

Kingsway Financial Services Inc. - Majority Election of Directors Policy

We have adopted a "Majority Election of Directors Policy" that provides that a director nominee who does not receive a majority (50% +1) of "FOR" votes cast at the Meeting in favor of his election in an uncontested election will be required to immediately submit his resignation to the Audit Committee and the resignation will be effective when accepted by the Board. A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board. The Audit Committee must make a recommendation to the Board to accept or reject the resignation and the Board must act on the Audit Committee's recommendation within 90 days of the Meeting. The Board shall accept the resignation absent extenuating circumstances. The Corporation shall promptly issue a news release with the Board's decision, and if the Board determines not to accept a resignation, the news release will state in full the reasons for that decision. A director who tenders a resignation pursuant to this Policy will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered.