

Annual Information Form



Experience the Benefits of People

December 15, 2014

PEOPLE CORPORATION

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PRESENTATION OF INFORMATION

This Annual Information Form ("**AIF**") is intended to provide material information about People Corporation (the "**Company**") and its business. In this AIF, the "Company", "we", "us", and "our" refers to People Corporation and its subsidiaries on a consolidated basis.

Unless otherwise indicated, all information in this AIF is presented at and for the year and fourth quarter ended August 31, 2014. Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars except share information. Financial information is presented in accordance with International Financial Reporting Standards (IFRS).

This AIF and other information about the Company can be accessed on www.sedar.com or by writing to Investor Relations, People Corporation, Suite 1800, 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this AIF from documents filed with securities commission or similar authorities in Canada. Copies of documents incorporated herein are available electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The following documents of the Company are specifically incorporated by reference to and form an integral part of this AIF:

- the audited consolidated financial statements of the Company, including the consolidated statement of financial position as at August 31, 2014 and 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, together with the notes thereto and the independent auditor's report thereon, as filed on SEDAR December 8, 2014 (the "**Financial Statements**");
- management's discussion and analysis for the year ended August 31, 2014, as filed on SEDAR December 8, 2014 (the "**MD&A**"); and
- the business acquisition report in respect of the acquisition of Hamilton + Partners Inc. on Form 51-102F4 as filed on SEDAR on September 23, 2013 (the "**BAR**").

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CAUTION REGARDING FORWARD LOOKING STATEMENTS

This AIF contains forward looking statements and information including, without limitation, financial and business prospects and financial outlooks, may be forward looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions and the negative of such expressions have been used to identify these forward looking statements. These forward looking statements include, but are not limited to, statements concerning: our ability to maintain profitability and manage growth; the anticipated growth of the human resources industry; the continued outsourcing of administration functions by insurance carriers; the continued payment of and inflation in commission rates paid to consultants to arrange group insurance plans; the continued efficient operation of the Company's third party administration platform; the seasonality of revenues and the resulting possible impairment on working capital; the reliance on and continued employment of and attraction of key professionals; the reliance on and continued ability to work with multiple insurance carriers; the Company's strategic plans; future acquisitions; and in general economic conditions. These forward looking statements reflect management's current beliefs and are based on information currently available to management. Such forward looking statements are based on a number of assumptions and factors which may prove to be incorrect, including, but not limited to, assumptions about: demographics, employment and unemployment rates, insurance commission rates, interest rates, availability of experienced advisors and companies continuing to offer benefit plans to their customers. Forward looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including, but not limited to, changes in general economic and market conditions and other risk factors set out in this AIF under the heading "**Risks Factors**". Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the Company's forward looking statements. Although the forward looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward looking statements. Readers should not place undue reliance on forward looking statements. These forward looking statements are made as of the date hereof and People Corporation assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by law.

CORPORATE STRUCTURE

Name and Formation

The Company is incorporated pursuant to the Business Corporations Act (Ontario). The registered office of the Company is c/o McMillan LLP, 181 Bay Street, Suite 4400, Toronto, Ontario M5J 2T3. The executive offices of the Company are located at 1800 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

Effective September 1, 2008, the Company amalgamated with its wholly owned subsidiaries, Gallivan & Associates Student Networks Inc. ("**Gallivan**") and 1246689 Ontario Limited ("**124**") and continued under the name Groupworks Financial Corp.

Effective January 1, 2009, the Company acquired all the outstanding shares of White Willow Benefits Consultants Incorporated ("**White Willow**"), a Stouffville, Ontario based group benefits and pension advisory firm.

Effective March 1, 2009, the Company acquired all the outstanding shares of People Corporation ("**People**") and consequently its three subsidiaries, Health Source Plus Inc./Source Santé Plus Inc. ("**HSP**") of Toronto, Ontario, Advansis Capital Corporation ("**Advansis**") of Toronto, Ontario and People First HR Services Ltd. ("**People First**") of Winnipeg, Manitoba.

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Effective April 30, 2011, the Company acquired all the outstanding shares of Les Assurances W.B. Inc. ("**LAWB**"), a Québec City, Québec based group benefits and pension advisory company.

Effective September 1, 2011, the Company amalgamated with White Willow and continued under the name Groupworks Financial Corp.

Effective October 1, 2011, the Company amalgamated with People and Advansis, a wholly owned subsidiary of People, and continued under the name People Corporation.

Effective September 1, 2012, the Company acquired all the outstanding shares of JSL Inc. ("**JSL**"), a Vaughan, Ontario based group benefits and pension advisory company.

Effective November 1, 2012, the Company acquired all the outstanding shares of Prosure Insurance Agencies Ltd. and Prosure Group Administrators Ltd. (collectively "**Prosure**"), Toronto, Ontario based group benefits and third party administration companies.

Effective December 3, 2012, the Company acquired all the outstanding shares of Bencom Financial Services Group Inc. ("**Bencom**"), a Kitchener, Ontario based group benefits and pension advisory company.

Effective July 9, 2013, the Company acquired all of the issued and outstanding common shares of Hamilton + Partners Inc. ("**H+P**") which wholly owns Employee Benefits Inc. ("**EBI**"), Disability Concepts Inc. ("**DCI**") and 6814409 Canada Incorporated ("**681**"), an Alberta group benefits and disability insurance consulting services group of companies which operate under the brand Hamilton + Partners.

Effective May 30, 2014, the Company acquired all of the issued and outstanding shares of Bryan H. Lupe and Associates Limited ("**BHL**"), a company that provides group benefits consulting and administration services.

Effective June 19, 2014, the Company acquired all of the issued shares of Fairles Benefit Services Inc. ("**FBS**"), a Waterloo, Ontario based benefits and retirement consulting service company, through its wholly owned subsidiary, Bencom, which immediately thereafter amalgamated with FBS and continued under the same name of Bencom.

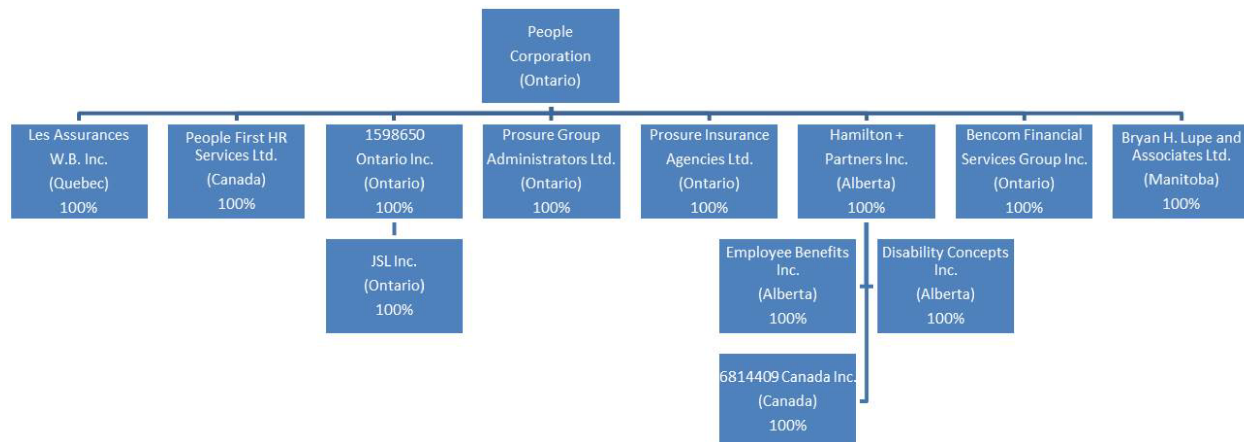
Effective September 1, 2014, the Company amalgamated with HSP and continued under the name People Corporation.

INTER-CORPORATE RELATIONSHIPS

The following chart shows our principal subsidiaries, their jurisdiction of incorporation and the percentage of voting securities the Company beneficially owns or over which the Company has control or direction.

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See "**Services**" for an overview of the Company's operating divisions.

GENERAL DEVELOPMENT OF THE BUSINESS

Summary

The Company delivers employee group benefit consulting, third party benefits administration, group retirement consulting, strategic human resource consulting and recruitment services to help companies attract, retain and reward employees. The Company achieves this through its approximately 250 professionals and support staff with twenty-eight offices and satellite offices in seven provinces and earns its revenues from a diverse base of clients in various industries. The Company's priority is the continued profitable expansion of existing operations through a focus on organic growth and the acquisition of synergistic companies with a view to maximize value for its stakeholders; i) shareholders, ii) clients, iii) acquisition partners, and iv) employees.

The Company maintains a corporate strategic plan, a financial plan and an ongoing annual planning process that enables it to execute on its vision to become a leading national employee benefits, group retirement and human resource consulting firm. The Company is considering a number of possible acquisitions and has the financial and management resources in place to execute such acquisitions in accordance with its corporate strategic plan.

Three Year History

Acquisitions

Effective September 1, 2012, the Company acquired all of the outstanding common shares and assumed debt of JSL. JSL is a Vaughan, Ontario based group benefits and pension advisory company. This acquisition expanded the Company's presence in southern Ontario.

Effective November 1, 2012, the Company acquired all of the outstanding common shares of Prosure. Established in 1987, Prosure provides employee benefits solutions, consulting services and third party administration services to over 300 mid-market corporate clients, the majority of which are located in Ontario.

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Effective December 3, 2012, the Company acquired all of the outstanding common shares of Bencom. Established in 1982, Bencom provides group benefit solutions, group retirement solutions, and individual benefit solutions to approximately 200 mid market corporate clients located primarily in Ontario.

Effective July 9, 2013, the Company acquired all of the issued and outstanding common shares of H+P which wholly owns EBI, DCI and 681. Established in 1984 and operating under the brand Hamilton + Partners, H+P provides group benefits and disability insurance consulting services to its clients.

Effective May 30, 2014, the Company acquired all of the issued and outstanding shares of BHL, a company established in 1973, that provides group benefits consulting and administration services to clients in Manitoba.

Effective June 19, 2014, the Company acquired all of the issued shares of FBS, through its wholly owned subsidiary, Bencom. Established in 1981, FBS provides group benefits and group retirement consulting company to clients in the Southwestern Ontario region.

Management and Directors

On October 6, 2014, Mr. Eric Stefanson was appointed to the Board of Directors of the Company. Mr. Stefanson has 40 years' experience in government, industry and public practice, including extensive experience in a director capacity. Mr. Stefanson is currently a member of the Boards of Directors for multiple public, private and community organizations.

On October 3, 2014, Ms. Bonnie Chwartacki was appointed to the office of President, previously holding the office of Executive Vice President. Mr. Brevan Canning was appointed to the office of Executive Vice President of Finance and Group Head - Group Benefit Solutions, while continuing to maintain the office of Vice President of Finance. Concurrently, Mr. John Gallivan resigned as President of the Company. On January 27, 2014, Ms. Celia Gorlick, Q.C. was appointed Corporate Secretary.

On March 4, 2013, Ms. Susan Dabarno resigned her position as Director due to the potential for conflict of interest resulting from her appointment as Director of Manulife Financial Corporation.

On May 7, 2012, Mr. Richard Leipsic was appointed to the Board of Directors of the Company. Mr. Leipsic has over 30 years of experience in private and public practice, specializing in mergers and acquisitions, corporate governance and succession planning. Mr. Leipsic is Managing Director at Acumen Corporate Development Inc., prior to which he was General Counsel and Senior Vice President for Canwest Global Communications Corp. Concurrently with the appointment of Mr. Leipsic, Mr. Robert Sillcox retired from the Company's Board of Directors.

Credit Facility

On October 31, 2014, the Company entered into an agreement with its senior lender, Canadian Imperial Bank of Commerce ("CIBC"), as lead lender of a syndicated loan facility to expand the capacity, improve the cost effectiveness and enhance the flexibility of its senior credit facility. The new credit facility consists of a \$5 million revolving facility (the "Operating Revolver"), a \$7 million term loan (the "Term Loan"), and a \$23 million acquisition facility (the "Acquisition Revolver"), for a total of \$35 million of credit capacity, an increase over the Company's previous senior credit facility of \$24.5 million. In addition, the agreement provides for an option (the "Accordion Feature"), subject to the satisfaction of certain terms and conditions, to increase the Acquisition Revolver by an additional \$15 million of capacity, which would result in the size of the Acquisition Revolver being increased to \$38 million, and overall credit capacity being increased to \$50 million. As only the Term Loan is currently drawn, the Company presently has \$28 million of unused credit capacity, which could increase to \$43 million with full use of the Accordion Feature.

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The credit facility is secured by a general security agreement over the assets of the Company and its subsidiaries and is subject to debt covenants. As at December 15, 2014, the Company was in compliance with the covenants under this agreement.

Significant Acquisitions

During the year-ended August 31, 2014, the Company did not complete any acquisition for which disclosure was required under Part 8 of National Instrument 51-102. However, during the year ended August 31, 2014 the Company did acquire BHL and FBS, which were did not fall under the definition of significant acquisitions as defined under Part 8 of National Instrument 51-102.

DESCRIPTION OF THE BUSINESS

General

The Company delivers employee group benefit consulting, third party benefits administration, group retirement consulting, strategic human resource consulting and recruitment services to help companies recruit, retain and reward employees. The Company achieves this through approximately 250 professionals and support staff with twenty-eight offices in seven provinces in Canada. The Company earns revenues from a diverse base of over 3,000 clients in various industries. Approximately 89.9% (2013 - 86.8%) of the Company's revenues come from employee group benefit consulting, third party benefits administration and group retirement consulting while the remainder comes from strategic human resource consulting, recruitment services and other revenues. The common shares of the Company ("**Common Shares**") trade on the TSX Venture Exchange ("**TSX-V**") under the symbol "PEO".

Although the human resource industry is highly competitive and fragmented, the Company anticipates significant growth in the industry over the next ten years. As the baby boomers age, companies in Canada will increasingly be faced with a shortage of qualified talent. Virtually every company in Canada purchases human resource products or services, be it employee benefits, life and health insurance products, recruitment services, payroll processing, consulting services, training and development, group retirement services or other outsourcing functions and services. To take advantage of this unique opportunity within a vast marketplace, the Company focuses on group and employee benefit advisory and administrative services, group retirement consulting, and human resource consulting and recruitment services. The Company is moving towards a greater emphasis on delivering solutions to clients that meet their benefit, group retirement and human resources needs on an integrated basis in an effort to help employers reduce costs while still being in a competitive position to attract and retain employees.

Commission revenues ("**Commissions**") are earned as a percentage of premiums collected from where the Company acts as the reseller of group insurance products underwritten by an insurance carrier. Revenues from group benefit consulting are primarily earned by receiving commissions through and from various insurance carriers. Fee revenues ("**Fees**") are earned for third party administration services are earned by charging clients a percentage of claims adjudicated and by earning higher commissions from insurance carriers as the insurance carrier is effectively outsourcing this service to the Company. The Company is a reseller of benefit products and services and therefore assumes no underwriting risk as the insurance policy is underwritten by the insurance carrier.

Revenue from group retirement consulting is principally earned through commissions and fees earned from group retirement assets under administration and are paid by the carrier which administers and invests the funds.

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The human resource consulting and recruitment services offered by the Company earn revenue primarily by charging clients fees for consulting engagements. Fees for human resource consulting services are generally based on hourly rates and depend on the nature of the project and skill set and experience of the consultant engaged on the project. Fees for recruitment services are generally charged as a percentage of base or total compensation (base and target bonus) of the candidate being placed. Fees for career management services are based on the level of the program selected by the client. Fees are negotiated with the client prior to the commencement of the services or engagement.

The largest operating expense of the Company is compensation and related costs which include salaries, commissions, bonuses, employee share ownership plan contributions, stock options, group benefits, and payroll taxes. Other significant operating expenses include occupancy costs, technology costs (equipment leases, telecommunications and software), non-recoverable client service costs (such as printing, travel and third party professional services), claims adjudication third party fees, training, marketing, office costs, professional services (legal and audit) and insurance.

Services

Our industry practices are led by senior professionals with in-depth knowledge and experience in a variety of sectors. Practice leaders help organizations prosper by enabling their employees to grow and succeed at every stage of their career. Our experts carefully design employee services that work for our clients' staff and business. These services include:

Consulting Solutions

Within the Consulting Solutions service area, the Company focuses on providing clients services that include plan review and plan design, plan recommendations and alternative funding methods, plan set-up, employee communications, wellness programs and plan marketing. The majority of the services are provided to clients during the initial phase of attracting and implementing new clients and then annually when client benefit policies renew.

The Company's consultants are divided into teams that focus independently of each other on student benefits, public sector benefits, association benefits, corporate benefits and alternative funding methods including self-insurance. While each team goes to market independently, the Company has an advisor group that brings the skills of the different teams together and therefore the Company is able to proactively approach client assignments in a manner that brings the expertise from various consultants together where necessary.

The Company is a reseller of benefit products and services and therefore assumes no underwriting risk as the insurance policy is underwritten by the insurance carrier.

Within the group benefit service area, Gallivan is currently partnered with 35 post-secondary student associations across Canada and serves an estimated 250,000 students through uniquely designed, dependable and affordable student health and dental benefit plans. Gallivan's relationship with its clients is further consolidated by the establishment of a student only buying group wherein the collective purchasing power of the students are harnessed in developing competitive and stable pricing with the insurers. The Company is appointed by way of a three to five year contract which may be extended.

Most post-secondary institutions in Canada offer prescription drug, health and dental plans for their students. In the majority of cases the policyholder is the student association in which the student is a mandatory member. The plans are introduced following a referendum of the students in which the majority of the students have voted in favour of the plans being implemented. The plans are mandatory, generally with an opportunity to opt out if the student can prove they already have coverage through a parent or spouse. The plan fees are assessed and collected by the post-secondary institution at the same time that tuition and other mandatory fees are collected.

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Benefit Solutions

The Company's Benefit Solutions service area has an established administration platform that brings together multiple carriers onto one administration platform therefore enabling the Company to administer client plans in a customized way.

The Company specializes in providing administration services for group benefit programs that include: plan management, enrolment, employee additions, changes and deletions, data management, billing and reporting. The Company serves as an independent data clearinghouse on behalf of the plan sponsor – this allows the benefit consultant to work with the plan sponsor to select from various insurance carriers and funding options that are best suited to the benefit categories within the plan sponsor's employee benefits program. The benefit to the client is the availability of multiple carriers and funding alternatives on one consolidated billing and reporting platform.

Once the client is on the Company's administration platform, the Company can work with multiple carriers in the background to help the client take advantage of opportunities like plan design changes, market changes, carrier changes, etc. The Company uses the collective buying power of its client base to negotiate competitive administration and transaction fees. In addition, the Company is able to negotiate broad-based programs with program providers, while providing its clients access to various programs for free.

The system is capable of administering both traditional group benefit programs, as well as, benefit programs with an alternative funding arrangement such as *self-insurance* and *administration services only* ("ASO") plans. The technology based platform includes a self-serve administration portal that allows a plan sponsor to log in to the system in a secure manner through a web based portal and self-manage their employee benefit program.

Shared Services

Through our corporate shared service divisions, People Corporation helps its subsidiaries and divisions by providing resources to attract and retain clients. The corporate shared service divisions were created to ensure that the Company's subsidiaries and divisions have access to advanced product experts, proprietary products and services that are not normally available to mid-size employee benefit firms; thereby ensuring clients are receiving the best possible consulting advice, and its subsidiaries have a unique value proposition allowing them a competitive edge to attract and retain clients.

Integrated Solutions ("IS") provides group benefit advisory services with a focus on unique strategic and tax effective compensation solutions designed to realign the competing needs of the business and the people in it. IS provides its specific expertise through a network of third party insurance brokers who do not traditionally service group benefit needs.

Group Retirement Solutions ("GRS") focuses on enhancing and expanding upon the Company's existing group retirement products and client service model. The mandate of the division is to provide support services to the Company's benefit consultants to facilitate and help them expand their service offering to clients by adding GRS.

The Business Development Representatives ("BDR") division is an inside sales department responsible for generating qualified leads for the Company's Benefit Consultants. BDR identifies companies and their decision makers in order to qualify, create, and develop sales opportunities. The purpose of the department is to create and heighten People Corporation awareness to potential prospects as well as to generate leads for the consultants to ultimately increase revenues.

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The Company's Concierge Client Service offering is designed to ensure proper elements and commitments are in place to provide consistent service and delivery to clients on an integrated basis. The standard service level agreements between the Company and its clients provide for a common understanding about service, expectations, priorities and responsibilities, the purpose of which is to maintain quality of service and to ultimately have a positive effect on retention rates.

Wellness Solutions focuses on providing the Company's corporate clients with a suite of proprietary products, and service offerings that will help manage increasing costs of absenteeism, presenteeism, and loss of productivity. In addition, the Company's Wellness Solutions serve to help the Company's clients attract, reward, and retain their employees.

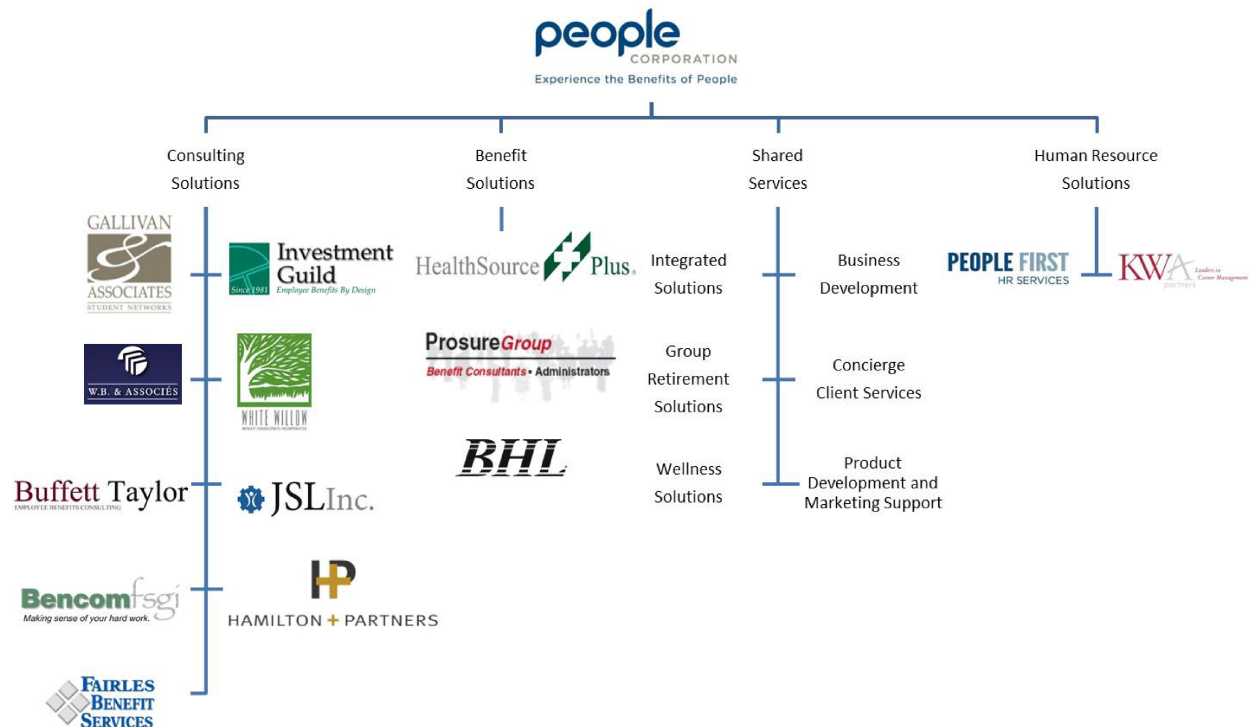
Human Resource Solutions

The Company's Human Resource Solutions service area consultants work with clients to diagnose, design and deliver customized human resource solutions. The consulting team delivers a broad range of services, including: human resource consulting, compensation services, assessment services, and talent management. Career Management consultants deliver services to corporate and individual clients focusing on delivering customized career transition services when job loss occurs for an individual or group and providing an array of career development services. Executive and Management Recruiting consultants provide recruiting services for permanent and contract staffing using a range of search techniques in addition to talent promotion services.

The Company is organized in order to emphasize integration of all practice areas, which are executed based on the following corporate divisions:

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Competitive Conditions

Small and medium enterprise group insurance and pension consulting is serviced by a large number of small regional and local participants. The balance of the industry, which is focused on large employers and government accounts, is serviced by a small number of multinational consulting firms. The scope of services offered includes pension and benefits consulting, pension and benefits administration, communication consulting, actuarial services and wellness consulting.

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The industry has been under significant competitive pressure over the past several years due to the significant cost increases in group insurance premiums resulting from increasing healthcare costs, aging demographics and related consumer utilization. With an aging population that is both living and working longer and taking advantage of more medical services and improvements in drugs, cost and utilization are naturally increasing. This, combined with the continued cost shifting from the public to the private sector through reduced coverage under provincial healthcare programs and other public plans, and the long-term outlook for group insurance costs, suggests that such premiums will continue to rise. In addition, the group insurance and pension consulting industry has undergone a substantial corporate restructuring in recent years, including a significant consolidation of insurers which has in turn resulted in less competition and potentially increased premiums charged to clients. Employers who provide group insurance coverage are therefore demanding greater services from their insurance advisors, including enhanced resources, outsourcing solutions and more creative ways to reduce costs. The multinational consulting firms primarily offer fee based consulting and administrative services, with the balance of the marketplace operating primarily on commission based compensation, with limited fee based services available depending upon the client and the services required.

Human resource consulting and staffing services are dominated by many small players and a few larger multinational firms. The aging workforce and limited inflow of skilled labour has long been recognized as creating a shortage of skilled labour and talent, therefore, increasing the need for client companies to use recruitment firms and human resource consulting firms to help them to recruit, retain and reward employees. This is particularly evident in many small to medium sized enterprises which lack the expertise and internal resources to effectively recruit and retain talent and therefore have a need to outsource this function. Human resource consulting and recruitment firms primarily offer fee based services.

Intangible Properties

Brand Names and Trademarks

The Company operates under a number of different brand names which include:

- | | |
|----------------------------------|--|
| • People Corporation | • The Investment Guild |
| • HealthSource Plus | • SourceSanté Plus |
| • Gallivan and Associates | • People First HR Services Ltd. |
| • KWA | • White Willow Benefit Consultants |
| • Buffett, Taylor and Associates | • JSL Inc. |
| • Les Assurance W.B. Inc. | • Bencom Financial Services Group Inc. |
| • Prosure Group of Companies | • Hamilton + Partners Inc. |
| • Employee Benefits Inc. | • Disability Concepts Inc. |
| • Fairles Benefit Services | • Bryan H. Lupe & Associates Ltd. |

The Company has trademarked the following names:

- People Corporation
- HealthSource Plus
- Advansis Capital Corporation
- Hamilton + Partners

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Customer Lists and Contracts

The Company is dependent upon the relationships and contracts it has with its various customers. Through various acquisitions, the Company acquired customer lists and customer contracts through which the Company derives its revenue. Customer lists and contracts represent an intangible asset which have separate and distinct value apart from other purchased intangible assets and goodwill.

Software

The Company relies on various third party software platforms to administer its customers and services, to provide its third party benefits administration services and to invoice and bill its clients for various services and product offerings. The Company also relies upon third party websites and tools to provide services to its clients.

Concurrently, the Company is continuing with the development of its suite of proprietary software programs and tools.

Licenses

The Company has a license agreement with KWA Partners to use the KWA Partners trademarks, to use the KWA Partners branding and to sell products and services designed through the KWA network for the purposes of providing career transition and career management services to clients in the Province of Manitoba, the Province of Saskatchewan, and in north western Ontario.

Seasonality

As the company's acquisitive growth continues, the revenue trends from quarter to quarter may change depending on the relative significance of acquisitions in a fiscal year and the seasonal variances of the client renewals of those particular acquisitions. During fiscal 2014, the full effects of one significant acquisition in the fourth quarter of fiscal 2013 impacted the consolidated revenue trends in fiscal 2014 thereby resulting in higher consolidated revenue trends in the second and third quarter of fiscal 2014 despite the significant quarter over quarter revenue growth from fiscal 2013 to fiscal 2014. As the company continues to grow both organically and through acquisitions the revenue trends from quarter to quarter within a fiscal may continue to vary, however the annual revenue trends will increasingly be more representative of the Company's annual revenue run rate as the company achieves increasing scale.

Revenue Dependency

The Company has various producer and commission agreements with insurance carriers through which it earns its commission revenues, the loss of any of these relationships could have a material adverse impact on the profitability of the Company and a material impact on the ability of the Company to service its clients. It is Management's belief that no material supply contract is at risk of being terminated or renegotiated.

Employees

At the end of fiscal 2014, the Company employed approximately 250 employees and contractors. The Company is dependent upon these employees and contractors to earn its revenues and to service clients. The loss of key employees, especially those that are directly responsible for revenue generation and those responsible for providing services to clients, could have a material adverse effect on the Company. See "Risk Factors - Key Personnel".

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RISK FACTORS

The Company operates in a well established and highly competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of management of the Company. These factors include, but are not limited to, the following:

Key Personnel

The Company is highly dependent upon the expertise and experience of its personnel, particularly those engaged in generating revenue. The Company's operations depend, in part, on the relationships and reputations these individuals have established with clients, often over many years. In the event the Company was to lose key personnel, client relationships could be negatively affected which could lead to material adverse effects on the Company's operating and financial results. In addition, many of the Company's employees have developed specialized expertise and experience in the delivery of human resource and benefit solutions. These solutions include, but are not limited to, specialized human resource consulting engagements, recruitment projects, career management, benefits plan design and administration, legislative and regulatory issues, as well as group retirement plan design.

The Company currently has many experienced employees that have served the Company for five years or more, who hold senior positions in the Company, that have various professional designations and that have developed deep and trusted relationships with clients. While the Company provides a competitive compensation structure including stock options and an employee share ownership plan to its employees and has signed comprehensive employment agreements with its employees to protect the Company, in the event that the Company were to lose number of its key personnel, this may have a material adverse effect on the business of the Company. The ability to attract, retain and develop new employees into senior positions could affect the business of the Company.

Regulation and Certification

The Company's employee benefits and group retirement consulting and administration services are subject to laws and regulations that are constantly evolving. In addition, the laws and regulations differ from province to province and the Company is required to keep up to date with the laws and regulations of each province.

Although there are currently restrictions on the ability of Canadian banks to market insurance products in competition with the Company, such legislation is currently under review. Accordingly, dependent upon the nature of legislative reforms, Canadian banks may in the future be able to offer products which are competitive with the products offered by the Company.

Currently the provisions of recruitment services and human resource consulting engagements are not generally subject to government regulation. However, there is no certainty that regulation will not be introduced. Any changes to laws, rules, regulations or policies could have a material adverse effect on the Company's business, financial condition and operating results.

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Termination of Contracts

Group insurance contracts are generally renegotiated on an annual basis with clients, pursuant to which insurance premium pricing increases or decreases. Accordingly, there can be no guarantee that insurance contracts sold through the Company in the past will be renewed on a go forward basis. While the Company has several benefit and insurance clients with contracts that extend for one to seven years, the majority of the Company's benefit and pension revenue is derived from contracts that can be cancelled upon thirty days' notice. The Company's experience is that most clients terminate during the renewal process rather than during the policy year. No single client makes up more than 2.5% of the Company's revenue and the clients are diversified both in size and industry. During the renewal process the benefits consulting team will provide benefits planning and consulting services which could result in decreased benefits coverage and/or decreased premiums which generally would result in decreased revenue for the Company. The Company is often paid commissions in advance from the insurance carrier. In the event that a contract is terminated by a client and the Company has been paid in advance for the year, then the Company may be required to rebate the insurance company on a pro rata basis for the amount paid to it by the insurance company.

Competitive Conditions

The insurance brokerage market is highly competitive and is composed of a large number of companies of varying size and scope of services. Insurance companies themselves also offer their products through other methods, including insurance agents and direct distribution channels, which are competitive with the insurance brokerage industry and the Company. See "Description of the Business - Competitive Conditions" above.

Future Growth via Acquisitions

The Company's growth and expansion plans contain a dual approach of generating organic growth through enhanced service offerings among the Company's existing client base and through ongoing acquisition of independent employee benefits, group retirement and human resource consulting firms. There can be no assurance that an adequate number of suitable acquisition candidates will be available to the Company to meet this area of focus of its expansion plans, or in the event that such businesses are available for acquisition that they will be available at a price which would allow the Company to operate on a profitable basis. The Company competes for acquisition and expansion opportunities with entities that have substantially greater resources than the Company and these entities may be able to outbid the Company for acquisition targets.

Integration of Future Acquisitions

There can be no assurance that the businesses acquired by the Company in the future will achieve acceptable levels of revenue and profitability or otherwise perform as expected. The Company may be unable to successfully integrate any business it may acquire in the future, due to diversion of management attention, strains on the Company's infrastructure, difficulties in integrating operations and personnel, entry into unfamiliar markets, or unanticipated legal liabilities or tax, accounting or other issues. A failure to integrate acquired businesses may be disruptive to the Company's operations and negatively impact the Company's revenue or increase the Company's expenses.

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Availability of Financing

The Company has relied principally on equity and vendor-take-back debt financing to fund its acquisitions. The Company may require additional funds to make future acquisitions of employee benefits, group retirement and human resource consulting businesses and may require additional funds to market and sell its products into the marketplace. The ability of the Company to arrange such financing in the future, and to repay its existing debt, will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will have the financial basis upon which it will be able to access its Acquisition Revolver or be successful in its efforts to use or arrange for additional financing, when needed, on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company may change and shareholders may suffer additional dilution. If additional financing is not available on terms favourable to the Company, the Company may be unable to grow or may be required to limit or halt its expansion plans. In addition, the Company's existing creditors, some of whom have security interests in the Company's assets, may exercise their rights to acquire or dispose of the Company's assets.

Dividends

Whereas there are no restrictions on the Company to pay dividends, the current intention is to retain future earnings to fund growth and operations and the Company is not likely to pay any dividends in the immediate or foreseeable future. Any decision to pay dividends on the Company's Common Shares in the future will be made by the Board of Directors on the basis of the Company's earnings, capital requirements and other conditions at such time.

Reputational Risk

The Company is dependent, to a large extent, on its client relationships and its reputation with clients. In addition, the human resource consulting and staffing part of the Company is dependent upon its reputation with potential candidates that will be placed with clients through its recruitment services. The Company's reputation can be significantly damaged by failing to deliver timely and quality consulting and recruitment services or by failing to provide quality services to potential candidates. The benefit and group retirement part of the Company relies upon information systems and technology to maintain accurate records and to carry out its contractual administrative obligations. Failing to meet its contractual obligations to clients could result in litigation as well as significant reputational damage to the Company. Damage to the Company's reputation could result in the loss of client and candidate relationships which could result in a material adverse effect on the Company's business, financial condition and operating results.

Canadian Economy

The Company's future success is dependent upon the direction and state of the Canadian economy. The business, operating results and financial condition of the Company could be materially affected by a prolonged and deep recession or downturn in the Canadian economy. The Company may not have sufficient financial resources to withstand a prolonged and deep recession.

GOVERNMENT REGULATION

Licensing is required under the laws of the provinces in which the Company operates.

- The Financial Services Commission of Ontario ("FSCO") is the self regulatory body which provides a variety of licensing and registration services to stakeholders in the insurance sector in Ontario.

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- The Insurance Council of Manitoba ("**ICM**") is the body which regulates established standards through its licensing and compliance functions in Manitoba.
- The Insurance Councils of Saskatchewan ("**ICS**") is the body which regulates established standards through its licensing and compliance functions in Saskatchewan.
- The Alberta Insurance Council ("**AIC**") is the self regulatory body which has responsibility to oversee education and licensing requirements in the insurance sector in Alberta.
- The Insurance Council of British Columbia ("**ICBC**") is the self regulatory body which has responsibility to oversee education and licensing requirements in the insurance sector in British Columbia.
- The Autorité des marchés financiers ("**AMF**") is the body which regulates established standards through its licensing and compliance functions in Quebec.

In this regard, the Life License Qualification Program ("**LLQP**") has been established as a self-study program designed to be recognized as a common standard for life, health and travel insurance advisors. In addition, individuals engaged in the insurance advisory industry may opt to pursue a variety of additional professional qualifications, such as: (i) the Chartered Life Underwriter ("**CLU**") designation, specializing in the areas of income replacement, risk management, estate planning, and wealth transfer; (ii) the Certified Financial Planner ("**CFP**") designation, concerning personal financial planning, investment products and investing strategies; and (iii) the Certified Employee Benefits Specialist ("**CEBS**") designation. These designations as well as others are granted by independent governing bodies such as the Financial Planners Standards Council, the Financial Advisors Association of Canada and The International Foundation of Employee Benefit Plans, and are independently regulated by such bodies. In addition, although there are current restrictions on the ability of Canadian banks to market insurance products in competition with the Company, such legislation is currently under review. Accordingly, dependent upon the nature of legislative reforms, Canadian banks may in the future be able to offer products which are competitive with the products offered by the Company.

The benefit and group retirement consulting and administration services business is subject to laws and regulations that are constantly evolving. In addition, the laws and regulations differ from province to province and the Company is required to keep up to date with the laws and regulations of each province. Currently the provisions of recruitment services and human resource consulting engagements are not generally subject to government regulation. However, there is no certainty that regulation will not be introduced. Any changes to laws, rules, regulations or policies may have a material adverse effect on the business, its financial condition and operating results.

DESCRIPTION OF CAPITAL STRUCTURE

General Overview

The authorized capital of the Company consists of an unlimited number of Common Shares. Including certain stock options exercised subsequent August 31, 2014, there are 39,858,150 Common Shares issued and outstanding as at December 15, 2014. The holders of the Common Shares are entitled to one vote in respect of each share held at all meetings of shareholders. Holders of Common Shares have the right to receive dividends, if any, as and when declared from time to time by the Board of Directors of the Company and any remaining property in the event of liquidation, dissolution or winding-up of the Company.

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Dividends

There are no restrictions on the payment of dividends by the Company. The Company does not have a formal dividend policy and has never declared or paid cash dividends on the Common Shares. The Company currently intends to retain any future earnings to fund the development and growth of its business.

Market for Securities

The Common Shares trade on the TSX-V under the symbol "PEO". There are no other securities of the Company listed on the TSX-V and there are no securities of the Company listed on a foreign exchange. The following table sets out the price range and trading volumes of the Common Shares on the TSX-V during fiscal year ended August 31, 2014:

Month	Low	High	Close	Volume
September	\$ 1.19	\$ 1.45	\$ 1.31	503,182
October	\$ 1.20	\$ 1.37	\$ 1.32	477,522
November	\$ 1.25	\$ 1.38	\$ 1.33	512,751
December	\$ 1.27	\$ 1.36	\$ 1.35	378,924
January	\$ 1.30	\$ 1.89	\$ 1.70	1,807,892
February	\$ 1.61	\$ 1.85	\$ 1.66	1,125,006
March	\$ 1.50	\$ 2.10	\$ 2.10	894,856
April	\$ 2.05	\$ 2.85	\$ 2.85	1,215,548
May	\$ 2.51	\$ 2.85	\$ 2.66	742,632
June	\$ 2.60	\$ 3.00	\$ 2.75	652,170
July	\$ 2.37	\$ 2.89	\$ 2.55	1,016,873
August	\$ 2.50	\$ 2.74	\$ 2.72	1,222,134

Prior Sales

On April 23, 2014, the Company closed a private placement offering of 4,815,080 shares at a price of \$2.15 per share, which included the exercise in full of the Underwriter's over-allotment option of 628,050 shares, for aggregate gross proceeds of \$10,352,422.

During the year ending August 31, 2014, the Company issued 1,709,213 Common Shares (2013 - 56,666) related to the exercise of stock options resulting in gross proceeds equal to \$867,155.

EXECUTIVE OFFICERS AND BOARD OF DIRECTORS

The names and municipalities of residence for the executive officers and directors of the Company as of the date hereof and their respective principal occupations within the five preceding years are as follows:

Executive Officer Name and Municipality of Residence	Principal Occupations During the Past 5 Years	Percentage of Common Shares held	Number of Common Shares beneficially held

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Executive Officer Name and Municipality of Residence	Principal Occupations During the Past 5 Years	Percentage of Common Shares held	Number of Common Shares beneficially held
Laurie Goldberg (A) (E) Chairman and Chief Executive Officer Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Chief Executive Officer, People Corporation (2005 to present) 	13.7%	5,415,089
Scott Anderson (A) (E) Director (February 2009) Toronto, Ontario Canada	<ul style="list-style-type: none"> Chief Executive Officer, The Catalyst Company a management and consulting company) 	4.9%	1,945,035
Richard Leipsic (A) (E) Director (July 2012) Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Managing Director, Acumen Corporate Development Inc. (2012 to Present) General Counsel, Canwest Global Communications Corp. (1999 to 2010) 	0.1%	32,453
Eric Stefanson Director (October 2014) Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Corporate Director (2010 to present) Regional Managing Partner, BDO Canada LLP (2004 to 2009) 	-%	-
Bonnie Chwartacki President Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Executive Vice President, People Corporation (2009 to October 2014) Vice President, People Corporation (2008-09) 	2.8%	1,091,741
Brevan Canning Executive Vice President, and Vice-President Finance Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Vice President Finance, People Corporation (2005 to present) 	1.7%	653,457
Celia Gorlick Corporate Secretary Winnipeg, Manitoba Canada	<ul style="list-style-type: none"> Vice President, Legal Affairs and Corporate Secretary, People Corporation (2013 to present) Self-Employed Barrister & Solicitor (2012-13) Chief Advisor Employee Relations, National bank of Canada (2011-12) Corporate Counsel, Wellington West Holdings inc. (2008-11) 	-%	6,325

Legend:

- (A) Audit Committee
(E) Human Resources & Corporate Governance Committee

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As at December 15, 2014, the directors and executive officers of the Company as a group, beneficially owned, or controlled or directed, directly or indirectly, 9,144,100 Common Shares representing approximately 23.1% of the outstanding Common Shares before giving effect to the exercise of options to purchase Common Shares held by such directors and executive officers. The statement as to the number of Common Shares beneficially owned, or over which a director or executive officer exercises control or direction, directly or indirectly, not being within the knowledge of the Company, has been furnished by the directors and officers.

The directors of the Company are elected at each annual meeting and hold office until the next annual meeting or until their successors are appointed.

Information regarding the Audit Committee of the Company can be found in the Company's management information circular dated January 22, 2014 in connection with the annual and special meeting of shareholders of the Company held on February 26, 2014 under the heading "AUDIT COMMITTEE".

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

As at the date hereof, to the best knowledge of the Company, no director or executive officer of the Company is presently, or has been during the ten (10) years prior to this date, a director, chief executive officer or chief financial officer of any company (including the Company) that (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "Order") while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company, or (ii) that was subject to an Order issued after that person ceased to be a director, chief executive officer or chief financial officer of the relevant company that resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Except as discussed below, as of the date hereof, to the best knowledge of the Company no director, executive officer of the Company or shareholder holding sufficient number of securities to materially affect control of the Company is presently, or has been during the ten (10) years prior to the date hereof (i) a director or executive officer of any company (including the Company) that 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, a receiver manager or a trustee appointed to hold its assets, while such person acted as a director or executive officer of such company or within one year following the date on which such person ceased to act as a director or executive officer of such Company, or (ii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) 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 (ii) 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.

Laurie Goldberg resigned as Chief Operation Officer of Crocus Investment Fund effective January 2005, and on June 28, 2005, Deloitte & Touche Inc. was appointed Receiver and Manager of Crocus Investment Fund by the Manitoba Court of Queen's Bench.

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During the period in which Richard Leipsic was General Counsel and Vice President of Canwest Global Communications Corp ("**Canwest**"), Canwest and certain of its subsidiaries applied for and were granted protection from their creditors under the Companies' Creditors Arrangement Act (Canada), on October 6, 2009. On November 13, 2009, the Toronto Stock Exchange ("**TSX**") delisted Canwest's subordinate voting shares and non-voting shares (collectively the "**Securities**"), for failure to meet the continuous listing requirements. On November 16, 2009 the Securities commenced trading on the TSX-V. Subsequent to his departure from Canwest, the consolidated plan of compromise, arrangement and reorganization pertaining to Canwest was successfully implemented.

CONFLICTS OF INTEREST

There are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any officer of the Company or any Officer of a subsidiary of the Company.

LEGAL PROCEEDINGS

In the normal course of carrying on its business, the Company becomes the subject of claims and is involved in various legal proceedings. However, other than as described below, the Company is not currently involved in any material legal proceedings, and the Company is not aware of any pending or threatened proceedings or claims for damages against the Company where the amount would exceed 10% (exclusive of interest and costs) of the current assets of the Company. The Company believes that it has adequate reserves in respect of legal proceedings to which it is a party.

On August 2, 2013 a former employee filed an amended statement of claim ("Amended Statement of Claim") alleging, among other things, the actions of the Company were oppressive or unfairly prejudicial to or that unfairly disregarded the interests of the plaintiff. The Amended Statement of Claim seeks damages against the Company in the amount of \$5 million plus punitive damages. The Company does not believe that the outcome of this claim will be material to its financial position, and it intends to vigorously defend itself against this claim.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, to the knowledge of management of the Company, no director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the outstanding Common Shares, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the Company is TMX Equity Transfer Services at its principal office in the city of Toronto.

INTEREST OF EXPERTS

As at the date hereof, to the knowledge of the Company, the partners and associates of MNP LLP, the auditors of the Company, do not own any of the issued shares of the Company.

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MATERIAL CONTRACTS

The Company is not a party to any material contracts entered into within the most recently completed financial year, or before the most recently completed financial year that are still in effect, that are required to be filed by the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com or by writing to Investor Relations, People Corporation, Suite 1800 - 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

Financial information is provided in the Financial Statements and MD&A for its most recently completed financial year which are filed on SEDAR. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's equity compensation plan is contained in the Company's Management Proxy Circular prepared in connection with the Company's Annual and Special Meeting of Shareholders held on February 26, 2014.