Form 51-102F3

MATERIAL CHANGE REPORT

Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations

ITEM 1: NAME AND ADDRESS OF REPORTING ISSUER

IOU Financial Inc. (the "**Company**")
1 Place Ville-Marie
Suite 1812
Montréal, Québec H3B 4A9

ITEM 2: DATE OF MATERIAL CHANGE

May 23rd, 2014.

ITEM 3: PRESS RELEASE

A press release was issued by the Company on May 23rd, 2014.

ITEM 4: SUMMARY OF MATERIAL CHANGE

On May 23rd, 2014, the Company announced the results of its Annual General and Special Meeting of Shareholders (the "Meeting") held on May 23rd, 2014. Amongst other matters, at this meeting, the Company's shareholders voted in favour of the following resolutions:

- the approval of the sale of up to $250 million of loans over the next five years to the Palos/IOU High Yield Fund managed by Palos Management Inc.; and

- the amendment to the Company's Articles of Incorporation to restate its share capital in order to simplify its current equity capital structure, by canceling some authorized but non issued classes of shares and by creating a new class of shares designated as Common Shares (the "Common Shares"). Upon the issuance of the Certificate of Amendment in respect of the Articles of Incorporation of the Company, the Company proposes to convert each one of the Class B Common Shares issued and outstanding immediately prior to the issuance of the Certificate of Amendment into one Common Share.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

On May 23rd, 2014, the Company announced the results of its Annual General and Special Meeting held on May 23rd, 2014.

At this Meeting, the Company's shareholders voted in favour of the following resolutions:

- the election of each of Guy Charette, David Cynn, Philippe Marleau and Evan Price as directors of the Company to hold office until the next annual meeting of shareholders or until their successors are elected or appointed;
- the appointment of BDO Canada LLP, Certified Professional Accountants, as auditors of the Company until the next annual meeting of shareholders or until their successors are appointed;
- the approval of the Company's rolling 10% Stock Option Plan, as required annually by the policies of the TSX Venture Exchange;
- the approval of the sale of up to $250 million of loans over the next five years to the Palos/IOU High Yield Fund managed by Palos Management Inc.; and
- the amendment to the Company's Articles of Incorporation to restate its share capital in order to simplify its current equity capital structure, by canceling some authorized but non issued classes of shares and by creating a new class of shares designated as Common Shares. Upon the issuance of the Certificate of Amendment in respect of the Articles of Incorporation of the Company, the Company proposes to convert each one of the Class B Common Shares issued and outstanding immediately prior to the issuance of the Certificate of Amendment into one Common Share.

Full details of the matters voted upon at the Meeting are set forth in the Management Proxy Circular dated April 17, 2014 which was prepared and mailed in connection with the Meeting and is available under the Company's profile on SEDAR at www.sedar.com.

ITEM 6: RELIANCE ON SUBSECTION 7.1(2) of NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: SENIOR OFFICER

The following senior officer of the Company is knowledgeable about the material change and this report:

Mayco Quiroz
Chief Financial Officer
(514) 789-0694 ext. 298
mquiroz@ioucentral.com

ITEM 9: DATE OF REPORT

DATED at Montreal, Quebec this 29th day of May, 2014.

By: (signed) *Mayco Quiroz*

Mayco Quiroz
Chief Financial Officer