

MAJORITY VOTING POLICY

The board of directors (the “**Board**”) of First National Financial Corporation (the “**Company**”) believes that each of its members should have the support of the Company’s shareholders (the “**Shareholders**”). To this end, the Board has unanimously adopted this majority voting policy regarding the election of directors (the “**Policy**”). This Policy applies to all current and future directors of the Company.

SECTION 1 VOTING PROCEDURE DURING MEETINGS

A. Individual Voting

Forms of proxy provided to Shareholders in respect of the election of directors at a Shareholders’ meeting shall enable each Shareholder to vote their shares in favour of, or to withhold their shares from voting with respect to, each nominee separately. The chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public by press release after the meeting of Shareholders. If the vote was by a show of hands, the Company will disclose the number of shares voted by proxy in favour or withheld for each director. Voting results will also be made public in accordance with applicable Canadian securities laws, Toronto Stock Exchange rules and any other applicable regulatory requirements (collectively, the “**Applicable Regulatory Requirements**”).

B. Treatment of Withheld Votes

If, in an uncontested election of directors of the Company, any particular nominee for director receives a greater number of votes withheld than votes in favour of the nominee, then, for purposes of this Policy, the nominee shall be considered not to have received the support of the Shareholders, even though duly elected as a matter of corporate law, and such nominee shall immediately tender his or her resignation to the Board following the Shareholders’ meeting in accordance with Section 2. In this Policy, an “uncontested election” shall mean an election where the number of nominees for director shall be equal to the number of directors to be elected as determined by the Board. This Policy does not apply where the number of nominees for election as a director exceeds the number of directors to be elected.

SECTION 2 NOMINEE NOT RECEIVING THE SUPPORT OF THE SHAREHOLDERS

A. Director to Submit Resignation

A director nominee who is considered under this Policy not to have received the support of Shareholders shall immediately submit his or her resignation to the Board, effective on acceptance by the Board. Upon receipt, the Board will determine whether or not to accept the resignation.

B. Board Consideration

In determining whether to accept the resignation, the Board shall consider all factors deemed relevant by members of the Board in determining whether exceptional circumstances warrant recommending rejection, including, without limitation, such factors as: (i) the stated reasons, if any, why the Shareholders “withheld” votes from the election of that nominee; (ii) the Company’s corporate

governance policies; (iii) available alternatives to cure the underlying cause of the withheld votes; (iv) the overall composition of the Board (including the current mix of skills and attributes of the Board); (v) whether accepting the resignation would cause the Company to fail to meet any Applicable Regulatory Requirements; and (vi) any other factors that the members of the Board consider relevant.

C. Board Expected to Consider Resignation within 90 Days

Notwithstanding the foregoing, it is expected that any such tendered resignation shall be considered in a timely manner and a decision taken by the Board in respect thereof no later than within 90 days of the meeting of Shareholders. The resignation of a director will be effective when accepted by the Board.

D. Director's Activities while Resignation Is Considered

Any director who tenders his or her resignation pursuant to this Policy will not participate in the Board's consideration regarding whether to accept the tendered resignation. However, unless otherwise determined by the Board, such director shall remain active and engaged in all other Board activities, deliberations and decisions during the process described by this Policy.

E. Press Release

Following the Board's decision on the resignation, the Board shall promptly publicly disclose, via press release, its decision regarding whether to accept or reject the director's resignation. Should the Board decline to accept the resignation where exceptional circumstances would so warrant, it should include in the press release the reasons for its decision. Such information will also be made public in accordance with Applicable Regulatory Requirements.

SECTION 3 REVIEW OF POLICY

The Board will review and assess from time to time, as the Board determines to be necessary, the adequacy of this Policy and implement any changes that the Board considers necessary.

SECTION 4 GENERAL

This is a policy, and is subject to change from time to time by the Board. In addition, the Board may, from time to time, permit departures from the terms of this Policy, either prospectively or retrospectively. The terms of this Policy are not intended to give rise to civil liability to Shareholders or other liability whatsoever.

This Majority Voting Policy of First National Financial Corporation was approved by the Directors on May 1, 2018 and may be amended from time to time.