

NFI Group Inc.

AMENDED PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

Revised by the board of directors on December 18, 2018

NFI Group Inc. Amended Performance and Restricted Share Unit Plan

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NFI GROUP INC.
AMENDED PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

Section 1. Interpretation and Administrative Provisions

1.1 Effective Date

This amended Plan applies to awards made hereunder on and after December 18, 2018. The prior Plan text, amended December 16, 2013, applies to awards made under this Plan on and after December 16, 2013 but prior to December 18, 2018.

1.2 Purpose

The purpose of the Plan is to attract, retain and motivate key personnel and reward officers and senior management by making a significant portion of their incentive compensation directly dependent on achieving key strategic, financial and operational objectives that are crucial to the ongoing growth and profitability of the Participating Companies.

1.3 Definitions

For the purposes of the Plan, the following terms have the following meanings:

“**Adjusted EBITDA**” means earnings before interest, income taxes, depreciation and amortization as determined for purposes of the Audited Financial Statements and Management’s Discussion and Analysis, as such amount may be adjusted as determined in the sole discretion of the Board for non-recurring and non-operations related items and to fairly reflect changes in accounting and reporting regulations and policies;

“**Annual ROIC**” means NOPAT for a fiscal year divided by Average Annual Invested Capital for that fiscal year;

“**Affiliate**” with respect to any Person, means another Person controlled by the Person, controlling the Person or under common control with the Person;

“**Average Annual Invested Capital**” means the simple average of the Quarterly Weighted Average Invested Capital during a fiscal year;

“**Audited Financial Statements**” means the audited consolidated financial statements of NFI for a fiscal year;

“**Award**” means a grant of Share Units under the Plan, together with any related Dividend Share Units;

“**Board**” means the board of directors of NFI;

“**Cause**” means: (a) “cause”, “just cause” or a similar term as defined in the Participant’s employment agreement, if any; or (b) if there is no such definition or agreement, means:

- (i) a Participant's willful failure or refusal to perform his or her duties under the employment agreement with the Participant's employer following a fifteen (15) day opportunity, after receipt of written notice from the Participant's employer, to remedy such failure or refusal;
- (ii) a material act of dishonesty or breach of trust in connection with the performance of the Participant's duties to the Participant's employer;
- (iii) a conviction of, or a plea of guilty or no contest to, any indictable offense or any summary conviction offense having as its predicate element fraud, dishonesty or misappropriation;
- (iv) the material breach by a Participant who has an employment agreement, of the Participant's employment agreement; or
- (v) any other conduct that would be determined by the courts of the jurisdiction in which the Participant is employed to constitute cause for termination of employment;

“Change of Control” means:

- (i) a reorganization, amalgamation, merger or a plan of arrangement, other than solely involving NFI and one or more of its Affiliates, with respect to which all or substantially all of the Persons who were the beneficial owners of the voting securities of NFI immediately prior to such reorganization, amalgamation, merger or plan of arrangement do not, following such reorganization, amalgamation, merger or plan of arrangement, beneficially own, directly or indirectly, more than 50 percent of the voting securities of the resulting entity on a fully-diluted basis;
- (ii) a formal takeover bid or tender offer for the voting securities of NFI being completed (other than by NFI or one or more of its Affiliates) as a result of which the offeror and its Affiliates beneficially own, directly or indirectly, more than 50 per cent of the voting securities of NFI then outstanding; or
- (iii) the direct or indirect sale or other disposition (including through a reorganization, amalgamation, merger or plan of arrangement) to a Person other than an Affiliate of NFI of (x) more than 50 per cent of the voting securities of New Flyer Holdings, Inc. or (y) all or substantially all of the consolidated assets of New Flyer Holdings, Inc.;

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

“Committee” means the Human Resources, Compensation and Corporate Governance Committee of the Board or if there is no such committee for any reason at any relevant time, the Board;

“Corporate Tax Rate” means the tax rate disclosed in the deferred taxes and income tax expense note to the Audited Financial Statements;

“Debt” means the aggregate of the balances reported in NFI’s Financial Statements of (i) obligations under financing leases, including the current portion of the obligation, (ii) long-term debt, including the current portion of long-term debt, (iii) convertible debentures, and (iv) derivative financial instruments liabilities;

“Disability” means, with respect to an Eligible Participant, any medical condition which qualifies such Eligible Participant for benefits under a long-term disability plan of NFI or any Affiliate;

“Dividend Share Unit” has the meaning set out in Section 2.2(b);

“Eligible Participant” means an officer or senior management employee of a Participating Company;

“Fair Market Value” means the volume weighted average closing price of the Shares on the principal exchange on which the Shares are traded for the 5 trading days immediately preceding the applicable day and if the Shares are not traded on an exchange, means the fair market value of the Shares, as determined from time to time by the Board in its sole discretion;

“Financial Statements” means the quarterly consolidated financial statements of NFI;

“Good Reason” means: (a) “Good Reason” or a similar term as defined in the Participant’s employment agreement, if any; or (b) if there is no such definition or agreement, means (i) the Participant’s employer, without the consent of the Participant, assigning the Participant duties which substantially diminish the Participant’s authority or responsibilities; (ii) the failure of any successor to the Participant’s employer to assume the employer obligations under its employment agreement with the Participant; (iii) a material violation by the Participant’s employer of terms of the employment agreement between the Participant and the Participant’s employer; or (iv) a material reduction in the Participant’s compensation, other than as a result of the Participant or the Participating Companies not achieving performance targets, in each case following a fifteen (15) day opportunity to remedy such action following receipt of written notice from the Participant;

“Grant Agreement” means a written agreement between a Participant and NFI setting forth the material terms of an Award granted under the Plan;

“Grant Date” means the effective date on which the Participant receives a grant of a Share Unit;

“Invested Capital” means the sum of Net Debt plus Shareholders’ Equity;

“Maximum ROIC” means for a given Performance Period, the Maximum ROIC objective as set forth in the Grant Agreement relating to that Performance Period, which amount may be adjusted by the Committee from time to time;

“**Net Debt**” means Debt minus cash as reported in NFI’s Financial Statements;

“**NOPAT**” means the amount determined by multiplying: (i) the result of Adjusted EBITDA minus depreciation on property, plant and equipment by (ii) the result of one minus the Corporate Tax Rate;

“**NFI**” means NFI Group Inc., formerly known as New Flyer Industries Inc.;

“**Participant**” means any Eligible Participant to whom a Share Unit is granted;

“**Participating Companies**” means NFI, New Flyer Holdings, Inc., Transit Holdings, Inc., New Flyer Industries Canada ULC, New Flyer of America Inc., The Aftermarket Parts Company, LLC, Motor Coach Industries, Inc., Motor Coach Industries Limited, ARBOC Specialty Vehicles, LLC and any of their Affiliates as designated by the Committee from time to time;

“**Performance Period**” means each period of three fiscal years commencing on January 1 of the calendar year corresponding to the first fiscal year in respect of which a grant of Performance Share Units is made;

“**Performance Period ROIC**” means the simple average of the Annual ROIC during the Performance Period;

“**Performance Share Unit**” means a right granted to a Participant to receive a cash payment equal to the Fair Market Value of a Share in accordance with the terms and conditions of this Plan and which is subject to performance conditions;

“**Person**” means any individual, partnership, corporation, limited or unlimited liability corporation, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

“**Plan**” means the NFI Group Inc. Amended Performance and Restricted Share Unit Plan, as amended from time to time;

“**Protected Period**” means: (i) with respect to NFI’s President and CEO, 24 months; (ii) with respect to the members of NFI’s Group Leadership Team as determined by the Board (excluding NFI’s President and CEO), 18 months; and (iii) with respect to members of NFI’s Executive Leadership Team as determined by the Board, 12 months;

“**Quarterly Weighted Average Invested Capital**” means: (i) the average of (a) Invested Capital at the beginning of a fiscal quarter and (b) Invested Capital at the end of a fiscal quarter minus Invested Capital issued during the fiscal quarter plus (ii) Invested Capital issued during the fiscal quarter multiplied by the number of days the Invested Capital was available during the fiscal quarter divided by the total number of days during the fiscal quarter;

“**Redemption Date**” means, (i) for a Performance Period, March 30 or if it is not a business day the closest business day after March 30 immediately following the end of the

Performance Period and (ii) for a Restricted Share Unit, March 30 or if it is not a business day, the closest business day after March 30 immediately following the original Vesting Date as set out in the Grant Agreement;

“**Restricted Share Unit**” means a right granted to a Participant to receive a cash payment equal to the Fair Market Value of a Share in accordance with the terms and conditions of this Plan and which is not subject to performance conditions;

“**Retirement**” means, with respect to an Eligible Participant who is an employee of a Participating Company, resignation as an employee of a Participating Company in circumstances which the Committee, in its sole discretion after considering the recommendation of NFI’s President and CEO, determines shall be treated as Retirement;

“**Section 409A**” means Section 409A of the Code and the Treasury Regulations and other administrative guidance promulgated thereunder;

“**Share**” means a common share in the capital of NFI;

“**Shareholders’ Equity**” means the total shareholders’ equity reported in NFI’s Financial Statements;

“**Share Unit**” means a Performance Share Unit or a Restricted Share Unit;

“**Share Unit Account**” means the notional account maintained for each Participant to which Share Units and Dividend Share Units are credited;

“**Target ROIC**” means for a given Performance Period, the Target ROIC objective as set forth in the Grant Agreement relating to that Performance Period, which amount may be adjusted by the Committee from time to time;

“**Threshold ROIC**” means, for a given Performance Period, the Threshold ROIC objective as set forth in the Grant Agreement relating to that Performance Period, which amount may be adjusted by the Committee from time to time;

“**US Participant**” means a Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code;

“**Vested Share Units**” means Performance Share Units, Restricted Share Units and Dividend Share Units which have vested at the time and based on the achievement of performance conditions, if any, set out in the applicable Grant Agreement;

“**Vesting Date**” for a Performance Share Unit means, subject to the terms contained in the Plan which provide for earlier vesting, the last day of the Performance Period in respect of which the Performance Share Unit or Dividend Performance Share Unit was granted, for a Restricted Share Unit means the “Vesting Date” set out in the Grant Agreement, and for a Dividend Share Unit means the Vesting Date of the Performance Share Unit or Restricted Share Unit, in respect of which the Dividend Share Units was credited;

“**Vesting Period**” means the period from the Grant Date to the Vesting Date; and

“**Vesting Percentage**” is determined as set out in Section 2.2(d).

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

1.4 Administration

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which, except as otherwise provided in this Plan, has the sole and absolute discretion, after receiving the advice and input of the Chief Executive Officer of NFI, to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; (iii) set, waive and amend performance vesting targets; and (iv) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, after receiving the advice and input of the Chief Executive Officer of NFI, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants. The terms of a Participant’s employment agreement with a Participating Company which deal with an Award under the Plan shall override the terms of the Plan, unless the Grant Agreement specifically overrides the terms of the employment agreement.

1.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

Section 2. Grants of Share Units Under the Plan

2.1 Grants of Share Units

The Committee may grant Share Units to Eligible Participants in its sole discretion. The award of a Share Unit shall be conditional on the Participant signing a Grant Agreement in the form attached as Schedule A, in the case of Performance Share Units, and as Schedule B, in the case of Restricted Share Units, or in such other form as may be approved by the Committee from time to time. The award of a Share Unit to an Eligible Participant at any time shall neither entitle such Eligible Participant to receive nor preclude such Eligible Participant from receiving a subsequent grant of a Share Unit and shall not restrict in any way the right of NFI or its Affiliates to terminate the Eligible Participant’s employment.

2.2 Grant Terms

- (a) *Share Units.* Share Units granted to a Participant shall be credited to the Participant’s Share Unit Account on the Grant Date in accordance with the applicable Grant Agreement.

- (b) *Dividends.* When dividends are paid on any Shares, additional Share Units shall be credited to the Participant's Share Unit Account as of the dividend payment date. The number of additional Share Units (including fractional Share Units) ("**Dividend Share Units**") to be credited to the Participant's Share Unit Account shall be determined by dividing the dollar amount of the dividends payable in respect of the Shares underlying the Share Units and Dividend Share Units allocated to the Participant's Share Unit Account by the Fair Market Value per Share on the date credited, which Dividend Share Units shall be in the form of Performance Share Units or Restricted Share Units, as applicable, based on the type of Share Unit in respect of which the Dividend Share Unit is credited.
- (c) *Vesting Date of Performance Share Units.* Performance Share Units shall vest, subject to Section 2.2(e), on the earlier of: (i) the Vesting Date; or (ii) such earlier date as the Committee may determine. Dividend Share Units shall vest at the same time and in the same proportion as the associated Performance Share Units.
- (d) *Performance Vesting of Performance Share Units.* The number of a Participant's Performance Share Units and Dividend Share Units which vest shall be the number of Performance Share Units and associated Dividend Share Units credited to the Participant's Share Unit Account during the Performance Period multiplied by the Vesting Percentage determined as at the end of the Performance Period. The Vesting Percentage for a Performance Period shall be determined in accordance with the applicable Grant Agreement.
- (e) *Vesting of Restricted Share Units.* Restricted Share Units shall vest on the earlier of: (i) the Vesting Date; or (ii) such earlier date as the Committee may determine. Dividend Share Units shall vest at the same time and in the same proportion as the associated Restricted Share Units.

2.3 Redemption of Share Units

- (a) *Redemption Date.* Subject to Section 2.3(d), each full and fractional Vested Share Unit (including full and fractional Dividend Share Units) shall be redeemed on the Redemption Date. A Vested Share Unit may not be redeemed except in accordance with Section 2.3.
- (b) *Redemption of Vested Performance Share Units.* On the Redemption Date in respect of each Participant, NFI shall redeem all full and fractional Vested Performance Share Units (including related full and fractional Dividend Share Units) by making a lump sum cash payment to such Participant (net of any applicable withholdings) in respect of all full and fractional Vested Performance Share Units equal to the number of Vested Performance Share Units redeemed on such date multiplied by the Fair Market Value per Share determined as at such date. Any Performance Share Units and related Dividend Share Units that have not vested and are not eligible to vest in future will be cancelled for no consideration on the Redemption Date.

- (c) *Redemption of Vested Restricted Share Units.* On the Redemption Date in respect of each Participant, NFI shall redeem all full and fractional Vested Restricted Share Units (including related full and fractional Dividend Share Units) by making a lump sum cash payment to such Participant (net of any applicable withholdings) in respect of all full and fractional Vested Restricted Share Units equal to the number of Vested Restricted Share Units redeemed on such date multiplied by the Fair Market Value per Share determined as at the Vesting Date.
- (d) *Effect of Redemption of Share Units.* A Participant shall have no further rights respecting any Share Unit or Dividend Share Unit which has been redeemed or cancelled.
- (e) *Cessation of Employment.* If the employment of a Participant ceases after the Grant Date and prior to the Redemption Date, Share Units and Dividend Share Units shall be dealt with as follows:
 - (i) If the Participant's employment ceases because of the death of the Participant, a pro-rata portion of the Participant's Share Units (and Dividend Share Units) based on the number of days in the Performance Period or Vesting Period, as applicable, prior to the date of the Participant's death shall be deemed to be Vested Share Units immediately on the Participant's death using a Vesting Percentage of 100% and shall be redeemed within 60 days following the Participant's death, all Vested Share Units at the Participant's date of death which have not been redeemed will be redeemed and all Share Units which are not Vested Share Units on the Participant's date of death will be forfeited;
 - (ii) If the Participant's employment ceases because of the Retirement or Disability of the Participant, the Participant's Share Units will continue to vest (and shall vest at the same time and, in the case of Performance Share Units using the same Vesting Percentage, as if the Participant continued to be employed for three years) and all Share Units which are Vested Share Units on or before the third anniversary of the date of the Participant's date of Retirement or Disability will be redeemed on the Redemption Date and all Share Units which are not Vested Share Units by the third anniversary of the Participant's date of Retirement or Disability will be forfeited;
 - (iii) If the Participant's employment ceases because of termination for Cause or because of the resignation of the Participant (other than for Good Reason), all Share Units (and Dividend Share Units), whether or not vested, shall immediately expire and be cancelled and the Participant shall have no further rights respecting such Share Units (and Dividend Share Units);
 - (iv) If the Participant's employment ceases because of (A) termination without Cause or (B) resignation for Good Reason, the Participant shall be entitled to a pro rata portion of the Participant's Share Units (and Dividend Share Units) based on the number of days in the Performance Period or Vesting

Period, as applicable, prior to the cessation of the Participant's employment and such Share Units shall continue to be held by the Participant and shall vest at the same time and based on the Vesting Percentage if the Participant had remained employed until the Redemption Date, at which time all Vested Share Units will be redeemed and all Share Units which are not Vested Share Units will be forfeited;

- (v) If the Participant's employment ceases because of (A) termination without Cause or (B) resignation for Good Reason, in each case, immediately prior to or within the applicable Protected Period following, and in connection with, a Change of Control, all of the Participant's Restricted Share Units shall be deemed to be Vested Restricted Share Units on the date of the Participant's cessation of employment and a pro rata portion of the Participant's Performance Share Units based on the number of days in the applicable Performance Period prior to the date of the Participant's cessation of employment shall be deemed to be Vested Performance Share Units on the date of the Participant's cessation of employment using a Vesting Percentage of 100%. The payment in respect of all such Vested Share Units (and associated Dividend Share Units) shall be made within 30 days following the date of the Participant's cessation of employment, provided that, in the case of a US Participant, such payment shall instead be made on the Redemption Date unless earlier payment is permitted under Section 409A, and all Share Units which are not Vested Share Units on the date of the Participant's cessation of employment will be forfeited; and
 - (vi) The date of cessation of a Participant's employment shall be the Participant's last day of active employment and shall not include any period of statutory, contractual or reasonable notice or any period of deemed employment.
- (f) *Assumption or Substitution.*
- (i) Notwithstanding any other provision of this Plan (with the exception of the immediately following paragraph), in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any outstanding Share Units and Dividend Share Units or shall substitute similar share units for the outstanding Share Units and Dividend Share Units on economic terms and conditions consistent with the treatment of the Shares: (i) in the Change of Control; and (ii) in a manner which preserves the otherwise applicable terms and conditions of any such outstanding Share Units and Dividend Share Units, to the extent practicable; provided that, in the case of a US Participant, each assumed or substituted award shall be paid solely in accordance with the payment schedule applicable immediately prior to the Change of Control as set forth in the Plan and the applicable Grant Agreement. If the surviving, successor or acquiring entity does not assume the outstanding Share Units and Dividend Share Units or substitute similar share units for the outstanding Share Units and Dividend Share Units, as

provided for in the immediately preceding sentence, or if the Committee otherwise determines in its sole discretion, NFI shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Restricted Share Units and a pro rata portion of the Performance Share Units based on the number of days in the applicable Performance Period prior to the Change of Control (using a Vesting Percentage of 100%) shall be deemed to be Vested Share Units as of immediately prior to the termination of the Plan and, unless otherwise redeemed, forfeited or cancelled prior to the termination of the Plan, shall be redeemed immediately prior to the termination of the Plan; provided that, such action may be taken with respect to Share Units held by US Participants solely to the extent that (x) the Change of Control constitutes a change of ownership of a substantial portion of assets or change in ownership or effective control as defined under Section 409A in respect of each applicable US Participant and (y) the Plan termination and payment in respect of Awards are effected in accordance with Section 409A, including, without limitation, the timing requirements and plan aggregation rules thereunder. The payment in respect of all such Vested Share Units (and associated Dividend Share Units) shall be made as soon as practicable, and in all events no later than 30 days, following the date of consummation of the Change of Control, and all Share Units which are not Vested Share Units on the Change of Control will be forfeited.

- (ii) Notwithstanding any other provision of this Plan, but subject to Section 409A in respect of US Participants, on a potential Change of Control, the Committee may make such changes to the terms of the Share Units and Dividend Share Units as it considers fair and appropriate in the circumstances, including but not limited to: (i) otherwise modifying the terms of the Share Units and Dividend Share Units to assist the Participants to tender into a take-over bid or other arrangement leading to a Change of Control; and thereafter (ii) terminating, conditionally or otherwise, the Share Units and Dividend Share Units not redeemed following successful completion of the Change of Control.
- (iii) If the Change of Control referred to in this Section 2.3(f) is not completed within the time specified therein (as it may be extended), the Share Units which vested pursuant to this Section 2.3(f) will be returned by NFI to the Participant and reinstated as unvested Share Units and the original terms applicable to such Share Units will be reinstated.

Section 3. General

3.1 Capital Adjustments

In the event of any Share dividend, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other special distribution (other than normal cash distributions) of NFI's assets to its shareholders, or any other change in the capital of NFI affecting Shares, the Committee

will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of securities on which the Share Units and Dividend Share Units are based; and (ii) the number of Share Units and Dividend Share Units granted.

3.2 Non-Exclusivity

Nothing contained herein will prevent the Board or the Committee from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or securityholder approval.

3.3 Unfunded Plan

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of NFI.

3.4 Successors and Assigns

The Plan shall be binding on all successors and assigns of NFI and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of NFI or a Participant.

3.5 General Restrictions and Assignment

- (a) Rights respecting Share Units and Dividend Share Units shall not be transferred, alienated or assigned (other than by will or the laws of descent and distribution), sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of a Participant.
- (b) Any hedging activities by Participants in respect of their rights under the Plan or any Share Units and Dividend Share Units granted or credited hereunder are expressly prohibited.

3.6 Amendment and Termination

- (a) The Committee may amend, suspend or terminate this Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory or securityholder approval. No amendment, suspension or termination may materially adversely affect any Share Units or Dividend Share Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant. Notwithstanding the foregoing, any amendment of the Plan shall ensure that the Plan is continuously excluded from the salary deferral arrangement rules under the *Income Tax Act* (Canada) or any successor rules.
- (b) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of

this Plan, will continue in effect as long as a Share Unit or Dividend Share Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Share Units or the Dividend Share Units it would be entitled to make if the Plan were still in effect.

- (c) With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Share Unit or Dividend Share Unit in any manner to the extent that the Committee would have had the authority to initially grant the award as so modified or amended.

3.7 No Special Rights

Nothing contained in the Plan or in any Share Unit or Dividend Share Unit will confer upon any Participant any right to the continuation of the Participant's employment by NFI or its Affiliates or interfere in any way with the right of NFI or its Affiliates at any time to terminate that employment or to increase or decrease the compensation of the Participant. Share Units and Dividend Share Units shall not be considered Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of the Shares, nor shall any Participant be considered the owner of Shares.

3.8 Other Employee Benefits

The amount of any compensation deemed to be received by a Participant as a result of the redemption of a Vested Share Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance, severance or salary continuation plan, except as otherwise specifically determined by the Committee.

3.9 Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns which may be required under applicable tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Except with respect to the obligation to remit taxes which are withheld by the Participating Company in accordance with the provisions of this Plan, the Participating Company and its Affiliates shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

3.10 Withholding Taxes

The Participating Company may deduct and withhold from any amount otherwise payable under the Plan such amount as may be required for the purpose of satisfying The Participating Company's obligation to withhold Canadian, U.S. or other federal, provincial, state or local taxes.

3.11 US Participants

It is the intent of NFI that no Participant who is a US Participant shall be subject to tax, penalty or interest under Section 409A with respect to any Award. In the event that it is reasonably

determined by the Committee that any Award under the Plan may be subject to tax, penalty or interest under Section 409A, the Committee may amend such Award or adjust the timing of any payment or take such other action to the extent necessary to avoid or reduce the amount of such tax, penalty or interest. Notwithstanding anything in the Plan to the contrary, with respect to US Participants, the acceleration of the time or schedule of any payment under the Plan is prohibited, except as provided in regulations and administrative guidance promulgated under Section 409A of the Code, and, without limitation of the foregoing, all assumptions, substitutions or adjustments made pursuant to Section 2.3(f) or otherwise will be made only in compliance with Section 409A. However, no representation is made that any Award is not subject to tax, penalty or interest under Section 409A, and none of NFI, any of its Affiliates or any of their respective employees, directors, agents, advisors, consultants or representatives shall be liable to any US Participant or any other Person with respect to the attempt or failure to comply with (or satisfy an exemption from) Section 409A or the imposition of any tax, penalty or interest thereunder in connection with any Award granted to any US Participant. In the event of any conflict between any provision in this Section 3.11 and any other provision in the Plan or any Grant Agreement with a US Participant, the provision in this Section 3.11 shall supersede and control.

3.12 No Liability

No Participating Company shall be liable to any Participant for any loss resulting from a decline in the market value of any Shares.

SCHEDULE “A”

NFI GROUP INC.

AMENDED PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

GRANT AGREEMENT AND CONFIRMATION

[Name of Employee]

(the “Participant”)

Pursuant to the NFI Group Inc. Amended Performance and Restricted Share Unit Plan (the “Plan”) and in consideration of services to be provided to NFI or its Affiliates by the Participant, in respect of the Performance Period commencing _____, ____ (the “____ Performance Period”), NFI hereby grants to the Participant effective as of January 1, _____, _____ Performance Share Units. Under the Plan, the number of Performance Share Units that vest shall be determined as of the last day of the Performance Period based on the achievement of the Performance Period ROIC in respect of the ____ Performance Period in accordance with the following table:

3 Year Average Return on Invested Capital	Performance Period ROIC	Vesting Percentage
Threshold ROIC	__%	__%
Target ROIC	__%	__%
Maximum ROIC	__%	__%

The Vesting Percentage for performance between any of the above performance objectives will be interpolated on a straight-line basis. Performance below Threshold ROIC results in a zero Vesting Percentage and performance above Maximum ROIC results in Maximum Vesting Percentage.

All capitalized terms not defined in this agreement have the meanings set out in the Plan.

NFI and the Participant understand and agree that the granting and redemption of these Performance Share Units are subject to the terms and conditions of the Plan, a copy of which was previously provided to the Participant by NFI and, all of which are incorporated into and form a part of this agreement. The Participant has the right to request another copy of the Plan from NFI for the Participant's records.

DATED _____, _____.

NFI GROUP INC.

Per: _____

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Performance Share Units by expectation of employment or continued employment with any of NFI or its Affiliates.

Signature

Name (please print)

CHECK THE BOX BELOW IF APPLICABLE:

- I am a US Participant and understand that my Performance Share Units are subject to the provisions of the Plan specific to US Participants, including Section 3.11 of the Plan.

SCHEDULE "B"

NFI GROUP INC.

AMENDED PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

GRANT AGREEMENT AND CONFIRMATION

[Name of Employee]

(the "**Participant**")

Pursuant to the NFI Group Inc. Amended Performance and Restricted Share Unit Plan (the "Plan") and in consideration of services to be provided to NFI or its Affiliates by the Participant, NFI hereby grants to the Participant effective as of January 1, _____, _____ Restricted Share Units.

The Restricted Share Units shall vest as follows (each date a "**Vesting Date**"):

- _____ on _____, _____
- _____ on _____, _____
- _____ on _____, _____

All capitalized terms not defined in this agreement have the meanings set out in the Plan.

NFI and the Participant understand and agree that the granting and redemption of these Restricted Share Units are subject to the terms and conditions of the Plan, a copy of which was previously provided to the Participant by NFI and, all of which are incorporated into and form a part of this agreement. The Participant has the right to request another copy of the Plan from NFI for the Participant's records.

DATED _____, _____.

NFI GROUP INC.

Per: _____

I agree to the terms and conditions set out herein and confirm and acknowledge that I have not been induced to enter into this agreement or acquire any Restricted Share Units by expectation of employment or continued employment with any of NFI or its Affiliates.

Signature

Name (please print)

CHECK THE BOX BELOW IF APPLICABLE:

- I am a US Participant and understand that my Restricted Share Units are subject to the provisions of the Plan specific to US Participants, including Section 3.11 of the Plan.