

ADJUSTED COST BASIS ALLOCATION FOR CANADIAN INCOME TAX PURPOSES

For Canadian holders of record of Subordinate Voting Shares of FirstService Corporation at the close of business on May 29, 2015

On June 1, 2015, former FirstService Corporation (“FirstService”) completed a tax-efficient restructuring through a plan of arrangement (the “Arrangement”) whereby FirstService’s Residential Real Estate Services and Property Services divisions were spun out into a new public company named FirstService Corporation (“New FSV”). The former FirstService public company was then renamed to Colliers International Group, Inc. (“CIG”).

Please note that while FirstService believes the allocation as outlined below is a reasonable allocation for Canadian income tax purposes, such an allocation is not binding on either shareholders or the Canadian tax authorities. Shareholders should therefore consult their own tax advisors in light of their particular circumstances.

As outlined under the heading “CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS” in FirstService’s Management Information Circular dated March 16, 2015 (the “Circular”) with respect to the Arrangement, a number of steps were undertaken that led to the acquisition of CIG shares and New FSV shares by holders of the previously outstanding FirstService shares.

For purposes of the *Income Tax Act (Canada)*, we are informing Canadian shareholders that we have estimated that the adjusted cost basis (“ACB”) to a holder of shares of FirstService held immediately prior to the completion of the Arrangement should be allocated as follows: 41.43% to the shares of New FSV received by the holder pursuant to the Arrangement and 58.57% to the shares of CIG received by the holder pursuant to the Arrangement.

As an example, if the ACB of a pre-Arrangement FirstService share was \$10.00 to a particular Canadian shareholder, the ACB of such share would be allocated as follows:

Entity	Percentage allocation	ACB
New FSV	41.43%	\$ 4.14
CIG	<u>58.57%</u>	<u>5.86</u>
Total	100.00%	\$10.00

Shareholders who are filing a Tax Election, as outlined in the Circular, should consult their own tax advisors to determine the impact such an election has on his or her shares.