

NOTICE OF ANNUAL GENERAL MEETING

&

MANAGEMENT INFORMATION CIRCULAR

April 20, 2012

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Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the shareholders of Frontenac Mortgage Investment Corporation (the "**Company**") will be held on June 9, 2012, at 5:30 p.m. EST at

THE FAIRMONT CHATEAU LAURIER
1 RIDEAU STREET, OTTAWA, ONTARIO
K1N 8S7

The Meeting is being held for the following purposes:

1. to approve the Minutes of the Annual General Meeting of June 18, 2011;
2. to receive and consider the Audited Annual Financial Statements and the Auditor's Report for the Company for the fiscal period January 1 through December 31, 2011;
3. to continue the appointment of Raymond Chabot Grant Thornton LLP, as the auditors for FMIC until June 30, 2012 and to authorize the directors to fix the auditor's remuneration for that period;
4. to confirm the continuation of the term of the Director, Robert Barnes to June 30, 2012;
5. to consider, and if thought appropriate, approve a resolution as more particularly set forth in the circular to approve and ratify the acts of the directors from June 18, 2011 to December 31, 2011 and
6. to transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

The directors have fixed April 20, 2012 as the record date for the determination of the holders of common shares entitled to receive notice of the Meeting.

Dated this 20th day of April 2012

BY ORDER OF THE BOARD OF DIRECTORS

(s) Colleen Allison
Colleen Allison, Chair

MANAGEMENT INFORMATION CIRCULAR

INTRODUCTION

This management information circular (this "**Circular**"), accompanies the Notice of Annual Meeting of the Shareholders (the "**Notice**") of the Frontenac Mortgage Investment Corporation (the "**Company**" or "**FMIC**").

The Circular is furnished in connection with the solicitation of proxies and has been prepared by management of the Company for use at the annual meeting (the "**Meeting**") or at any adjournment of the Meeting for the purposes set forth in the Notice that accompanies this Circular. The Meeting will be held at the Fairmont Chateau Laurier, 1 Rideau St., Ottawa, Ontario on June 9, 2012 at 5:30 p.m. EST.

The Circular provides background information not previously provided to you which might be useful in deciding how you want to vote on matters put before the shareholders. The cost of the solicitation of proxies herein will be borne by the Company, including the cost of preparing, assembling and mailing proxy materials and handling and tabulating the proxies returned.

A separate invitation has been mailed to you. If you plan to attend you can register online at www.agm.robinsonsgroup.com or you can fill in the paper RSVP and mail it back to us in the stamped self-addressed envelope provided.

In the event you are unable to attend the Meeting, we have provided a Form of Proxy which allows you to specify how you want your shares voted on the matters before the shareholders and whom you authorize to vote your shares.

You can register your proxy online at www.agm.robinsonsgroup.com or return the paper form in the self-addressed return envelope provided. The use of Proxies **is only for those shareholders who cannot attend the Meeting.**

PROXIES AND VOTING RIGHTS

Management Solicitation and Appointment of Proxies

The Corporate Secretary of FMIC, Dawn Reiser, is named in the accompanying form of proxy as the nominee of the Company's management to exercise your voting rights in your absence from the meeting. The Corporate Secretary is therefore known as the Proxyholder for those who agree to have her vote on behalf of their shares. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act on the shareholder's behalf at the Meeting other than the person designated as Proxyholder in the accompanying form of proxy.** To exercise this right, the shareholder must either:

- (a) on the enclosed Form of Proxy, strike out the printed name of the individual specified as Proxyholder and insert the name of the shareholder's nominee in the blank space provided; or
- (b) complete another proper Form of Proxy; or
- (c) register the proxy holder online at www.agm@robinsonsgroup.com.

This year shareholders have an online registration system available to them through the internet at www.agm.robinsonsgroup.com. **Normally to be valid, a proxy must be dated and signed by the shareholder (or by the shareholder's attorney, authorized in writing); or the shareholder can register their proxy online using their user ID and password, which have been sent under separate correspondence, at www.agm.robinsonsgroup.com.** Only those shareholders who have provided us with their email address have this option.

If a paper proxy is being returned, the completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarized certified copy of the power of attorney or other authority, must be delivered to:

T. O Corporate Services,
55 St. Clair Ave. W., Suite 255
Toronto, Ontario M4V 2Y7

not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting. Late proxies may be deposited with the Chairperson of the Meeting (Colleen Allison), at the registered office of the Company, prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof. However, the chairperson may accept or reject late proxies in her discretion.

If you are registering your proxy online you do not need to return the paper Form of Proxy. The online system will be available until end of business Friday, June 8, 2012.

We ask that shareholders return their Form of Proxy or register their proxy online as soon as they can after receiving them so that we are assured of having a majority of shares represented either in person or by proxy at the Meeting. At the very latest we ask that the proxies be in our possession by close of business (5:00pm EST) on Wednesday, June 6, 2012.

Revocation of Proxies

Pursuant to Section 148 (4) of the *Canada Business Corporations Act*, a shareholder who has given a proxy may revoke it manually or online:

- (i) by depositing an instrument in writing, including another completed form of Proxy executed by that shareholder or shareholder's attorney authorized in writing either:
 - (a) At the registered office of the Company at any time up to and including the last business day preceding the date of the Meeting or any adjournment of the Meeting; or
 - (b) With the chairperson of the Meeting prior to the commencement of the Meeting on the day of the meeting or any adjournment of the Meeting; or
- (ii) By signing on at www.agm.robinsonsgroup.com and changing the appropriate field in the Form of proxy; or
- (iii) In any other manner permitted by law.

Voting of Shares

Voting at the Meeting generally will be by a show of hands, with each shareholder present in person or by proxy being entitled to one vote for each share held or represented by proxy.

Approval of Resolutions

To approve an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required. To approve a special resolution, at least two-thirds of the votes cast in person or by proxy will be required. All motions at the Meeting are expected to be ordinary resolutions.

Voting of Proxies and Exercise of Discretion by Proxy holders

A shareholder may indicate the manner in which the person named in the accompanying Form of Proxy is to vote with respect to a matter to be acted upon at the Meeting by ticking one of the options on the Form of Proxy. All common shares represented at the Meeting by properly executed proxies will be voted "For" or "Withheld" from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Form of Proxy, the common shares represented by the proxy will be voted in accordance with such specification.

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Proxyholder named in the accompanying Form of Proxy. It is intended that the Proxyholder named by management in the accompanying Form of Proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy.

The accompanying Form of Proxy also confers discretionary authority upon the named Proxy holder with respect to amendments or variations to the matters identified in the accompanying Notice and with respect to any other matters which may properly come before the Meeting. As of the date of this information circular, management of the Company is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice. If, however, other matters that are not now known to management properly come before the Meeting, then the person named in the accompanying Form of Proxy will vote on them in accordance with her best judgment.

Solicitation of Proxies

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors or officers of the Company, without special compensation, or by employees of W. A. Robinson & Associates Ltd. the Fund Manager of the Company

QUORUM

The By-Laws of the Company provide that a quorum for the transaction of business at any meeting of shareholders shall be the holders of at least 25% of the shares entitled to vote at a meeting of shareholders, whether present or represented by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS

Shareholders who appear in the shareholder list on the record date of April 20, 2012 (the "**Record Date**") are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting (see "Voting of Shares and Proxies and Exercise of Discretion by Proxy holders" above).

As of the Record Date the Company had 1,862,865 common shares issued and outstanding which are entitled to be voted at the Meeting. The common shares carry the right to one vote per share held. The Company does not issue any other class of share.

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of the Minutes of the Annual General Meeting of June 18, 2011

The shareholders will be asked to approve the Minutes of last year's Annual General Meeting held at the Ambassador Hotel in Kingston on June 18, 2011. The Minutes are included with the package containing this Notice of Meeting and Management Information Circular.

Unless otherwise directed it is the intention of management's nominee as proxy holder, Dawn Reiser, to vote for an ordinary resolution to approve the Minutes of the Annual General Meeting of June 18, 2011.

Receipt of Financial Statements and Auditor's Report

The Audited Annual Financial Statements and the Auditor's Report of the Company for the fiscal year January 1 through to December 31, 2011 are enclosed with this circular. The Audited Annual Financial Statements and the Auditor's report are posted on SEDAR at www.sedar.com and on the FMIC web site www.fmic.ca. The Company received an opinion that the Audited Annual Financial Statements "present fairly, in all material aspects, the statement of investment portfolio as at December 31, 2011, the financial position of Frontenac Mortgage Investment Corporation as at December 31, 2011 and 2010 and the results of its operations, changes in net assets and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles."

Continuation of the Appointment and Remuneration of the Auditor

The shareholders will be asked to vote in favour of continuing the appointment of Raymond Chabot Grant Thornton LLP, as the auditor of the FMIC to hold office until June 30, 2012. July 1, 2012 the Articles of Amalgamation will be filed and the new amalgamated FMIC will come into effect. It is expected that the Board of Directors of the amalgamated FMIC will appoint Raymond Chabot Grant Thornton as Auditor. This appointment will be ratified by the shareholders at the 1st annual general meeting of the amalgamated FMIC on June 8, 2013.

The resolution will also authorize the Board of Directors to fix any required remuneration of the auditor for the extended timeframe. **Unless directed otherwise, it is the intention of management’s nominee as proxyholder, Dawn Reiser, to vote in favour of an ordinary resolution confirming Raymond Chabot Grant Thornton, LLP as auditor for FMIC until June 30, 2012 and to authorize the Board of Directors to fix the required remuneration of the auditor for that period.**

Election of the Directors

The Company’s Board of Directors is independent of the Manager and currently consists of six directors, being Colleen Allison, Robert Barnes, Rosemarie Bowick, William Calvert, Eric Dinelle, and Margaret Kelk. Normally Robert Barnes would be standing for election to another three year term. However due to the amalgamation of FMIC and the Mortgage Investment Corporation of Eastern Ontario whose Articles of Amalgamation will be filed on July 1, 2012 it is intended Robert Barnes’ term will continue until June 30, 2012. It is further intended that all FMIC Directors will serve on the amalgamated FMIC Board. They will be elected by the shareholders of the amalgamated FMIC at their first Annual General meeting on June 8, 2013. None of these directors have been nominated by management. They were originally nominated by the Nomination/Governance Committee of the Board of Directors.

If a shareholder has a candidate who is willing to serve for a term of 21 days (June 9 – June 30, 2012), we ask that you contact the Corporate Secretary, Dawn Reiser at 1-877-279-2116 extension 321 to obtain a nomination form. Directors should be shareholders of the Company, must have a good financial record (no bankruptcies), a clean police record and cannot be indebted to the Company.

<p>Colleen Allison</p> <p>Director since June 2005</p> <p>Shareholdings: 2936</p>	<p>Colleen Allison received her Bachelor of Science (Honours) with a major in Mathematics from Queens University and a Bachelor of Education from McArthur College of Education. She retired as the Head of the Mathematics Department at Sharbot Lake High School in 2007 after teaching there for over 20 years. She and her husband Tom, have three children. Colleen has been active in another mortgage investment corporation (MICEO) since 1996. Colleen resides in Sharbot Lake, Ontario, Canada.</p> <p>Colleen is Chair of Frontenac Mortgage Investment Corporation. All directors serve on the Independent Review Committee.</p> <p>Colleen has 2 years remaining in her term.</p>
<p>Margaret Kelk</p> <p>Director since: 2005</p>	<p>After graduating from teacher’s college in 1964, Margaret Kelk went on to receive a Bachelor of Arts (Honours) and a Master’s in Education from Queen’s University. She taught intermediate and</p>

<p>Shareholdings: 7493</p>	<p>senior level home economics in Eastern Ontario for 34 years. While teaching, Ms. Kelk operated two businesses, one being a small farm operation and the other being the management of rental properties. Ms. Kelk continues to operate both of these businesses today while also working as an artist, specializing in painting and crafts. She was elected as a director of the Corporation in December 2005. Margaret lives in Portland, Ontario, Canada. Margaret is a member of the Audit Committee. All directors serve on the Independent Review Committee.</p> <p>Margaret has 2 years remaining in her term.</p>
<p>Robert Barnes</p> <p>Director since December 10, 2005</p> <p>Shareholdings: 2197</p>	<p>Robert Barnes is the Director of Managed Services at EllisDon Corporation. EllisDon is Canada's second largest construction company. Robert is charged with shaping the company's Managed Service offering in the field of Building Intelligence and Connected Real Estate. He has held this position since December 2011. Previously he was the Director of Building Integration at Robinson Solutions Inc. Mr. Barnes obtained a bachelor's degree in Science from the University of Guelph. Robert lives in Burlington, Ontario, Canada with his wife and three children.</p> <p>Robert has served as the Chair of the Audit Committee since 2005.</p> <p>Robert's term will continue to June 30, 2012.</p>
<p>Rosemarie Bowick</p> <p>Director since October 17, 2009</p> <p>Shareholdings: 1504</p>	<p>Rosemarie Bowick has been retired from Corporate Office Operations at Nortel Networks for the past five years. She is an active volunteer in her community. She created Villages Beautiful and the Festival of Trees in Sharbot Lake as well as volunteering at her Church as Secretary. Mrs. Bowick has served as Chair of the Board of Directors of the Mortgage Investment Corporation of Eastern Ontario (MICEO) from 2005 through 2010. MICEO also has W. A. Robinson & Associates Ltd. as its Fund Manager.</p> <p>Rosemarie has been a member of the Nomination/Governance Committee. All directors serve on the Independent Review Committee.</p> <p>Rosemarie Bowick lives in Sharbot Lake, Ontario, Canada.</p> <p>Rosemarie has one year remaining in her term.</p>
<p>William Calvert</p> <p>Director since June 21, 2007</p> <p>Shareholdings: 1591</p>	<p>William "Bill" Calvert has been semi-retired for the past five years and is the President of Elgin Oram & Associates Ltd specializing in management and natural resources consulting. Bill received his Master of Science in Wildlife Biology and Park Planning from Acadia University in 1969. Since then he has held several posts with the ministry of Natural Resources including Assistant Director of the Conservation Authorities Branch, Provincial Park Supervisor for Southern Ontario, District manager in Chapleau and Chief Naturalist of Algonquin Park. Bill has also held senior executive positions with the Government of Ontario including Assistant Deputy Minister with the Ministry of Government Services, Executive Director in the Cabinet Office and Regional Director for Northwestern Ontario with the Ministry of Northern Affairs. Bill has had a twenty year career as the Chief Administrative Officer of the District Municipality of Muskoka. In his retirement Bill has undertaken varied, part-time</p>

	<p>consulting assignments for provincial and municipal governments. Bill has served on the Governance/Nominating Committee since 2007. All directors serve on the Independent Review Committee. Bill Calvert lives in Huntsville, Ontario, Canada. Bill has one year remaining in his term.</p>
<p>Eric Dinelle Director since: March, 2007 Shareholdings: 713</p>	<p>Eric Dinelle is the owner of Environmental Contracting Services, a Construction, Project Management and Remediation company that specializes in sustainable construction projects. Environmental Contracting Services started operations in 2010. Prior to that he was a senior project manager with the City of Kingston for Access Projects (September, 2009 to February, 2010. From 2003 to 2009 he was a Senior Project Manager for the Kingston General Hospital on capital projects. Eric graduated from the University of Ottawa in 1996 with a Bachelor of Arts degree in Geography and Urban Planning. While working for the Kingston General Hospital, Eric was the successful owner of the first Fabutan Tanning Studio franchise in Kingston. Prior to that he was Sales Manager and Estimator for Build-All Contractors from 2001 to 2003 and prior to that was Project Manager and Sales Representative for Taurus Contracting Ltd. Eric and his wife live in Kingston, Ontario, Canada. Eric has served as the Chair of the Governance/Nominating Committee since August, 2009.</p> <p>All directors serve on the Independent Review Committee Eric has one year remaining in his term.</p>

Unless otherwise directed it is the intention of management’s nominee as proxy holder, Dawn Reiser, to vote in favour of an ordinary resolution to confirm the continuation of Robert Barnes’ term to June 30, 2012.

Acts of the Directors

In the period June 18, 2011 until December 31, 2011, the Board of Directors met 4 times. At quarterly Board Meetings the directors approve the financial statements for the previous period, approve the dividends earned in the previous period, review impaired mortgages and review new mortgage deals of significant size. In addition, during the year’s meetings the Directors:

- A) Reviewed and Approved the Revised Prospectus
- B) Approved the Special Resolution to amalgamate FMIC and MICEO (Mortgage Investment Corporation of Eastern Ontario)
- C) Implemented a new policy regarding Corporate Strategy Sessions with respect to timing and cost approvals

Reviewed and Approved the Revised Prospectus

The process for approving the 2011 Prospectus was more straightforward this year than last year resulting in much lower legal fees. We were not required to make significant changes.

Special Resolution to Amalgamate

At a Joint Strategy Session in November 2011, the Boards of both FMIC and MICEO (Mortgage Investment Corporation of Eastern Ontario) were presented with a Due Diligence Report from W. A. Robinson & Associates Ltd. for the amalgamation of the two funds. The report outlined the background and history of the funds, an analysis of all departments with respect to cost savings being realized with the amalgamation, a financial analysis and a question and answer section that addressed the main issues of concern that Board members and shareholders could have concerning the amalgamation. Both the FMIC and MICEO (Mortgage Investment Corporation of Eastern Ontario) Boards of Directors unanimously passed a Special Resolution approving the plan and directing the Chairs and the Manager to facilitate the process of amalgamation.

Policy regarding Corporate Strategy Sessions

At the Board of Directors meeting in February 2012, the FMIC Board approved a new policy establishing clear procedures for Corporate Strategy Sessions going forward. The policy outlines the purpose and objective of the sessions, as well as frequency, format and budget.

Unless otherwise directed it is the intention of management's nominee, Dawn Reiser, Corporate Secretary, as the Proxyholder, to vote in favour of the following resolution:

BE IT RESOLVED THAT:

1. The acts of the directors described in the Company's Circular under the heading "Acts of Directors" are hereby ratified and approved.
2. Any officer or director of the Company or its successor is hereby authorized and directed for and on behalf of the Company or its successor to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing as contemplated in this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

Approval of this resolution requires the affirmative vote of a majority of the total votes cast by shareholders present (in person or by proxy) and entitled to vote at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 – Statement of Executive Compensation (“**Form 51-102F6**”) under National Instrument 51-102 – Continuous Disclosure Obligations) sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial years ended December 31, 2009, December 31, 2010 and December 31, 2011 in respect of the Chief Executive Officer and the Chief Financial Officer who comprise the only named executive officers of the Company.

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 plans			
Wayne Robinson, CEO	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kevin Cruickshank, CFO	2011	\$20,311	Nil	Nil	Nil	Nil	Nil	Nil	\$20,311
	2010	\$23,689	Nil	Nil	Nil	Nil	Nil	Nil	\$23,689
	2009	\$16,294	Nil	Nil	Nil	Nil	Nil	Nil	\$16,294

Discussion of Summary Compensation Table

- The Chief Executive Officer (Wayne Robinson, CFA) is paid through the Manager (W. A. Robinson & Associates Ltd.) and the Administrator (Pillar Financial Services Inc.). These two firms are paid one-twelfth of 1% of the assets of the Company per month respectively as per the Investment Advisory and Fund Management Agreement and the Revised and Restated Administration Agreement. The CEO is paid by these firms. There are no incentive plan awards or pension plan benefits.
- The Chief Financial Officer (Kevin Cruickshank, CA) is under contract to the Company and charges \$100 per hour. There are no incentive plan awards or pension plan benefits.

Director Compensation

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors for the Company’s most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Colleen Allison, Chair	\$10,000	N/A	N/A	N/A	N/A	N/A	\$10,000
Robert Barnes	\$5,000	N/A	N/A	N/A	N/A	N/A	\$5,000
Rosemarie Bowick	\$5,000	N/A	N/A	N/A	N/A	N/A	\$5,000
William Calvert	\$5,000	N/A	N/A	N/A	N/A	N/A	\$5,000
Eric Dinelle	\$5,000	N/A	N/A	N/A	N/A	N/A	\$5,000
Margaret Kelk	\$5,000	N/A	N/A	N/A	N/A	N/A	\$5,000

Discussion of Director Compensation Table

The Directors' fees described above relate to the work that the directors are asked to perform on the Board of Directors and on committees. The Directors provide oversight for the Corporation over the Manager and Administrator. Detailed activities include: reviewing and approving mortgages, financial oversight (review of Financial Statements), reviewing materials for the Company at the various Board of Directors' meetings and providing advice and approval of the CEO's strategic direction. The Chair assumes a greater workload as she meets with the CEO on a regular basis to discuss the Company's business and with the staff of Pillar Financial Services Inc. on an as needed basis to review and approve mortgages.

Options, Stock Appreciation Rights and Other Rights to Purchase Securities

The Company does not have any stock option plans nor has it issued other rights to purchase securities.

Long-Term Incentive Plans

The Company does not have any long-term incentive plans.

Benefit and Actuarial Plans

The Company does not have any benefit or actuarial plans payable to the named executive officers or directors.

Employment and Services Contracts

The Company has not entered into an employment contract with any executive officer or other individual.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

Other than routine indebtedness, no director or senior officer of FMIC, or any proposed nominee for election as a director of the Company, or any associate or affiliate of any such director, senior officer or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Company.

MANAGEMENT CONTRACTS

Amended and Restated Administration Agreement

The Amended and Restated Administration Agreement is held between the Company and Pillar Financial Services Inc. (the "**Administrator**"). This agreement was approved in 2008 and is now in the fourth year of its five year term. The Administrator has been appointed on an exclusive basis to source and administer the mortgage portfolio. In order to carry out this mandate the Administrator is required to:

- i) underwrite the mortgages for the account of the Company, including setting the interest rates thereof;
- ii) collect payments from borrowers and discharge mortgages upon payout;
- iii) ensure the safe custody of mortgage deeds; and
- iv) monitor and, where appropriate, pursue arrears and institute and prosecute legal actions for the enforcement of the Corporation's rights as a mortgagee.

The Amended and Restated Administration Agreement was signed on July 29, 2008 and has an initial term of five years and may be renewed for further five year terms. The Administrator is paid 1/12th of 1% of the value of the Company's assets each month for its services. It is expected that this contracts will be renegotiated with the amalgamated corporation.

Investment Advisory and Fund Management Agreement

The Investment Advisory and Fund Management Agreement is held between the Company and W. A. Robinson & Associates Ltd. (The "**Manager**"). The Manager is responsible for the overall management of the Corporations affairs, including the following tasks and duties:

- i) acting as the FMIC's registrar and transfer agent
- ii) maintaining the books and records of the Company and performing administrative functions in connection with the issuance, registration and redemption of Common Shares; and
- iii) supplying clerical, accounting and administrative staff and services as required for the efficient day-to-day function of the Company.

The Management Agreement was signed on July 29, 2008 and has an initial term of five years. It may be renewed for further five year terms. The Manager is paid 1/12th of 1% of the value of the Company's assets each month for its services. It is expected that this contract will be renegotiated with the amalgamated corporation.

Custodian Agreement

FMIC has entered into a custodian agreement with Computershare Trust Company of Canada (the Custodian) and the Manager dated July 29, 2008. The Custodian's responsibilities include:

- i) appearing on the title of mortgages funded by FMIC
- ii) maintaining a list of mortgages funded by FMIC
- iii) issuing an ownership certificate to FMIC on mortgages funded by FMIC.

It is expected that this contract will be renegotiated with the amalgamated corporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of management, no insider of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any such insider or proposed nominee has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or senior officer of the Company at any time since the beginning of the Company's most recently completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any 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, except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.