directors of the Corporation have the authority to select those persons to whom options will be granted and the number of Shares subject to options.
- There is no limit on the number of options that any one person is entitled receive under the 2011 Plan. However, the 2011 Plan contains the insider participation limit, which provides that, in no

event, shall any security-based compensation arrangement of the Corporation, together with all other established and proposed security-based compensation arrangements of the Corporation, result in (a) the number of Shares issuable to insiders of the Corporation at any time exceeding 10% of the issued and outstanding Shares; or (b) the number of Shares issued to insiders of the Corporation within any one-year period exceeding 10% of the issued and outstanding Shares.

- No options awarded pursuant to the provisions of the 2011 Plan are assignable or transferable by any participant other than pursuant to a will or by the laws of descent and distribution.
- The exercise price of any option will be determined by the directors of the Corporation at the time the option is granted. However, such price may not be less than the closing price of the Shares on the Neo Exchange on the last trading day immediately preceding the date of the grant of such option.
- An option granted under the 2011 Plan may be exercised during the term of the option only in accordance with the vesting schedule, if any, determined by the directors of the Corporation at the time of the grant of the option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the directors from time to time with respect to a particular option. If the directors do not determine a vesting schedule at the time of the grant of any particular option, such option will be exercisable in whole at any time, or in part from time to time, during the term of the option.
- The 2011 Plan does not provide for the provision of financial assistance to participants in order to exercise their options.
- Each option granted under the 2011 Plan, unless sooner terminated pursuant to the provisions of the 2011 Plan, will expire on a date determined by the directors of the Corporation at the time the option is granted which date cannot be later than ten years after the date the option is granted. However, if the expiration date falls within a blackout period or within ten business days after a blackout period expiry date, then the expiration date of the option will be the date which is ten business days after the blackout period expiry date.
- No option granted under the 2011 Plan may be exercised unless the optionee at the time of exercise thereof is:
  - (a) in the case of an eligible employee, an officer of the Corporation or a designated affiliate of the Corporation or in the employment of the Corporation or a designated affiliate of the Corporation and has been continuously an officer or so employed since the date of the grant of such option, provided, however, that a leave of absence with the approval of the Corporation or such designated affiliate of the Corporation will not be considered an interruption of employment for the purposes of the 2011 Plan;
  - (b) in the case of an eligible director who is not also an eligible employee, a director of the Corporation or a designated affiliate of the Corporation and has been such a director continuously since the date of the grant of such option; and
  - (c) in the case of any other eligible participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting or other services for the Corporation or a designated affiliate of the Corporation and has been so engaged since the date of the grant of such option.

Notwithstanding the foregoing, if a participant (i) ceases to be a director of the Corporation and of the designated affiliates of the Corporation (and is not or does not continue to be an employee thereof) for any reason (other than death), or (ii) ceases to be employed by, or provide services to, the Corporation or the designated affiliates of the Corporation (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the designated affiliates of the Corporation, for any reason (other than death) or receives notice from the Corporation or any designated affiliate of the Corporation of the termination of his or her employment contract, except as otherwise provided in any employment contract or the terms and conditions of any option, in situations of termination not for cause, such participant may exercise his or her options until the expiration of the respective terms of such options to the extent that such participant was entitled to exercise such options at the date of termination, and, in situations other than a termination not for cause, such participant will have 90 days following termination to exercise his or her options to the extent that such participant was entitled to exercise such options at the date of termination or termination. However, in no event may such right extend beyond the original option period.

- In the case of a participant who dies (or in the case of a participant which is not an individual, the primary individual providing services to the Corporation on behalf of the participant), the person or persons to whom the rights of the optionee under the option passes by the will of the deceased or the laws of descent and distribution may exercise such participant's options for the remaining respective terms of such options (or such shorter period of time as is otherwise provided in an employment contract or the terms of a particular option grant) to the extent that the optionee was entitled to exercise such options at the date of the deceased's death (but without regard to any vesting provisions).
- If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an option granted under the 2011 Plan the holder thereof is entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the option immediately prior to the effective time of such event, unless the directors of the Corporation otherwise determine the basis upon which such option shall be exercisable.
- In the event that (a) the Corporation seeks or intends to seek approval from the shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as hereinafter defined), or (b) a person makes a bona fide offer or proposal to the Corporation or the shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event, then the Corporation is required to send notice to all optionees of such transaction, offer or proposal as soon as practicable. Provided that the directors of the Corporation have not otherwise determined that an adjustment will be made under the provisions of the 2011 Plan (i) the directors may by resolution, and notwithstanding any vesting schedule applicable to any option, permit all options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an option), so that the optionee may participate in such transaction, offer or proposal, and (ii) the directors may accelerate the expiry date of such options and the time for the fulfillment of any conditions or restrictions on such exercise. An "Acceleration Event" means an acquisition by any offeror of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, any consolidation merger or statutory amalgamation or arrangement of the Corporation with or into another corporation and pursuant to which the Corporation will not be

the surviving entity (other than a transaction under which the shareholders of the Corporation immediately prior to completion of the transaction will have the same proportionate ownership of the surviving corporation), a separation of the business of the Corporation into two or more entities, a sale, lease exchange or other transfer of all or substantially all of the assets of the Corporation to another entity or the approval by shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

- If a take-over bid (within the meaning of the *Securities Act* (Ontario)) is made as a result of which all of the outstanding Shares are acquired by the offeror through compulsory acquisition provisions of the of the *Business Corporations Act* (Ontario) or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the directors of the Corporation may send notice to all optionees requiring them to surrender their options within ten days of the mailing of such notice, and the optionees shall be deemed to have surrendered such options on the tenth day after the mailing of such notice without further formality, provided that, among other things, the directors deliver with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the optionees on the equity securities offered as consideration.
- The directors have the ability, without the approval of the shareholders of the Corporation, but subject to any applicable rules of the Neo Exchange, to suspend or terminate (and to re-instate) the 2011 Plan, and to make certain amendments to the 2011 Plan, including, but not limited to, amendments of a “housekeeping” nature, to comply with applicable law or regulation, to the vesting provisions of the 2011 Plan, to the terms of any option previously granted (with the consent of the optionee), with respect to the effect of the termination of a participant’s employment or services or an optionee’s position, employment or services, to the categories of persons who are participants, in respect of the administration or implementation of the 2011 Plan, and amendments to provide a cashless exercise feature to any option or the 2011 Plan (provided that such amendment ensures the full deduction of the number of underlying Shares from the total number of Shares subject to the 2011 Plan). The following amendments to the 2011 Plan cannot be made without the approval of the shareholders of the Corporation: any change to the number of Shares issuable from treasury under the 2011 Plan (provided that the directors have the ability to adjust the number of Shares in order to reflect any subdivision of the Shares), any amendment which would change the number of days of an extension of the expiration date of options expiring during or immediately following a blackout period, any amendment which reduces the exercise price of any option, any amendment which extends the expiry date of an option, any amendment which cancels any option and replaces such option with an option which has a lower exercise price, any amendment which would permit options to be transferred or assigned by any participant other than as currently permitted under the 2011 Plan, any amendment to remove or exceed the insider participation limit and any amendment to amending provisions of the 2011 Plan.

#### *Personal Benefits and Perquisites*

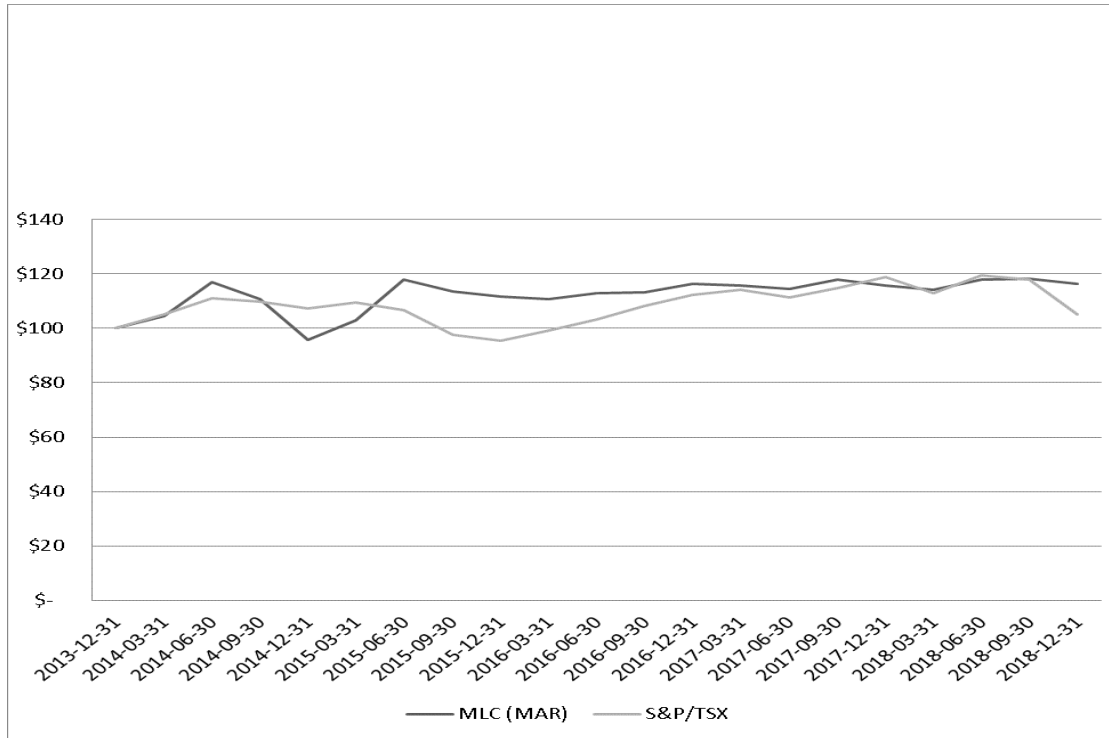
Mount Logan may from time to time provide its employees, including its executive officers, with other personal benefits and perquisites that it believes are reasonable and consistent with its overall compensation program to better enable Mount Logan to attract and retain quality employees for key positions. Mount Logan will periodically review the levels of other personal benefits and perquisites provided to its employees to ensure appropriate value to employees.

#### *Performance Graph*

The following graph compares the percentage change in the cumulative Shareholder return on the Shares compared to the cumulative total return of the S&P/TSX Composite Index for the period commencing

on December 31, 2013 to December 31, 2018 based on the price of the Shares, assuming a \$100 investment on December 31, 2013 and reinvestment of dividends.

### Performance Graph



The Corporation experienced comparable returns to the S&P/TSX Composite Index during the period from December 31, 2013 to December 31, 2018. The Named Executive Officers have not been paid any bonuses or granted any performance-based incentive awards by the Corporation over the Corporation's last five financial years.

### Securities Authorized for Issuance under Equity Compensation Plans

As of December 31, 2018, there were no outstanding options under all equity plans previously approved by Shareholders, being the 2011 Plan. As of December 31, 2018, 1,000,000 Shares remained available for future issuance under the 2011 Plan. As at the financial year ended December 31, 2018, Mount Logan did not have any equity plans that had not been approved by Shareholders nor are any such plans in effect as of the date of this Circular. If each of the 2019 Option Plan and the PR Plan are approved at the Meeting, each will become effective as of the date of the Meeting.

The annual burn rate of options granted pursuant to the 2011 Plan in respect of each of the Corporation's three most recently completed financial years was nil. "Annual burn rate" in respect of the 2011 Plan is the number of options granted under the 2011 Plan during the applicable fiscal year divided by the weighted average number of Shares outstanding for the applicable fiscal year.

### Summary Compensation Table

In this Circular, a "Named Executive Officer" means: (a) Mount Logan's Chief Executive Officer at any time during the 2018 fiscal year; (b) Mount Logan's Chief Financial Officer at any time during the 2018

fiscal year; (c) the three other most highly compensated executive officers of Mount Logan at the end of the financial year ended December 31, 2018 whose total compensation, individually, was greater than \$150,000; and (d) each individual who would be a Named Executive Officer but for the fact that the individual was neither an executive officer of Mount Logan or its subsidiaries, nor serving in a similar capacity, at the end of the financial year ended December 31, 2018. For the financial year ended December 31, 2018, Mount Logan had three Named Executive Officers, namely: (a) Peter Rizakos, former President and Chief Executive Officer; (b) Edward Goldthorpe, Chief Executive Officer; and (c) David Guebert, Chief Financial Officer and Secretary.

The following table presents the compensation earned by the Named Executive Officers for the years ended December 31, 2018, December 31, 2017 and December 31, 2016.

| Name and Principal Position   | Year | Salary (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) |                          | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|---|------|-------------|-------------------------|--------------------------|---|--------------------------|--------------------|-----------------------------|-------------------------|
|   |      |             |                         |                          | Annual Incentive Plans                      | Long-Term Incentive Plan |                    |                             |                         |
| Edward Goldthorpe<br>Chief Executive Officer <sup>(1)</sup>                     | 2018 | Nil         | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | Nil                     |
| David Guebert<br>Chief Financial Officer<br>and Secretary                       | 2018 | 75,000      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 75,000                  |
|   | 2017 | 60,000      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 60,000                  |
|   | 2016 | 60,000      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 60,000                  |
| Peter Rizakos<br>Former President and<br>Chief Executive Officer <sup>(2)</sup> | 2018 | 53,065      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 53,065                  |
|   | 2017 | 60,000      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 60,000                  |
|   | 2016 | 60,000      | Nil                     | Nil                      | Nil   | Nil                      | Nil                | Nil                         | 60,000                  |

Notes:

- (1) Mr. Goldthorpe was appointed Chief Executive Officer on October 19, 2018 upon completion of the Arrangement.
- (2) Mr. Rizakos ceased being the President and Chief Executive Officer on October 19, 2018 upon completion of the Arrangement.

### Incentive Plan Awards

#### *Outstanding Share-Based Awards and Option-Based Awards*

There were no share-based and option-based awards outstanding as of the end of the financial year of the Corporation ended December 31, 2018.

#### *Value Vested or Earned During the Financial Year ended December 31, 2018*

The value vested or earned of incentive plan awards during the year ended December 31, 2018 was nil for each Named Executive Officer.

### Pension Plan Benefits

Mount Logan does not maintain any pension plans.



## Employment Agreements and Termination and Change of Control Benefits

Mount Logan has no contract, agreement plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Mount Logan or a change in a Named Executive Officer's responsibilities, except as described below.

Neither Edward Goldthorpe, the Chief Executive Officer of the Corporation, nor Peter Rizakos, the former President and Chief Executive Officer of the Corporation, has or had an employment agreement with the Corporation. David Guebert, the Chief Financial Officer of the Corporation is engaged by the Corporation pursuant to a consulting agreement with the Corporation dated March 31, 2014, as amended (the "**Consulting Agreement**"). The Consulting Agreement may be terminated by Mr. Guebert or the Corporation on at least 30 days' prior written notice. The Corporation may terminate the Consulting Agreement at any time for any omission or commission by Mr. Guebert that would constitute just cause at law without notice or payment in lieu of notice.

## Director Compensation

The directors of the Corporation are compensated by the Corporation for the services that they provide to the Corporation as directors.

During the Corporation's financial year ended December 31, 2018 but prior to the Arrangement, directors were paid a retainer of \$20,000 per annum, other than the Manager's director nominee, who was compensated by the Manager pursuant to the Management Services Agreement. In addition, the Chair of the Board was paid a retainer of \$5,000 per annum and the Chair of the Audit Committee was paid a retainer of \$2,500 per annum. The Chair of the Corporate Governance and Nominating Committee was not paid a retainer during such period. Directors were also paid \$500 per meeting attended (paid quarterly).

Following the completion of the Arrangement, directors are paid a retainer of \$25,000 per annum. In addition, the Chair of the Audit Committee is paid a retainer of \$2,500 per annum, the Chair of the Corporate Governance and Nominating Committee is paid a retainer of \$2,500 per annum, the Chair of the Compensation Committee is paid a retainer of \$2,500 per annum and the Lead Director is paid a retainer of \$5,000 per annum. Directors are also paid \$500 per meeting attended (paid quarterly). The Chair of the Board is not paid a retainer for acting in such capacity.

The following table sets forth the compensation paid to non-management Directors during the financial year ended December 31, 2018.

| Name <sup>(1)</sup>             | Fees Earned (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total (\$) |
|---------------------------------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| Graeme Dell <sup>(2)</sup>      | 7,375            | -                       | Nil                      | -   | -                  | Nil                         | 7,375      |
| Perry Dellelce <sup>(2)</sup>   | 7,875            | -                       | Nil                      | -   | -                  | Nil                         | 7,875      |
| Sabrina Liak <sup>(2)</sup>     | 7,250            | -                       | Nil                      | -   | -                  | Nil                         | 7,250      |
| Radford Small <sup>(2)</sup>    | 7,875            | -                       | Nil                      | -   | -                  | Nil                         | 7,875      |
| John R. Anderson <sup>(3)</sup> | 38,000           | -                       | Nil                      | -   | -                  | Nil                         | 38,000     |
| David Gluskin <sup>(3)</sup>    | 30,500           | -                       | Nil                      | -   | -                  | Nil                         | 30,500     |

|                                 |        |   |     |   |   |     |        |
|---------------------------------|--------|---|-----|---|---|-----|--------|
| Philip Armstrong <sup>(3)</sup> | 30,500 | - | Nil | - | - | Nil | 30,500 |
|---------------------------------|--------|---|-----|---|---|-----|--------|

Notes:

- (1) Edward Goldthorpe is a Named Executive Officer and as such, did not receive compensation as a director. Pursuant to the Management Services Agreement, while Barry Allan served as the Manager's director nominee on the Board, the Manager was obligated to pay, without reimbursement, the compensation of Mr. Allan in his capacity as a director.
- (2) Appointed as a Director on October 19, 2018 upon completion of the Arrangement.
- (3) Ceased to be a Director on October 19, 2018 upon completion of the Arrangement.

## **Incentive Plan Awards**

### *Outstanding Share-Based Awards and Option-Based Awards*

No option-based awards or share-based awards were outstanding as of December 31, 2018 for non-management Directors.

### *Value Vested or Earned During the Financial Year ended December 31, 2018*

The value vested or earned of incentive plan awards during the year ended December 31, 2018 was nil with respect to each non-management Director.

## **ADDITIONAL MATTERS**

### **Additional Information**

Additional information relating to Mount Logan may be found under Mount Logan's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in Mount Logan's financial statements and Management's Discussion and Analysis for the year ended December 31, 2018, which are available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) or by request to the Corporation's registered office at the following address:

Mount Logan Capital Inc.

c/o Wildeboer Dellelce LLP  
 365 Bay Street  
 Suite 800  
 Toronto, Ontario  
 M5H 2V1

Phone: (416) 361-3121

### **Board Approval**

The Board has approved this Circular and the sending thereof to Shareholders. Where information contained in this Circular rests particularly within the knowledge of a person other than Mount Logan, Mount Logan has relied upon information furnished by such person.

Dated as of April 29, 2019.

(signed) "*Edward Goldthorpe*"

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Edward Goldthorpe  
Chief Executive Officer

A-1

**APPENDIX "A"**

**2019 OPTION PLAN**

(See attached.)

## MOUNT LOGAN CAPITAL INC.

### STOCK OPTION PLAN

#### 1. Interpretation

In this Plan, the following terms shall have the following meanings:

“**Administrators**” means the Board or, if so designated by the Board to administer the Plan, the Compensation Committee of the Board or any other designated members of the Board;

“**Associate**” has the meaning assigned by the *Securities Act* (Ontario);

“**Board**” means the Board of Directors of the Corporation;

“**Cause**” means, in respect of a Participant:

- (a) conviction of, or the entry of a plea of guilty or no contest to, any criminal or quasi-criminal offence that causes the Corporation or its Subsidiaries public disgrace or disrepute, or adversely affects the Corporation’s or its Subsidiaries’ operations or financial performance;
- (b) gross negligence or wilful misconduct with respect to the Corporation or any of its Subsidiaries in the course of his or her service to the Corporation or any of its Subsidiaries;
- (c) refusal, failure or inability to perform any material obligation or fulfil any duty (other than any duty or obligation of the type described in clause (e) below) to the Corporation or any of its Subsidiaries (other than due to disability), which failure, refusal or inability is not cured within 10 days after delivery of notice thereof;
- (d) material breach of any agreement with or duty owed to the Corporation or any of its Subsidiaries;
- (e) any breach of any obligation or duty to the Corporation or any of its Subsidiaries (whether arising by statute, common law, contract or otherwise) relating to confidentiality, non-competition, non-solicitation or proprietary rights; or
- (f) any other conduct that constitutes “cause” at common law.

Notwithstanding the foregoing, if a Participant and the Corporation (or any of its Subsidiaries) have entered into an employment agreement, consulting agreement or other similar agreement that specifically defines “cause”, then, with respect to such Participant, “Cause” shall have the meaning defined in that employment agreement, consulting agreement or other agreement.

“**Change of Control**” means, the occurrence of any of the following, in one transaction or a series of related transactions:

- (a) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such

person or persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation;

- (b) an amalgamation, arrangement, consolidation, share exchange or other form of business combination of the Corporation with another entity that results in the holders of voting securities of that other entity holding, in the aggregate, more than 50% of all outstanding voting securities of the entity resulting from the business combination;
- (c) the sale, lease or exchange of all or substantially all of the property of the Corporation or any of its Subsidiaries to another person, other than in the ordinary course of business of the Corporation and other than such sale, lease or exchange to a wholly-owned subsidiary of the Corporation;
- (d) the liquidation or dissolution of the Corporation; or
- (e) any other transaction that is deemed by the Administrators in their sole discretion to be a “Change of Control” for the purposes of the Plan;

“**Code**” means the United States Internal Revenue Code of 1986 as amended;

“**Corporation**” means Mount Logan Capital Inc.;

“**Event of Termination**” means the voluntary or involuntary termination of employment or service, retirement, or leaving of employment or service because of disability or death of a Participant;

“**Fair Market Value**” means the closing price of the Shares on the NEO Exchange (or, if the Shares are not then listed on the NEO Exchange, on such other stock exchange or automated quotation system on which the Shares are then listed or quoted, as the case may be, as may be selected by the Administrators for such purpose) on the last trading day on which Shares traded prior to the day on which an Option is granted, provided that if no Shares traded on such date, the Fair Market Value shall be the average of the independent bid and ask prices in respect of the Shares at the close of trading on such date;

“**Insider Participant**” means a Participant who is (a) an insider of the Corporation as defined in the *Securities Act* (Ontario), and (b) an Associate of any person who is an insider by virtue of (a);

“**ISO**” means a stock option that is intended to qualify as an “incentive stock option” within the meaning of Section 422 of the Code;

“**NEO Exchange**” means the NEO Exchange Inc.;

“**Option Agreement**” means the written agreement between a Participant and the Corporation, in the form approved by the Administrators, evidencing the terms and conditions on which an Option has been granted under the Plan and which need not be identical to any other such agreements;

“**Options**” means options granted under the Plan to purchase Shares;

“**Participant**” means such directors, officers and employees of the Corporation or its Subsidiaries and such Service Providers as are designated by the Administrators to participate in the Plan;

“**Plan**” means this Stock Option Plan;

“**Reserved for Issuance**” refers to Shares which may be issued in the future, upon the exercise of Options which have been granted;

“**Service Provider**” means any person or company engaged to provide ongoing management or consulting services for the Corporation or for any entity controlled by the Corporation;

“**Share Compensation Arrangement**” means, in respect of the Corporation, a stock option, stock option plan, employee stock purchase plan, performance share unit plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, officers or employees of the Corporation or its Subsidiaries or to Service Providers;

“**Shares**” means the common shares of the Corporation; and

“**Subsidiary**” has the meaning assigned thereto in the *Securities Act* (Ontario) and “**Subsidiaries**” shall have a corresponding meaning but including unincorporated entities;

## 2. **Purpose**

The purpose of the Plan is to advance the interests of the Corporation and its Subsidiaries and its shareholders by providing to the directors, officers and employees of the Corporation and its Subsidiaries and Service Providers a performance incentive for continued and improved service with the Corporation and its Subsidiaries and by enhancing such persons’ contribution to increased profits by encouraging capital accumulation and share ownership.

## 3. **Shares Subject to the Plan**

The securities subject to the Plan shall be Shares. The Shares for which Options are granted shall be authorized but unissued Shares. The aggregate number of Shares that are issuable under the Plan upon the exercise of Options which have been granted and are outstanding under the Plan, together with Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 10% of the Shares then issued and outstanding, subject to adjustment as provided in Section 14 to give effect to any relevant changes in the capitalization of the Corporation. Shares in respect of which Options have been granted but which are forfeited, surrendered, cancelled or otherwise terminated or expire without being exercised shall be available for subsequent Options.

## 4. **Administration of the Plan**

The Plan shall be administered by the Administrators. Subject to the provisions of the Plan, the Administrators shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan, when Options to eligible persons shall be granted, the number of Shares subject to each Option and, pursuant to Section 12, the vesting period for each Option;
- (c) interpret and construe the provisions of the Plan;
- (d) establish the form or forms of Option Agreement(s);

- (e) to determine whether each Option is to be an ISO, in which case such Option shall be subject to the limitations in Sections 8 and 11;
- (f) in the event there is any question as to whether a Change of Control has occurred in any circumstances, determine whether a Change of Control has occurred; and
- (g) take such other steps as they determine to be necessary or desirable to give effect to the Plan.

All decisions made by the Administrators pursuant to the provisions of the Plan will be final and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other persons.

#### **5. Eligible Persons**

Such directors, officers and employees of the Corporation and its Subsidiaries and such Service Providers as are designated by the Administrators shall be entitled to participate in the Plan.

#### **6. Agreement**

All Options granted hereunder shall be evidenced by an Option Agreement. Each Option Agreement will be subject to the applicable provisions of the Plan and will contain such provisions as are required by the Plan any other provisions that the Administrators may direct.

#### **7. Grant of Options**

Subject to Sections 3 and 8, the Administrators may, from time to time, grant Options to Participants to purchase that number of Shares that the Administrators, in their absolute discretion, determine. Options that may be granted under the Plan include ISOs and non-qualified stock options. No Option will be granted during a blackout period or other trading restriction imposed by the Corporation or at any other time when the Board or the Corporation has any undisclosed material information.

#### **8. Limit on Issuance of Shares**

The aggregate number of Shares Reserved for Issuance pursuant to Options granted under the Plan and options or other entitlements granted under any other Share Compensation Arrangement to Insider Participants (as a group), shall not exceed 10% of the aggregate number of Shares outstanding (on a non-diluted basis); provided that, no more than 8,187,313 Shares under the Plan may be granted as ISOs. Within any 1-year period, the aggregate number of Shares issued to Insider Participants (as a group) pursuant to Options granted under the Plan or options or other entitlements granted under any other Share Compensation Arrangement shall not exceed 10% of the aggregate number of Shares outstanding (on a non-diluted basis).

In addition to the foregoing limits, (i) the maximum aggregate grant date fair value using the Black-Scholes-Merton valuation model of option grants to any non-employee director of the Corporation in any fiscal year of the Corporation shall not exceed \$100,000; and (ii) no grant of Options under the Plan may be made to any non-employee director if such grant could result, together with awards or grants then outstanding under the Plan and any other Share Compensation Arrangement, in the issuance to non-employee directors as a group of a number of Shares exceeding 1% of the number Shares issued and outstanding immediately prior to any such Share issuance.



**9. Exercise Price**

The exercise price per Share shall be not less than the Fair Market Value of the Shares on the date the Option is granted.

**10. Term of Option**

The term of each Option shall be determined by the Administrators, provided that no Option shall be exercisable after ten years from the date on which it is granted. If the expiry date of a particular Option after which it can no longer be exercised falls on, or within nine trading days immediately following, a date upon which the Participant granted the Option is prohibited from trading in securities of the Corporation due to a blackout period or other trading restriction imposed by the Corporation, then the expiry date of such Option shall be automatically extended to the tenth trading day following the date the relevant blackout period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

**11. ISOs**

The following provisions shall apply, in addition to the other provisions of this Plan which are not inconsistent therewith, to ISOs, which are intended to qualify as “incentive stock options” under Section 422 of the Code:

- (a) Options may be granted as ISOs only to individuals who are employees of the Corporation or any present or future “subsidiary corporation” or “parent corporation” as those terms are defined in Section 424 of the Code (collectively, for purposes of this Section 11, “**Related Entities**”) and Options shall not be granted as ISOs to non-employee directors or independent contractors;
- (b) “**Disability**” in respect of an ISO shall mean “permanent and total disability” as defined in sub-section 22(e)(3) of the Code;
- (c) if a Participant ceases to be employed by the Corporation and/or all Related Entities other than by reason of death or Disability, Options shall be eligible for treatment as ISOs only if exercised no later than three (3) months following such termination of employment;
- (d) the exercise price in respect of Options granted as ISOs to employees who own more than 10% of the combined voting power of all classes of shares of the Corporation or a Related Entity (for purposes of this Section 11, a “**10% Shareholder**”) shall be not less than 110% of the Fair Market Value per Share on the Option grant date and the term of any ISO granted to a 10% Shareholder shall not exceed 5 years measured from the Option grant date;
- (e) Options held by a Participant shall be eligible for treatment as ISOs only if the Fair Market Value (determined at the Option grant date) of the Shares with respect to which such Options and all other options intended to qualify as “incentive stock options” under Section 422 of the Code held by such Participant and granted under this Plan or any other plan of the Corporation or a Related Entity and which are exercisable for the first time by such Participant during any one calendar year does not exceed US\$100,000 at such time;

- (f) by accepting an Option granted as an ISO under this Plan, a Participant agrees to notify the Corporation in writing immediately after such Participant makes a “Disqualifying Disposition” of any Shares acquired pursuant to the exercise of such ISO; for this purpose, a “**Disqualifying Disposition**” is any disposition occurring on or before the later of (i) the date two years following the date that such ISO was granted or (ii) the date one year following the date that such ISO was exercised;
- (g) no ISO granted under this Plan may be exercised until this Plan is approved by the Corporation’s shareholders; furthermore, the maximum number of Shares that may be issued as ISOs shall not be increased without additional shareholder approval; and
- (h) no modification of an outstanding Option that would provide an additional benefit to a Participant, including a reduction of the exercise price or extension of the period in which the Option can be exercised, in either case, if approved by shareholders of the Corporation in accordance with Section 22, shall be made without consideration and disclosure of the likely United States federal income tax consequences to the Participants affected thereby.

## **12. Shares Available for Purchase**

Subject to Sections 15 and 16, the Shares subject to each Option shall vest and become available for purchase by the Participant on the date or dates determined by the Administrators when the Option is granted.

## **13. Exercise of Option**

Subject to Section 12, an Option may be exercised in whole or in part at any time, or from time to time during the term of the Option. A Participant electing to exercise an Option shall give written notice of the election to the Administrators. Such notice will be accompanied by payment in full of the aggregate purchase price for the Shares issuable pursuant to the exercise of the Option, either:

- (a) by cash, certified cheque or bank draft or wire transfer;
- (b) if approved by the Administrators, through means of a “net settlement,” whereby no exercise price will be due and where the number of Shares issued upon such exercise will be equal to: (A) the product of (1) the number of Shares as to which the Option is then being exercised, and (2) the difference between (x) the then current Fair Market Value per Share and (y) the exercise price per Share, divided by (B) the then current Fair Market Value per Share. A number of Shares equal to the difference between the number of Shares as to which the Option is then being exercised and the number of Shares actually issued to the Participant upon such net settlement will be deemed to have been received by the Corporation in satisfaction of the exercise price;
- (c) if approved by the Administrators, through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the exercise price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option; or
- (d) by such other method as the Administrators may approve or accept.

No Shares will be issued upon exercise of an Option until full payment therefor has been made. No person shall enjoy any part of the rights or privileges of a holder of Shares subject to Options until that person becomes the holder of record of those Shares.

#### **14. Certain Adjustments**

Equitable adjustments as to Options granted or to be granted, as to the number of Shares which are available for purchase and as to the purchase price for such Shares under the Plan shall be made by the Administrators in the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other similar changes affecting the Shares.

#### **15. Termination of Employment**

Unless otherwise determined by the Administrators and set forth in the Option Agreement, upon the occurrence of an Event of Termination, the Options granted to the affected Participant may be exercised in accordance with the following:

- (a) if a Participant's service with the Corporation or, if applicable, a Subsidiary, terminates by reason of the death of the Participant, any Option held by such Participant may thereafter be exercised, to the extent it was exercisable at the time of his or her death, by the legal representative of the estate or by the legatee of the Participant under the will of the Participant, for a period ending 12 months following the date of death (or, if sooner, on the last day of the stated term of such Option);
- (b) if a Participant's service with the Corporation or, if applicable, a Subsidiary, is terminated for Cause: (i) any Option held by the Participant will immediately and automatically expire as of the date of such termination, and (ii) any Shares for which the Corporation has not yet delivered share certificates or other evidence of ownership will be immediately and automatically forfeited and the Corporation will refund to the Participant the Option exercise price paid for such Shares, if any; or
- (c) if a Participant's service with the Corporation or, if applicable, a Subsidiary, terminates for any reason other than death or Cause, any Option held by such Participant may thereafter be exercised by the Participant, to the extent it was exercisable at the time of such termination, for a period ending 90 days following the date of such termination (or, if sooner, on the last day of the stated term of such Option);

provided that any exercise of an Option pursuant to (a) or (c) above shall only be in respect of Shares which were available for purchase at the date of the Event of Termination in accordance with Section 12 hereof. The right to purchase Shares which have not yet become available for purchase pursuant to Section 12 shall cease immediately on the date of the Event of Termination.

For greater certainty, if the employment or service of a Participant is terminated by the Corporation or, if applicable, a Subsidiary, the date of such Event of Termination shall be the date specified by the Corporation or the Subsidiary, as the case may be, in the notice of termination to such Participant as the date on which such Participant's employment or service shall cease. Neither any period of notice, if any, or any payment in lieu thereof, upon such termination of employment or service shall be considered as extending the period of employment for the purposes of the Plan.

**16. Transferability**

Subject to the terms of this Section 16 with respect to a Participant's death, no Options may be transferred or assigned. Options may be exercised by the Participant and, upon the Participant's death, the legal representative of his or her estate or any other person who acquires his or her rights in respect of an Option by bequest or inheritance. A person exercising an Option may subscribe for Shares only in his or her own name or in his or her capacity as a legal representative. All Options exercised during the Participant's lifetime shall only be exercisable by the Participant or, in the event of his or her disability, by his or her personal representative.

**17. Change of Control**

Notwithstanding anything to the contrary set forth in the Plan, upon or in anticipation of any Change of Control, the Administrators may, in their sole and absolute discretion and without the need for the consent of any Participant, take one or more of the following actions contingent upon the occurrence of that Change of Control:

- (a) cause any or all outstanding Options to become vested and immediately exercisable, in whole or in part; and/or
- (b) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the Change of Control and, to the extent not exercised prior to that Change of Control, cancel that Option upon closing of the Change of Control.

**18. Termination of Plan**

The Board may terminate the Plan at any time in its absolute discretion. If the Plan is so terminated, no further Options shall be granted but the Options then outstanding shall continue in full force and effect in accordance with the provisions of the Plan.

**19. Compliance with Statutes and Regulations**

The granting of Options and the sale and delivery of Shares under the Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and applicable stock exchanges. If the Administrators determine in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the granting of an Option or the issue or purchase of Shares under an Option, that Option may not be exercised in whole or in part unless that action shall have been completed in a manner satisfactory to the Administrators.

**20. Withholding Taxes**

A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her receipt of an Option, Share or other property pursuant to the Plan, except to the extent that the Corporation has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the Corporation shall be able to deduct from any payments hereunder in the form of securities or from any other remuneration otherwise payable to a Participant, or any other person pursuant to the exercise of an Option, any taxes that are required to be withheld and remitted. Each Participant or other person receiving securities hereunder agrees to indemnify and save the Corporation harmless from any and all amounts payable or incurred by the Corporation if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

**21. Right to Employment**

Nothing contained in the Plan or in any Option granted under the Plan shall confer upon any person any rights to continued employment with the Corporation or interfere in any way with the rights of the Corporation in connection with the employment or termination of employment of any such person.

**22. Amendments to the Plan**

The Board reserves the right, in its absolute discretion, to amend, suspend or terminate the Plan, or any portion thereof, at any time without obtaining the approval of shareholders of the Corporation, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the NEO Exchange), if any, that require the approval of shareholders. Any amendment to any provision of the Plan will be subject to any required regulatory or governmental approvals. Notwithstanding the foregoing, the Corporation will be required to obtain the approval of the shareholders of the Corporation for any amendment related to:

- (a) an increase to the maximum number Shares which may be issued under the Plan, except pursuant to the provisions of the Plan which permit the Administrators to make equitable adjustments in the event of transactions affecting the Corporation or its capital as set out in Section 14;
- (b) an increase in, or the removal of, the limits on the number of Shares Reserved for Issuance to Insider Participants as set out in Section 8;
- (c) an increase in, or the removal of, the limits on participation in the Plan by non-employee directors as set out in Section 8;
- (d) a reduction in the exercise price per Share for Options (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of re-issuing an Option to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), except pursuant to the provisions of the Plan which permit the Administrators to make equitable adjustments in the event of transactions affecting the Corporation or its capital as set out in Section 14;
- (e) an extension to the term of Options beyond the original expiry date, except in accordance with Section 10 in respect of blackout periods and other trading restrictions;
- (f) providing that an Option may be transferred or assigned other than for normal estate settlement purposes;
- (g) the addition of additional categories of Participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis; or
- (h) the deletion or reduction of the range of amendments which require the approval of shareholders of the Corporation as set out in this Section 22.

**23. No Financial Assistance**

The Corporation shall not provide financial assistance to Participants in connection with the Plan.

**24. Currency**

All references in the Plan to currency refer to Canadian dollars.

**25. Governing Law**

The Plan, and any and all determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the province of Ontario and the laws of Canada applicable therein.

**26. Subject to Approval**

The Plan is adopted subject to the approval of the NEO Exchange, any other required regulatory approval and the approval of the shareholders of the Corporation in accordance with the policies of the NEO Exchange. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect. The Plan shall become effective upon the later of the date of acceptance for filing of the Plan by the NEO Exchange and the date of approval of the Plan by the shareholders of the Corporation.

B-1

**APPENDIX "B"**

**PR PLAN**

(See attached.)

## MOUNT LOGAN CAPITAL INC.

### PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

#### 1. PREAMBLE AND DEFINITIONS

##### 1.1 Title and Conflict.

The Plan described in this document shall be called the “**Performance and Restricted Share Unit Plan**”.

In the event of any conflict or inconsistency between the Plan described in this document and the Award Agreement (as defined below), the terms and conditions of the Award Agreement shall prevail.

The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario.

##### 1.2 Purpose of the Plan.

The purposes of the Plan are:

- (i) to promote a significant alignment between employees and directors of the Corporation and its Subsidiaries and the growth objectives of the Corporation and its Subsidiaries;
- (ii) to associate a portion of participating employees’ and directors’ compensation with the performance of the Corporation and its Subsidiaries over the long term; and
- (iii) to attract and retain critical personnel to drive the business success of the Corporation and its participating Subsidiaries.

##### 1.3 Definitions.

1.3.1 “**Account**” has the meaning set out in Section 5.1.

1.3.2 “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities and tax legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules.

1.3.3 “**Award Agreement**” means the written or electronic agreement between the Corporation and a Participant under which the terms of an award are established, as contemplated by Section 4.1, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan.

1.3.4 “**Award Date**” means the effective date of a grant of PSUs or RSUs, as applicable, to a Participant as stated in the applicable Award Agreement.

1.3.5 “**Award PSUs**” means the number of PSUs awarded to a Participant in respect of a Performance Period and as stated in the applicable Award Agreement.



- 1.3.6 “**Award RSUs**” means the number of RSUs awarded to a Participant as stated in the applicable Award Agreement.
- 1.3.7 “**Award Value**” means the value, in dollars, of an award made to a Participant and as stated in the applicable Award Agreement, which is provided under the Plan in the form of PSUs or RSUs, as the case may be.
- 1.3.8 “**Board**” means the Board of Directors of the Corporation.
- 1.3.9 “**Change in Control**” means, the occurrence of any of the following, in one transaction or a series of related transactions:
- (i) the acquisition by any person or persons acting jointly or in concert (as determined by the *Securities Act* (Ontario)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such person or persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation;
  - (ii) an amalgamation, arrangement, consolidation, share exchange or other form of business combination of the Corporation with another entity that results in the holders of voting securities of that other entity holding, in the aggregate, more than 50% of all outstanding voting securities of the entity resulting from the business combination;
  - (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation or any of its Subsidiaries to another person, other than in the ordinary course of business of the Corporation and other than such sale, lease or exchange to a wholly-owned subsidiary of the Corporation;
  - (iv) the liquidation or dissolution of the Corporation; or
  - (v) any other transaction that is deemed by the Board in its sole discretion to be a “Change in Control” for the purposes of the Plan.
- 1.3.10 “**Corporation**” means Mount Logan Capital Inc. and any successor corporation, whether by amalgamation, merger or otherwise.
- 1.3.11 “**Disability**” means a physical or mental incapacity of the Participant that has prevented the Participant from performing the duties customarily assigned to the Participant for 180 calendar days, whether or not consecutive, out of any 12 consecutive months and that in the opinion of the Corporation, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.
- 1.3.12 “**Dividend Equivalent Units**” has the meaning set out in Section 5.2.
- 1.3.13 “**Insider**” means a Participant who is (a) an insider of the Corporation as defined in the *Securities Act* (Ontario) and (b) an associate (as defined in the *Securities Act* (Ontario)) of any person who is an insider by virtue of (a).

- 1.3.14 “**Market Value**” at any date in respect of the Shares means the volume weighted average trading price of such Shares on the NEO Exchange (or, if such Shares are not then listed and posted for trading on the NEO Exchange, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board) for the five consecutive trading days immediately preceding such date, provided that in the event that such Shares did not trade on any of such trading days, the Market Value shall be the average of the bid and ask prices in respect of such Shares at the close of trading on all of such trading days on which Shares did not trade and provided that in the event that such Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its sole discretion.
- 1.3.15 “**NEO Exchange**” means the NEO Exchange Inc.
- 1.3.16 “**Participant**” means such directors, officers and employees of the Corporation or any Subsidiary as the Board may designate to receive a grant of PSUs or RSUs under the Plan pursuant to an Award Agreement.
- 1.3.17 “**Performance Adjustment Factor**” means the performance adjustment factor (either upwards or downwards) calculated following the end of the Performance Period in accordance with the Award Agreement.
- 1.3.18 “**Performance Criteria**” means, in respect of a grant of a PSU, such financial and/or personal performance criteria as may be determined by the Board in respect of a grant of PSUs to any Participant and set out in an Award Agreement. Performance Criteria may apply to the Corporation, a Subsidiary, the Corporation and its Subsidiaries as a whole, a business unit of the Corporation or group comprised of the Corporation and one or more Subsidiaries, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified Performance Period, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparator group.
- 1.3.19 “**Performance Period**” means, in respect of a grant of a PSU, the particular designated time period(s) in respect of which the Performance Criteria are assessed and determined to be satisfied by the Board in order for such PSU to become a Vested PSU as set forth in the Award Agreement applicable to such grant.
- 1.3.20 “**Period of Absence**” means, with respect to a Participant, a period of time that lasts for at least 90 days throughout which the Participant is on a leave of absence due to a Statutory Leave, or is experiencing a Disability.
- 1.3.21 “**Plan**” means this Performance and Restricted Share Unit Plan, including any schedules or appendices hereto, as such may be amended from time to time and as attached to an Award Agreement.
- 1.3.22 “**PSU Balance**” in respect of any particular date means the number of PSUs recorded in a Participant’s Account in respect of a particular Performance Period, which shall include the PSU Award plus all Dividend Equivalent Units in respect of such PSUs.

- 1.3.23 “**PSU**” means a Performance Share Unit granted to a Participant that is represented by a bookkeeping entry on the books of the Corporation, the value of which on any particular date shall be equal to the Market Value and which generally becomes Vested, if at all, subject to the attainment of certain Performance Criteria and satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.
- 1.3.24 “**RSU**” means a Restricted Share Unit granted to a Participant that is represented by a bookkeeping entry on the books of the Corporation, the value of which on any particular date shall be equal to the Market Value and which generally becomes Vested, if at all, following a period of continuous employment of the Participant with the Corporation or a Subsidiary or service as a director.
- 1.3.25 “**RSU Balance**” in respect of any particular date means the number of RSUs recorded in a Participant’s Account in respect of a particular Vesting Period, which shall include the RSU Award plus all Dividend Equivalent Units in respect of such RSUs.
- 1.3.26 “**Service Provider**” means a person or company engaged to provide ongoing management or consulting services for the Corporation or for any entity controlled by the Corporation.
- 1.3.27 “**Share**” means a common share of the Corporation and such other share as may be substituted for it as a result of amendments to the articles of the Corporation, arrangement, reorganization or otherwise, including any rights that form a part of the common share or substituted share.
- 1.3.28 “**Share Compensation Arrangement**” means, in respect of the Corporation, a stock option, stock option plan, employee stock purchase plan, performance share unit plan, restricted share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to directors, officers or employees of the Corporation or its Subsidiaries or to Service Providers.
- 1.3.29 “**Statutory Leave**” means, with respect to a Participant, a period of time throughout which the Participant is on a leave of absence to which he or she is entitled under applicable legislation and following which he or she has the right, pursuant to such legislation, to return to active employment with the Corporation or a Subsidiary.
- 1.3.30 “**Stock Exchange**” means the NEO Exchange, or if the Shares are not listed on the NEO Exchange, such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.
- 1.3.31 “**Stock Exchange Rules**” means the applicable rules of the Stock Exchange.
- 1.3.32 “**Subsidiary**” has the meaning assigned therein in the *Securities Act* (Ontario) and “**Subsidiaries**” has a corresponding meaning but including unincorporated entities.

1.3.33 “**Vested**” means the applicable conditions for payment or other settlement in relation to a whole number, or a percentage (which may be more or less than 100%) of the number of Award PSUs or Award RSUs determined by the Board, (i) have been met; or (ii) have been waived or deemed to be met pursuant to the terms of the Plan or the applicable Award Agreement, and “**Vest**” or “**Vesting**” have a corresponding meaning

1.3.34 “**Vesting Date**” means, with respect to a PSU or RSU, the date, as set forth in the Award Agreement, on which the applicable conditions for payment or other settlement of such PSU or RSU are met, deemed to have been met or waived as contemplated in Section 1.3.33.

## 2. CONSTRUCTION AND INTERPRETATION

2.1 **Gender, Singular, Plural.** In the Plan, references to the masculine include the feminine; and references to the-singular shall include the plural and vice versa, as the context shall require.

2.2 **Governing Law.** The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.

2.3 **Severability.** If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

2.4 **Headings, Sections.** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.

## 3. EFFECTIVE DATE AND EMPLOYMENT RIGHTS

3.1 **Effective Date.** The Plan is adopted subject to the approval of the NEO Exchange, any other required regulatory approval and the approval of the shareholders of the Corporation in accordance with the policies of the NEO Exchange. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect. The Plan shall become effective upon the later of the date of acceptance for filing of the Plan by the NEO Exchange and the date of approval of the Plan by the shareholders of the Corporation.

3.2 **No Employment Rights.** Nothing contained in the Plan shall be deemed to give any person the right to be retained as an employee of the Corporation or of a Subsidiary. For greater certainty, a period of notice, if any, or payment in lieu thereof, upon termination of employment, wrongful or otherwise, shall not be considered as extending the period of employment for the purposes of the Plan.

## 4. PSU AND RSU GRANTS AND PERFORMANCE PERIODS

4.1 **Awards of PSUs and RSUs.** The Plan shall be administered by the Board. The Board shall have the authority in its sole and absolute discretion to administer the Plan and to

exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, subject to and not inconsistent with the express provisions of this Plan, including, without limitation, the authority to:

- 4.1.1 determine the Award Value and/or the number of PSUs or RSUs to be awarded for each award under an Award Agreement;
- 4.1.2 make grants of PSUs and RSUs in respect of any award under an Award Agreement;
- 4.1.3 determine the Award Date for grants of PSUs and RSUs, if not the date on which the Board determines to make such grants under an Award Agreement;
- 4.1.4 determine the Participants to whom, and the time or times at which, awards shall be made and PSUs and RSUs shall be granted under an Award Agreement;
- 4.1.5 approve or authorize the applicable form and terms of the related Award Agreements;
- 4.1.6 determine the terms and conditions of awards, and grants of PSUs and RSUs in respect thereof, to any Participant, including, without limitation the following, (A) the number of PSUs and RSUs to be granted; (B) the Performance Period(s) applicable to PSUs; (C) the Performance Criteria applicable to PSUs and any other conditions to the Vesting of any PSUs and RSUs granted hereunder; (D) the conditions, if any, upon which Vesting of any PSUs or RSUs will be waived or accelerated without any further action by the Board; (E) the extent to which the Performance Criteria must be achieved in order for any PSUs to become Vested PSUs and the Performance Adjustment Factor or other multiplier, if any, that will be applied to determine the number of PSUs that become Vested PSUs having regard to the achievement of the Performance Criteria; (F) the circumstances in which a PSU or RSU shall be forfeited, cancelled or expire; (G) the consequences of a termination of employment or service with respect to a PSU or RSU; (H) the manner of settlement of Vested PSUs and Vested RSUs, including whether particular Vested PSUs or Vested RSUs will be settled in cash or Shares issued from treasury; and (I) whether and the terms upon which any Shares delivered upon settlement of a PSU or RSU must continue to be held by a Participant for any specified period;
- 4.1.7 determine whether and the extent to which any Performance Criteria applicable to the Vesting of a PSU or other conditions applicable to the Vesting of a PSU or RSU have been satisfied or shall be waived or modified;
- 4.1.8 amend the terms of any outstanding Award Agreement provided, however, that no such amendment, shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding PSU or RSU related to such Award Agreement without his or her consent in writing and provided further, however, that the Board may amend the terms of an Award Agreement without the consent of the Participant if complying with Applicable Law;
- 4.1.9 determine whether, and the extent to which, adjustments shall be made pursuant to Section 5.3 and the terms of any such adjustments;

- 4.1.10 interpret the Plan and Award Agreements;
- 4.1.11 prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and Award Agreements;
- 4.1.12 determine the terms and provisions of Award Agreements (which need not be identical) entered into in respect of awards hereunder;
- 4.1.13 in the event there is any question as to whether a Change in Control has occurred in any circumstances, determine whether a Change in Control has occurred; and
- 4.1.14 make all other determinations deemed necessary or advisable for the administration of the Plan.

4.2 **Eligibility and Award Determination.**

- 4.2.1 In determining the Participants to whom awards may be made and the Award Value (and accordingly the number of PSUs and RSUs to be granted) for each award, or the specific number of PSUs or RSUs to be awarded (subject, in the case of PSUs, to adjustment based on achievement of Performance Criteria), the Board may take into account such factors as it shall determine in its sole and absolute discretion.
- 4.2.2 Unless the Board determines to grant a Participant a specific number of PSUs without specifying an Award Value, the PSUs granted to a Participant for a Performance Period shall be determined by dividing the Award Value determined for the Participant for such Performance Period by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.
- 4.2.3 Unless the Board determines to grant a Participant a specific number of RSUs without specifying an Award Value, the RSUs granted to a Participant shall be determined by dividing the Award Value of an award to be provided to the Participant in the form of RSUs by the Market Value (with currency conversion if necessary) as at the end of the calendar quarter immediately preceding the Award Date, rounded down to the next whole number.
- 4.2.4 For greater certainty and without limiting the discretion conferred on the Board pursuant to this Section, the Board's decision to approve a grant of PSUs in any Performance Period, or any grant of RSUs shall not entitle any Participant to an award of PSUs in respect of any other Performance Period or any future grant of RSUs; nor shall the Board's decision with respect to the size or terms and conditions of an award require it to approve an award of the same or similar size or with the same or similar terms and conditions to any Participant at any other time. No Participant has any claim or right to receive an award or any PSUs or RSUs.
- 4.2.5 An Award Agreement shall set forth, among other things, the following: the Award Date of the award evidenced thereby; the number of PSUs or RSUs, as applicable, granted in respect of such award; the Performance Criteria and the

Performance Adjustment Factor applicable to PSUs and any other conditions to the Vesting of the PSUs or RSUs, as applicable; in the case of PSUs, the applicable Performance Period; and may specify such other terms and conditions as the Board shall determine or as shall be required under any other provision of the Plan. The Board may include in an Award Agreement terms or conditions pertaining to confidentiality of information relating to the Corporation's operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of PSUs or RSUs.

- 4.3 **PSUs and RSUs.** Each whole PSU and RSU will give a Participant the right to receive either a Share or a cash payment, as determined by the Board, in an amount determined in accordance with the terms of the Plan and the applicable Award Agreement. For greater certainty, a Participant shall have no right to receive Shares or a cash payment with respect to any PSUs or RSUs that do not become Vested PSUs or RSUs, as the case may be, under Article 7.

## 5. ACCOUNTS, DIVIDEND EQUIVALENTS AND REORGANIZATION

- 5.1 **Account.** An account (“**Account**”) shall be maintained by the Corporation for each award made to each Participant pursuant to an Award Agreement and which will be credited with an opening balance equal to the Award PSUs and/or Award RSUs granted pursuant to such Award Agreement. PSUs or RSUs that fail to vest pursuant to Article 7, or that are paid out to the Participant or his legal representative, shall be cancelled and shall cease to be recorded in the Participant's Account as of the date on which such PSUs or RSUs, as applicable, are forfeited or cancelled under the Plan or are paid out, as the case may be.
- 5.2 **Dividend Equivalent Units.** When and if cash dividends are paid on the Shares during the period from the Award Date under the Award Agreement to the date of settlement of the PSUs or RSUs granted thereunder, additional PSUs or RSUs, as applicable, will be credited to the Participant's Account in accordance with this Section 5.2 (“**Dividend Equivalent Units**”). The number of such additional PSUs or RSUs to be credited to the Participant's Account in respect of any particular dividend paid on the Shares will be calculated by dividing (i) the amount of the cash dividend that would have been paid to the Participant if each of the PSUs and RSUs recorded in the Participant's Account (but for greater certainty not including any previous Dividend Equivalent Units received and recorded) as at the record date for the cash dividend had been Shares by (ii) the Market Value (with currency conversion if necessary) on the date on which the dividend is paid on the Shares, rounded down to the next whole number. Dividend Equivalent Units shall be subject to the same Vesting conditions and shall Vest and be paid at the same time as the PSUs or RSUs, as applicable, to which they relate.
- 5.3 **Adjustments.** In the event of any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other similar changes affecting the Shares, proportionate adjustments to reflect such change or changes shall be made with respect to the number of PSUs and RSUs outstanding under the Plan, or securities into which the Shares are changed or are convertible or exchangeable and as may be substituted for Shares under this Plan, on a basis proportionate to the number of PSUs and RSUs in the Participant's Account or some other appropriate basis, all as determined by the Board in its sole discretion.

## 6. PAYMENT OF AWARDS BY TREASURY ISSUANCES

- 6.1 **Maximum Number of Shares Issuable from Treasury.** The aggregate number of Shares that are issuable under the Plan to pay awards which have been granted and are outstanding under the Plan, together with Shares that are issuable pursuant to outstanding awards or grants under any other Share Compensation Arrangement, shall not at any time exceed 10% of the Shares then issued and outstanding, subject to adjustment as provided in Section 5.3 above to give effect to any relevant changes in the capitalization of the Corporation. Shares in respect of which Awards have been granted but which are: (i) vested and redeemed; or (ii) forfeited, surrendered, cancelled or otherwise terminated or expire without the delivery of Shares shall be available for subsequent Awards. In addition, the number of Shares subject to an Award (or portion thereof) that the Corporation permits to be settled in cash in lieu of settlement in Shares shall be available for subsequent Awards.
- 6.2 **Issuances of Shares from Treasury.** All issuances of Shares from treasury to pay awards as contemplated by Section 7.4 shall be deemed to be issued at a price per Share equal to the Market Value on the date of issuance. No Award will be granted during a blackout period or other trading restriction imposed by the Corporation or at any other time when the Board or the Corporation has any undisclosed material information.
- 6.3 **Participation Limits.** Awards under the Plan shall be limited as follows:
- 6.3.1 the total number of Shares reserved for issuance to Insiders (as a group) under the Plan, together with Shares reserved for issuance to Insiders under any other Share Compensation Arrangement, shall not at any time exceed 10% of the issued and outstanding Shares (on a non-diluted basis);
  - 6.3.2 within any one-year period the aggregate number of Shares issued to Insiders (as a group) pursuant to the Plan and any other Share Compensation Arrangement shall not exceed 10% of the issued and outstanding Shares (on a no-diluted basis);
  - 6.3.3 the maximum aggregate grant date fair value using the Black-Scholes-Merton valuation model of awards under the Plan, together with awards or grants under any other Share Compensation Arrangement, to any non-employee director of the Corporation in any fiscal year of the Corporation shall not exceed \$150,000; and
  - 6.3.4 no award under the Plan may be made to any non-employee director if such award could result, together with awards or grants then outstanding under the Plan and any other Share Compensation Arrangement, in the issuance to non-employee directors as a group of a number of Shares exceeding 1% of the Shares issued and outstanding immediately prior to any such Share issuance.

## 7. VESTING AND PAYMENT OF AWARDS

- 7.1 **Vesting of PSUs.** Upon the first day immediately following the end of the Performance Period, PSUs represented by the PSU Balance as at such date shall Vest subject to the terms hereof, with the number of Vested PSUs being equal to the PSU Balance as at such date multiplied by the Performance Adjustment Factor as determined by the Board in accordance with the Award Agreement. For certainty, in the event the Performance Adjustment Factor is equal to zero, no PSUs will vest. Except where the context requires



otherwise, each PSU which vests pursuant to Article 7 and each Dividend Equivalent Unit credited in respect of such PSUs after the Performance Period shall be referred to herein as a Vested PSU. PSUs which do not become Vested PSUs in accordance with this Article 7 shall be forfeited by the Participant and the Participant will have no further right, title or interest in such PSUs. The Participant waives any and all right to compensation or damages in consequence of the termination of employment (whether lawfully or unlawfully) or otherwise for any reason whatsoever insofar as those rights arise or may arise from the Participant ceasing to have rights or be entitled to receive any Shares or cash payment under the Plan pursuant to this Section 7.1.

- 7.2 **Performance Criteria.** The PSUs granted to a Participant under an Award Agreement and Section 4.1 (and the related Dividend Equivalent Units credited on or before the end of the Performance Period specified in the Award Agreement) shall become Vested PSUs only upon the Board's determination with respect to the Performance Adjustment Factor in accordance with the Award Agreement applicable to such PSUs or have been waived in accordance with Section 4.1.7.
- 7.3 **Vesting of RSUs.** Upon the Vesting Date(s) specified in the applicable Award Agreement the RSUs comprising a Participant's RSU Balance shall Vest in such proportion as may be determined in accordance with such Award Agreement. Except where the context requires otherwise, each RSU which vests pursuant to Article 7 and each Dividend Equivalent Unit credited in respect of such RSU after its Vesting Date shall be referred to herein as a Vested RSU. RSUs which do not become Vested RSUs in accordance with this Article 7 shall be forfeited by the Participant and the Participant will have no further right, title or interest in such RSUs. The Participant waives any and all right to compensation or damages in consequence of the termination of employment (whether lawfully or unlawfully) or otherwise for any reason whatsoever insofar as those rights arise or may arise from the Participant ceasing to have rights or be entitled to receive any Shares or cash payment under the Plan pursuant to this Section 7.3.
- 7.4 **Payment in Shares.** In the event that a Participant's Vested PSUs or Vested RSUs have been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a number of Shares equal to the number of Vested PSUs or Vested RSUs, as the case may be, credited to the Participant's Account (rounded down to the nearest whole number of Shares). In such event, such Shares shall be distributed to the Participant or his legal representative, as applicable, as soon as practicable following the applicable Vesting Date. For purposes of clarity of the intent to comply with certain Canadian tax rules, in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.
- 7.5 **Payment in Cash.** In the event that a Participant's Vested PSUs or Vested RSUs have not been designated by the Board for settlement in Shares issued from treasury, the Participant or his legal representative, as applicable, shall receive a cash payment equal to: (i) in the case of PSUs, the Market Value determined as of the last day of the Performance Period multiplied by the number of Vested PSUs credited to his PSU Account as of the last day of such Performance Period, (rounded down to the nearest whole number of PSUs); and (ii) in the case of RSUs, the Market Value determined as of the Vesting Date of such RSUs multiplied by the number of Vested RSUs credited to his Account as of the Vesting Date (rounded down to the nearest whole number of RSUs). Subject to Section 10.9, the cash payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum as soon as practicable following the

applicable Vesting Date. For purposes of clarity of the intent to comply with certain Canadian tax rules, in no event shall the payment be made later than December 31 of the third calendar year following the year in which the services giving rise to the award of PSUs or RSUs were rendered.

7.6 **Death. Period of Absence.**

7.6.1 **Death.** Where the employment or service as a director of a Participant terminates during a Performance Period in the case of PSUs or prior to a Vesting Date in the case of RSUs by reason of the Participant's death: (i) the PSUs credited to the Participant's Account as at December 31 of the year immediately preceding the Participant's date of death shall continue to be eligible to become Vested PSUs in accordance with Sections 7.1 and 7.2; and (ii) the RSUs credited to the Participant's Account as at December 31 of the year immediately preceding the Participant's date of death shall Vest as of the Participant's date of death. The Participant shall be entitled to receive cash or Shares (or a combination thereof) as specified by the Board determined in accordance with Sections 7.4 or 7.5. For greater clarity, the number of Vested PSUs used to calculate the value of the payment shall equal the number of Vested PSUs determined in accordance with Sections 7.1 and 7.2 as at December 31 of the year immediately preceding the Participant's date of death.

7.6.2 **Period of Absence.** In the event of a Participant's Period of Absence during a Performance Period for PSUs or prior to a Vesting Date for RSUs and subject to this Section 7.6.2 and Section 7.6.4, PSUs and RSUs credited to the Participant's Account immediately prior to the commencement of such Period of Absence (and any related Dividend Equivalent PSUs and RSUs) shall continue to be eligible to become Vested in accordance with the provisions of Sections 7.1 and 7.2 and the Participant shall be entitled to receive cash or Shares (or a combination thereof) as specified by the Board in respect of such Vested PSUs and Vested RSUs determined in accordance with Sections 7.4 or 7.5, as applicable, except that the number of Vested PSUs and Vested RSUs used to calculate the value of the payment shall equal the number of Vested PSUs or Vested RSUs, as applicable determined in accordance with Section 7.1 and 7.2 multiplied by a fraction, the numerator of which equals the number of whole and partial months in the Performance Period for which the Participant actively performed services for the Corporation or a Subsidiary and the denominator of which equals the number of whole and partial months in the Performance Period; in the case of PSUs, or in the period from the Award Date to the Vesting Date of such RSUs.

7.6.3 For greater clarity, no additional PSUs or RSUs (whether pursuant to Section 4.1 or in the form of Dividend Equivalent Units) shall be granted to a Participant following his or her date of death or during his or her Period of Absence, including following his or her date of Disability.

7.6.4 Notwithstanding Section 7.6.2, where a Participant experiences a Period of Absence that extends beyond the end of a Performance Period for PSUs or a Vesting Date for RSUs and fails to return to active full-time employment with the Corporation or a Subsidiary within 180 days following the end of such Performance Period or such Vesting Date, no portion of the PSUs subject to such Performance Period or RSUs that would otherwise Vest on such Vesting Date

shall Vest and the Participant shall receive no payment or other compensation in respect of such PSUs or RSUs or loss thereof, on account of damages or otherwise.

7.7 **Other Terminations of Employment.** Except as otherwise provided in the Award Agreement governing the grant of PSUs or RSUs to a Participant or a written employment or other agreement between the Participant and the Corporation or any Subsidiary, in the event that, during a Performance Period with respect to PSUs or prior to a Vesting Date with respect to RSUs, (i) the Participant's employment or service as a director is terminated by the Corporation or a Subsidiary of the Corporation for any reason, or (ii) a Participant voluntarily terminates his employment with the Corporation or a Subsidiary of the Corporation or service as a director, including due to retirement, no portion of the PSUs subject to such Performance Period or RSUs that would otherwise Vest on such Vesting Date shall Vest and the Participant shall receive no payment or other compensation in respect of such PSUs or RSUs or loss thereof, on account of damages or otherwise; provided that any Vested PSUs and Vested RSUs will be settled in accordance with Sections 7.4 and 7.5.

7.8 **Change in Control.** Notwithstanding any other provision of the Plan, but subject to the terms of any Award Agreement or any employment agreement between the Participant and the Corporation or any Subsidiary, in the event of a Change in Control, all PSUs and RSUs credited to each Account (including for greater certainty Dividend Equivalent Units) which have not become Vested PSUs or Vested RSUs, shall become Vested PSUs and Vested RSUs on the basis of one PSU becoming one Vested PSU and one RSU becoming one Vested RSU, as at the time of Change in Control (unless otherwise determined by the Board). As soon as practicable following a Change in Control each Participant shall, at the discretion of the Board, receive in cash or in Shares (or a combination thereof) a payment equal to the number of such Vested PSUs and Vested RSUs (as determined pursuant to this Section 7.8) credited to the Participant's Account at the time of the Change in Control (rounded down to the nearest whole number of Vested PSUs and Vested RSUs) multiplied by the price at which the Shares are valued for the purpose of the transaction or series of transactions giving rise to the Change in Control, or if there is no such transaction or transactions at the Market Value on the date of the Change in Control, less any statutory withholdings or deductions. Notwithstanding the foregoing, where a Change in Control occurs and no Shares are distributed and no cash payments are made to a Participant within 30 days following the Change in Control, the Corporation shall cease to have the discretion to provide the Participant with Shares and shall be required to pay (or cause a Subsidiary to pay) to the Participant in respect of his Vested PSUs and Vested RSUs and Dividend Equivalent Units in cash the amount determined in accordance with the payment formula set out above.

## 8. CURRENCY

8.1 **Currency.** All references in the Plan to currency refer to Canadian dollars.

## 9. SHAREHOLDER RIGHTS

9.1 **No Rights to Shares.** PSUs and RSUs are not Shares and neither the grant of PSUs or RSUs nor the fact that Shares may be acquired by, or provided from, the Corporation in satisfaction of Vested PSUs or Vested RSUs will entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

## 10. ADMINISTRATION

- 10.1 **Delegation and Administration.** The Board may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to any committee of the Board or any one or more directors, officers or employees of the Corporation and/or its Subsidiaries as it may determine from time to time, on terms and conditions as it may determine, except the Board shall not, and shall not be permitted to, delegate any such powers, rights or duties to the extent such delegation is not consistent with Applicable Law.
- 10.2 **Effects of Board's Decision.** Any interpretation, rule, regulation, determination or other act of the Board hereunder shall be made in its sole discretion and shall be conclusively binding upon all persons.
- 10.3 **Liability Limitation.** No member of the Board or any officer, director or employee of the Corporation or any Subsidiary shall be liable for any action or determination made in good faith pursuant to the Plan or any Award Agreement under the Plan. To the fullest extent permitted by law, the Corporation and its Subsidiaries shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Board or is or was an officer, director or employee of the Corporation or a Subsidiary.
- 10.4 **Compliance with Laws and Policies.** The Corporation's issuance of any PSUs and RSUs and its obligation to make any payments or discretion to provide any Shares hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Corporation applicable to the Participant in connection with the Plan including, without limitation, furnishing to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law. Such laws, regulations, rules and policies shall include, without limitation, those governing "insiders" or "reporting issuers" as those terms are construed for the purposes of Applicable Laws.
- 10.5 **Withholdings.** So as to ensure that the Corporation or a Subsidiary, as applicable, will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Corporation, or a Subsidiary may withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount, or may require the sale of such number of Shares, as may be necessary to permit the Corporation or the Subsidiary, as applicable, to so comply.
- 10.6 **No Additional Rights.** Neither designation of an employee as a Participant nor the establishment of an Award Value for or grant of any PSUs or RSUs to any Participant entitles any person to the establishment of an Award Value, grant, or any additional grant, as the case may be, of any PSUs or RSUs under the Plan.
- 10.7 **Amendment, Termination.** The Plan may be amended or terminated at any time by the Board in whole or in part, provided that:
- 10.7.1 no amendment of the Plan shall, without the consent of the Participants affected by the amendment, or unless required by Applicable Law, adversely affect the

rights accrued to such Participants with respect to PSUs or RSUs granted prior to the date of the amendment;

10.7.2 no amendment of the Plan shall be effective unless such amendment is approved by the Stock Exchange whose approval is required under Stock Exchange Rules; and

10.7.3 approval by a majority of the votes cast by shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation shall be obtained for any:

10.7.3.1 amendment for which, under the requirements of the Stock Exchange or any applicable law, shareholder approval is required;

10.7.3.2 a reduction in pricing of an award under the Plan (other than an adjustment pursuant to Section 5.3) or the cancellation and reissuance of awards under the Plan;

10.7.3.3 extension of the term of an award under the Plan beyond the original expiry date of the award;

10.7.3.4 any amendment to remove or exceed the Insider participation limits set out in Sections 6.3.1 or 6.3.2;

10.7.3.5 any amendment to remove or exceed the limits on participation in the Plan by non-employee directors as set out in Sections 6.3.3 or 6.3.4;

10.7.3.6 an increase to the maximum number of Shares which may be issuable under the Plan, other than an adjustment pursuant to Section 5.3;

10.7.3.7 the addition of additional categories of Participants that may permit the introduction or re-introduction of non-employee directors on a discretionary basis;

10.7.3.8 allowance of awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; or

10.7.3.9 amendment to this Section 10.7.

10.8 **Administration Costs.** The Corporation will be responsible for all costs relating to the administration of the Plan. For greater certainty and unless otherwise determined by the Board, a Participant shall be responsible for brokerage fees and other administration or transaction costs relating to the transfer, sale or other disposition of Shares on behalf of the Participant that have been previously distributed to or provided to the Participant pursuant to the Plan.

10.9 **Compliance with Section 409A of the U.S. Internal Revenue Code.** Notwithstanding any provision in this Plan or an Award Agreement to the contrary, to the extent a Participant is subject to taxation under the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”), then any PSUs and RSUs awarded to such Participant shall be interpreted and administered so that any amount payable with respect to such

awards shall be paid in a manner that is either exempt from or compliant with the requirements of Section 409A of the U.S. Tax Code and the applicable regulatory and other guidance issued thereunder (“**Section 409A**”). In furtherance of the foregoing, the Addendum attached hereto shall apply to U.S. Participants (as defined therein).

**11. NO FINANCIAL ASSISTANCE**

11.1 **No Financial Assistance.** The Corporation shall not provide financial assistance to Participants in connection with the Plan.

**12. ASSIGNMENT**

12.1 **Assignment.** The assignment or transfer of the PSUs or RSUs, or any other benefits under this Plan, shall not be permitted, other than by operation of law.

**ADDENDUM**  
**TO THE**  
**MOUNT LOGAN CAPITAL INC.**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**  
**SPECIAL PROVISIONS FOR U.S. PARTICIPANTS**

The provisions of this Addendum apply only to U.S. citizens, U.S. permanent residents or any other persons whose Award PSUs or RSUs are subject to U.S. Federal Income Tax (“**U.S. Participants**”) at the relevant time.

This Addendum modifies the Plan for U.S. Participants and where there is any conflict between the Plan and the terms of this Addendum, the terms of this Addendum shall prevail.

- 1. Title and Conflict** All Award PSUs and RSUs issued under the Plan to U.S. Participants are intended to be exempt from and avoid the penalties imposed by Section 409A, or any successor thereto, and all provisions hereunder shall be read, interpreted, and applied with that purpose in mind. The Award Agreement applicable to any U.S. Participant may be revised to address this intention.
- 2. Definitions**

“Change in Control” “**Change in Control**” means a transaction described in Section 1.3.9 of the Plan, but only to the extent that such a transaction constitutes a change in the ownership of effective control of the Corporation or in the ownership of a substantial portion of the assets of the Corporation, as defined in regulation 1.409A-3(i)(5) under Section 409A.

“Market Value” “**Market Value**” shall have the meaning as to U.S. Participants as specified in Section 1.3.14 of the Plan.

“Section 409A” “**Section 409A**” means section 409A of the U.S. Tax Code.

“Separation from Service” “**Separation from Service**” means a “separation from service” for purposes of Section 409A(a)(2)(A)(i) of the U.S. Tax Code.

“Specified Employee” “**Specified Employee**” means a “specified employee” as determined in a manner that complies with Section 409A(2)(B)(i) of the U.S. Tax Code.

“U.S. Tax Code” “**U.S. Tax Code**” means the United States Internal Revenue Code of 1986, as amended, and the regulations and guidance issued under it from time to time.

### **3. Payment**

The Award Agreement shall state the Vesting Date. It is intended that the vesting conditions for the Award shall constitute a “substantial risk of forfeiture” within the meaning of Section 409A. However, *to the extent that any of PSU or RSU awarded would constitute “non-qualified deferred compensation”* that is subject to Section 409A, then the following terms shall apply to such award:

Notwithstanding Sections 7.4 or 7.5 to the contrary, payment shall be made to the Participant or his legal representative, as applicable, in a single lump sum, less any applicable statutory withholdings or deductions, either (1) between January 1 and March 15, if the last day of the Performance Period or the Vesting Date, as applicable, is December 31, or (2) if (1) does not apply, no later than 75 days following the last day of the Performance Period or Vesting Date, as applicable (or, in the event of the Participant’s death, no later than 75 days following the date of the Participant’s death), provided that the Participant does not have a right to designate the year of the payment. Neither the Board, the Corporation nor its directors, officers or employees make any representations or warranties regarding the tax treatment of any payments under the Plan and none of them shall be held liable for any taxes, interest, penalties or other monetary amounts owed by a Participant as a result of the application of Section 409A. Notwithstanding any contrary provision set forth in the Plan (and, in particular, in Section 7 of the Plan), the payment of any amounts due under the Plan subject to Section 409A shall be made in compliance with Section 409A and shall not be accelerated except as otherwise permitted under Section 409A. Where applicable to avoid violation of Section 409A, any reference to or requirement relating to the termination or cessation of a U.S. Participant’s employment may instead refer to or require such U.S. Participant’s Separation from Service. If required for Award PSUs or Award RSUs subject to Section 409A, if any Award Agreement requires payment upon Separation from Service, then a Specified Employee’s payment shall be delayed until a date that is six months following the date of the U.S. Participant’s Separation from service (or, if earlier, the date of death of the U.S. Participant).

### **4. Change in Control**

Section 7.8 of the Plan (“Change in Control”) shall apply to Award PSUs and Award RSUs that constitute deferred compensation under Section 409A held by a U.S. Participant only if the Change in Control constitutes a Change in Control of the Corporation as defined in this Addendum. With respect to a transaction that constitutes a Change in Control under Section 7.8 of the Plan but does not constitute a Change in Control as defined in this Addendum, to the extent so provided by the Plan, unless otherwise determined



not to become vested by the Board, all unvested PSUs and RSUs shall become fully vested (shall become Vested PSUs and Vested RSUs), but the payment of such rights shall be in the Award Agreement.

APPENDIX “C”

MOUNT LOGAN CAPITAL INC.

MANDATE OF THE BOARD OF DIRECTORS

**Purpose**

The Board of Directors (the “**Board**”) of Mount Logan Capital Inc. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board should conduct the procedures, and manage the responsibilities and obligations set out below, either directly or through committees of the Board, currently consisting of the Audit Committee, the Compensation Committee, the Investment Committee and the Corporate Governance and Nominating Committee.

**Composition**

1. The Board should consist of individuals who possess skills and competencies in areas that are relevant to the business and affairs of the Corporation. At least a majority of the directors should be “independent” directors within the meaning of applicable securities laws, instruments, rules and policies and regulatory requirements (collectively “**Applicable Laws**”).
2. The directors of the Corporation will be elected at the annual meeting of the shareholders of the Corporation and shall serve no longer than the close of the next annual meeting of shareholders, subject to re-election thereat.

**Meetings**

3. The Board shall have at least four regularly scheduled meetings in each financial year of the Corporation.
4. The Chairman of the Board (the “**Chairman**”), the Chief Executive Officer (the “**CEO**”) and the Lead Director, if any, are responsible for the agenda for each meeting of the Board. Prior to each Board meeting, the Chairman should discuss agenda items for the meeting with the Lead Director, if any. Materials for each meeting should be distributed to the Board in advance of the meeting.
5. Directors are expected to attend at least three quarters of all meetings of the Board held in a given financial year of the Corporation and to adequately review meeting materials in advance of each meeting.
6. The independent directors (in this context meaning directors who are independent within the meaning of Applicable Laws) should hold an *in camera* session without the non-independent directors present at each meeting of the Board. The Chairman, if independent, and if not independent, the Lead Director, if any, should chair the *in camera* sessions.

**Board Committees**

7. The Board may appoint such committees from time to time as it considers appropriate. Each permanent committee shall have a mandate that is approved by the Board setting out the responsibilities of, and the extent of the powers delegated to, such committee by the Board.

## **Responsibilities**

### ***Oversight of Management and the Board***

8. The Board is responsible for the appointment, and replacement, of senior officers of the Corporation.
9. The Board is responsible for satisfying itself as to the integrity of the CEO, the Chief Financial Officer and the other senior officers.
10. The Board should annually consider what additional skills and competencies would be helpful to the Board, with the Corporate Governance and Nominating Committee being responsible for identifying specific candidates for consideration for appointment to the Board.
11. The Board should review the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

### ***Financial Matters***

12. The Board is responsible for reviewing the financial performance of the Corporation.
13. The Board should review and approve the quarterly and annual financial statements, the management's discussion and analysis and press release related to such quarterly and annual financial statements, and the annual information form, management information circular and annual report of the Corporation.
14. The Board, primarily through the Audit Committee, should monitor and ensure the integrity of the internal controls and procedures (including adequate management information systems) of the Corporation and the financial reporting procedures of the Corporation.
15. The Board is responsible for considering, and if established, reviewing from time to time, the dividend policy for the Corporation.

### ***Certain Transactions***

16. The Board is responsible for reviewing and approving all material transactions and all related party transactions (within the meaning of Applicable Laws) involving the Corporation which are presented to the Board for approval.

### ***Communications and Reporting to Shareholders***

17. The Board should oversee the continuous disclosure program of the Corporation with a view to satisfying itself that procedures are in place to ensure that material information is disclosed in a timely fashion.
18. The Board will ensure that the Corporation has a disclosure policy which includes an appropriate framework for investor relations and public disclosure.

### ***Corporate Governance***

19. The Corporate Governance and Nominating Committee will recommend, and the Board will establish, the Board's approach to corporate governance.

20. The Board is responsible for assessing its own effectiveness in fulfilling this mandate and shall assess this mandate as well as the mandate of each committee (considering, among other things, the recommendation of the applicable committee) from time to time and at least annually.
21. The Board is responsible for evaluating the relevant relationships of each independent director with the Corporation and is required to make an affirmative decision that any such relationship does not preclude a determination that the director is independent within the meaning of Applicable Laws.
22. The Board is responsible for ensuring the establishment of appropriate standards of corporate conduct.

***General***

23. The Board is responsible for performing such other functions as are prescribed by law, including all Applicable Laws.
24. The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Corporation.

**Lead Director**

25. The Board will appoint a Lead Director in circumstances in which the Chairman is not considered independent under Applicable Laws in order to provide independent leadership to the Board and for the other purposes set forth below.
26. If a Lead Director is required, the Corporate Governance and Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board is responsible for appointing the Lead Director.
27. The Lead Director, if any, will serve at the pleasure of the Board.
28. The Lead Director, if any, will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the senior officers and the Chairman.
29. The Lead Director, if any, will:
  - (a) in the absence of the Chairman, act as the chair of meetings of the Board;
  - (b) review with the Chairman matters for presentation to the Board;
  - (c) consult and meet with any or all of the other independent directors, at the request of any of them and with or without the attendance of the Chairman, and represent such directors in discussions with the senior officers and Chairman concerning corporate governance and other matters;
  - (d) together with the Chairman and the CEO, ensure that all required matters are presented to the Board, such that the Board is able to supervise the management of the business and affairs of the Corporation;
  - (e) together with the Chairman and the Chair of the Corporate Governance and Nominating Committee, ensure that the Board, the committees of the Board, individual directors and the senior officers

understand and discharge their obligations under the approach to corporate governance established by the Board from time to time;

- (f) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
- (g) facilitate the process of conducting any director evaluations;
- (h) promote best practices and high standards of corporate governance; and
- (i) perform such other responsibilities and obligations as may be delegated to the Lead Director, if any, by the Board from time to time.

**Feedback**

30. The Board welcomes input and comments from shareholders of the Corporation relating to this mandate. Such input and comments may be sent to the Board at the address of the Corporation.

Approved: November 28, 2018