

Currency Exchange International, Corp.

Annual Information Form

For the Fiscal Year ended October 31, 2022

January 29, 2023



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INTRODUCTORY NOTES

Cautionary Statement Regarding Forward-Looking Information

This annual information form (AIF) contains certain “forward-looking information” as defined in applicable securities laws. All statements other than statements of historical fact are forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “budgeted”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking information in this AIF speaks only as of the date of this AIF or as of the date specified in such statements.

Inherent in forward-looking information are risks, uncertainties and other factors beyond the Corporation’s ability to predict or control. Please refer to those risk factors referenced in the “Risks Factors” section in this AIF. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this AIF.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the Corporation’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking information. All forward-looking information herein is qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws. If the Corporation does update any forward-looking information, no inference should be drawn that it will make additional updates with respect to that or other forward-looking information, unless required by applicable securities laws.

Currency Presentation and Exchange Rate Information

This AIF contains references to both United States (U.S.) dollars and Canadian dollars. All dollar (\$) amounts referenced, unless otherwise indicated, are expressed in U.S. dollars and Canadian dollars are referred to as “Canadian dollars” or “Cdn\$”.

The fiscal period end and average exchange rates for the U.S. dollar in terms of Canadian dollars for each of the years ended October 31, 2022, 2021, and 2020, as reported by the Bank of Canada were as follows:

	Year Ended Oct. 31, 2022	Year Ended Oct. 31, 2021	Year Ended Oct. 31, 2020
Fiscal Period End	1.3626	1.2384	1.3318
Average	1.2870	1.2576	1.3450

GLOSSARY

In this AIF, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

Audit Committee means the audit committee of the Board;

Board or **Board of Directors** means the board of directors of the Corporation;

Common Shares means common shares in the capital of the Corporation;

Corporation or **CXI** means Currency Exchange International, Corp., a publicly traded company incorporated under the laws of the State of Florida;

CVS means the compliance verification system module at the core of the CXIFX operating system;

CXIFX means the Corporation's proprietary software which is accessible to the Corporation's wholesale customers through www.cxifx.com;

EBC means Exchange Bank of Canada, a Schedule I Bank in Canada that is a wholly owned subsidiary of the Corporation;

EBCFX means the Corporation's proprietary software which is accessible to EBC's customers through www.ebcfx.com;

NI 52-110 means the Canadian Securities Administrators' National Instrument 52-110 – Audit Committees;

OnlineFX means the Corporation's proprietary e-commerce software which is accessible to consumers through <https://order.ceifx.com> and <https://order.ceifx.com>;

OSFI means the Office of the Superintendent of Financial Institutions;

OTCBB means the Over-The-Counter Bulletin Board of the National Association of Securities Dealers; and

TSX means the Toronto Stock Exchange.

CORPORATE STRUCTURE

The Corporation

Currency Exchange International, Corp. was originally incorporated under the name Currency Exchange International, Inc. under the *Florida Business Corporation Act* on April 7, 1998. The Corporation changed its name to Currency Exchange International, Corp. on October 19, 2007 after being acquired by Mr. Randolph W. Pinna and commenced its current business operations at that time.

The Corporation's registered and head office is located at 6675 Westwood Blvd., Suite 300, Orlando, Florida 32821.

Intercorporate Relationships

The Corporation owns 100% of the voting securities of its wholly owned subsidiary Exchange Bank of Canada, continued as a Schedule I Bank under the *Bank Act* (Canada) on September 19, 2016. The Corporation also owns 100% of the voting securities of its wholly owned subsidiary eZforex.com, Inc., a Texas-based company incorporated in the State of Texas on February 20, 2001, that was acquired by the Corporation on September 6, 2019.

GENERAL DEVELOPMENT OF THE BUSINESS

Background

The Corporation focuses on the sale of foreign currency exchange and related products and services to financial institutions, businesses and retail consumers in North America. Its two core businesses are the payments business and the banknotes business. The banknotes business is its primary business with products and services offered to financial institutions, businesses, and retail consumers. The payments business offers products and services to financial institutions and business customers. Customers are serviced throughout the U.S. by the Corporation and in Canada through its subsidiary, Exchange Bank of Canada.

The Corporation was founded in 2007 by Mr. Randolph W. Pinna, the Corporation's President and Chief Executive Officer (see "Directors and Officers" below). From 1989 until 2007, Mr. Pinna was the Chief Executive Officer of Foreign Currency Exchange Corp., a former TSX-listed company that provided a broad range of foreign currency-related products and services in the U.S. Mr. Pinna successfully grew Foreign Currency Exchange Corp. from a few retail branch locations in Florida to a North American foreign exchange specialist servicing banks across the continent.

In 2002, Foreign Currency Exchange Corp. was acquired by the Bank of Ireland Group. Mr. Pinna continued as an employee of Foreign Currency Exchange Corp. until 2007 when he acquired the Corporation which then acquired eight retail branch locations from Foreign Currency Exchange Corp.

At inception, the Corporation utilized Mr. Pinna's more than 20 years of experience in processing wholesale foreign exchange to initiate the design and development of the CXIFX web-based foreign exchange software program. Understanding that compliance with local, state, provincial and federal laws and rules on foreign exchange is a mandatory part of foreign exchange online processing and banking, CXIFX was designed to have CXI's proprietary CVS at the core of the operating system. CVS provides online compliance and control features in real time.

To assist in supporting the current and future growth of the Corporation, the management team has been carefully developed to include specialists in information technology, compliance, finance, sales and risk management.

As the Corporation moves into 2023, it will focus on continuing to grow its payments and banknotes businesses through its five strategic priorities. Management has invested greatly in additional technology and talent in FY2022 and will continue to do so throughout FY2023 in order to achieve its strategic plan (see "Fiscal Year history" below).

Three Year History

Fiscal Year 2022 (November 1, 2021 – October 31, 2022)

The Corporation returned to profitability for FY2022 and was profitable in each fiscal quarter. This extends to five consecutive profitable fiscal quarters dating back to FY2021 and displays the rebound in the Corporation's banknote business closely tied to the recovery of international travel.

In FY2022, the Corporation opened a wholly owned retail branch location in Stanford, California and another in Boca Raton, Florida, reopened a branch in Los Angeles, California that had been closed for more than two years, and closed one branch in San Francisco, California. In addition, five CXI branded airport agent branch locations opened in U.S. airports.

In FY2022, the Corporation had over 2,586 unique customer relationships and services in over 18,406 transacting locations.¹

On September 21, 2022, the CXI Board of Directors approved the Vision, Mission and Strategic Plan for 2023-2025 which aligns business goals and investment in strategic priorities. CXI's five strategic priorities remained: Expansion of FX services with U.S. Banks and Credit Unions leveraging "One Provider. One Platform"; Building scale in Corporate International Payments; Global Expansion of the Wholesale Banknotes; Maximizing Direct-to-Consumer business in key markets; and Strengthening and Optimizing infrastructure to scale business and mitigate risk.

On October 11, 2022, CXI announced the appointment of the Group Chief Financial Officer, Gerhard Barnard. Interim Chief Financial Officer of the Corporation and the Interim Chief Financial Officer of Exchange Bank of Canada, Alan Stratton stepped down as the Interim Chief Financial Officer of the Corporation but remained the Interim Chief Financial Officer of Exchange Bank of Canada.

Effective March 17, 2022, Stacey Mowbray retired from the Audit Committee and was appointed to the Risk Committee.

On January 27, 2022, CXI adopted the Board-approved Environmental, Social, and Governance (ESG) Vision: CXI is committed to an ESG Vision that integrates the Corporation's core cultural values with stakeholder collaboration to actively drive responsible growth. The ESG Vision is embraced by four key pillars: People, Environment, Partners, and Community. The Board also approved an ESG Strategic Framework outlining the timeline for integrating ESG initiatives, delegation of authority and decision making, overarching key impacts, risks, opportunities, and strengths.

For additional information on the Corporation's businesses, see the descriptions provided in the Management Discussion and Analysis for the Year-ended October 31, 2022.

Fiscal Year 2021 (November 1, 2020 – October 31, 2021)

In FY2021, the Corporation had over 2,653 unique customer relationships and services over 16,546 transacting locations.

On September 23, 2021, the CXI Board of Directors reconfirmed its Vision, Mission and Strategic Plan 2022-2024 which aligns business goals and investment in strategic priorities. The Vision: Be the preferred financial services provider of foreign exchange solutions tailored to customer needs; and the Mission: Make foreign exchange simple and secure by combining technology, industry expertise, and highly personal service. This is met by CXI's five strategic priorities: Expansion of FX services with U.S. Banks and Credit Unions leveraging "One Provider. One Platform"; Building scale in Corporate International Payments; Global Expansion of the Wholesale Banknotes; Maximizing Direct-to-Consumer business in key markets; and Strengthening and Optimizing infrastructure to scale business and mitigate risk. These strategic priorities will optimize service functions and business needs, coupled with the appropriate level of investment into technology and people to achieve positive revenue and earnings growth, diversify the revenue stream and strengthen one culture of engaged stakeholders.

On March 10, 2021, CXI joined the Jack Henry Banking® Vendor Integration Program (VIP). Participation in the program provides CXI with access to Jack Henry Banking's technical resources to enable CXI's proprietary foreign exchange and

¹ "transacting locations" is defined as a location that has completed a purchase or sale within the past 6 months.

payments software, CXIFX, to integrate with SilverLake, CIF 20/20, and Core Director. The integration provides financial institutions enhanced automation through an efficient end-to-end payment process supported by an experienced, foreign exchange specialist, like CXI.

On August 16, 2021, EBC announced it was approved to participate in the Federal Reserve's Foreign Bank International Cash Services (FBICS) program. Through FBICS, EBC receives access to the Federal Reserve's International Cash Services (ICS) program including the ability to place orders for USD banknotes from the Federal Reserve Bank of New York (FRBNY) on a same-day basis, to have USD currency orders fulfilled solely with new USD banknotes (as opposed to previously circulated banknotes), and to receive expedited processing of large-denomination USD banknotes deposited with the FRBNY. Being a part of the FBICS program, EBC is positioned to accept customers internationally for bulk USD shipments, which is of significant value to customers and prospects.

On September 1, 2021, CXI announced the resignation of the Chief Financial Officer Stephen Fitzpatrick and the appointment of Alan Stratton as the Interim Chief Financial Officer of the Corporation and the Interim Chief Financial Officer of Exchange Bank of Canada.

Fiscal Year 2020 (November 1, 2019 – October 31, 2020)

In FY2020, the Corporation had over 1,667 unique customer relationships and services in over 14,787 transacting locations.

CXI has a track record of profitability in each year of its history prior to 2020, when the onset of the COVID-19 pandemic significantly affected the company's core banknote business. On March 11, 2020, the World Health Organization (WHO) officially declared COVID-19, the disease caused by a novel coronavirus, a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and the U.S., businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services. These measures have triggered significant disruptions to business worldwide, resulting in reduced economic activity. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Corporation closed all its retail locations on or around March 24, 2020, re-opening several of them over the course of the third quarter. On October 31, 2020, 11 locations were permanently closed or in the process of being closed. In addition, many of its commercial customers have been impacted by the pandemic, resulting in reduced demand for banknotes. The Corporation also closed one vault temporarily due to the low volume of activity. While the Corporation continues to operate, it is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of future periods. CXI is very well positioned in the market and our strong capital base gives us the ability to capitalize on potential growth opportunities in 2021.

CXI's Response to Novel Coronavirus (COVID-19)'s Impact on Business and Communities:

On March 3, 2020, CXI created a COVID-19 Committee to respond to COVID-19. This committee of senior executives was created to lead our group in traversing these unusual, challenging times. The Committee reports directly to CXI's CEO with regular updates to the Board and meets regularly to ensure we proactively address the situation and communicate with all stakeholders. The COVID-19 Committee's directive is to assess and plan for the impact through five workstreams: Protecting Employees (and their families), Contingency Planning, Operational Impact, Financial Impact, and Communications with all Stakeholders. CXI remains committed to ensuring continuous service and support to its customers and employees in a safe and secure way. During this time, CXI's IT Security Team has ramped up its monitoring of company systems and employee security. All security policies are being maintained.

In December 2019, CXI announced an exclusive foreign currency provider relationship with Duty Free Americas, Inc (DFA) operating as an agent of CXI. The first phase was successfully launched at the U.S. and Canadian borders by the end of January. The promising start was significantly impacted by the closure of the U.S. and Canadian border by the U.S. and Canadian governments. Expanding to DFA's additional U.S. and Mexican border stores is planned for fiscal year 2021. This is the largest agent program with retail foreign currency at U.S. Borders for CXI.

As part of its diversification objectives, CXI successfully completed its acquisition of a Montreal, Canada-based payments business Denarius Financial Group (DFG) on July 29, 2020 for \$3,484,684. The Corporation acquired approximately 450 new

corporate customer relationships in the acquisition, significantly increasing the Corporation's payments segment in Canada. The retained employees are an experienced group that has helped transition its corporate customers to EBC. The Corporation benefited from this acquisition in the 4th quarter of FY2020 and the full-year benefits will continue to accrue in FY2021 and future years.

On October 29, 2020, the CXI Board of Directors formally approved a new Vision, Mission and Strategic Plan 2021-2023. The Strategic Plan outlines five strategic priorities for CXI: Expansion of FX services with U.S. Banks leveraging "One Provider. One Platform"; Building scale in Corporate International Payments through direct sales, technology and strategic partnerships; Global Expansion of the Wholesale Banknote business; Maximizing Direct-to-Consumer business in key markets; and Strengthening and optimizing infrastructure to scale business and mitigate risk. These strategic priorities will lay the foundation for achieving positive revenue and earnings growth, diversify the revenue stream and strengthen one culture of engaged stakeholders.

Effective March 25, 2020, Chirag Bhavsar was appointed Chair of the Board of CXI and Chitwant Kohli was appointed Chair of the Board of EBC. Daryl Yeo was appointed Chair of the Risk Committee, Mr. Kohli Chair of the Audit Committee, and Johanne Brossard Chair of the Governance Committee.

DESCRIPTION OF BUSINESS

General

Currency Exchange International is a money service business in the business of providing comprehensive foreign exchange technology and processing services for banks, credit unions, businesses, and consumers in the U.S. and select customers globally. Primary products and services include the exchange of foreign currencies, international payments, and foreign cheque clearing. Wholesale customers are served through its proprietary FX software applications delivered on its web-based interface, www.cxifx.com (CXIFX), its related APIs with core banking platforms, and through personal relationship managers. Consumers are served through Corporation-owned retail branches, agent retail branches, and its e-commerce platform order.ceifx.com (OnlineFX).

The Corporation's wholly owned Canadian subsidiary, Exchange Bank of Canada, is a non-deposit taking, non-lending Schedule 1 Canadian Bank providing foreign exchange and international payment services in Canada and select international foreign jurisdictions. Customers are served through the use of its proprietary software, www.ebcfx.com (EBCFX), related APIs, and personal relationship managers.

The Corporation has developed CXIFX, its proprietary customizable web-based software, as an integral part of its business and believes that it represents an important competitive advantage. CXIFX is also an online compliance and risk management tool. The trade secrets associated with CXIFX are protected via copyright, restricted access to both the software and its source code, and secure maintenance of source code by the Corporation's head office only. CXIFX is updated regularly and system development and enhancement are a core activity at the Corporation.

Products and Services

Overview

Primary products and services include the exchange of foreign currencies, foreign currency-related international payments, purchase and sale of foreign bank drafts and foreign cheque clearing. In the U.S., the Corporation serves retail and wholesale customers. However, the Corporation's business in Canada is focused on the exchange of foreign currencies for financial institutions, and corporate customers in the money services business industry, as well as international payments for financial institutions and corporate customers. All business conducted in Canada is through EBC, at its offices in Toronto, Ontario and Montreal, Quebec. The Corporation groups its products and services into two categories - payments and banknotes. In 2022, 81% (75% in 2021) of the Corporation's revenues were earned in the banknote business and 19% (25% in 2021) in the payments business.

Exchange of Foreign Currencies

The Corporation buys and sells currencies from over 80 countries, including many exotic currencies. This business is referred to as the banknote business. Comprehensive coverage of international currencies has helped the Corporation develop a reputation as a high-quality foreign currency specialist.

The Corporation operates two main vaults that serve the U.S., one vault in Canada operated by EBC, as well as two small vaults that serve local markets on the West Coast and Northeast Regions of the U.S. In the U.S., the vaults serve as distribution centers for its branch network as well as order fulfillment centers for its customers including financial institutions, money service businesses, and other corporate customers. Exchange rate margins vary from customer to customer and are dependent on criteria such as exchange volumes and customer setup.

There are two common customer setups for banknote customers:

1. Centralized Setup

For customers with a high volume of foreign currency exchange who maintain and manage their own inventory in central vault facilities, the Corporation offers bulk banknote trading. Trades of this nature are generally executed at lower margins as the cost per transaction is low and the average value is high. The customer implementation phase is normally shorter and the costs of onboarding customers is low; and

2. Decentralized Setup

Many customers have determined that it is advantageous to avoid maintaining a currency inventory and allow their locations to buy and sell directly from CXI. Transactions in a decentralized setup typically are executed at a higher margin as the average transaction value is low and the cost to fulfill each trade is higher than that of a centralized setup. Several of the Corporation's financial institution customers outsource their currency needs in return for a commission based upon exchange volume. When a customer outsources its currency needs, the Corporation is granted access to their entire branch network thus immediately increasing its geographic footprint and expanding its customer base. The customer implementation phase is normally longer in a decentralized setup and the cost of customer onboarding is higher as these customers normally require additional training and support.

The Corporation also maintains inventory in the form of domestic and foreign banknotes in financial institutions and other high traffic locations. These locations incur no occupancy costs or payroll as foreign currency is placed in these locations on a consignment basis. As of October 31, 2022, the Corporation had inventory on consignment in 784 locations, primarily located inside financial institutions in the U.S. and Canada.

The Corporation's financial institution customers are typically net sellers of foreign currencies, whereas non-financial institution customers are normally net buyers; Corporation-owned retail locations are generally balanced between purchases and sales of foreign currencies. Excess currency collected via the branch network can be redeployed to financial institutions and non-bank customers which reduces the need to source currency through wholesale sources at a higher cost, thus increasing currency margins.

The Corporation operates an omni-channel, direct-to-consumer business through 37 branch locations, 207 agent locations, and through its e-commerce platform OnlineFX. The Corporation-owned branches are located in high tourist traffic areas, staffed by CXI employees, and located across the U.S. These locations hold domestic and foreign currencies to buy and sell on demand directly to consumers.

The Corporation has focused on growing its retail presence in the United States through agent locations with operators that bear the responsibility for the fixed costs, including lease commitments and other obligations associated with physical stores. In exchange for exclusive rights to supply and purchase foreign currencies to these agents, CXI consigns inventory to each location and licenses the right to use its name, thereby increasing its brand exposure. Agents are required to meet all of CXI's compliance and operational requirements under their agency agreements. CXI categorizes its agents between airport and non-airport locations, as airports have unique requirements. Through these relationships, CXI maintains a presence at some of the busiest airports in the United States.

The OnlineFX e-commerce business provides U.S. consumers access to purchase foreign currency banknotes easily and securely prior to their international travel through a consumer-facing website. On the website, consumers can buy more than 80 foreign currencies with direct shipment to their homes or for pick up at one of the Corporation-owned locations. As of October 31, 2022, the OnlineFX platform operated in 38 states. The currency exchange margins associated with the direct-to-consumer transactions are generally higher to recapture costs of deployed capital in the form of domestic and foreign currencies, rent, payroll, shipping, and other general and administrative costs.

International Payments

The Corporation offers foreign currency and U.S. dollar denominated international payments. This service competes directly with major commercial banks. The Corporation earns revenues from service fees, foreign exchange margins, and/or foreign exchange commissions. Customers benefit from the Corporation's ability to simplify international payments through its technology, industry expertise, and highly personal service. The Corporation's international wire fees are often lower than those of banks and their intermediaries, and it is often able to offer a better foreign exchange rate.

In the U.S., the Corporation works primarily with regional and community banks, banker's banks, and credit unions leveraging its technology and payments network to streamline the payment process. CXIFX and its integration capabilities enable customers to increase operational efficiencies, provide comprehensive tools to comply with applicable regulatory requirements, and send payments faster with end-to-end tracking.

In Canada, EBC works primarily with small to medium-sized enterprises (SMEs) with experienced account managers providing proactive, personalized relationships and FX market insights. SMEs typically utilize big banks in Canada to process their international payments and EBC provides an attractive alternative with competitive pricing, industry specialization, and customer-centric service. EBC customers have access to spot payments for immediate remittance and forward contracts for hedging strategies.

Foreign Cheque Clearing

The Corporation clears most foreign currency-denominated cheques as well as U.S. dollar cheques drawn on foreign banks. Cheques can be cleared on both a "cash letter" and a "collection basis" based on the customized relationship the customer has with the Corporation. CXIFX's technology enables digital image capture to clear most foreign cheques financial institutions receive securely through a digital file. As a result, the Corporation allows customers to receive cheques from international customers while lowering the operational burden and reducing the costs of clearing the items with local banks. Because of its relative magnitude, the Corporation includes revenues from this service in the "payments" category.

Principal Markets

Geographic Area

The Corporation's principal markets are in North America. Direct to consumer customers are located throughout the U.S., with the main concentrations being in the Corporation's key market cities, including Boston, Chicago, Honolulu, Miami, Orlando, New York, Los Angeles, San Diego, San Francisco (Bay Area), Seattle, and Washington, D.C. The OnlineFX platform services the direct-to-consumer customer in 38 states. The Corporation's banknote and payment wholesale customers are located across the U.S. The Corporation's business in Canada is through EBC and includes the exchange of foreign currencies for financial institutions and corporate customers in the money service business industry, and international payments services for financial institutions and certain corporate customers. The Corporation, including EBC, also provides services to international financial institutions from selected countries.

Clientele

The Corporation provides foreign currency exchange and related products and services to (a) corporate customers including hotels, resorts, and tourist attractions; (b) money service businesses; (c) financial institutions; and (d) retail customers. As of October 31, 2022, the Corporation had customers operating out of 18,406 transacting locations.

1. Corporate Customers

Banknote corporate customers consist primarily of hotels, resorts, tourist attractions, and travel agencies. Corporate customers typically have a need which cannot be readily serviced locally or can be serviced only at non-competitive rates.

International payment corporate customers primarily consist of SMEs that have international payables or receivables including paying vendors for goods and services, manufactures, payroll, investments, and repatriation of funds.

2. Money Service Businesses

Money service businesses offer foreign currency exchange to their end customers. These customers normally operate their own branch locations and the Corporation acts as a currency supplier.

3. Financial Institutions

The Corporation offers a full suite of foreign currency products to financial institutions. Inventory is managed by brokering transactions with large global and central banks located around the world unless the transactions can be managed through internal inventory balances (the latter of which is more profitable). For instance, banks often receive requests from their customers to purchase foreign banknotes, drafts, and international wire payments. This provides the Corporation with an opportunity to gather foreign currency inventories from bank customers and utilize those inventories for foreign currency exchange with other customers, and to facilitate international payments on behalf of their customers.

4. Retail (Direct-to-Consumer)

See below in "Distribution Methods" for further information about the services and products provided through the Corporation's branch network.

Distribution Methods

Overview

The Corporation distributes its banknote and payments products and services through its company-owned retail branch outlets, its dedicated sales force, and its OnlineFX e-commerce platform for retail customers in the U.S. (currently servicing 38 states).

Sales Force

The Corporation uses a sales force to generate new banknote and payments business. Once a customer has been onboarded, the service delivery method becomes a function of the product or service adopted by the customer. Payments services are delivered by phone order placed with the Corporation's traders or electronic ordering through CXIFX. Orders for banknotes are generally executed through CXIFX, and delivered through customer pick-up, courier delivery, or armoured car service. Similarly, when the Corporation purchases banknotes from customers, the customer provides sales information through CXIFX and delivers banknotes to the Corporation's vault(s) by courier or armoured car service.

Corporation-Owned and Agent Retail Branch Outlets

The Corporation's branch and agent outlets offer foreign banknote services. As of October 31, 2022, the Corporation had 37 wholly owned corporate branch locations in 12 major tourism markets across the U.S. The Corporation has 23 agents with their own retail branches located in airports, ports of entry, and other high traffic locations. Select agents will offer banknote buying and selling, inventory on consignment, and include the Corporation's branding. Other agent outlets will only buy or sell banknotes based on their customer demand. As of October 31, 2022, the Corporation had 184 agent retail branch locations.

OnlineFX E-Commerce Platform

The Corporation sells its complement of foreign banknotes online through its consumer facing e-commerce platform. The service ships directly to the customer's home or business in 38 states. Customers select their currencies and amounts, enter their customer information, and pay through the website. Orders are shipped for next business day delivery. The

OnlineFX platform is streamlined through direct integrations with CXIFX for compliance, order processing, and reporting.

Communications and Distribution Management

The Corporation provides customer service by telephone and online, through (i) its head office and processing centers; and (ii) branch offices. The Corporation's offices have fully automated accounting and inventory control systems, which will allow the Corporation to take advantage of scale opportunities. The Corporation believes that its existing facilities and offices, together with the additional space available to it, are adequate to meet its requirements for the foreseeable future. The Corporation's headquarters are located in a leased facility in Orlando, Florida. This location serves as the center for all administrative functions of the Corporation and for all U.S. payment related services. The Corporation occupies two additional office spaces in leased facilities that serve as its processing centers in Miami, Florida and Los Angeles, California. EBC occupies office space and has a processing center in leased facilities in Toronto, Ontario and Montreal, Quebec to service customers throughout Canada.

Specialized Skill and Knowledge

Specialized knowledge and skills are required in several key areas of the Corporation, as follows:

1. Foreign currency management

Managing currency exposures to minimize risks of unexpected fluctuations in currency valuations is a required skill to ensure proper matching and timing of asset and liability flows. Managing this risk is a combination of hedging and inventory management skills.

2. Information technology

Maintaining the competitive positioning of the Corporation depends on the continued evolution of the CXIFX software and complementary applications, which dictates attracting and retaining a talented team of developers capable of working in a rapidly changing environment.

Attracting and retaining talent is a strategic priority for the Corporation. In these key areas, the Corporation has successfully developed and retained qualified employees.

Competitive Conditions

In general, the provision of foreign currency and exchange related services is a mature market in North America. Whether banknotes or payments, there are several large providers in the wholesale market and the retail space is fragmented, with several large market participants and many smaller ones. Despite the large players, there are opportunities within the market that can be leveraged through using technology tools effectively, targeting underserved segments in the wholesale market, and employing targeted pricing strategies.

The provision of foreign currency and exchange related products and services is dominated by larger financial institutions which are not always positioned to provide solutions to smaller financial institutions and businesses or the end customer. The Corporation focuses on these segments through the use of technology, complemented by employing high customer service standards and exercising selective brand positioning to target underserved segments.

CXIFX enables foreign currency inventory management by business customers of the Corporation and their customers, as well as the Corporation's wholly owned branch locations. CXIFX automates the exchange of foreign currencies, wire transfer and electronic payments, purchase and sale of foreign bank drafts, and foreign cheque clearing. In addition, CXIFX streamlines regulatory compliance with applicable anti-money laundering legislation and delivers risk management tools in the form of built-in internal controls that reduce complexity and costs for smaller business and retail consumers.

The Corporation believes that delivery of its products and services through CXIFX drives significant competitive advantage because the CXIFX platform is flexible and allows for unique customizations for many different deployment needs including central foreign currency departments of business customers and high-volume branches for retail customers. CXIFX

development includes building application program interface (API) integrations that allow it to connect with other systems such as core banking and wire platforms. Applications of the software can be optimized to enhance customer service, compliance and risk management in an efficient and straightforward manner.

The Corporation faces competition from major commercial banks and currency exchange brokers in both its wholesale and retail businesses.

Currency Exchange Brokers

Most currency brokers offer products and services similar to those of the Corporation but focus their efforts on small geographic areas and do not always have custom software or the experience and structure necessary to service nationwide customers. Since these competitors do not market to the widely dispersed point-of-sale and bank related markets in which the Corporation specializes, at present they do not represent significant nationwide competition to the Corporation but do provide competition for select products and services in localized markets.

Major Commercial Banks

Major commercial banks represent the Corporation's principal financial institution sector competition. Such full-service financial institution organizations provide services to both retail customers and businesses throughout the U.S. and Canada using their extensive networks. The Corporation believes that it has important advantages in competing with these banks for foreign currency exchange business, including:

1. Specialization

While currency exchange and related products and services are generally ancillary to banks' other product lines, they are not a principal product line. Conversely, such products and services are the Corporation's only businesses. They are its specialty and focus, and 100% of the Corporation's resources are dedicated directly and indirectly to them.

2. Speed and Scope

Frequently, banks only deal with select major currencies, will not offer quotations on many thinly traded and rare currencies, and cannot quickly obtain these rare currencies. The Corporation deals in over 80 currencies including many rare and exotic currencies, supported by a rapid courier service. The Corporation can rapidly respond and adapt to the demands of its customers while charging competitive fees for its products and services.

3. Flexibility and Quality of Service

Most major bank branches are open during standard business hours, with only select branches in high traffic markets offering extended hours. The Corporation provides ten-hour service seven days a week, from 10:00 a.m. to 8:00 p.m. in most of its retail locations. For wholesale customers, the Corporation provides a high level of customer service, adopting service level standards that it incorporates into its customer agreements. This commitment leads to a high customer retention rate and strong customer loyalty ratings.

As a consequence of these advantages, the Corporation has a strong value proposition for local and regional financial institutions providing a value-added currency exchange service. In many cases, financial institutions elect to outsource this service to a foreign currency specialist such as the Corporation. With a comprehensive suite of foreign exchange products and services, financial institutions can replace patchwork vendors with one provider and the Corporation has positioned itself well to capitalize on such opportunities.

Intangible Properties – CXIFX Technology

The Corporation has developed CXIFX, a proprietary foreign exchange software application delivered on a web-based interface, as an integral part of its business. CXIFX serves as an online platform to process transactions in foreign currency, drafts, cheque clearing, and payments. Approved corporate and financial institution customers, but no retail customers, may access the CXIFX system directly. CXIFX is also an online compliance and risk management tool, incorporating features which assist customers with their anti-money laundering programs, by integrating with various worldwide watch-lists and the Corporations' proprietary Compliance Verification System (CVS). Additional API integrations with core banking and wire

platforms and custom integrations continue to expand how the system connects to outside platforms. CXIFX is updated regularly and system development and enhancement are a core activity at the Corporation.

The transaction processing and compliance assistance capabilities are an important competitive advantage for the Corporation, and as such are continually being enhanced. See “Competitive Conditions” for further information on CXIFX’s competitive advantage.

Cycles/Seasonality

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a regular operating year there is some seasonality to the Corporation’s operations with higher commissions generally from March until September and lower commissions from October to February. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the U.S. and Canada. In 2020 and 2021, these patterns were disrupted significantly due to the global COVID-19 pandemic. In 2022, the Corporation experienced a return to the traditional seasonality of the business.

Employees

As of October 31, 2022, the Corporation and its subsidiary Exchange Bank of Canada, have 344 full-time and part-time employees, compared to 262 employees on October 31, 2021. Full-time employees are engaged in sales, management and administration (primarily at the head office), finance, compliance, operations, and branch tellers/managers. The increased number of employees is a function of the improved business performance including opening new retail locations, onboarding new wholesale customers, and processing more transactions.

Risk Factors

The risks listed below could materially affect the Corporation’s financial condition and/or future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation. Although the following are major risk factors identified by management, they do not comprise a definitive list of all risk factors related to the Corporation, and other risks and uncertainties not presently known by management could impair the Corporation and its business in the future.

Network Security Risks

Despite the implementation of network security measures by the Company, its infrastructure is potentially vulnerable to computer intrusions and similar disruptive problems. Concerns over Internet security have been, and will continue to be, a barrier to commercial activities requiring consumers and businesses to send confidential information over the Internet. Computer viruses, intrusions or other security problems could lead to misappropriation of confidential or proprietary information, and cause interruptions, delays or cessation in service to the Company’s customers. Any such intrusion could have a negative reputational impact on the Company which could affect its revenues and ability to raise capital. Any such intrusion could also compromise the privacy of the Company’s proprietary CXIFX software which is integral to its business. In such a case, the Company we may be required to spend significant resources to monitor and protect its intellectual property rights. Litigation brought to protect and enforce those rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of the Company’s intellectual property. Any failure to secure, protect and enforce its intellectual property rights could seriously harm the Company and adversely affect its business. Moreover, the security and privacy concerns of existing and potential customers may inhibit the growth of the Internet as a medium for commerce. Any actual or perceived breach of customers’ privacy and security could harm the Company’s business.

Network Security Risks

Despite the implementation of network security measures by the Corporation, its infrastructure is potentially vulnerable to computer intrusions and similar disruptive problems. Concerns over Internet security have been, and will continue to be, a barrier to commercial activities requiring consumers and businesses to send confidential information over the Internet.

Computer viruses, intrusions or other security problems could lead to misappropriation of confidential or proprietary information, and cause interruptions, delays or cessation in service to the Corporation's customers. Moreover, the security and privacy concerns of existing and potential customers may inhibit the growth of the Internet as a medium for commerce.

Risk of System Failure or Inadequacy

The Corporation's operations are dependent on its ability to maintain its equipment in effective working order and to protect its systems against damage from fire, natural disaster, power loss, telecommunications failure or similar events. In addition, the growth of the Corporation's customer base may strain or exceed the capacity of its computer and telecommunications systems and lead to degradations in performance or systems failure. The Corporation may in the future experience failure of its information systems which may result in decreased levels of service delivery or interruptions in service to its customers. While the Corporation continually reviews and seeks to upgrade its technical infrastructure and maintains a fully integrated, offsite, backup server farm to limit the likelihood of systems overload or failure, any damage, failure or delay that causes interruptions in the Corporation's operations could have a material and adverse effect on the Corporation's business.

In addition, some of the Corporation's applications are hosted by third parties. Any failure on the part of third parties to maintain their equipment in good working order and to prevent system disruptions could have a material and adverse effect on the Corporation's business.

Government Regulation and Compliance

Any non-compliance with regulatory currency licensing and transaction reporting procedures could result in significant financial penalties and the possibility of criminal prosecution. The Corporation has a robust regulatory compliance management regime, overseen by experienced, Board-appointed officers leading a well-resourced staff. The Corporation and its subsidiaries are regularly subject to regulatory as well as internal and/or external audits. Several countries prohibit non-banks from providing currency exchange transaction services. While the Corporation believes the possibility is remote, the risk does exist that the jurisdictions in which its operations may someday institute regulations to prohibit non-banks from providing foreign currency exchange services.

Management of Growth

The Corporation may experience rapid growth in the scope of its operations. In order to manage its current operations and any future growth effectively, the Corporation will need to continue to implement and improve its operational, financial compliance and management information systems, as well as hire, manage and retain its employees and maintain its compliant corporate culture including technical and customer service standards. The Corporation has positioned itself to remain flexible as business requirements change

Credit Risk

Credit risk is the risk of financial loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to cash in bank accounts and accounts receivable.

All customer and banking relationships are negotiated by senior management. The Corporation maintains accounts in high quality financial institutions. At various times, the Corporation's bank balances exceed the federally insured limits.

The credit risk associated with accounts receivable is limited, as the Corporation's receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. There is minimal counterparty risk as the majority of the Corporation's receivables reside with banks, money service business customers and other financial institutions. The Corporation has longstanding relationships with most of its customers and has a strong payment history. For the purpose of risk control, the customers are grouped as follows: domestic and international banks, money service businesses, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance. These limits are adjudicated and reviewed regularly by senior management. Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods.

A breakdown of accounts receivable by category is below:

	On October 31, 2022	On October 31, 2021
Customer type		
Domestic and international financial institutions	\$7,823,948	\$14,128,422
Money service businesses	\$5,227,752	\$2,138,098
Other	\$1,221,828	\$254,850
Total	\$14,273,528	\$16,521,370

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position. There are no commitments that could increase this exposure to more than the carrying amount.

Future Capital Needs and Uncertainty of Additional Financing

The Corporation may need to raise funds in order to support expansion, develop new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies, or take advantage of unanticipated opportunities. The Corporation may be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Corporation, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Corporation will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of Common Shares. If adequate funds are not available on acceptable terms, the Corporation may be unable to develop or enhance its business, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on the Corporation's business, financial condition and operating results.

Competition

The Corporation faces competition from established competitors who have been traditionally providing currency exchange services, and also from competitors using alternative technologies. While the market for foreign currency exchange is highly fragmented in the North America, the Corporation believes that it must continue to develop new products and services and introduce enhancements to its existing products and services in a timely manner if it is to remain competitive. Even if the Corporation introduces new and enhanced products and services, it may not be able to compete effectively because of the significantly greater financial, technical, marketing and other resources available to some of its competitors. As the markets for the Corporation's products and services expand, additional competition may emerge and competitors may commit more resources to competitive products and services. There can be no assurance that the Corporation will be able to compete successfully in these circumstances.

Foreign Currency Risk

The volatility of the Corporation's foreign currency holdings may increase as a result of the political and financial environment of the corresponding issuing country. Several currencies have limited exchange rate exposure as they are pegged to the U.S. Dollar, the reporting currency of the Corporation. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of its foreign currency inventory, as well as the use of hedging instruments such as forward contracts and purchased foreign currency options to offset these fluctuations. Due to their nature, some minor and exotic foreign currencies cannot be hedged or are too cost prohibitive to hedge.

To mitigate the risks associated with holding these foreign currencies, the Corporation assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. These targets are reviewed regularly and are increased or decreased to accommodate demand within acceptable risk tolerances. The amount of unhedged inventory held in tills, vaults and in transit on October 31, 2022 was approximately \$5,520,430 (October 31, 2021 - \$5,359,377). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately \$4,594,080 (October 31, 2021- \$2,182,767). A 2% increase/reduction in the market price for the aggregate of the Corporation's

unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +\$92,000/- \$92,000 (October 31, 2021 gain/loss of approximately +\$44,000/- \$44,000).

On a consolidated basis, the Corporation is also exposed to foreign currency fluctuations between the U.S. Dollar and the Canadian Dollar, being the functional currency of its Canadian subsidiary. The Corporation does not hedge its net investment in its Canadian subsidiary and the related foreign currency translation of its earnings.

Interest Rate Risk

On October 31, 2022, the Company had access to interest-bearing financial instruments in cash and lines of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills and its own vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company's accounts are interest-bearing. The Company is subject to a small amount of cash flow interest rate risk from the Borrowings on its lines of credit; however, as Borrowings have remained steady and within policy limits, this risk is low. Borrowings bear interest at variable rates. Currently, the interest rate exposure is unhedged.

If interest rates had been 50 basis points higher/lower with all other variables held constant, after-tax profit for the year ended October 31, 2022 would have been approximately +\$6,600/- \$6,600 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity Risk is the risk of the Company incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. To effectively manage liquidity risk, the Company has implemented preventative risk monitoring measures, including setting a Liquidity Risk Ratio target of 120% or greater, which measures the proportion of unencumbered highly liquid assets to short-term net cash outflows, and setting a minimum liquidity balance requirement of total available cash or undrawn lines of credit to be greater than \$4,000,000 notional daily. As required, the Treasurer and CFO report any liquidity issues to the Chief Executive Officer (CEO), Chief Risk Officer (CRO), and the audit committee in accordance with established policies and guidelines. Management has assessed the Company's cash position on October 31, 2022 and determined that it is sufficient to meet its financial obligations.

The following are non-derivative contractual financial liabilities:

On October 31, 2022				
Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
Accounts payable	\$27,839,239	\$27,839,239	\$27,839,239	\$Nil
Holding accounts	\$9,137,046	\$9,137,046	\$9,137,046	\$Nil
Lines of credit	\$5,929,847	\$5,929,847	\$5,929,847	\$Nil

On October 31, 2021				
Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
Accounts payable	\$26,641,692	\$26,641,692	\$26,641,692	\$Nil
Holding accounts	\$5,535,804	\$5,535,804	\$5,535,804	\$Nil
Lines of credit	\$4,037,468	\$4,037,468	\$4,037,468	\$Nil
Contingent consideration	\$369,830	\$369,830	\$Nil	369,830

Capital Management

The Corporation manages capital through its financial and operational forecasting processes. The Corporation reviews its working capital and forecasts its cash flows based on operating expenditures, and other investing and financing activities related to its daily operations.

	On October 31, 2022	On October 31, 2021
Current assets	\$112,438,659	\$90,710,774
Current liabilities	\$(52,059,780)	\$(40,829,895)
Working capital	\$60,378,879	\$49,880,879

The Corporation monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Corporation may manage its capital structure by issuing new shares, obtaining debt financing, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board on an ongoing basis.

Reliance on Key Personnel

The Corporation currently has a senior management group, which is sufficient for the Corporation's present level of activity. The Corporation's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified employees. The Corporation relies on a limited number of key employees, consultants and members of senior management and there is no assurance that the Corporation will be able to retain such key employees, consultants and senior management. The loss of one or more of such key employees, consultants or members of senior management, if not replaced, could have a material adverse effect on the Corporation's business, financial condition and prospects.

The development of the Corporation is dependent upon its ability to attract and retain key employees, particularly the services of the President and CEO, Randolph W. Pinna. The loss of Mr. Pinna's services could have a material adverse impact on the business of the Corporation. There can be no assurance that the Corporation can retain its key personnel or that it can attract and retain qualified personnel in the future. The Corporation currently has key person insurance on Mr. Pinna.

Control of the Corporation

Randolph W. Pinna, the President and Chief Executive Officer of the Corporation, is the principal shareholder of the Corporation. Mr. Pinna beneficially owns, on a non-diluted basis, approximately 21.40% of the issued and outstanding Common Shares.

By virtue of his status as the principal shareholder of the Corporation and by being a director and officer of the Corporation, Mr. Pinna has the power to exercise significant influence over all matters requiring shareholder approval, including the election of directors, amendments to the Corporation's articles and by-laws, mergers, business combinations and the sale of substantially or all of the Corporation's assets. As a result, the Corporation could be prevented from entering into transactions that could be beneficial to the Corporation or its other shareholders. Also, third parties could be discouraged from making a take-over bid. As well, sales by Mr. Pinna of a substantial number of Common Shares could cause the market price of Common Shares to decline.

Mr. Pinna's influence over the control of the Corporation is mitigated by the Corporation's annual appointment of an independent director as the Board Chair (currently Chirag Bhavsar); the requirement that the majority of directors be independent within the meaning of applicable securities laws; and the requirement that only independent directors may be committee members.

Outbreak of Infectious Diseases

The Corporation's banknote business, which represents a significant portion of commissions revenue, is highly correlated to international travel patterns by consumers. The Corporation's business has been and may continue to be adversely affected by the effects of the widespread outbreak of respiratory illness caused by COVID-19 in its primary North American market, as well as by travel restrictions imposed by governments to limit the effects of COVID-19 on the health of the local and global population, including restrictions on air travel to and from North America. Despite the decreased severity of the pandemic in recent months and the decreased global travel restrictions, the Corporation cannot accurately predict the impact that COVID-19 will have on its future revenue and business undertaking, due to uncertainties relating to future outbreaks and potential new variants of COVID-19, and their duration. As a result, the Corporation cannot be assured that measures it has taken or may take in the future, for business continuity and cost containment will be effective as it is not

possible to predict how the Corporation may be affected if COVID-19 pandemic persists for an extended period of time or in the event of similar health crises in the future.

Interest Rate Risk

On October 31, 2022, the Corporation had access to interest-bearing financial instruments in cash and its lines of credit. A significant amount of the Corporation's cash is held as foreign currency banknotes in tills and vaults. These amounts are not subject to interest rate risk. Cash held in some of the Corporation's accounts are interest-bearing. The Corporation is subject to a small amount of cash flow interest rate risk from the borrowings on its lines of credit; however, since the borrowings have remained steady and within policy thresholds, the risk is low. Certain borrowings bear interest at variable rates. The Corporation does not hedge its interest rate exposure.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has never declared or paid cash dividends or distributions on its Common Shares. The constating documents and the applicable corporate law gives the Corporation's Board the discretion to pay dividends or make distributions. The Corporation currently intends to retain any future earnings to fund the development and growth of its business but may pay dividends and/or distributions, if any, in the future as the Board deems appropriate. The Corporation's lending agreements restrict its ability to pay dividends or to make distributions without the lender's consent. As a Schedule I Bank, EBC, must meet minimum capital and liquidity ratios that could constrain its ability to pay dividends or make distributions to the Corporation, and must advise OSFI if it intends to pay dividends or make distributions. EBC is presently operating well within those requirements.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

Common Shares

The Corporation is authorized to issue up to 100,000,000 Common Shares with a par value of \$1.00 per Common Share. As at the date of this AIF, 6,429,489 Common Shares were issued and outstanding. Each Common Share entitles the holder to receive notice of any meetings of shareholders of the Corporation, to attend, and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefore and, upon the liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro-rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking in priority to, or equally with, the holders of Common Shares with respect to liquidation, dissolution or winding up. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

The Corporation is authorized to issue up to 2,000,000 Preferred Shares (the "Preferred Shares") at market value as determined by the Board. As at the date of this AIF, no series of Preferred Shares has been authorized by the Board.

The Board is empowered to divide any and all shares of the Preferred Shares into no more than two classes and to fix and determine the relative rights and preferences of the shares of those classes so established in accordance with the *Florida Business Corporation Act*, but the terms and conditions of such class shall be within the following parameters:

1. the annual rate of dividends payable on shares of such class must be determined by the Board within the market rate payable on instruments of like kind whether in cash or in stock;
2. the rights, if any, of the holders of shares of such class to convert such shares into, or exchange such shares for, Common Shares or shares of any other class of Preferred Shares and the terms and conditions of such conversion or exchange must be such that the conversion occurs at the fair market value of the Common Shares at the time of conversion; and
3. if the shares of such class have voting rights, such voting rights shall not exceed the number of votes a holder of Common Shares would have if he or she purchased Common Shares for fair market value with the consideration paid for the Preferred Shares.

The Board shall also have the power to re-classify any un-issued shares of any class of Preferred Shares from time to time by setting or changing the preferences, conversion or other rights, voting power, restrictions, limitations as to dividends, qualifications, or terms or conditions of redemption, but subject to the limitations described in the above-noted provisions.

MARKET FOR SECURITIES

Common Shares

6,429,489 of the Corporation's Common Shares are listed and posted for trading on the TSX under the symbol "CXI" and on the OTCBB in the U.S. under the symbol "CURN". The following table outlines the closing Common Share price trading range and volume of Common Shares traded by month in fiscal 2022, based on trading information published by the TSX.

MONTH	LOW	HIGH	VOLUME
Nov-21	\$12.50	\$14.70	97,381
Dec-21	\$12.60	\$13.50	39,211
Jan-22	\$12.65	\$13.47	46,225
Feb-22	\$12.31	\$13.40	121,355
Mar-22	\$12.36	\$18.60	378,252
Apr-22	\$17.36	\$18.88	69,831
May-22	\$17.79	\$19.30	139,663
Jun-22	\$15.00	\$19.80	189,394
Jul-22	\$15.36	\$18.00	103,269
Aug-22	\$16.69	\$18.09	80,603
Sep-22	\$16.80	\$20.25	160,691
Oct-22	\$17.86	\$19.13	51,492

DIRECTORS AND OFFICERS

The following table sets forth the following information for each director and executive officer of the Corporation as at the date of this Annual Information Form: name, province or state and country of residence; position within the Corporation; principal occupation within the five preceding years; and period of service. Each of the directors of the Corporation will hold office until the close of the next annual meeting of shareholders and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

Name, Province/State, Country of Residence	Position / Year Appointed	Principal Occupation for Five Preceding Years	Period of Occupation	Shareholdings ⁽¹⁾⁽²⁾ (%)
Joseph A. August ⁽³⁾ Ontario, Canada	Director 2011	Corporate Director	2011 - Present	16,478 (<1%)
Chirag Bhavsar Florida, U.S.A.	Director 2012	Co-Chief Executive Officer, CNL Financial Group Chief Financial Officer & Chief Operating Officer,	2018 - Present 2016 - 2018	10,356 (<1%)

Name, Province/State, Country of Residence	Position / Year Appointed	Principal Occupation for Five Preceding Years	Period of Occupation	Shareholdings ⁽¹⁾⁽²⁾ (%)
		Corporate Capital Trust		
Johanne Brossard <i>Ontario, Canada</i>	Director 2018	Corporate Director, Peoples Group Corporate Director, Equitable Group	2018 - Present 2015 - 2018	3,350 (<1%)
Chitwant Kohli <i>Ontario, Canada</i>	Director 2018	Corporate Director	2018 - Present	16,577 (<1%)
Mark D. Mickleborough <i>Ontario, Canada</i>	Director 2007	Proprietor, Mickleborough Lawyers Partner, Fournie Mickleborough LLP (2006-2017)	2018 - Present 2006 - 2017	157,690 (2.45%)
Stacey Mowbray ⁽³⁾⁽⁴⁾ <i>Ontario, Canada</i>	Director 2019	Corporate Director, Dentalcorp Holdings Ltd. Corporate Director, Bonne O Holdings Corporate Director, Hydro One Corporate Director, Sleep Country Canada Holdings Inc. President, North America WW International, Inc.	2021 - Present 2014 - Present 2020 - Present 2019 - Present 2014 - 2019	3,000 (<1%)
V. James Sardo <i>Florida, U.S.A.</i>	Director 2012	Corporate Director Director, New Flyer Industries	2012 - Present 2005 - 2019	25,000 (<1%)
Daryl Yeo ⁽³⁾ <i>Ontario, Canada</i>	Director 2019	Board Chair & Director, Wealth One Bank of Canada	2015 - Present	3,475 (<1%)
Gerhard Barnard ⁽⁵⁾ <i>Florida, U.S.A.</i>	Group CFO 2022	Group Chief Financial Officer, Olympia Financial Group Inc.	2007 - 2022	Nil
Wade Bracy <i>Florida, U.S.A.</i>	Managing Director, CXI 2022	Vice President, Payment Operations Vice President, Process Improvement Treasury Corporate Secretary, CXI	2020 - 2022 2019 - 2020 2017 - 2019 2022 - Present	6,674 (<1%)
Margaret Kingerski <i>Ontario, Canada</i>	Corporate Secretary 2022	Corporate Secretary, Haventree Bank Assistant Corporate Secretary, FSRAO Assistant Corporate Secretary, Home Trust	2021 - 2022 2019 - 2021 2005 - 2019	100 (<1%)
Paul Ohm <i>Pennsylvania, U.S.A.</i>	VP of IT 2015	Vice President of IT, CXI	2015 - Present	1,200 (<1%)
Randolph W. Pinna <i>Florida, U.S.A.</i>	President & CEO; Director 2007	President and Chief Executive Officer, CXI	2007 - Present	1,376,230 (21.40%)
Matthew A. Schillo <i>Florida, U.S.A.</i>	Chief Operating Officer 2007	Chief Operating Officer, CXI	2007 - Present	13,054 (<1%)
Catherine Shepardson <i>Florida, U.S.A.</i>	Compliance Officer 2010	Compliance Officer, CXI	2010 - Present	Nil (<1%)
Alan Stratton ⁽⁶⁾ <i>Ontario, Canada</i>	Interim Chief Financial Officer 2021	Chief Financial Officer, CXI Vice President, Finance Chief Financial Officer, Diamond Estates Wines and Spirits	2021 - Present 2020 - 2021 2014 - 2019	3,296 (<1%)
Dennis Winkel <i>Ontario, Canada</i>	Chief Risk Officer 2019 Chief Privacy Officer 2022	Chief Risk Officer, CXI Vice President Trade Floor Risk Management, Scotiabank	2019 - Present 2013 - 2019	Nil

Notes:

1. Refers to number of Common Shares owned, directly or indirectly, or over which control or direction is exercised.
2. On the basis of 6,429,489 issued and outstanding Common Shares as at the date hereof.
3. Member of the Risk Committee. Mr. Yeo is the Chair.
4. Member of the Governance Committee. Ms. Brossard is the Chair.
5. Mr. Barnard was appointed as Group Chief Financial Officer of the Corporation on October 11, 2022.
6. Mr. Stratton resigned as interim Chief Financial Officer of the Corporation on October 11, 2022.

The directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 1,644,033 Common Shares, representing approximately 25.57% of all issued and outstanding Common

Shares as of the date of this AIF.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set forth below, no individual named in the above table is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

1. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
2. was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no individual set forth in the above table (or any personal holding company of any such individual) is, as of the date of this AIF, or has been within ten (10) years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while such individual 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.

Mr. Sardo served as a director of Cline Mining Corporation (Cline) from May 23, 2013 to July 8, 2015. At the time of his appointment as a director of Cline on May 23, 2013, Cline was in default of its senior secured debt obligations. Mr. Sardo was appointed to the board of directors of Cline to assist the company with its assessment of strategic alternatives and to address Cline's financial challenges for the benefit of Cline and its stakeholders. Subsequently, Cline and certain of its subsidiaries obtained protection under the Companies' Creditors Arrangement Act (Canada) (CCAA) in the Ontario Superior Court of Justice (Commercial List) on December 3, 2014 in connection with a proposed restructuring and recapitalization of those companies. On July 8, 2015, Cline completed a re-capitalization and emerged from CCAA, at which time Mr. Sardo resigned as a director of Cline.

No individual set forth in the above table (or any personal holding company of any such individual) has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Corporation's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Corporation. Subject to any limitations in the Corporation's constating documents, no agreement or transaction would be void or voidable only because it was made between the Corporation and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Subject to any limitations or provisions to the contrary in the constating documents of the Corporation, in order for an agreement or transaction between the Corporation and one or more of its directors to be valid, the relevant director or directors must disclose in good faith his or their interests in such agreement or transaction to the other directors not having a conflict of interest (or a

sufficient number of directors to carry the resolution without counting the votes of the interested director(s)) and such other directors must vote in favor of the agreement or transaction. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and the Corporation will be valid unless it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of the Corporation. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

To the best of the Corporation's knowledge, there are no known existing potential conflicts of interest among the Corporation, its directors, officers or other members of management of the Corporation as a result of their outside business interests as at the date hereof. In the future, should certain of the directors and officers and other members of management serve as directors, officers, and members of management of competitive businesses, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Corporation.

The directors and officers of the Corporation have been advised of their obligations to act at all times in good faith in the interest of the Corporation and to disclose any conflicts to the Corporation if and when they arise.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

A wholesale customer of the Corporation filed a Notice of Intention to Make a Proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) (BIA) on April 30, 2020. On April 30, 2020 the Corporation recorded a loss provision of \$1,012,946 (Cdn\$1,424,000) for amounts owed to it by the customer. Such customer subsequently failed to make a proposal to its creditors and was automatically placed into Bankruptcy on June 30, 2020, resulting in the Corporation becoming an unsecured creditor of the bankrupt customer's estate. Subsequently, the Trustee in Bankruptcy claimed that three payments that the customer made to the Corporation in April 2020 that totaled \$1,000,000 were made within 90 days of the date of bankruptcy, and therefore were preferential, in contravention of the BIA. On October 31, 2020 the Corporation recorded an additional provision of \$675,000 (Cdn\$898,965) as a reasonable estimate of the expected future cash outflows with respect to this customer's bankruptcy. In April 2021, the Corporation entered into an agreement with the Trustee in Bankruptcy to return \$825,000 of the alleged preference payments and in exchange the Trustee accepted the Corporation's claims, totaling \$1,825,000, against the bankrupt's assets. The settlement resulted in the recognition of an additional \$112,299 loss, which the Corporation recorded in April 2021. It is probable that the Corporation will receive a distribution of the bankrupt's assets, which is estimated to be in the range of 6% to 20% of the total claim. The Corporation has not recognized any receivable related to prospective future cash flows on the distribution of the assets.

The Corporation is involved in other various legal matters arising in the ordinary course of business. Subject to the above referenced bankruptcy and legal proceedings, the Corporation is not a party to, and none of its property is the subject of, any material legal proceedings as at the date of this AIF or during the year ended October 31, 2022, and the Corporation knows of no such material legal proceedings currently contemplated. The resolution of these other legal matters is not expected to have a material adverse effect on the Corporation's financial position, financial performance or cash flows.

The Corporation has agreed to indemnify its Directors and Officers and particular employees in accordance with the Corporation's policies. The Corporation maintains insurance policies that may provide coverage against certain claims.

The Corporation is not the subject of any penalties or sanctions imposed against it by a court relating to provincial and territorial securities legislation or by a securities regulatory authority as at the date of this AIF or during the fiscal year ended October 31, 2022. The Corporation is not the subject of any other penalties or sanctions imposed by a court or regulatory body against it that would likely be considered important to a reasonable investor in making an investment decision. The Corporation has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority during the fiscal year ended October 31, 2022, nor as at the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three most recently financial years, no (a) director or executive officer of the Corporation; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding securities; or (c) associate or affiliate of any of the foregoing, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

TRANSFER AGENTS AND REGISTRAR

The Corporation retains Computershare Trust Company of Canada, in Toronto, Ontario, to act as registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

Except for certain contracts entered into in the ordinary course of business of the Corporation, the Corporation did not enter into any material contracts during the 2022 fiscal year, or in a previous financial year that are still in effect.

AUDIT COMMITTEE DISCLOSURE

Audit Committee Charter

The Board has adopted a Charter for the Audit Committee, which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Appendix "A" to this AIF.

Composition of the Audit Committee

The members of the Audit Committee are Chitwant Kohli (Chair), Chirag Bhavsar, V. James Sardo, and Daryl Yeo. All members are "independent" and "financially literate" within the meaning of NI 52-110.

Name of Member ⁽¹⁾	Independent ⁽²⁾	Financially Literate ⁽³⁾
Chitwant Kohli (Chair)	Yes	Yes
Chirag Bhavsar	Yes	Yes
V. James Sardo	Yes	Yes
Daryl Yeo	Yes	Yes

Notes:

1. Stacey Mowbray retired from the Audit Committee on March 17, 2022.
2. To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
3. To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Chirag Bhavsar, C.P.A. (Chair of the CXI Board of Directors)

Mr. Chirag Bhavsar currently serves as the co-CEO of CNL Financial Group, Inc. and CEO of CNL Strategic Capital. He is also President of Cogent Bancorp Inc, and Cogent Bank. Prior to joining CNL Financial Group, Inc. and Cogent Bancorp Inc., Mr. Bhavsar held a number of senior positions including President of JMS Holdings, LLC, Chief Operating Officer of Corporate Capital Trust, Executive Vice President of Valley National Bank, Executive Vice President and Chief Financial Officer of CNL Bank, Valley National Bank's predecessor. Mr. Bhavsar was also Chief Operating Officer and Chief Financial Officer at Florida Choice Bank and was an audit manager at Hacker Johnson Cohen and Grieb, a specialized accounting and auditing firm for state and regional banks.

Mr. Bhavsar received his Bachelor of Science in Accounting from the University of Florida in 1990 and received his Master's in accounting from the University of Florida in 1991. He graduated from banking school at the University of Virginia in 1993.

Chitwant Kohli, C.P.A. C.M.A. (Chair of the CXI Audit Committee; Chair of the EBC Board of Directors)

Mr. Chitwant Kohli is the retired Senior Vice President of Enterprise Operations and Payments at Royal Bank of Canada (RBC). In this position, he led a global group of 1,800 team members responsible for operating and expanding the global shared services related to payments and trade, cash processing, HR-related services, and finance-related services. Mr. Kohli also co-led the digitization of cheque processing and started pilot projects using blockchain technology at RBC. Prior to this, Mr. Kohli was Senior Vice President of Retail Finance where he was responsible for providing finance leadership as CFO to Canadian banking, the Caribbean and US banking, wealth management, insurance, technology and operations, and global functions. Mr. Kohli has also held executive-level positions in costing and profitability, corporate real estate, Canadian banking finance, group optimization, and performance management.

Mr. Kohli is currently a board member of Aurora Cannabis Inc. He has also served on the boards of Symcor Inc, Moneris Inc, Canadian Payments Association, Trillium Health Partners and Ascend Canada. He has been a mentor at "Skills for Change", a United Way agency.

Mr. Kohli is a Chartered Professional Accountant (CPA, CMA), holds a Master of Laws (GPLLM) and a Master of Business Administration (MBA) and is an ICD.D.

Stacey Mowbray

Ms. Mowbray is the retired President (North America) of WW International Inc (formerly Weight Watchers). During her tenure, she was a key member of the turnaround of the OmniChannel health and wellness company. Prior to her role at WW, Ms. Mowbray held the position of President and CEO of Second Cup Limited, a publicly traded company and Canada's largest franchisor in the specialty coffee industry.

Ms. Mowbray has served on the boards of Second Cup Royalty Income Fund, and Coffee Association of Canada where she was Chair of the Board. Ms. Mowbray currently serves on the boards of Spärkel Beverage System, Sleep Country Canada Holdings Inc, Dentalcorp Holdings Ltd., and Hydro One. She also serves as a volunteer board member on the Advisory Board at Schulich School of Business at York University, and the Advisory Board of Wilfrid Laurier Business School. Ms. Mowbray has also served on the boards of Trillium Health Partners and the LCBO.

During her career, Ms. Mowbray has received numerous recognitions including Diversity Champion, Inaugural CEO in Residence, Top 100 Women's Executive Network, Top 20 Women's Post, Top 100 Alumni of Achievement Wilfrid Laurier University, and Outstanding Progress and Achievement Award. She holds a Bachelor's of Business Administration degree from Wilfrid Laurier University and an MBA from the Schulich School of Business at York University.

V. James Sardo

Mr. Sardo is the retired President of the Canadian Operations of Moore Corporation Limited, a business forms and communications company. Prior to that, he was President and CEO of SMK Speedy International Inc., an international automotive repair company and several corporations including Amre Inc., SNE Inc., and Firestone Canada Inc.

Mr. Sardo has deep experience as a corporate director and board chair and has served on the boards of NFI Group, Capstone Infrastructure Corporation, Cline Mining Corporation, Consolidated Thompson Iron Mines Limited, Royal Group Technologies Limited, Hydrogenics Corporation, SonnenEnergy Corp. and Northstar Healthcare Inc. Mr. Sardo has also served as trustee on the boards of Countryside Power Income Fund, Union Waterheater Income Trust and Custom Direct Income Fund.

Mr. Sardo holds a Bachelor of Arts degree from the University of Western Ontario and an MBA from McMaster University. He also holds the ICD. D designation and is a graduate of the Directors Education Program.

Daryl Yeo (Chair of the CXI Risk Committee)

Mr. Daryl Yeo is the retired Vice President & Head - Global Trade Finance of Royal Bank of Canada (RBC). In this position he had responsibility for the trade finance business, including global product and sales management and management of international credit and reputational risks. Prior to that, he was Vice President – Treasury Management & Trade - Product Management where he was responsible for development of the strategic direction for product development and management; client segments; and market management. Mr. Yeo also held senior executive positions at RBC in global structured finance, public sector markets and multinational banking.

Mr. Yeo is currently Chair of the Board at Wealth 1 Bank. He has also served on the Boards of Community Trust and Resmor Trust Companies. He also serves as Chair of the Board at Epilepsy Toronto, a not-for-profit charity.

Mr. Yeo graduated from the University of Alberta with a Bachelor of Commerce with majors in -Marketing & Finance. He is a Fellow of the Institute of Canadian Bankers is an ICD.D.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

External Auditor Services Fees (By Category)

The following table provides detail in respect of audit, audit related, tax and other fees realized by the Corporation to the external auditor for professional services during the most recent or previous financial year end:

Financial Period Ending	Audit Fees ⁽¹⁾ (Cdn\$)	Audit Related Fees ⁽²⁾ (Cdn\$)	Tax Fees ⁽³⁾ (Cdn\$)	All Other Fees ⁽⁴⁾ (Cdn\$)
October 31, 2022	\$335,000	\$76,350	\$123,025	\$2,000
October 31, 2021	\$189,000	\$70,000	\$64,000	\$2,000

Notes:

1. The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation’s, and its subsidiary, Exchange Bank of Canada’s, financial statements.
2. The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s audited financial statements, including quarterly reviews, and are not disclosed in the “Audit Fees” column.
3. The aggregate fees billed for tax compliance, tax advice and tax planning services.
4. Other fees relate to CPAB fees.

INTERESTS OF EXPERTS

Except as disclosed below, no person or company is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – Continuous Disclosure Obligations by the Corporation during, or relating to, financial year ended October 31, 2022, whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

Grant Thornton, LLP, Chartered Accountants (Grant Thornton), the auditors of the Corporation, provided the auditors' reports with respect to the audited financial statements of the Corporation for the financial year ended October 31, 2022. At the time of delivery of the auditor's report and up to and including the date hereof, Grant Thornton advised the Corporation that it is independent of the Corporation in accordance with the Rules of Professional conduct of the Institute of Chartered Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities is available in the Corporation's Management Information Circular to be filed in connection with its annual shareholders' meeting for the financial year ended October 31, 2022. As well, additional financial information is provided in the Corporation's audited financial statements and management's discussion and analysis for the financial year ended October 31, 2022, each of which is available electronically on the Corporation's SEDAR profile at www.sedar.com. Additional information relating the Corporation is also available on SEDAR and on and the Corporation's website (www.cxifx.com).

APPENDIX A - AUDIT COMMITTEE CHARTER

1. Mandate of the Audit Committee

- 1.1. The Audit Committee (the "Committee") of Currency Exchange International (CXI) is responsible for assisting the Board of Directors (the "Board") in its oversight role with respect to:
 - a) The quality and integrity of financial reporting and disclosure requirements;
 - b) The effectiveness of CXI's system of internal controls established by management;
 - c) CXI's external and internal audit processes;
 - d) The effectiveness of CXI's compliance practices;
 - e) The external auditor's performance, qualifications and independence;
 - f) CXI's compliance with legal and regulatory requirements; and
 - g) The Finance, Risk, Internal Audit (if any) functions.
- 1.2. The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any Officer or employee of CXI, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member of the Committee.

2. Membership and Composition

- 2.1. The Committee shall be composed of a minimum of three (3) Directors who shall be appointed annually by the Board, on the recommendation of the Governance Committee. Each Committee member shall be:
 - a) Independent as designated by the Board in accordance with the Director Independence Policy¹; and
 - b) Financially literate as such qualification is defined by Ontario securities law and interpreted by the Board of Directors in its business judgement².
- 2.2. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board may fill a vacancy that occurs in the Committee at any time.
- 2.3. The Board will appoint one (1) member of the Committee as the Committee Chair. In his or her absence the Committee may appoint another person provided a quorum is present.

3. Meetings and Operation of the Committee:

- 3.1. The Committee shall meet quarterly or more frequently as the Committee may determine.
- 3.2. The affirmative vote of a majority of the Committee members participating in any meeting of the Committee is necessary for the adoption of any resolution.
- 3.3. A majority of Committee members will constitute a quorum for a meeting of the Committee.
- 3.4. The Committee will report to the Board on the matters considered at each Committee meeting at the next scheduled Board meeting.
- 3.5. At the request of the external auditor, the Chief Executive Officer (CEO) or the Chief Financial Officer (CFO) of CXI or any member of the Committee, the Committee Chair will convene a meeting of the Committee.
- 3.6. The Corporate Secretary, or their designate, shall act as secretary at Committee meetings. Minutes of the Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Committee for approval.
- 3.7. A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.
- 3.8. The Committee will meet in camera without management present with the Chief Internal Auditor, if any, and the external auditor to assist in the Committee's understanding of all relevant issues and how they have been resolved.
- 3.9. The Committee will establish and maintain free and open communication with management, the external auditor, the Chief Internal Auditor (whether an employee or outsourced to an audit firm partner) and shall periodically meet separately with each of them.

¹ Ontario Securities Commission, National Instrument 52-110 Audit Committees (NI 52-110) ss. 1.4, 1.5, 3.1(3)

² NI 52-110 ss. 1.6, 3.1(4)

- 3.10. The Committee will meet in camera without management present with the CFO to assist in the Committee's understanding of all relevant issues and how they have been resolved.
- 3.11. The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.
- 3.12. The Committee shall, on an annual basis:
- a) Review and assess the adequacy of this Charter and, where necessary, recommend changes to the Board for its approval;
 - b) Undertake a performance evaluation of the Committee comparing the performance of the Committee with the requirements of this Charter; and
 - c) Report the results of the performance evaluation to the Board of Directors.
- 3.13. The Committee will meet in camera, without management present, as a component of each meeting.

4. Internal Controls

- 4.1. The Committee shall carry out the following responsibilities respecting internal controls:
- a) Require management of CXI to implement and maintain appropriate internal control procedures;
 - b) Review, evaluate and approve CXI's internal control procedures, including controls over relevant risk management processes;
 - c) Oversee systems of internal control and meet with management and the external auditors to assess the adequacy and effectiveness of these systems and to obtain reasonable assurance that the controls are effective;
 - d) Review and discuss with management and the external auditor, management's report on its assessment of internal controls over financial reporting and the external auditor's attestation report on management's assessment, if any; and
 - e) Meet with the Chief Internal Auditor, or the officer or employee of CXI acting in a similar capacity, and with management of CXI, to discuss the effectiveness of the internal control procedures established for CXI.

5. Financial Reporting:

- 5.1. The Committee shall carry out the following responsibilities respecting financial reporting:
- a) Assess whether CXI's accounting practices are appropriate and within the bounds of acceptable practice. Review and discuss with management and the external auditor, at least annually, any significant changes to CXI's accounting principles and practices suggested by the external auditor, the Chief Internal Auditor or management;
 - b) Require that all substantive correspondence between the external auditor and senior management related to the external auditor's findings be provided to the Committee;
 - c) Review the annual financial statement of CXI before the annual financial statement is approved by the Board;
 - d) Review such investments and transactions that could adversely affect the well-being of CXI as the external auditor or any officer of CXI may bring to the attention of the Committee;
 - e) Discuss with CXI's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by CXI from regulators or governmental agencies;
 - f) Meet with the external auditor to discuss the annual financial statement of CXI and the returns and transactions identified in s. 5.1(d) above;
 - g) Report to the Board with respect to the annual financial statement and returns of CXI before their approval by the Board;
 - h) Review and discuss with senior management and the external auditor the overall results of the audit, the annual and quarterly financial statements and related documents, the external audit report, the quality of the financial statements and any related concerns raised by the external auditor. This shall include, but not be limited to:
 - i) Key areas of risk for material misstatement of the financial statements, including critical accounting estimates or areas of measurement uncertainty;

- ii) Areas of significant auditor judgment, including accounting policies, accounting estimates and disclosures to the financial statements;
 - iii) Whether the external auditor considers estimates/models to be “aggressive” or “conservative” and, specifically, where there are options, the rationale for the final valuation decision and if the option is consistent with industry practice;
 - iv) Significant or unusual transactions (e.g., restatements);
 - v) Difficult or contentious matters noted during the audit or other audit matters that would typically be discussed with an engagement quality control reviewer;
 - vi) Changes in the audit scope or strategy;
 - vii) Internal control deficiencies identified during the course of the audit;
 - viii) Financial statements disclosure that could be improved; and
 - ix) The role of other audit firms, if any.
- i) Probe, question, and seek assurances from the external auditor that the financial statements present fairly the financial position, the results of operations and the cash flows of CXI³.

6. Oversight of the External Auditor:

6.1. The Committee has responsibility for the following external audit matters:

- a) Recommend to the Board for approval:
 - i) the nomination of the external auditor, for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for CXI, to be appointed by the Shareholders and, when considered appropriate, the dismissal or removal of the external auditor⁴; and
 - ii) the compensation of the external auditor⁵.
- b) Assess and obtain assurances regarding the skills, resources (amount and type) of the external auditor, including the audit firm’s internal policies and practices for quality control;
- c) Provide the oversight of the work of the external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services (including resolution of disagreements between management and the external auditor regarding financial reporting). The external auditor shall report directly to the Committee⁶;
- d) Review and approve the scope of all audit engagements and the content of the engagement letter prior to engagement of the external auditor⁷;
- e) At least annually, review and approve the audit plan (internal and external), and as part of this review, satisfy itself that the audit plan is appropriate, risk-based and addresses all relevant activities over a measurable cycle, and that the work of the internal and external auditors is coordinated;
- f) Develop criteria for the types of non-audit services which the external auditor is permitted to provide, which shall include the requirement to pre-approve all non-audit services (including the fee, terms and conditions for the performance of such services) to be provided by the external auditor⁸; and
- g) Review the performance of the external auditor, including the lead partner of the external auditor and report to the Board on the effectiveness of the external auditor.

7. Retention of External Advisors:

7.1. The Committee shall have the authority to retain such external advisors as it may from time to time deem necessary or advisable for its purposes and to set the terms of the retainer. The expenses related to any such engagement shall also be funded by CXI⁹.

³ Ontario Securities Commission, National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings (NI 52-109)

⁴ NI 52-110 s. 2.3(2)(a)

⁵ NI 52-110 s. 2.3(b)

⁶ NI 52-110 s. 2.3(3)

⁷ NI 52-110 s. 2.3(2)(b)

⁸ NI 52-110 s. 2.3(4)

⁹ NI 52-110 s. 4.1

8. Oversight of the Finance Function:

- 8.1. The Committee shall, at least annually:
- Review and approve the mandate of the Chief Financial Officer and the Finance function;
 - Review and approve the budget, structure, skills and resources of the Finance function; and
 - Review the performance evaluation of the Chief Financial Officer, with the input of the Governance Committee, and assess the effectiveness of the Chief Financial Officer and the Finance function.
- 8.2. The Committee shall recommend to the Board for approval the appointment and, when considered appropriate, the dismissal of the Chief Financial Officer, who shall have direct access to the Committee.

9. Oversight of the Internal Audit Function (if any)

- 9.1. The Committee shall, at least annually, assess the requirement for the appointment of an internal auditor for CXI. To the extent that an internal auditor is appointed, the Committee shall, at least annually:
- Review and approve the mandate of the Chief Internal Auditor and the Internal Audit function, whether or not the function or the Chief Internal Auditor are outsourced;
 - Review and approve the budget, structure, skills, resources, independence and qualification of the Internal Audit function;
 - Review and approve the audit plan of the Internal Audit function (including any significant changes to the audit plan) and, as part of this review, satisfy itself that the audit plan is risk-based and addresses all the relevant activities over a measurable cycle and that the work of the external auditor and Internal Audit function is coordinated; and
 - Review the performance evaluation and compensation of the Chief Internal Auditor (whether this position is an employee or outsourced) with the input of the Governance Committee, and assess the effectiveness of the Chief Internal Auditor and the Internal Audit function.
- 9.2. The Committee shall review the periodic reports of the Internal Audit function on internal audit activities, including audit findings, recommendations and progress in meeting the annual audit plan, including the impact of any resource limitations.
- 9.3. The Committee shall recommend to the Board for approval the appointment and, when considered appropriate, the dismissal of the Chief Internal Auditor, who shall have direct access to the Committee.
- 9.4. The Committee shall review the results of periodic independent reviews of the Internal Audit function.
- 9.5. The Committee shall meet with the Chief Internal Auditor to discuss the effectiveness of CXI's internal controls.

10. Oversight of Regulatory Compliance and Complaint Handling

- 10.1. The Committee will establish procedures for:
- the receipt, retention and treatment of complaints received by CXI regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters¹⁰.
- 10.2. Approve CXI's regulatory compliance management program and periodically assess the effectiveness of that program, including CXI's policies and procedures respecting the Corporation's Bank Secrecy Act/ Anti-Money Laundering/Office of Foreign Assets Control (BSA/AML/OFAC) laws.
- 10.3. Meet with the Compliance Officer, at least annually, to review CXI's compliance with applicable laws and regulations, correspondence from regulators, and the CO's report on the BSA/AML/OFAC program, including a report on its effectiveness.

11. Oversight of the Compliance Function

- 11.1. The Committee shall, at least annually:
- Review and approve the mandate for the Compliance Officer and the Compliance function;
 - Review and approve the budget, structure, skills and resources of the Compliance function; and

¹⁰ NI 52-110 s 2.3(7)

- c) Review the performance evaluation of the Compliance Officer, with the input of the Governance Committee, and assess the effectiveness of the Compliance Officer and the Compliance function.
- 11.2. The Committee shall recommend to the Board for approval, the appointment and, when considered appropriate, the dismissal of the Compliance Officer, who shall have direct access to the Committee.
- 11.3. The Committee shall review the periodic reports of Independent, State and Federal examiners including audit findings and recommendations at the conclusion of the exam to ensure business maintains in good standing with all regulatory authorities.

12. Review of Ethical Standards

- 12.1. The Committee shall:
- a) Review, at least annually, CXI's Code of Business Conduct and Ethics¹¹ policy;
 - b) Establish procedures to receive and process any request from executive officers and Directors for waiver of CXI's Code of Business Conduct and Ethics¹²; and
 - c) Grant any waiver of CXI's Code of Business Conduct and Ethics to employees and Directors as the Committee may in its sole discretion deem appropriate and arrange for any such waiver to be promptly disclosed to shareholders in accordance with applicable laws or the rules of applicable securities regulatory authorities¹³.

13. Duties and Responsibilities Delegated by the Board

- 13.1. The Committee shall exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board.

14. Funding for the External Auditor and Retention of External Advisors

- 14.1. CXI shall provide for payment of compensation to the external auditor for the purpose of issuing an audit report and to any other advisors retained by the Committee. The Committee shall have the authority to retain such external advisors as deemed necessary or advisable for its purposes and to set the terms of the retainer. The expenses related to any such engagement shall also be funded by CXI¹⁴.

15. Amendments to Audit Committee Charter

- 15.1. The Governance Committee is responsible for reviewing material changes to the Charter for recommendation to the Board.
- 15.2. The Charter is reviewed at least annually, or more frequently, if required.

¹¹ NP 58-201 s. 3.8, 3.9

¹² NP 58-201 s. 3.9

¹³ NP 58-201 s.3.9

¹⁴ NI 52-110 s. 4.1