



**2015 Annual General Meeting
The Canada Aviation and Space Museum
11 Aviation Parkway, Ottawa, Ontario
4:30 p.m. – 5:30 p.m.**

MINUTES

AGENDA

1. Call to Order
2. Opening Remarks and Introductions
3. Frontenac Business
 - a) Chair's Remarks
 - b) Confirmation of Agenda
 - c) Approval of Minutes of Previous Annual General Meeting (June 21, 2014)
 - d) Receipt of Audited Annual Financial Statements
 - e) Approval of Raymond Chabot Grant Thornton LLP as Auditor and to authorize the Board of Directors to fix the remuneration of the Auditor
4. Wayne Robinson, Senior Counsel
5. Matthew Robinson, CEO
6. New Business
7. Adjournment

Present

Shareholders: David Allen, Tracy Allen, Margaret Allen, Eric Asselstine, Jeff Asselstine, Suzanne Auger, Terry Bailey, Barbara Baranovsky, Robert Barnes, Gillian Barnes, Joel Barr, Judith Barr, Richard Bell, Constance Bergeron, Gerard Bergeron, Rosemarie Bowick, William Bowick, Ron Bruyns, Carolyn Burke, Dorothy Burke, Gerald Burke, Norma Burke Diane Burns, Walter Bylsma, William Calvert, Sandra Calvert, Glenna Carr, Susan Chiarelli, Joe Climie, Ashley Conboy, Darlene Conboy, George Conboy, Joyce Conboy, Melvin Conboy, Janice Cruickshank, Manuel Dasilva, Yves De Niverville, Lynne Anne Dicaire, Eric Dinelle, Rebecca Dinelle, Juana Garcia, Debra Garrett, Donald Garrett, Jeanne Gavura, Joseph Gavura, Gary Giller, Christopher Girdler, Alan Gordon, Lesli Gut, Adam Hagenah, Hans Hagenah, Susan Hagenah, Wayne Hamilton, James Heney, Rolande Hickeson, George Hiles, Judith Hiles, Lorraine Hlady, Maureen Hoas, Helen Hope, Diane Howald, Ronald Howald, John Ibey, Michael Inglis, Sheldon Jacobs, Suzanne Jacobs, Larry Jameson, Lorraine Jameson, Faye Johnson, Robert Johnson, Margaret Kelk, James Kerruish, Ellen Lackey, Stuart Lackey, Alvin Lake, Dianne Lake, Michael Litchfield, Susan Litchfield, Sharon MacDonald, William MacDonald, Rodger MacMunn, Pierrette Lea Martin, Judith Masse, Keith McGruer, Bernice Moase, Gary Moase, Helen Moase, Peter Moase, Sandra Moase, Scott Moase, Suzan Moase, Valerie Moore, Riley Mousseau, Richard Neeb, Patrick O'Neil, Marilyn Order, Susan Patterson-O'Neil, Carol Raymo, Krista Raymo, Frank Reeves, Alison Robinson, David Robinson, Spencer Robinson, Sharon Rodden, Brad Ross, Harry Rylaarsdam, David Seeds, Linda Seeds, Douglas Shaw, Lorraine Shaw, Bernard Slavin,

Mary Luciele Slavin, Frances Smith, Nancy Smith, Ralph Smith, Donna Smith-Wood, Elizabeth Stewart, Michael Stott, Ben Sutcliffe, Steven Tarasick, Madeliene Tarasick, Jennifer Watson, John Watson, Franklin Witt, Judith Witt, Pamela Woods.

Guests: Paulette Allaire, Garth Allan, Valerie Allan, Mick Armitage, Candice Asselstine, Angele Aubin, Bruce Baker, Darren Battochio, Gisele Beaulieu, Donald Boulet, Pierrette Boyer, Rev Bragg, Edward Bryant, Jim Burns, Derrick Campbell, Ana Campos, Bob Climie, Penny Cody, Jeff Cody, Jason Conboy, Robert Davis, Stacey Delli-Pizzi, Denis Dinelle, Stephen Duggan, Luanne Ellerbeck, Rick Ellerbeck, Helena Feldstein, Peter Foret, Kathleen Furber, Jose Garcia, Melissa Girdler, Ronald Gould, Karen Graves, Jeanette Gray, Bill Green, Ron Guest, Sueann Guest, Mikila Haldane, Chris Hamilton, Val Hamilton, Mike Hanley, Diana Heitin, Len Heitin, Hein Herrersbach, Jacob Heney, Kaelah Heney, Ruth Heney, Andrew Heyblom, SherryAnn Heyblom, Robert Hickeson, Sam Himyary, Tina Hutchinson, Deborah Ibey, Justin Jackson, Mike James, Odette James, Eric Jeurond, Natasha Karfell, Martha Kenny, Murray Kenny, Cathy Lackey, Keith Lacombe, Ross Leeder, Jonathan Lefebvre, Mary Lichty-Neeb, Shannon Link, Jaime Lloyd-Smith, Alan Macdonald, Jenna Malcolm, Susan Malcolm, Cory Malone, Wendy McDougall, Nancy McGruer, Kathy McMillan, Jason Milne, Ronald Moase, Robert Moore, Leonila Nadal, Maureen O'Hara, Alex O'Neil, Jim Pilbrow, Tracy Pilbrow, Paul Raymo, Kathy Reeves, Ryan Richmond, Susan Richmond, Kevin Rioux, Heather Robinson, Lindsay Roy, Marie-Sylvie Roy, Jacques Schingh, Dave Scott, Mike Shea, Sandra Shea, Paul Sibue, Gloria Silverson, Greg Silverson, Laura Simpson, David Smith, Joe Sproule, Michael Steepe, Helga Stefan, Mike Stefan, Maria Stott, Maggie Sutcliffe, Denise Szpakowski, Peter Szpakowski, Greg Teckles, Suzanne Theoret, Stephanie Thompson, Grant Tomkinson, Daniel Tronch, Sue Tronch, Landust Tubman, Rosanne Vukobrat, Mike Webster, Catherine Wagar, Stephanie Wagar, John Wood, Katie Worden, Bill Young

Staff: Leigh Brown, Patricia Bryant, Kevin Cruickshank, Cam Delli-Pizzi, Marcel Giroux, Michael Graves, Lindy Hay, Alyssa Jackson, Chris Johnson, Amber Lemke, Sharon MacMunn, Jamie Malone, Wayne Moase, Nancy Moore, Kimberley Morrow, Amanda Mousseau, Dawn Reiser, Heather Rioux, Matthew Robinson, Wayne Robinson, Debra Smith, Phillip Smith, Beth Sproule, Jared St.Pierre, Cory Thompson, Diane Whan

1. Call to Order

The meeting was called to order at 4:30 p.m.

2. Opening Remarks and Introductions

Michael Graves made the following remarks and introductions:

“Good afternoon, shareholders and guests. Welcome to the 2015 Frontenac Annual General Meeting. I now call the Meeting to order.

My name is Michael Graves. I am a shareholder of Frontenac and I am the Marketing and Communications Manager of Frontenac, W.A. Robinson Asset Management Limited and Pillar Financial Services Incorporated. I am your emcee for the meeting.

We have a fantastic venue here at the Canada Aviation and Space Museum. If you haven't been here before, be sure to take a look around, which should be easy to do once the reception starts in the heart of the museum.

Shareholders were offered packages and water at the door as you entered the theatre. If you didn't receive a package, please raise your hand and staff members, Heather Rioux and Alyssa Jackson, will come by to find what you need.

As I said previously, washrooms are outside of the Theatre. Take a left once you exit and another left down the corridor and the washrooms will be on your right. We plan to have a short business meeting of about an hour and then we will retire to the Museum for the reception, dinner and entertainment, more on that later.

It is my great pleasure to introduce the head table to you. I ask that those of you at the head table acknowledge the introduction as it is made. They are the Chair of the Board of Directors, Bill Calvert; the Corporate Secretary, Dawn Reiser; the CEO of Frontenac, Matthew Robinson; Senior Council and founder of Frontenac, Wayne Robinson; the CFO, Kevin Cruickshank; your Auditor, Paul Sibue of Raymond Chabot Grant Thornton; the Chair of the Audit Committee, Robert Barnes; and the Chair of the Governance/Nominating Committee, Brad Ross.

Before I turn the meeting over to the Chair, Bill Calvert, you need to know a few things about him. After all, he has been Chair of your Board of Directors for the past three years.

He has over 20 years' experience as a CEO in the public sector in Ontario and has had a long term involvement in regional and community economic development and in land use planning with the Province and Regional Municipalities. He has served in a wide range of roles including chairing boards and heading senior management teams that have reported to Boards. He also has extensive experience in administrative transformation, restructuring and succession planning.

In a final step in the planned transition to the new Board, Bill will be stepping down as Chair this summer, but will remain as a member of the Board of Directors for the balance of his term.

We are fortunate to have had such an experienced man to head up our Board of Directors. I now call on him to conduct the 2015 Annual General Meeting."

3. Frontenac Business

a) Chair's Remarks

"Thank you Michael.

Good afternoon and thank you for being with us at today's Annual General Meeting. Thirty-two consecutive years of positive monthly returns is an enviable track record and a tribute to

capable leadership, competency, carefully nurtured relationships, team work and strong linkages with the nation-wide community of shareholders we serve. These are the “Foundations” of the Frontenac family.

In 2015, Frontenac, more than ever, continues to provide existing and new shareholders alike with a lifetime of investment opportunities, from childhood to advanced age, through a full range of investment vehicles.

Growth of the fund is very carefully controlled through a constantly refined system of treasury management and an ethical balance is maintained that will provide, in the future, for a continuing return approaching historic norms and preservation of shareholders capital.

Members of our staff have worked diligently throughout the past year with regulatory bodies to ensure we remain in effective compliance with evolving requirements and to ensure our stable business model is protected.

Our mortgage business however, while ever changing and growing, remains aligned with our historic base as an alternative lender in a largely rural niche, residential market. Today we rely to a very significant degree on our valued business partners and especially upon our excellent and much appreciated, growing network of highly competent Mortgage Brokers and Portfolio Managers who bring us quality deals and investment funding on a year-round basis.

This past year has also seen the continuing refinement of the lending principles, policies and procedures that we apply to underwriting mortgages prudently. In addition, efforts have also been made throughout the organization to generally improve and streamline all of Frontenac’s operations.

Matthew Robinson became our C.E.O. effective July 1st, 2014. Kevin Cruickshank continues in his role as Chief Financial Officer and Wayne Robinson rounds out the Senior Management Team as Senior Counsel to the Robinson Group of Companies.

Philip Smith, Manager, Mortgage Operations and Debra Smith, Manager, Investor Services play very important roles in the management of the Corporations and are responsible for the day-to-day management of staff and the execution of the overall strategic plan and operations.

As we move forward, Frontenac continues to bring fresh skills and state-of-the-art systems into application on a day-to-day basis and in doing so, is retaining and recognizing the experience and history upon which this organization was built! We encourage innovation and embrace change!

Our Board and our Administration have moved the yardsticks forward again this year in focusing our activities upon Policy Governance and in further tailoring the Carver Model to our particular business model. Our objectives are to concentrate on the larger issues; to delegate with clarity through a forward thinking focus on Ends versus Means; to rigorously evaluate the accomplishments of the organization; and to provide prudent, ethical and effective leadership.

Board and Committee Meeting agendas and reports have also been completely tailored to the Carver Model. Monitoring reports, that provide both the CEO’s interpretation of the Board’s instructions and detailed evidence of compliance, are considered and reviews of specific policies are carried out by the Board on a scheduled basis at planned intervals during the year.

Rose Mercier of Janice Moore and Associates continues to serve as our Governance Coach to ensure our transition to Policy Governance remains on track.

Board members and staff rely on Basecamp, a web-based project management and collaboration tool, to facilitate our deliberations on an on-going basis and to allow questions and issues to be considered and addressed in advance of actual Board and Committee meetings.

Notwithstanding these positive activities and progressive changes, our key focus as Directors and staff is clearly on the return, you our shareholders earn. Not only is this the “bottom line” of our organization’s day-to-day activities, policies and Annual Strategic Plan, it is the reason Frontenac exists. Your continued support and investment in the fund is sincerely appreciated.

Speaking of money, our annual rate of return in 2014 was 6.27%. Demand for our mortgages has been well beyond projections again thus far this year, with the result that Frontenac’s rate of return for 2015 to-date stood at 5.72% at the end of May and the fund had net assets of \$152 million at that time.

It is now my pleasure to introduce your Frontenac Board of Directors. Would the Directors please stand and remain standing, facing the audience, after your name has been called: Robert Barnes, Audit Committee Chair; Brad Ross, Nominating and Governance Committee Chair; Eric Dinelle; Margaret Kelk; Sheldon Jacobs; Steve Tarasick; and finally the staff person who keeps us all in line and organized, our capable Corporate Secretary, Dawn Reiser.

Frontenac’s policies require that the Board initiate recruitment of new Directors when the number of Directors is reduced to less than seven. With the recent decision of Brad Ross and Steve Tarasick not to stand for re-election at this meeting, the Board has initiated a detailed Recruitment and Selection Process, with very capable support being provided by Wayne Robinson and Marcel Giroux. Given the limited time available prior to this meeting, this multi-faceted initiative remains a work in progress at this time. When it is completed, the process will identify suitable replacements to complement and enhance our Board Team’s collective capabilities and improve our gender balance. Once the replacements have been identified, the Board will appoint them to fill the vacancies and to ensure we remain in compliance with our policies, they will serve until next year’s Annual General Meeting. At that time, they will stand for election by the shareholders, together with any of our other Directors who are standing for re-election in 2016.

Brad and Steve, on behalf of the entire Board, I wish to thank you for your exceptional service over the past three years!

Now, before we move on, I would like to strongly urge our shareholders to come forward and ask any questions you may have as we progress through today’s business agenda. This is your meeting and microphones have been located on the floor for your use. Staff will assist in getting a microphone to where you are sitting. For the record, please confirm that you are a shareholder and state your name before you ask your question. In the event that your question does not relate directly to a specific agenda item, there will be a general question and answer period, convened by Matthew at the conclusion of his remarks (that is item #5, on the agenda).

Should you prefer to pose your question personally to an individual, you are encouraged to approach any of the people seated at this table, or any of our Directors, during the reception, or later in the evening and we will ensure that your question is answered.

Thank you!

Debra ---Are there additional shareholders to be seated?"

b) Confirmation of Agenda

Are there any additions to the agenda? If there are none, the agenda is confirmed as circulated

c) Approval of Minutes of Previous Annual General Meeting (June 21, 2014)

Resolution: That the Minutes of the Annual General Meeting of June 21, 2014 be approved.

Moved by: John Ibey

Seconded by: Paulette Allaire

Are there errors or omissions, questions or comments on the minutes as circulated?

Motion carried.

d) Receipt of Audited Annual Financial Statements and Auditor's Report

These documents were enclosed with the Management Information Circular. In 2014 we received a clean audit report again. If you have any questions I will ask Kevin Cruickshank, our Chief Financial Officer, to respond to them.

Are there any questions?

If there are no questions, the 2014 Audited Financial Statements and Auditor's Report are deemed to have been received.

e) Approval of Raymond Chabot Grant Thornton LLP as Auditor and to authorize the Board of Directors to fix the remuneration of the Auditor

Each year we are required to appoint an auditor at our Annual General Meeting. Raymond Chabot Grant Thornton has been our auditor for the past four years. Paul Sibue, who is with us this afternoon, heads the audit team.

Resolution: That Raymond Chabot Grant Thornton LLP be approved as Auditor, and furthermore, that the Board of Directors be authorized to fix the remuneration of the Auditor.

Moved by: Joe Gavura

Seconded by: Pierrette Martin

Are there any questions?

Motion carried.

4. Wayne Robinson, Senior Counsel

Chair's Introduction

"Turning to item #4 on our agenda, our next speaker is our Senior Counsel, Wayne Robinson. Wayne, our Founder and former C.E.O., really does not require an introduction as over the past

thirty-two years he has developed a personal relationship with practically all of the shareholders attending this meeting.

In his role as Senior Counsel, Wayne continues to provide invaluable service to Frontenac, whenever a need arises, in roles as varied as: taking a lead in the work out of large, complicated mortgage deals; to expanding our network of portfolio managers; and to negotiations with regulators to ensure our unique business model continues to be protected.

Please join me in welcoming Wayne Robinson.”

“Thank you Bill for the Introduction,

Chair, Madam Secretary

Good Afternoon et Bienvenue a tous.

I am very pleased to report that all is well in the Robinson household. My wife Alison officially retired January 1st and I have been attempting to scale back my week to less hours and more leisure activities.

Our transition and succession plan came into full force on July 1st 2014 and I was given new duties and titles. I now get to give advice to the people around me about problems that someone else is going to solve other than me. In our world that is called Senior Counsel to the organization.

I have the pleasure of supporting management and senior staff on larger projects and on long term relationship building with brokerage firms and various regulators within our world.

I am so pleased to watch young and dynamic professionals assume their hard earned right to run the institutions of this country including this one. Hire for character and compatibility and train for specific jobs has been and remains the philosophy of this organization. We have been able to recruit and retain highly qualified staff and management for over 30 years and we look forward to being able to continue that practice for the long term.

Baby boomers, some 9.5 million or 28.6% of the population, with an average age of 58 in 2015, are a very big changing statistic. As a group they were the wealthiest, most active, most physically fit generation up to this time, and amongst the first to grow up genuinely expecting the world to improve.

Boomers control over 80% of personal financial assets and more than half of all consumer spending. They buy 77% of all prescription drugs and 80% of leisure travel. They own big houses that have lots of equity in them but today the trends of what they will do with these houses remain without clarity. Will they stay until they die, will they sell and downsize, will they sell and rent or as many people are observing, selling and not-downsizing? No matter what they do, they will be consumers of a greater number of support services, whether it be around health, leisure, travel or just care and maintenance of their assets.

As lenders, we need to be most aware that the boomers will change how much properties are worth for the long term. Considering mortgage lending is investing in real estate once

removed, prudent portfolio managers will need to be on top of these trends and their potential impact on the housing market place.

Watch out world here they come. They are the next generation colloquially known as the Millennials. They are the 18 to 34 year olds in 2015 and as of last month, Millennials now outnumber Baby Boomers in the United States.

They have grown up with technology, they want information fast and they want to live experiences rather than buying products. One survey recently indicated that 3 out of 4 Millennials would rather spend money on a desirable experience, such as events, instead of buying a tangible good.

When it comes to housing, they have done their homework, mostly online, whether it is the design of the house and its amenities or the neighbourhood that meets their needs. There is now a real estate metric attached to urban properties for sale and it is called walkability rating – a concept of how close important services and goods are to the property in question. This is a very important indicator for Millennials in making their housing choice.

I cannot but muse, will these Millennials buy Boomers houses and move to the suburbs or will they remain urban dwellers? When children enter their lives will they follow the traditional path that has taken place over the last fifty years, move to the suburbs to raise kids, or will they continue to drive the downtown urban model of high rise condos? Surely they will have no less effect on the housing market as the Boomers did.

On a global view the European Union continues to be stressed, not just by the operational problems that all loosely fitting organizations face, but it's very survival with crises like Greece and the African migration disaster. As of last week it was reported that up to 500 thousand Syrian refugees were preparing in some way to attempt to cross the Mediterranean Sea to get to Italy. The Ukraine conflict with Russia continues to be terribly unsettled and the outcome is far from clear. Putin remains a dangerous wild card.

Canada is facing a national election this autumn and it will be interesting to see if the electorate will send a message to Ottawa like they did in Alberta, or will the existing administration weather the challenges from the center and the left. No matter the outcome, Canada remains well governed from coast to coast, whether it is at the Municipal, Provincial or Federal level. We remain the envy of much of the world in that we have been governed over the last fifty years by fair-minded and kind governments that have respected individual rights of its citizenry. I have always been and remain proud to be Canadian. A privilege I do not take lightly.

Now what to expect for the rest of 2015? Interest rates will remain low as they have been, inflation will continue to be in the 2% range and our economic growth will remain positive but modest. The US economy has been experiencing recovery and will continue this year. As we are all well aware the US dollar is extremely strong not just against the Canadian dollar but all world currencies. The stock market will likely deliver returns in the 8 to 10% range for the year. It has been a long time coming, but the equities marketplace seems to be returning to some of its old glory. Rationalization and downright bankruptcies will continue in the retail sector. Consumers have changed how they purchase goods and big players like Amazon and Alibaba have not yet shown how much they can upset the old model. The Millennials buy quickly and

often online and that trend will continue and strengthen. Next day delivery to your door is becoming a norm.

In the lending area, interest rates will stay stable but we will continue to see people renovating their homes and refinancing to do that or just consolidating their debts to make their payments more reasonable; or to take advantage of low rates. 2015 looks a lot like 2014, steady but positive growth.

In conclusion, I wish to again thank you on behalf of our organization for your continued support.

May we all continue to enjoy the good fortune of being Canadian in a land free of war and oppression. And at the same time, while we stand in a building like this it should remind us to remember and recognize the sacrifices that our forefathers and colleagues have made to ensure our freedom to sit here tonight without threat to our safety in body or in thought.

Merci beaucoup
Bonne Soiree”

Chair's Remarks

“Item #5 on our agenda lists Matthew Robinson as our next speaker. However, to set the stage for Matthew's remarks, Kevin Cruickshank our Chief Financial Officer will be briefing us first on the respective functions and interrelationships of Frontenac Mortgage Investment Corporation, W.A. Robinson Asset Management Limited and Pillar Financial Services Incorporated.

A Wilfrid Laurier Honours graduate in Business Administration, Kevin is a Chartered Professional Accountant and a Chartered Accountant. He has had more than twenty years' experience in senior management positions in a variety of businesses and industries and has served with distinction as Frontenac's Chief Financial Officer for the past ten years!

Please join me in welcoming Kevin Cruickshank.”

Kevin Cruickshank, CFO

“Good evening everyone,

Tonight, I am pleased to have the opportunity to present you with a basic overview of the various companies involved in the operation of Frontenac and the important roles that each of them play in making your investment work.

Frontenac Mortgage Investment Corporation powered by W.A. Robinson Asset Management Ltd. and Pillar Financial Services Inc.; something that we use in our marketing materials, but what does this mean and what do these companies actually do?

Frontenac Mortgage Investment Corporation is the company of which you are a shareholder, and which holds the mortgage loan assets that generate your return.

Frontenac is a mortgage investment corporation or MIC. Mortgage investment corporations are defined under the income tax act of Canada as special entities intended to allow investors to participate in a pool of mortgages in a tax advantaged way. MICs are flow-through entities

under which corporate earnings can be flowed out directly to shareholders without the corporation paying income taxes. “Dividends” received by the shareholders are taxed as interest.

As I will explain further in a moment, W.A. Robinson Asset Management Ltd. plays two important roles in the operation of Frontenac. W.A. Robinson is registered with the OSC – the Ontario Securities Commission as a Portfolio Manager and as an Investment Fund Manager. The Ontario Securities Commission regulates investments into public corporations like Frontenac, to ensure investor protection.

In short, the Ontario Securities Commission regulates how Frontenac raises capital from investors like you.

Pillar Financial Services Inc. is registered with FSCO – the Financial Services Commission of Ontario – as a mortgage broker and a mortgage administrator. While the OSC regulates the investment in companies in Ontario, FSCO regulates most other parts of the finance industry including pension funds, insurance companies, trust companies, and, most importantly to us, mortgage lending activities.

In short, FSCO regulates how Frontenac lends money to borrowers.

So how do these three companies work together?

At its most basic level, Frontenac, or The Fund, has a very simple business model. Individual investors invest funds into Frontenac. Frontenac, in turn, lends these funds out to individual borrowers in the form of mortgage loans. These borrowers repay Frontenac including interest. The interest earned, net of expenses, is paid back out to the investors.

That is the essence of how your investment works. However, the regulation of this industry and the legal structure and growth strategies of Frontenac make the actual operations more complex.

You will remember that I said that W.A. Robinson Asset Management Ltd. has two important roles to play. The first role of W.A. Robinson Asset Management Ltd. is as Investment Fund Manager or simply The Manager of the fund. W.A. Robinson Asset Management Ltd., or more specifically Wayne Robinson historically and now Matthew Robinson, decide what Frontenac will invest in. Of course this is mortgages, but the Manager also decides what kind of mortgages the fund will invest in - the types of properties, the size of the mortgages, geographic locations, etc.

The second role that W.A. Robinson Asset Management Ltd. plays is as a Portfolio Manager for individual clients wishing to invest in the fund.

Securities laws prevent investors from buying shares directly in a public company like Frontenac. Unlike private companies, public companies are open for investment from anyone in the general public and, accordingly, public companies are subject to the highest levels of regulation and information disclosure to ensure investor protection.

Individual investors must deal with Frontenac through a registered advisor or Portfolio Manager. The advisor or Portfolio Manager is responsible to ensure the investments their clients make are appropriate given a client's financial goals and tolerance for risk.

The actual share purchase transactions must be processed through a registered dealer, a company that is a member of IIROC – the Investment Industry Regulatory Organization of Canada. For those of you who are direct clients of W.A. Robinson Asset Management Ltd., this is the role that National Bank plays and why you have a National Bank account. National Bank, and TD and Laurentian Securities before them, serve as the IIROC member that facilitates your purchase of Frontenac shares.

Historically, W.A. Robinson Asset Management Ltd. was the only Portfolio Manager involved – meaning every investor in Frontenac was a direct client of WA Robinson. However, in the interest of maintaining a steady and reliable stream of new funds coming in, and to create a diversified base of investors, investment in Frontenac was opened up to other outside national advisory firms.

Today, W.A. Robinson Asset Management Ltd. is just one of a network of advisors and Portfolio Managers investing their clients' funds into Frontenac. This network has grown into a well-diversified group of advisors from Ontario and west to BC representing individual investors from across Canada.

The lending side of the business is also regulated. Mortgage loan transactions with individual borrowers can only be arranged through licensed mortgage brokers. Even if you have a mortgage with a large chartered bank, the person you deal with in arranging your mortgage is licensed to do so.

Individual loan applications are sourced through a network of independent mortgage broker partners that have agents across the province.

Working with those mortgage broker partners, Pillar Financial Services Inc. serves as the gatekeeper for Frontenac. Its underwriting team review and approve mortgage applications taking into account, amongst other factors, the borrower's ability to repay and the quality of the related real estate offered as security.

Pillar Financial Services Inc. also administers those loans for Frontenac – collecting the monthly payments and managing the recovery process when borrowers default. Regulations require that Pillar Financial Services Inc. be licensed as a mortgage administrator to provide these services to Frontenac.

The final piece in the management of Frontenac is the Frontenac Board of Directors. Elected by Frontenac shareholders, the Board of Directors represents the shareholders as a whole, and is independent of Management. The Board is responsible for hiring the Manager of the fund and, using a model of policy governance, the Board works with the Manager to develop & monitor fund return objectives and investment policies.

And that is a quick summary of how all the parties work together to make your investment in Frontenac work. There will be an opportunity to ask questions in a few minutes. Thank you.

5. Matthew Robinson, CEO

Chair's Introduction

"Our next speaker is our Chief Executive Officer, Matthew Robinson. Matthew played a lead role in the successful implementation of the multi-year succession and transformation plan for W.A. Robinson Asset Management Limited and Pillar Financial Services Incorporated.

With his focus on team work, growing the fund prudently, investing in high quality mortgages and protecting shareholders capital, he has served with distinction as our CEO for the past year and achieved an excellent rate of return.

A Queen's Science Graduate, he is accredited as: a Real Estate Broker, a Mortgage Broker, a Chartered Investment Manager and as a Portfolio Manager. Mathew is going to speak to you today about the spirit and philosophy of the Frontenac organization as we move forward.

Please join me in welcoming Matthew Robinson."

"Welcome everyone. It is truly my pleasure to speak to you today as the CEO of Frontenac and the group of companies. We have the privilege to celebrate another successful year in business and it is especially enjoyable in such a beautiful facility.

Being raised in a business environment has been very important for me, because even before I was working I was completely immersed in the business world and also realized how important it is to connect with people. I find great satisfaction when I meet someone new and find common ground with them and develop interesting conversation or share a laugh with them over familiar terms. We all seek for connection and anyone who is truly satisfied with their place in life can quickly rhyme off their friends, family and network of people that they closely relate to.

The reason why our group has been successful for 32 years is because our purpose has been people focused. We have always had a very strong sense of values and beliefs that we adhere to. This will never change as long as we have a solid understanding of why we are necessary in this business and know that everything we do impacts people around us. We understand that we bring real value to all of our stakeholders by building a trustworthy organization through completely engaged people. We strive to build long lasting relationships with all of our investors and business partners by understanding how to communicate what we believe in effectively.

The value in what we do means different things to different people. We have built strong relationships with Mortgage Brokers, who in turn have built a network of clients that have a need for capital. Changes in the mortgage industry over the past few years show a trend that the "A Lenders", Banks and large lending institutions, are becoming more rigid in their lending policies and tightening up their purse strings.

The reason for this is complex, but the changes to lending policy were spurred from the 2008 housing crisis which almost crippled the whole US economy. Loose underwriting policies and government backed insurance programs along with securitizing of these mortgages was a very eye opening experience. Canadian banks are relatively much more rigid in their underwriting policies compared to the US, but Canada Mortgage and Housing Corporation have realized that

they are reaching their limit on the government backed guarantees and need to slow down the process by restricting how the larger institutions underwrite their mortgages. This trend will continue for the foreseeable future and in turn will open up much more room for alternative lenders like us to do more business. We have seen a trend in our deal flow that shows applications we receive are better quality, while still being able to maintain our average lending rate.

There has been a significant decline in available capital to fund mortgages, and what was an easy "A" deal, now might not be funded at all. We hear from the mortgage brokers that it has been difficult to fund deals from the traditional sources, so the need for a relationship with a lender that understands a story and has the ability to consistently fund deals has real value to that broker today. Our Underwriting Department has grown over the past year. We now have a team of 3 underwriters who work together with two fulfillment officers, and administrators to make sure we can keep up with the demand of deal flow. We strive to keep our top notch service promise, and always adhere to our own values. We provide options to those brokers who can then turn around and impress their clients, with a viable solution to their situation. We know that any deal we fund has to have win/win mentality for it to have sustainability and value in the long run.

Portfolio Managers have also been challenged with huge changes in the investment industry. Regulatory policy changes have affected their ability to choose investments that are appropriate for their clients' portfolios. That coupled with historically low interest rates for the past 5 years has frustrated investors especially with their fixed income needs. Our value to the Portfolio Managers, is created by providing an investment which allows for capital preservation and gives a reasonable return over a long period of time. Our fund is not directly correlated with interest rate fluctuation, nor is the share price, which gives our investors a sense of comfort in any investment environment. We have a conservative outlook and don't believe in market timing but rather believe in good management, good systems and strong relationships to achieve long lasting results, consistently. We strive to have long term relationships with these advisors by being open and transparent with how we underwrite mortgages and also provide clear and regular communication to them, so they can be prepared to answer any questions their clients may ask of them. We are Portfolio Managers ourselves, so we can appreciate the importance of timely and accurate information, at all times.

Trust is the currency of any long lasting relationship. Before any individual or organization can be considered trustworthy, three qualities must be present: Competency, Consistency and Care. We believe that Trust is such a pivotal aspect to our business, that we now have it as our vision statement. It is being incorporated in all of our marketing and guiding principles and we practice it every day. There has been a lack of trust in business, both from employees and from the public, and I know that it must come back at some point for people to believe in our industry again. I have spoken several times about the importance of trust, but I think it is necessary to describe what we do to be trustworthy as an organization.

Competency: We believe in lifelong learning and know that we need to be in touch with the changing environment around us. We know that communication is pivotal in building relationships, so this year we implemented a communication model across our organization that explains the science of different personality types, and the needs of people who may be in distress, and how to effectively listen and work to a common place, before reacting how we might normally react. The Management team has taken intensive off site courses which explain

how people are motivated in different ways, as well as courses on Change Management, and the human behaviors in an environment of change. We have also implemented regular one-to-one communication as a team, and have a culture that endorses open feedback and problem solving. We have a group of people who are excited to take relevant courses and obtain higher levels of education and now have sharing sessions we call "Pillar School" where we have invited industry partners to speak about trends and information that helps us stay ahead of the curve. We strive to be "best in class", and are always open to new ideas and different ways to solve complex problems. We hire for fit, and believe that working your way up in our company is the best way to learn and appreciate all of the moving parts in the company. Our team is very supportive of one another, and is constantly sharing information and round table discussions on lessons learned. These 'lessons learned sessions' are frequent and valuable.

Consistency is important because people want to know that they can depend on you. Erratic or unpredictable behaviors negate the trustworthiness of an organization. Making promises that don't get realized is a recipe for disaster in any business. We have had a positive track record for over 30 years, and the lack of variance from year to year shows a consistency level rarely found over that period of time. We do not promise high times that are reeled back by low valleys, but strive to deliver a reasonable return without jeopardizing the investors' capital through prudent and repeatable processes and a belief in smart work, and long term decision making.

What we are doing is not revolutionary, but rather evolving at a constant pace that allows our organization to keep up with the changes that surround us. Our Mortgage Brokers know that we have worked to develop a consistent capital flow so that we don't run out of funding, embarrassing them and their clients. Building the treasury management system to match our capital in and capital out, to be able to predict 60-90 days ahead is the reason for that consistency. We are proactive, not reactive by nature, so we can be ready before any urgency that emerges on either side of that coin. We want to be able to walk our talk and know that we need to be dependable time and time again for our partners to be able to rely on us. Our track record clearly shows this.

Care: Our company prides itself in how we care for everything we do in business. This is the most important part of the formula from my standpoint. We care for investor's money as if it were our own. We make all our decisions with caution and conviction because we take the time to make sound and well informed decisions. We never do a deal where it will put a client in a worse position because they dealt with us. We also take our responsibilities as leaders very seriously and know that we must live up to those responsibilities both inside our office walls and outside in our communities. We recognize that we are in the care of some of people's largest investment and we take that responsibility very seriously. Our team of people genuinely look for a positive outcome in any situation we encounter and our culture is built on a "people first" mentality by providing tailored lending solutions to each deal.

How, we do business, in my view is one of our strategic competitive advantages; how we deal with mortgage brokers, how we fund deals, what values we use in the process and the individual thought processes that drive our everyday decisions at work. This all comes down to the quality of the people who work in our company. They represent the 'how' part of doing business. In a recent employee survey, April 2015, we had an overwhelming vote of confidence from our employees on many fronts. We asked each employee to what extent, percentage wise, they feel they are engaged in the company, meaning, how much the company is utilizing their

available talents, knowledge, efforts and productive time at work. Several well-known research studies have concluded that only 35% of employees in North American companies are highly engaged. The average response from our employees came out at 87%. The Conference Board of Canada defines Employee Engagement as “a heightened emotional connection that an employee feels for his or her organization, that influences him or her to exert greater discretionary effort to his or her work”.

The UK government is currently investing several hundred millions if not billions of dollars in increasing employee engagement in the UK government. My point here is that people today in our company, who will continue to represent one of our key strategic competitive advantages going forward, are indeed highly engaged and we are well positioned for the future in this important aspect. Studies have conclusively shown that companies with highly engaged employees are consistently and significantly more profitable and predictable in a business sense. I see it as my job as CEO to create the environment for employees to become highly engaged. I encourage you to talk with our employees about the environment they work in and hear for yourself what our employees have to say. I know they will be more than happy to share this with you.

Once again I would like to thank you for your trust in our organization and the ongoing support from our business partners because without your hard work and dedication to your jobs, we could not do ours. Thank you.

I will be happy to take any questions or comments from the floor now”.

There were no questions.

6. New Business

The Chair asked if there was any new business. There was none.

7. Adjournment

The Chair adjourned the meeting at 5:20 p.m.

Michael Graves' Closing Remarks

“The business portion of the day is now complete. I ask that you retire to the Museum once I clear up some housekeeping. There will be signs guiding you to the reception area as you exit the Theatre.

I would like to take a moment to discuss the contents of your name badge holder; within it you will find three items:

1. Your meal choice card that you are to place on the table in front of you when you sit at 7:00pm for dinner. This will assist servers in ensuring you receive the proper meal.
2. A door prize ticket which will be needed for the draw that will take place after dinner.
3. You have a drink ticket in your badge holder that you can use to purchase a cocktail. It is a cash bar for additional cocktails.

We ask that you please leave your name badge on throughout the evening so that no one is a stranger to anyone.

In terms of helping the networking process during the reception, I'll provide some information about the colored ribbons. You will notice all shareholders have their name with a gold barcode listed – guests will not have this barcode.

Our staff will have a black ribbon with the word “staff” printed in gold. Directors of the Board will have the black ribbon with “director” written in gold.

Our partners in capital raising and mortgage sourcing, such as Investment Advisors, Portfolio Managers, Mortgage Brokers and Agents will have a blue ribbon.

Wine will be served with dinner. Dinner will be in the Museum at approximately 7:00 pm when the reception is complete, and entertainment provided by The Mick Armitage band will begin upon finishing dinner.

One last item before we head out for cocktails in the reception area; for those of you staying at The Lord Elgin Hotel, we are providing three hourly shuttle buses from the Museum to the Hotel starting at 9:30 p.m., another at 10:30 p.m. with the final shuttle bus departing at 11:30 p.m.

Staff will be available to guide you to the reception as you exit the Theatre. I hope you enjoy the evening”.

