



## BOARD OF DIRECTORS MANDATE

### 1.0 INTRODUCTION

- 1.1 The mandate of the board of directors (the “**Board**”) of Trez Capital Senior Mortgage Investment Corporation (the “**Corporation**”) is to be responsible for the overall stewardship of the Corporation.
- 1.2 This mandate includes, without limitation, being responsible for the matters set out in Section 4.0 below, establishing the overall policies for the Corporation, monitoring and evaluating the Corporation’s strategic direction, and retaining plenary power for those functions not specifically delegated by it to its committees, its officers or to the manager of the Corporation, Trez Capital Fund Management Limited Partnership, or such other manager as may be appointed by the Corporation from time to time (the “**Manager**” and, together with the officers of the Corporation, “**Management**”) in accordance with the requirements of the *Canada Business Corporations Act* as well as other applicable legislation, rules and regulations (including those of any stock exchange on which securities of the Corporation are listed for trading), the articles of the Corporation and the by-laws of the Corporation (collectively, “**Applicable Laws**”).
- 1.3 Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for any director (each a “**Director**”) of the Corporation under Applicable Laws.

### 2.0 PROCEDURES AND ORGANIZATION

- 2.1 Directors are elected annually by the shareholders of the Corporation and, together with those appointed to fill vacancies or appointed as additional directors throughout the year in accordance with Applicable Laws, collectively constitute the Board.
- 2.2 The composition of the Board, including the qualification of its members, shall comply with Applicable Laws.
- 2.3 Except during temporary vacancies, a majority of the Directors must be independent as such term is defined by Section 1.4 of National Instrument 52-110.
- 2.4 The Chairman of the Board shall be appointed by resolution of the Board to hold office from the time of his/her appointment until the next annual general meeting of shareholders or until his/her successor is so appointed.
- 2.5 The Board may assign to Board committees the prior review of any issues it is responsible for.
- 2.6 The Board may engage outside advisors at the expense of the Corporation in order to assist the Board in the performance of its duties and may set and pay the compensation for such advisors.
- 2.7 The Board has delegated day-to-day authority to Management, but reserves the right to review decisions of Management and to exercise final judgment on any matter. Management in turn keeps the Board fully informed of the progress of the Corporation towards the achievement of its Investment Objectives.

### 3.0 BOARD MEETINGS

- 3.1 The Board shall meet at least four times per year and may meet more often if required. Meetings of the Board may be convened at the request of any Director.
- 3.2 The Board shall meet separately without Management present as it shall determine, but at least once annually.
- 3.3 The Board shall hold an in camera meeting solely of the independent Directors following every scheduled Board meeting as well as following each special Board meeting as deemed necessary.



- 3.4 The provisions of Applicable Laws that regulate meetings and proceedings shall govern Board meetings.
- 3.5 The Chairman shall propose and approve an agenda for each Board meeting. Each Director may request the inclusion of other agenda items.
- 3.6 Information that is important to the Board's understanding of the business to be conducted at a Board or committee meeting will normally be distributed in writing to the Directors reasonably before such meeting and the Directors are expected to review these materials in advance of such meeting. The Board acknowledges that, from time to time, certain items to be discussed at a Board or committee meeting may be of a very time-sensitive nature and that the distribution of materials on such matters before such meeting may not be practicable.
- 3.7 The Board may invite from time to time such person as it may see fit to attend its meeting and to take part in discussion and consideration of the affairs of the Board.
- 3.8 The minutes of the Board meetings shall accurately record the significant discussions of and decisions made by the Board and shall be distributed to the Board members, with copies to the Chief Executive Officer (the "CEO") of the Corporation and to the external auditors.

#### **4.0 RESPONSIBILITIES**

- 4.1 As part of its stewardship responsibility, the Board is responsible for the following matters:
  - (1) Approving the strategic planning process of the Corporation.
  - (2) Reviewing, evaluating, proposing appropriate changes to, and approving, at least once annually, the business plan and financial goals of the Corporation as well as longer term strategic plans prepared and elaborated by Management, such strategic plans to take into account, among other things, the opportunities and risk of the Corporation's business.
  - (3) Monitoring, throughout the year, achievement of the Investment Objectives and goals set in accordance with the business plan and strategic plans.
  - (4) Reviewing and approving all securities continuous disclosure filings.
  - (5) Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues) and developments involving the Corporation and its business environment.
  - (6) Identifying, with Management, the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
  - (7) To the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation.
  - (8) Ensuring proper succession planning, including appointing, training and monitoring senior executives.
  - (9) Appointing, evaluating, and, if necessary, changing the Manager of the Corporation, subject to shareholder approval (as applicable);
  - (10) Adopting a communication and disclosure policy for the Corporation and monitoring investor relations programs.



- (11) Developing the Corporation's approach to governance, including adopting and enforcing good corporate governance practices and processes.
  - (12) Taking reasonable steps to ensure the integrity of the Corporation's internal control and management information systems.
  - (13) Establishing and maintaining an audit committee of the Board (the "**Audit Committee**") and periodically reviewing the mandate of the Audit Committee.
  - (14) Receiving recommendations of the Audit Committee respecting, and reviewing and approving, the audited, interim and other publicly disclosed financial information of the Corporation
  - (15) Reviewing the Board's mandate annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board, the Audit Committee and each Directors.
  - (16) Meeting regularly with Management to receive reports respecting the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any other areas of concern involving the Corporation.
  - (17) Approving all matters of a material nature that are presented to the Board by Management.
  - (18) Directing Management to ensure the Corporation operates at all times within Applicable Laws.
- 4.2 It is recognized that each Director, in exercising powers and discharging duties, must act honestly and in good faith with a view to the best interests of the Corporation. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 4.3 It is expected that each Director will have a high record of attendance, whether in person or by such means as permitted by Applicable Laws, at meetings of the Board and at meetings of each committee of which the Director .

## **5.0 MEASURES FOR RECEIVING SHAREHOLDER FEEDBACK**

All publicly filed and disclosed materials of the Corporation shall, to the extent applicable, provide for a mechanism for feedback from shareholders. Persons designated to receive such information shall provide a summary of the feedback to the Board on a regular basis.

## **6. CHAIR OF THE BOARD**

The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- (1) leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time;
- (2) promoting cohesiveness among the directors; and
- (3) being satisfied, that the responsibilities of the Board and its committees are well understood by the directors.



The Chair will (with the assistance of any Lead-Director if one is appointed from time to time) assist the Board in discharging its stewardship function, which includes:

- (1) leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time;
- (2) satisfying itself as to the integrity of the senior officers of the Corporation and ensuring that such senior officers created a culture of integrity throughout the organization;
- (3) strategic planning;
- (4) identifying and managing risks;
- (5) succession planning;

In connection with meetings of the Directors, the Chair shall be responsible for the following:

- (1) scheduling meetings of the Directors;
- (2) coordinating with the Chairs of the committees of the Board to schedule meetings of the committees;
- (3) reviewing items of importance for consideration by the Board;
- (4) ensuring that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to manage or supervise the management of the business and affairs of the Corporation;
- (5) setting the agenda for meetings of the Board;
- (6) monitoring the adequacy of materials provided to the Directors by Management in connection with the Directors' deliberations;
- (7) ensuring that the Directors have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board;
- (8) presiding over meetings of the Directors; and
- (9) encouraging free and open discussion at meetings of the Board.

## **7.0 ORIENTATION OF NEW DIRECTORS AND CONTINUING EDUCATION**

- 7.1 The Board will give new Directors such information and orientation opportunities as may be deemed by the Board to be necessary or appropriate to ensure that they understand the nature and operation of the Corporation's business, the role of the Board and its committees and the contribution that individual Directors are expected to make.
- 7.2 The Board will give all Directors such continuing education opportunities as may be deemed by the Board to be necessary or appropriate so that they may maintain or enhance their skills and abilities as directors, and to ensure that their understanding of the nature and operations of the Corporation's business remains current.