TREZ CAPITAL MORTGAGE INVESTMENT CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 16, 2016

and

MANAGEMENT INFORMATION CIRCULAR

May 17, 2016

These materials are important and require your immediate attention. They require the shareholders of Trez Capital Mortgage Investment Corporation to make important decisions. If you are in doubt as to how to make such decisions please contact your financial, tax, investment, legal or other professional advisors.

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May 17, 2016

Dear Shareholder:

The board of directors of Trez Capital Mortgage Investment Corporation (the "**Corporation**" or "**we**") is pleased to invite you to attend the annual and special meeting (the "**Meeting**") of the Corporation's shareholders (the "**Shareholders**") to be held at the Toronto Board of Trade, Ridout Room, 3rd Floor, 77 Adelaide Street West, Toronto, Ontario on June 16, 2016 at 9:00 a.m. (Eastern Standard Time).

At the Meeting, in addition to considering matters relating to our usual annual business as outlined in the accompanying Notice of Annual and Special Meeting, Shareholders will be asked to consider and, if determined advisable, to pass, with or without amendment, a special resolution (the "**Special Resolution**") authorizing the orderly wind-up of the Corporation pursuant to an orderly wind-up plan.

The board of directors of the Corporation has determined that it is in the best interests of the Corporation and has approved and recommends that Shareholders vote FOR the Special Resolution. The Special Resolution represents the culmination of a strategic review process initiated by the board of directors in September 2015 to consider alternatives to enhance Shareholder value. In making its recommendation, the board of directors considered a number of factors as described in the management information circular under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*".

The management information circular contains a detailed description of the Special Resolution, certain other information to assist you in considering how to vote on the Special Resolution and information regarding annual business to be considered at the Meeting. We urge you to carefully consider all of the information in the management information circular. If you require assistance, please consult your financial, tax, investment, legal or other professional advisors.

This is an important matter affecting the future of the Corporation and your vote is important regardless of the number of shares you own. We also encourage you to take the time now to read the instructions provided to you by your broker, trustee, financial institution, custodian, nominee or other intermediary and complete the enclosed voting instruction form or form of proxy so that your shares can be voted at the Meeting in accordance with your instructions.

On behalf of the board of directors, I would like to thank all Shareholders for their patience and ongoing support.

Yours very truly,

"Gary Samuel"

Gary Samuel
Chair of the Special Committee of the Board of Directors

TREZ CAPITAL MORTGAGE INVESTMENT CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular of Trez Capital Mortgage Investment Corporation (the "**Corporation**") dated May 17, 2016 (the "**Information Circular**").

NOTICE IS HEREBY GIVEN that the annual and a special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of the Corporation will be held at the Toronto Board of Trade, Ridout Room, 3rd Floor, 77 Adelaide Street West, Toronto, Ontario on June 16, 2016 at 9:00 a.m., Eastern Standard Time, for the following purposes:

1. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution authorizing the orderly wind-up of the Corporation in the form set out in Schedule "A" to the Information Circular;
2. to receive and consider the financial statements of the Corporation for the year ended December 31, 2015 together with the auditor's report to Shareholders thereon;
3. to increase the number of directors of the Corporation from five to six;
4. to elect the directors of the Corporation;
5. to re-appoint the auditor of the Corporation and authorize the directors of the Corporation to fix the auditor's remuneration;
6. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out in Schedule "B" to the Information Circular confirming by-law number 2 (A by-law relating to the nomination of persons for election to the board of directors of the Corporation) adopted by the board of directors of the Corporation on December 18, 2015;
7. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out in Schedule "C" to the Information Circular ratifying the shareholder rights plan agreement between the Corporation and Computershare Trust Company of Canada, as rights agent, dated as of February 25, 2016, as amended and restated on May 17, 2016 (the "**Rights Plan**"); and
8. to transact such other business as may be properly brought before the Meeting and any postponement(s) or adjournment(s) thereof.

Accompanying this notice is the Information Circular and form of proxy or voting instruction form. The Information Circular contains details of the matters to be considered at the Meeting. The above matters are deemed to include consideration of any permitted amendment to or variation of any matter identified in this notice and to transact such other business as may properly come before the Meeting or any adjournment thereof. Management is not aware of any other matters which are expected to come before the Meeting.

Only Shareholders of record at the close of business on May 17, 2016 are entitled to notice of and to attend and vote at the Meeting, or any adjournment thereof.

Whether or not you attend the Meeting in person, you are encouraged to vote your shares. Please follow the instructions on the enclosed form of proxy or voting instruction form. If you plan to attend the Meeting and wish to vote in person, please follow the instructions on the enclosed form of proxy or voting instruction form to appoint yourself, instead of the management nominees, to vote at the Meeting. You must take the necessary steps if you wish to vote at the Meeting in person. Please see the Information Circular for additional information.

DATED at Toronto, Ontario as of May 17, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"Gary Samuel"

Gary Samuel
Chair of the Special Committee of the Board of Directors

TREZ CAPITAL MORTGAGE INVESTMENT CORPORATION

MANAGEMENT INFORMATION CIRCULAR

GLOSSARY OF TERMS

"**2-Yr GOC Yield**" means, at any time, the then current two-year Government of Canada bond yield;

"**Acquiring Person**" has the meaning set forth under "*Business of the Meeting – Special Business – Ratification of Rights Plan*";

"**Advance Notice By-Law**" has the meaning set forth under "*Business of the Meeting – Special Business – Confirmation of Advance Notice By-Law*";

"**AIF**" means the Corporation's annual information form dated March 28, 2016 for the year ended December 31, 2015;

"**Amending Agreement**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Articles**" means the articles of incorporation of the Corporation, as amended from time to time;

"**Beneficial Shareholder**" means a shareholder of the Corporation who is not recorded in the Corporation's shareholder registry and who holds their Shares through a securities dealer, broker, bank, trust corporation or other nominee;

"**Board**" means the board of directors of the Corporation;

"**Broadridge**" means Broadridge Financial Solutions Inc.;

"**CBCA**" means *Canada Business Corporations Act*;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Concerned Shareholder Group**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Corporation**" means Trez Capital Mortgage Investment Corporation;

"**Early Termination Date**" has the meaning set forth under "*Management of the Corporation – Management Agreement*";

"**Early Termination Fee**" has the meaning set forth under "*Management of the Corporation – Management Agreement*";

"**Hurdle Rate**" has the meaning set forth under "*Management of the Corporation – Compensation of the Manager*";

"**Incentive Fee**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*;

"**Independent Directors**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Independent Shareholders**" has the meaning set forth under "*Business of the Meeting – Special Business – Ratification of Rights Plan*";

"**Information Circular**" means this management information circular dated May 17, 2016;

"**Investment & Capital Management Committee**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Management Agreement**" means the second amended and restated management agreement dated November 30, 2013 between the Corporation and the Manager;

"**Management Fee**" has the meaning set forth under "*Management of the Corporation – Compensation of the Manager*";

"**Manager**" means Trez Capital Fund Management Limited Partnership in its capacity as the manager of the Corporation;

"**MD&A**" means management discussion and analysis in accordance with NI 51-102;

"**Minimum**" has the meaning set forth under *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*;

"**Meeting**" means the annual and special meeting of Shareholders of the Corporation to be held at 9:00 a.m. (Toronto Time) on June 16, 2016 at the Toronto Board of Trade, Ridout Room, 3rd Floor, 77 Adelaide Street West, Toronto, Ontario;

"**Monetization Process**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**MOU**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**MPA**" means MPA Morrison Park Advisors Inc.;

"**NCIB**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Net Return**" means, for a period, the interest income, commitment fees and any other income of the Corporation during such period, less the fees and expenses of the Corporation (other than the performance fee payable to the Manager) during such period;

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**Orderly Wind-Up Plan**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Performance Fee**" has the meaning set forth under "*Management of the Corporation – Compensation of the Manager*";

"**Permitted Bid**" has the meaning set forth under "*Business of the Meeting – Special Business – Ratification of Rights Plan*";

"**proxyholder**" means a person appointed by a Shareholder to attend the Meeting and vote such Shareholder's Shares in accordance with their instructions;

"**Realized Proceeds**" has the meaning set forth under *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*;

"**Record Date**" means May 17, 2016;

"**Registered Shareholder**" means a shareholder of the Corporation whose name is recorded in the Corporation's shareholder registry and who holds one or more share certificates which indicate the name and the number of Shares owned by such shareholder;

"**Resolution Agreement**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Right**" has the meaning set forth under "*Business of the Meeting – Special Business – Ratification of Rights Plan*";

"**Rights Plan**" has the meaning set forth under "*Business of the Meeting – Special Business – Ratification of Rights Plan*";

"**Share**" means a Class A share of the Corporation;

"**Shareholder**" means a holder of Shares of the Corporation;

"**Shareholder Approval**" has the meaning set forth under *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*;

"**Shareholder Capital**" means the aggregate issue price of all outstanding Shares, proportionately reduced for each Share cancelled;

"**Special Committee**" means the special committee of independent directors of the Corporation consisting of Gary Samuel, Stephen Pustil and Stewart Robertson;

"**Special Resolution**" has the meaning set forth under "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*";

"**Strategic Review Process**" has the meaning set forth under "*Corporate Governance Practices – Board of Directors*";

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Termination for Cause**" has the meaning set forth under "*Management of the Corporation – Management Agreement*";

"**Threshold**" has the meaning set forth under *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*;

"**Transfer Agent**" means Computershare Trust Company of Canada;

"**TSX**" means the Toronto Stock Exchange; and

"**Unrestricted Cash**" has the meaning set forth under *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*.

FORWARD-LOOKING INFORMATION

This Information Circular contains forward-looking statements with respect to the Corporation, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of the Corporation discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the Orderly Wind-Up Plan contemplated herein will be approved by Shareholders and that the Orderly Wind-Up Plan will be completed as contemplated. Important factors that could cause actual results to differ materially from expectations include, among other things, whether Shareholder Approval of the Orderly Wind-Up Plan is obtained, the availability of opportunities to accelerate the monetization of the Corporation’s loan portfolio and the factors described in “*Business of the Meeting – Special Business – The Orderly Wind-Up Plan – Risk Factors*” in this Information Circular under and “Risk Factors” in the Corporation’s Annual Information Form, which is available at www.sedar.com. These cautionary statements qualify all forward-looking statements attributable to the Corporation and persons acting on the Corporation’s behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this Information Circular and the Corporation has no obligation to update such statements.

THE MEETING

This Information Circular is furnished in connection with the solicitation of proxies by Trez Capital Mortgage Investment Corporation (the "Corporation") for use at the Meeting. References in this Information Circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail. However, proxies also may be solicited personally by directors, officers or employees of the Corporation. The solicitation of proxies is made by the Corporation and the cost of solicitation will be borne by the Corporation. The Corporation also may utilize the service offered by Broadridge called Quickvote, which will allow voting Shareholders to provide their vote over the phone to an authorized representative.

In this Information Circular, unless the context otherwise suggests, references to "you", "your" and "Shareholder" are to a holder of Shares. Unless otherwise stated, the information contained in this Information Circular is as of May 17, 2016.

HOW TO VOTE YOUR SHARES

Your vote is important. Please read the information below, then vote your Shares, either by proxy or in person at the Meeting.

How you vote your Shares depends on whether you are a Registered Shareholder or a Beneficial Shareholder. As of the Record Date, CDS is the only Registered Shareholder. Accordingly, all Shareholders other than CDS are Beneficial Shareholders.

Beneficial Shareholders

The Corporation has distributed copies of this Information Circular and related materials to intermediaries for distribution to Beneficial Shareholders. Intermediaries are required to deliver these materials to all Beneficial Shareholders of the Corporation who have not waived their rights to receive these materials and to seek instructions as to how to vote their Shares. Often, intermediaries will use a service corporation (such as Broadridge) to forward materials to securityholders.

Beneficial Shareholders who receive these materials will typically be given the ability to provide voting instructions in one of two ways:

(a) Usually, a Beneficial Shareholder will be given a voting instruction form which must be completed and signed by the Beneficial Shareholder in accordance with the instructions provided by the intermediary. In this case, the mechanisms described below for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.

(b) Occasionally, a Beneficial Shareholder may be given a proxy that has already been signed by the intermediary, rather than a voting instruction form. This proxy is restricted to the number of Shares owned by the Beneficial Shareholder but is otherwise not completed. This proxy does not need to be signed by the Beneficial Shareholder but must be completed by the Beneficial Shareholder and returned to the Transfer Agent in the manner described below for Registered Shareholders. A proxy will not be valid unless it is deposited at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 14, 2016 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned). Shareholders that wish to attend and vote at the Meeting using this proxy should follow the instructions noted below for appointing a representative at the Meeting.

The purpose of these procedures is to allow Beneficial Shareholders to direct the voting of the Shares that they own but that are not registered in their name. Should a Beneficial Shareholder who receives either a form of proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the Beneficial Shareholder should strike out the names noted in the proxy as the proxyholder and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions provided by the intermediary. **In either case, Beneficial**

Shareholders who receive materials from their intermediary should carefully follow the instructions provided by the intermediary.

To exercise the right to revoke a proxy (or a voting instruction form, as applicable), a Beneficial Shareholder who has completed a proxy (or a voting instruction form, as applicable) should carefully follow the instructions provided by the intermediary.

Registered Shareholder

Appointment of Proxies

If you choose to vote by proxy, you are giving the person (referred to as a "**proxyholder**") or the persons named on your form of proxy the authority to vote your Shares on your behalf at the Meeting (including any adjournments or postponements of the Meeting). You may indicate on the form of the proxy how you want your proxyholder to vote your Shares, or you can let your proxyholder make that decision for you. If you do not specify on the form of proxy how you want your Shares to be voted, your proxyholder will have the discretion to vote your Shares as such proxyholder sees fit.

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Registered Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him, her or it at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 14, 2016 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).**

A Registered Shareholder may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate space. **The persons named in the enclosed form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Registered Shareholder appointing them. In the absence of such direction, such Shares will be voted in favour of each item of business described in the attached Notice of Annual and Special Meeting of Shareholders. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Information Circular, the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxyholders.

Submitting Votes by Proxy

A proxy will not be valid unless it is deposited at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 14, 2016 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).

Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion. However, the Chair is under no obligation to accept or reject any particular late proxy. The Chair may waive this time limit for receipt of proxies without notice.

Revocation of Proxy

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing (or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Corporation (1550-1185 West Georgia Street, Vancouver, British Columbia, Canada V6E 4E6; Attention: Ms. Karyn Phuong, Vice-President, Investor Relations) at any time up to and including the last business day preceding the day of the Meeting or with the Chair of the Meeting on the day of the Meeting or in any other manner permitted by law.

Only Registered Shareholders may revoke a proxy. Beneficial Shareholders will need to contact their intermediary and follow their instructions to revoke their proxy. You may also submit a later dated proxy to revoke any prior proxy.

Voting in Person

If you attend in person, you do not need to complete or return your form of proxy. If you vote in person at the Meeting and had previously completed and returned your form of proxy, your proxy will be automatically revoked and any votes you cast on a poll at the Meeting will count. Please ensure that you register with the scrutineer at the Meeting to ensure your vote is included.

QUORUM

The Board has fixed May 17, 2016 as the Record Date, being the date for the determination of the registered holders of Shares entitled to receive notice of, and to vote at, the Meeting. In accordance with the provisions of the CBCA, the Corporation will prepare a list of holders of Shares as of the close of business on the Record Date. Each holder of Shares named in the list will be entitled to vote the Shares shown opposite his or her name on the list at the Meeting. All such holders of record of Shares are entitled either to attend the Meeting and vote thereat in person the Shares held by them in accordance with the voting rights described herein or, provided a completed and executed proxy shall have been delivered to the Transfer Agent within the time specified in the attached Notice of Annual and Special Meeting of Shareholders, to attend and vote thereat by proxy the Shares held by them in accordance with the voting rights described herein. Please see "*How to Vote Your Shares*" for more information.

A quorum will be considered present at the Meeting if 5% of the outstanding Shares are represented in person or by proxy at the Meeting. If such a quorum does not exist when the Meeting is convened on June 16, 2016, the Meeting will be adjourned and will reconvene at 9:00 a.m. (Toronto time) on June 23, 2016 at the Toronto Board of Trade, Ridout Room, 3rd Floor, 77 Adelaide Street West, Toronto, Ontario, at which time the Shares represented in person or by proxy at the reconvened Meeting will constitute a quorum.

Duly completed and executed proxies must be received by the Transfer Agent's Proxy Department at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 14, 2016 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Authorized and Outstanding Voting Securities

The authorized capital of the Corporation consists of an unlimited number of Shares and an unlimited number of Class B Shares. As of the Record Date, there were 19,236,354 Shares and no Class B Shares issued and outstanding. Each Share will be entitled to one vote at the Meeting. The voting rights for the Shares and the Class B Shares are described in the AIF under the heading "*Description of Capital Structure*".

Principal Holders

To the knowledge of the directors and executive officers of the Corporation, no person, firm or corporation beneficially owns, or exercises control or direction over, directly or indirectly, 10% or more of the outstanding Shares of the Corporation.

As of the date of this Information Circular, the directors and officers of the general partner of the Manager held or exercised control over, in aggregate, 124,802 Shares.

BUSINESS OF THE MEETING

PART I

Special Business

1. THE ORDERLY WIND-UP PLAN

Background

Initiation of Strategic Review Process

On September 28, 2015, the Board established the Special Committee to consider alternatives to enhance value for the Shareholders. The Special Committee was formed to initiate a strategic review process in response to concerns raised by Shareholders regarding the discount of the trading price of the Shares relative to the book value per Share. As part of this process, the Special Committee engaged MPA, an independent investment banking firm, as its financial advisor in connection with the identification and evaluation of strategic alternatives. The Special Committee also retained Aird & Berlis LLP as its independent legal advisor. To address any potential conflicts of interest, the strategic review process was conducted, and all decisions and recommendations of the Special Committee described in this Information Circular were made, independently of the Manager. See "*Role and Support of the Manager*" below.

On November 4, 2015, after undergoing an initial analysis and after receiving advice from its advisors, the Special Committee determined that the interests of the Corporation and its Shareholders would be best served by concentrating on a focused list of substantive alternatives to the status quo in order to enhance Shareholder value, including a monetization of the portfolio or recapitalization of the Corporation.

Between October 30, 2015 and May 4, 2016, the Special Committee met 32 times to consider and evaluate the range of strategic alternatives. During this period, MPA, under the direction of the Special Committee, conducted ongoing portfolio due diligence and received expressions of interest for various transactions involving the potential acquisition of the Corporation or the portfolio, and contacted various potential strategic and financial buyers. The strategic buyers were identified based on the operations and industries in which such parties participated, as well as prior expressions of interest. The financial buyers were identified based on funds under management, prior investment experience in the mortgage lending industry, the ability to consummate a potential transaction and prior expressions of interest.

MPA, under the direction of the Special Committee, was also engaged in discussions with the Manager during this period with respect to a potential recapitalization of the Corporation involving increased leverage, a possible merger of the Corporation and Trez Capital Senior Mortgage Investment Corporation and the Manager's role in a monetization process, including whether the Manager would be a potential bidder for the Corporation or its assets. The Special Committee also reviewed and considered the termination provisions of the Management Agreement and the differing views of the Manager and the Special Committee regarding the interpretation of the termination provisions.

Shareholder Requisition

In the midst of the strategic review process, the Board received a Shareholder requisition on February 8, 2016, requesting that the directors call a special meeting of the Shareholders for the purpose of: (i) reconstituting the Board with three new independent directors; and (ii) voting on a special resolution to wind up the Corporation. The Shareholder group making the requisition, namely FrontFour Capital Group LLC, FrontFour Capital Corp., Concerned MIC Shareholders GP Inc., Performance Income Inc. and Windsor Private Capital Inc., as managers and/or general partners of certain funds and limited partnerships (collectively, the "**Concerned Shareholder Group**"), stated in the requisition that they owned, directly or indirectly, approximately 7% of the outstanding Shares.

On February 18, 2016, the Board, on the recommendation of the Special Committee, directed the Corporation to call an annual and special meeting of Shareholders to be held on May 30, 2016 to consider the resolutions put forward by the Concerned Shareholder Group. The Special Committee determined to hold the special meeting concurrently with the annual meeting in order to conclude the strategic review process and make a recommendation to Shareholders on the best course of action. The Corporation's annual and special meeting of Shareholders was subsequently rescheduled to June 16, 2016.

Monetization Process

In addition to calling the Meeting, following a careful review and analysis of the strategic alternatives, the Special Committee announced on February 18, 2016 that it was focused on a monetization process (a "**Monetization Process**") and that it was not actively considering a recapitalization transaction or the status quo. Based on information and advice from its advisors, the Special Committee determined that a recapitalization, possibly involving a merger, increased leverage or other material changes to the structure, did not provide a sufficiently compelling alternative as compared to the Orderly Wind-Up Plan having regard to timing, capital markets, contractual and other factors. Further, the Special Committee was of the view, based on the advice and analysis provided by its advisers, that the issue of the discount of the trading price of the Corporation's Shares would not be addressed by preserving the status quo. The Special Committee was also of the view that the cooperation and alignment of the Manager would be essential to a smooth Monetization Process.

In order to facilitate the Monetization Process, on February 18, 2016, the Corporation and the Manager entered into a memorandum of understanding (the "**MOU**"), pursuant to which the Manager consented to an early termination of the management agreement prior to November 30, 2018 in exchange for an early termination fee in the event that the Special Committee recommended a sale of the Corporation or substantially all of its assets that is approved by the Shareholders. Further, in order to facilitate the process in the best interest of all Shareholders, the Board, at the direction of the Special Committee, implemented the Rights Plan. See "*Business of the Meeting – Special Business – Ratification of Rights Plan*".

As a part of the Monetization Process, an electronic data room was opened to potential buyers on February 29, 2016, and the Corporation entered into confidentiality, non-solicit and standstill agreements with seven parties, each of which was provided access to an electronic data room containing confidential financial and other information regarding the Corporation and its portfolio.

During this period, members of the Special Committee met formally and informally on several occasions, and received frequent updates from MPA regarding the status of the discussions with each party and other material developments related to the Monetization Process.

Following extensive due diligence during this period by potential buyers, two concrete proposals were received as well as indicative feedback from a number of other participants in the monetization process. The Special Committee met twice to consider the proposals at length. In reviewing the proposals, the Committee also compared and contrasted the proposals with the prospects for an orderly wind-up of the Corporation's assets. Based on its analysis, the Special Committee concluded that the proposals would not yield better value for Shareholders compared to an orderly wind-up of assets.

The Special Committee concluded the Monetization Process in April 2016 as no bids were received that the Special Committee was prepared to recommend to Shareholders.

Orderly Wind-Up Analysis

As part of, and throughout the strategic review process, the Special Committee considered and evaluated the orderly wind-up alternative, including the implications of the saleability of the portfolio on an orderly basis, the tax considerations of any orderly wind-up and the financial impact to Shareholders of a monetization transaction or the status quo vis-à-vis a potential orderly wind-up of the Corporation, including the impact of any fees payable, if any, to the Manager in each scenario.

Upon concluding the Monetization Process, the Special Committee asked MPA to provide further analysis of an orderly wind-up process. MPA provided a detailed illustrative analysis of wind-up options available to the Corporation, including a passive orderly wind-up process, whereby the assets of the Corporation could be realized over time in accordance with scheduled maturities and an accelerated liquidation and wind-up, whereby loans are run off passively over a one-year period, and the remaining loans monetized within the following one-year period. In its review of the analysis, the Special Committee considered whether the combination of an orderly run-off of the mortgages based on expected maturities together with accelerated sales of individual mortgages or groups of mortgages prior to maturity, yielded greater prospects for maximizing value for Shareholders than either an *en bloc* sale of the mortgages or maintaining the status quo.

Following careful review of the analysis, the Special Committee was of the view that an orderly wind-up of the Corporation was the best course of action for Shareholders given its mandate to consider alternatives to address the share price trading discount to book value per Share. Upon coming to this conclusion, the Special Committee engaged in direct negotiations with the Manager and the Concerned Shareholder Group regarding the proposal for an orderly wind-up of the Corporation.

Proposal for Orderly Wind-Up Plan

On May 9, 2016, the Special Committee announced the completion of its strategic review process, an amicable settlement with the Concerned Shareholder Group and the Manager and a go-forward plan to maximize value for all Shareholders by way of an orderly wind-up of the Corporation's assets and the return of capital to Shareholders (the "**Orderly Wind-Up Plan**") to be approved at the Meeting. On May 6, 2016, as part of the settlement with the Concerned Shareholder Group, Mr. Zachary George joined the Board. On May 9, 2016, the Board constituted a new committee of the Board (the "**Investment & Capital Management Committee**") consisting of Gary Samuel (Chair) and Zachary George and authorized an active normal course issuer bid for the Shares (the "**NCIB**"). The Investment & Capital Management Committee was authorized to provide instructions to the broker under the NCIB including, without limitation, automatic trading instructions.

As part of the settlement, the Corporation entered into an agreement with the Concerned Shareholder Group dated May 6, 2016 (the "**Resolution Agreement**") and an agreement with the Manager to amend the Management Agreement dated May 6, 2016 (the "**Amending Agreement**").

The Amending Agreement and the Resolution Agreement provide that, in the event that the special resolution (the "**Special Resolution**") authorizing the orderly wind-up of the Corporation pursuant to an orderly wind-up plan is approved by Shareholders, the Board shall forthwith irrevocably and unconditionally direct the Manager to cease all new mortgage origination and, unless approved by the Investment & Capital Management Committee and subject to compliance with contractual requirements, all mortgage renewal activity. Furthermore, the mandate of the Investment & Capital Management Committee shall be expanded to include the management and oversight of the Orderly Wind-Up Plan including, without limitation, all matters relating to the sales of loans (such as price, timing of sale, purchaser, etc.), loan consents and renewals and matters related to the return of capital to Shareholders, including consideration of a substantial issuer bid and consideration of the maintenance of the current level of dividends, with the input of the Manager, acting in its capacity as manager of the Corporation, and subject to the approval of the Board as required. In anticipation of the Orderly Wind-Up Plan, the Corporation has ceased all new mortgage originations and mortgage renewals, subject to contractual requirements. If Shareholders do not approve the Orderly Wind-Up Plan, mortgage originations will be reinstated in the ordinary course.

The Amending Agreement and the Resolution Agreement also provide that the Orderly Wind-Up Plan shall be implemented through a combination of the following actions: (i) allowing the mortgages in the Corporation's portfolio to expire at their scheduled maturities and in accordance with the terms thereof; (ii) selling mortgages in the Corporation's portfolio at par prior to their scheduled maturities; and (iii) in addition to or in lieu of the foregoing, by effecting other transactions, as determined by the Investment & Capital Management Committee, in its discretion, acting in a fiduciary capacity consistent with its obligations to maximize value to all Shareholders. Any matter requiring Board approval shall be considered by the Board and all non-independent directors (including, for greater certainty, Michael Nisker and Alexander (Sandy) Manson) shall, if such directors are in a conflict of interest or otherwise required by applicable law, recuse themselves from such discussions and not vote on such matters.

The Amending Agreement and the Resolution Agreement provide that the Corporation shall distribute the net proceeds resulting from the Orderly Wind-Up Plan to Shareholders in a manner determined by the Investment & Capital Management Committee from time to time, acting reasonably and in the best interest of all Shareholders, and approved, as may be required, by the Board from time to time, whether through special dividends, the repurchase of shares pursuant to the NCIB or a substantial issuer bid, a return of capital or otherwise. For the avoidance of doubt, the Orderly Wind-Up Plan, if approved by Shareholders, shall be designed and, with Board approval as required, implemented in such manner and at such time as may be recommended by the Investment & Capital Management Committee.

Description of the Orderly Wind-Up Plan

The nature of the Corporation's assets are such that the Corporation has contractual liquidity rights in the form of scheduled maturities. The expected weighted average term to maturity of the loan portfolio as of April 30, 2016 is 20.6 months and approximately $37.3 million in mortgages (representing approximately 21.0% of the total portfolio) are scheduled to mature on or before May 30, 2017. The final scheduled loan maturity in the Corporation's portfolio is currently October of 2019. The Corporation, on recommendation by the Investment & Capital Management Committee, may pursue, where appropriate, opportunities to accelerate the monetization of the Corporation's loan portfolio through the sale of loans to third parties.

Under the Orderly Wind-Up Plan, net cash proceeds from the monetization of loans will be distributed to Shareholders in a manner that is in the best interests of Shareholders as recommended by the Investment & Capital Management Committee and approved by the Board. The Corporation intends to maintain its current dividend until such time as the Board deems it no longer appropriate under the Orderly Wind-Up Plan. The Corporation applied to the TSX to re-institute its NCIB in order to permit the Corporation to purchase Shares in the market pursuant to an active NCIB program. The Corporation has received approval from the TSX for an NCIB which will enable it to purchase up to 1,808,610 of its issued and outstanding Shares, representing approximately 10% of the public float. The NCIB will commence on May 19, 2016. On the recommendation of the Investment & Capital Management Committee, the Board will also consider both tax efficiency and accretion to net asset value per share in determining how to return capital to Shareholders and will utilize special dividends and substantial issuer bids as it deems appropriate.

Information Regarding the Portfolio

While it is not possible to provide information regarding actual proceeds to be realized by Shareholders under the Orderly Wind-Up Plan, the following details regarding the Corporation's portfolio is provided to shareholders as additional information. **This information is based on the current book value of the mortgages in the Corporation's portfolio and does not reflect actual proceeds or the actual timing of proceeds to be received by Shareholders. Per Share numbers are provided for information and illustrative purposes only and are not intended to represent expected proceeds.**

ACTUAL PROCEEDS WILL VARY FROM THE AMOUNTS SET OUT IN THE TABLE BELOW.

The table below sets out a breakdown of the contractual maturities in the Corporation's mortgage portfolio by quarter and the corresponding book value and book value per Share of the mortgage maturities as at April 30, 2016. Amounts in this table exclude portfolio earnings and costs associated with the execution of the Orderly Wind-Up Plan. The table also excludes expenses relating to the strategic review process of approximately $790,000 ($0.041 per Share), which includes Special Committee fees, legal fees and expenses and the fees of MPA.

There are numerous risks and uncertainties associated with the Orderly Wind-Up Plan, including the timing and proceeds that may be received on any sales of mortgages or on contractual maturities; the costs of the Orderly Wind-Up Plan; and the fact that the Corporation does not have the right to direct the administration decisions in respect of certain mortgages within the portfolio which are not 100% owned. As a result, there can be no assurance as to the value or timing of the realization of the Corporation's assets or the value or timing of distributions to Shareholders. See "*Risk Factors*" below. The timing of the monetization of mortgages may also differ materially from the table below due to numerous factors including early repayments by borrowers, changing circumstances over the life of mortgages in the portfolio which impact both timing and collectability, sales of mortgages to third parties prior to

contractual maturity dates, prepayment and renewals of mortgages, and extensions or modifications of mortgages which are determined by the Board to be in the best interests of the Corporation and consistent with the Orderly Wind-Up Plan.

Contractual Maturities and Book Value of Portfolio
(as at April 30, 2016)

Book Value Does Not Reflect Actual Proceeds to Shareholders

Contractual Maturities	Book Value(1)	Book Value Per Share(1)(2))	Cumulative Book Value(1)	Cumulative Book Value Per Share(1)(2)
Past Due	$0	$0.00	$0	$0.00
Fiscal 2016				
Due in Q2 2016	$23,246,953	$1.21	$23,246,953	$1.21
Due in Q3 2016	$8,671,792	$0.45	$31,918,745	$1.66
Due in Q4 2016	$3,624,506	$0.19	$35,543,251	$1.85
Fiscal 2017				
Due in Q1 2017	$995,749	$0.05	$36,539,000	$1.90
Due in Q2 2017	$17,104,914	$0.89	$53,643,914	$2.79
Due in Q3 2017	$3,501,216	$0.18	$57,145,130	$2.97
Due in Q4 2017	$4,279,976	$0.22	$61,425,106	$3.19
Fiscal 2018				
Due in Q1 2018	$21,800,831	$1.13	$83,225,937	$4.33
Due in Q2 2018	$55,512,449	$2.89	$138,738,385	$7.21
Due in Q3 2018	$0	$0.00	$138,738,385	$7.21
Due in Q4 2018	$0	$0.00	$138,738,385	$7.21
Fiscal 2019				
Due in Q1 2019	$0	$0.00	$138,738,385	$7.21
Due in Q2 2019	$20,528,101	$1.07	$159,266,487	$8.28
Due in Q3 2019	$10,700,000	$0.56	$169,966,487	$8.84
Due in Q4 2019	$4,000,000	$0.21	$173,966,487	$9.04
	$173,966,487	$9.04		
Cash on hand	$5,053,067	$0.26		
Cash on hand and Book value of Mortgage Portfolio	$179,019,554	$9.31	$179,019,554	$9.31

Notes:
(1) Book value represents the principal amount of the mortgages and excludes all portfolio earnings and all costs associated with the ongoing management and operation of the Corporation and the execution of the Orderly Wind-Up Plan, including ongoing management fees and the Incentive Fee (as described below under *"Role and Support of the Manager"*).
(2) Per Share amounts are based on the current number of issued and outstanding Shares (19,236,354), which may change as a result of the purchase by the Corporation of its Shares under the NCIB or other issuer bid, if any.

Support of the Concerned Shareholders

The Concerned Shareholder Group agreed to support the Special Committee's recommended course of action pursuant to the Resolution Agreement and have committed to vote, or cause to be voted, all 1,584,660 Shares, collectively held by them, representing approximately 8% of the outstanding Shares. The Resolution Agreement provides that (i) the Concerned Shareholders withdraw their nomination of John Cundari and Matt Goldfarb; (ii) Zachary George be appointed to the Board effective May 6, 2016; and (iii) the Special Resolution be put forward to the Shareholders for approval at the Meeting. The Resolution Agreement also provides for the reimbursement of the Concerned Shareholder Group's reasonable legal and other expenses relating to the Meeting not to exceed $250,000 (approximately $0.013 per Share).

Each member of the Concerned Shareholder Group has also agreed that, for a period ending on the date which is four months from the date of the Meeting, it will not, directly or indirectly, without the prior written consent of the Corporation: (a) solicit proxies (whether or not relating to the election or removal of directors) of the Shareholders, or seek to advise or influence any other person or entity with respect to the voting of any securities of the Corporation, or demand a copy of the stock ledger, list of Shareholders, or any other books or records of the Corporation or otherwise act, alone or in concert with others, to seek to control or influence, in any manner, the management, Board or policies of the Corporation; (b) instigate, join, assist support and/or act, jointly or in concert in any manner whatsoever with any person, firm or corporation in seeking to change the composition of the Board; (c) seek or propose, or announce its intention or willingness to seek or propose, any tender offer, merger, consolidation, take-over bid or similar transaction involving the acquisition of an interest in the Corporation or instigate, join, assist and/or act, jointly or in concert in any manner whatsoever with any other person, firm or corporation in seeking to do so; or (d) instigate, join, assist and/or act, jointly or in concert in any manner whatsoever with any other person, firm or corporation in seeking to do the foregoing.

Role and Support of the Manager

To address any potential conflicts of interest, the strategic review process was conducted, and all decisions and recommendations of the Special Committee described in this Information Circular were made, independently of the Manager. Accordingly, Messrs. Nisker and Manson have abstained from voting on board resolutions relating to the orderly Wind-Up Plan and related matters. The Manager also intends to abstain from voting its Shares in favour of the Orderly Wind-Up Plan.

Notwithstanding the abstentions from voting, the Manager has agreed to continue to fully support the process recommended by the Special Committee and assist in maximizing Shareholder value under the Orderly Wind-Up Plan. Under the Amending Agreement, the Manager has agreed to provide the full asset management services necessary to support the Orderly Wind-Up Plan. The Amending Agreement also provides for an amendment to the fees payable to the Manager to align the Manager's interest to the implementation of the Orderly Wind-up Plan, as described below. While the Manager has advised the Special Committee that it continues to believe in the quality of the Corporation's portfolio and the attractiveness of mortgage investment corporations as an asset class, the Manager has agreed to support the process to facilitate the implementation of the Orderly Wind-Up Plan.

Specifically, the Amending Agreement provides, in the event the Special Resolution is approved, that:

(a) notwithstanding Section 2.2 of the Management Agreement, the Investment & Capital Management Committee shall have the authority to make decisions regarding the Orderly Wind-Up Plan and the Manager shall provide the day-to-day management services set out in Section 2.2 of the Management Agreement in a manner consistent with the Orderly Wind-Up Plan and under the supervision of and subject to the direction of the Investment & Capital Management Committee and the Board;

(b) the MOU shall terminate and the Manager shall not be entitled to any termination fee under the MOU including, for greater certainty, the reduced early termination fee set out in Section 2(a)(B) of the MOU;

(c) the Performance Fee payable by the Corporation to the Manager in respect of the 2016 calendar year shall be payable: (i) in respect of the period from January 1, 2016 until April 30, 2016 and (ii) within 30 days of the date that the Special Resolution is approved. Thereafter, no Performance Fee shall be payable to the Manager under Section 3.1(2) of the Management Agreement;

(d) in consideration for its additional services to the Corporation in connection with the Orderly Wind-Up Plan, the Corporation shall pay to the Manager a fee (the "**Incentive Fee**") equal to the greater of:

    (i) 20% of the amount by which the sum of:

        (A) the aggregate Realized Proceeds; and

(B) the Corporation's Unrestricted Cash as at April 30, 2016

exceeds $163,509,009 (the "**Threshold**"); and

(ii) $1,000,000.

For the purpose of the foregoing calculation:

(X) "**Realized Proceeds**" means the amount of proceeds on the sale, repayment or maturity of mortgages or any other transaction resulting in the monetization of the mortgages as approved by the Board in accordance with the terms of the Amending Agreement, in each case, realized by the Corporation in respect of the principal of the mortgages under the Orderly Wind-Up Plan. For greater certainty (i) Realized Proceeds do not include proceeds allocable to interest accrued and/or capitalized after April 30, 2016, but Realized Proceeds do include proceeds allocable to interest capitalized on or before April 30, 2016, (ii) disposition or other expenses of the Corporation shall not be deducted from Realized Proceeds, (iii) penalty payments and prepayment fees paid to the Corporation shall not be included in Realized Proceeds, (iv) any interest waived or reduced after April 30, 2016 shall be deducted from Realized Proceeds; and (v) the amount of any proceeds received shall be allocated to the mortgages as follows: (A) first, to the principal of the mortgage, (B) second, to any interest capitalized on the mortgage on or before April 30, 2016, (C) third, to any interest capitalized, waived or reduced on the mortgage after April 30, 2016, (D) fourth, to any interest accrued but not capitalized on the mortgage on the date of the realization, and (E) excess proceeds, if any, shall be treated as proceeds in respect of principal; and

(Y) "**Unrestricted Cash**" means the amount of the Corporation's cash derived from the proceeds on the sale, repayment or maturity of mortgages or any other transaction resulting in the monetization of the mortgages on or prior to April 30, 2016.

(e) concurrent with any distributions made to Shareholders by the Corporation, whether through dividends, the repurchase of shares pursuant to the NCIB (in which case it shall be accrued and paid monthly) or a substantial issuer bid, a return of capital or otherwise, the Corporation shall pay to the Manager a portion of the minimum Incentive Fee (i.e., $1,000,000) (the "**Minimum**"), calculated so that after the payment, the Manager shall have been paid in aggregate the same proportion of the Minimum that the aggregate of the Realized Proceeds and the Unrestricted Cash represent of the Threshold at the time of each such distribution to Shareholders until such time as the Manager has received at least the Minimum. Upon the completion of the Orderly Wind-Up Plan and concurrent with the final distribution to Shareholders, any Incentive Fee due in excess of the Minimum and any portion of the Minimum that has not been paid, shall be paid by the Corporation to the Manager;

(f) as amounts with respect to the Incentive Fee in excess of the Minimum are accrued on the financial statements of the Corporation, an amount equal to such accrued amount, from time to time, shall be reserved by the Corporation in a segregated account and shall be paid to the Manager in accordance with the provisions of paragraph (e) above;

(g) for greater certainty, in consideration for the Manager's day-to day services to the Corporation, the management fee (but not the Performance Fee) payable by the Corporation to the Manager under the Management Agreement shall continue until the earlier of the completion of the Orderly Wind-Up Plan and the termination of the Management Agreement; and

(h) notwithstanding any provision of the Management Agreement, upon completion of the Orderly Wind-Up Plan, the Management Agreement shall terminate and the Manager shall not be entitled to any termination fee including, for greater certainty, the Early Termination Fee set out in subsection 5.1(a)(iii) of the Management Agreement.

If Shareholders do not vote in favour of the Orderly Wind-Up Plan on or before June 30, 2016, the amendments to the Management Agreement described above will terminate.

Nomination Rights

The Amending Agreement and the Resolution Agreement provide for certain nomination rights to the Board. The Special Committee is of the view that the nomination rights provide for balanced representation on the Board and the Investment & Capital Management Committee until completion of the Orderly Wind-Up Plan. The nomination rights are as follows:

(a) in the event that any of the current independent directors of the Corporation (i.e., Gary Samuel, Stephen Pustil and Stewart Robertson) (collectively, the "**Independent Directors**") resigns or becomes unable to serve as a director of the Corporation: (a) the remaining Independent Directors (or if all Independent Directors have resigned or are unable to serve as directors of the Corporation, the Board) shall appoint an alternate director who is independent of the Corporation, the Manager and each member of the Concerned Shareholder Group to serve as a director of the Corporation in his place; and (b) in the event that Gary Samuel resigns or becomes unable to serve as a member of the Investment & Capital Management Committee, the remaining Independent Directors (or if all Independent Directors have resigned or are unable to serve as directors of the Corporation, the Board) shall appoint an alternate director who is independent of the Corporation, the Manager and each member of the Concerned Shareholder Group to serve as a member of the Investment & Capital Management Committee in his place;

(b) in the event that Zachary George resigns or becomes unable to serve as a director of the Corporation, he shall be entitled to nominate an alternate director, who is acceptable to the Board, acting reasonably, to serve as a director of the Corporation and as a member of the Investment & Capital Management Committee in his place; and

(c) in the event that either Michael Nisker or Alexander (Sandy) Manson resigns or becomes unable to serve as a director of the Corporation, the Manager shall be entitled to nominate an alternate director, who is acceptable to the Board, acting reasonably, to serve as a director of the Corporation in his place.

The foregoing nomination rights will cease to be effective if Shareholder Approval is not obtained at the Meeting.

Recommendation

The Special Committee believes, based on the strategic review process undertaken, and the analysis and advice provided by its advisers, that the Orderly Wind-Up Plan is the best course of action for the Corporation and Shareholders, and has recommended to the Board that the Corporation pursue the Orderly Wind-Up Plan.

Based on the foregoing, the Board deliberated and concluded that the terms of the Orderly Wind-Up are in the best interests of the Corporation and its Shareholders. Accordingly, the Board approved the presentation of the Orderly Wind-Up to Shareholders for approval, approved this Information Circular and recommends that Shareholders vote in favour of the Special Resolution approving the Orderly Wind-Up.

In reaching its conclusion that the Orderly Wind-Up Plan is in the Corporation's and the Shareholders' best interests, the Special Committee considered a number of factors. In view of the variety of factors considered, the Special Committee did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching their determinations. The factors considered by the Special Committee in this regard included:

- an assessment of the Corporation's business and mortgage portfolio;

- an evaluation of the Orderly Wind-Up Plan, including the implications of the saleability of the portfolio on an orderly basis, rather than an immediate compelled liquidation of assets whereby assets may be sold below market prices;
- the tax considerations of an orderly wind-up and the financial impact to Shareholders of a monetization or recapitalization transaction or the status quo vis-à-vis the Orderly Wind-Up Plan, including the impact of any fees payable, if any, to the Manager in each scenario;
- the potential benefits to Shareholders of the Orderly Wind-Up Plan, as well as the risks and uncertainties associated with the Orderly Wind-Up Plan, including those described in this Information Circular;
- the clarification of the legal uncertainty regarding the termination provisions of the Management Agreement;
- the Manager's role in, and the Manager's support for, the Orderly Wind-Up Plan;
- the support of the Concerned Shareholder Group for the Orderly Wind-Up Plan;
- that the Orderly Wind-Up Plan will be implemented under the management and oversight of an independent committee of the Board;
- the trading price of the Corporation's Shares on the TSX throughout the strategic review process and the potential effect on trading price whether or not Shareholder Approval is obtained; and
- the fact that the Special Resolution must be approved by at least two-thirds of the votes cast by Shareholders present or represented by proxy at the Meeting.

The Board recommends that Shareholders vote in favour of the Special Resolution.

As noted above, Messrs. Nisker and Manson abstained from voting on the recommendation to vote in favour of the Special Resolution. See "*Role and Support of the Manager*" above.

Shareholder Approval of the Orderly Wind-Up

The Special Resolution must be approved by at least two-thirds of the votes cast by the holders of the Shares, present or represented by proxy at the Meeting ("**Shareholder Approval**"). Members of the Concerned Shareholder Group collectively holding approximately 8% of the outstanding Shares have committed to vote in favour of the Special Resolution.

A quorum will be considered present at the Meeting if 5% of the outstanding Shares are represented in person or by proxy at the Meeting.

Risk Factors

There are certain risk factors associated with the Orderly Wind-Up which should be carefully considered by Shareholders. In assessing the Orderly Wind-Up, Shareholders should carefully consider the risk factors which exist for the Corporation which are found under the heading "*Risk Factors*" in the AIF, which is available on SEDAR at www.sedar.com. Shareholders should also consider the following risk factors associated with the Orderly Wind-Up.

Amount and Timing of Distributions to Shareholders is Uncertain

The amount of cash to be distributed to Shareholders and the timing of any such distributions cannot currently be quantified or estimated with certainty and is subject to change. In particular, the cash amount distributed to Shareholders may be lower than anticipated: (i) to the extent that there are any unforeseen adverse events, including

defaults, that impact the value of the Corporation's portfolio; (ii) to the extent the monetization of the Corporation's portfolio, including on any sales or on scheduled maturities, does not yield the proceeds anticipated; (iii) to the extent that the costs incurred to complete the Orderly Wind-Up are greater than anticipated; and (iv) to the extent there are material unforeseen costs or liabilities that must be satisfied by the Corporation. **Accordingly, you will not know the amount or timing of any distributions you may receive as a result of the Orderly Wind-Up Plan when you vote on the Special Resolution.** You may receive substantially less than your pro rata share of the net assets of the Corporation, as set out on its most recent balance sheet.

The Corporation does not have the right to direct administration decisions in respect of certain mortgages in the portfolio

The Corporation holds interest in mortgages in which third parties and/or other mortgage investment entities managed by the Manager participate in senior portions of a first mortgage. In addition, in some cases, the Corporation has been allocated a position in a mortgage which is senior to, *pari passu* with and/or junior to the positions allocated to other mortgage investment entities managed by the Manager. As a result, the Corporation does not currently own 100% of the interests in each of the mortgages in its portfolio and does not have the right to direct the administration decisions such as renewals, extensions and modifications in respect of such mortgages. As of April 30, 2016, 81.5% of the mortgages in the Corporation's portfolio are not 100% owned by the Corporation, representing an aggregate book value of approximately $142 million. The determination by the administrator of the mortgages (a separate corporate affiliate of the Manager that is not subject to the Amending Agreement) of what is in the best interests of all of the participants in the mortgage may be inconsistent with the monetization of a mortgage or the Board's determination under the Orderly Wind-Up Plan. While the Board will work with the Manager and the administrator of the mortgages to establish protocols to be followed throughout the process in respect of renewals, extensions, modifications and other administrative decisions relating to the Corporation's mortgages, there is no assurance that such protocols will yield results which are consistent with the Orderly Wind-Up Plan. In light of the foregoing, there can be no assurance that the Corporation will complete the Orderly Wind-Up Plan on the basis described herein, which may have an adverse impact on the timing and amount of cash distributions made to Shareholders under the Orderly-Wind Up Plan.

Stock Exchange Listing and Status as a Reporting Issuer

Until an application is made and an order is issued by the Canadian securities regulatory authorities deeming the Corporation to no longer be a "reporting issuer", the Corporation will continue to be subject to ongoing disclosure and other obligations as a reporting issuer under applicable securities legislation in Canada.

There can be no assurance that the Shares will continue to be listed on, and meet the listing requirements of, the TSX. Although the Corporation may seek an alternative listing should the Shares be delisted from their current market, there can be no assurance that such listing can be obtained or that such listing will provide appropriate liquidity for the Shareholders. Furthermore, the Corporation may decide to cancel the Shares and thus delist them. This can be expected to materially adversely affect the liquidity of the Shares and the transparency and availability of trading prices.

Potential Liability of Shareholders

Under the CBCA, despite the liquidation and dissolution of the Corporation, each Shareholder to whom any of its property has been distributed is liable to any person claiming under section 226 of the CBCA to the extent of the amount received by that Shareholder upon the distribution, and an action to enforce such liability may be brought.

Section 226 of the CBCA provides that, despite the dissolution of a Corporation under the CBCA, a civil, criminal or administrative action or proceeding may be brought against the Corporation within two years, as if the Corporation had not been dissolved, and provides, among other things, that any property that would have been available to satisfy any judgment or order if the Corporation had not been dissolved, remains available for such purpose. Under the CBCA, the dissolution of the Corporation does not remove or impair any remedy available against the Corporation for any right or claim existing, or any liability incurred, prior to such dissolution or arising thereafter.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) ("**Act**") and the regulations thereunder (the "**Regulations**") generally applicable as of the date hereof to the Corporation and a Shareholder in connection with the Orderly Wind-Up Plan of the Corporation. This summary applies to a Shareholder who at all relevant times for purposes of the Act and the Regulations is or is deemed to be resident in Canada, deals at arm's length with the Corporation and is not affiliated with the Corporation, holds Shares as capital property and is not exempt from tax under Part I of the Act. Generally, the Shares will be considered to be capital property to a Shareholder provided that the Shareholder does not hold such Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Shareholders who might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Act to have such Shares and all other "Canadian securities" as defined in the Act owned by such Shareholder in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Shareholders who are contemplating making such an election or who do not hold their Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a shareholder: (i) that is a partnership, a member of which is not resident in Canada for purposes of the Act; (ii) that is a "financial institution" for purposes of the "mark-to-market rules" in the Act; (iii) that is a "specified financial institution" as defined in the Act; (iv) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules in the Act; (v) an interest in which is a "tax shelter investment" as defined in the Act; or (vi) that enters into a "derivative forward agreement" (as defined in the Act) in respect of the Shares. Such shareholders should consult their own tax advisors to determine the tax consequences to them of the winding-up.

This summary is based upon the current provisions of the Act and the Regulations in force as of the date hereof, all specific proposals to amend the Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by CRA prior to the date hereof. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, or changes in CRA's administrative policies or assessing practices, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. There can be no assurances that CRA will not change its administrative policies or assessing practices.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to the Orderly Wind-Up Plan. The income and other tax consequences of the Orderly Wind-Up Plan will vary depending on a Shareholder's particular status and circumstances, including the province or territory in which the Shareholder resides or carries on business. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors for advice with respect to the tax consequences of the Orderly Wind-Up Plan.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors.

Status of the Corporation

In order to qualify as a mortgage investment corporation ("**MIC**") for purposes of the Act throughout a taxation year, the Corporation must meet all of the following criteria throughout the taxation year:

(a) It must be a Canadian corporation for purposes of the Act (which generally means a corporation incorporated in Canada).

(b) Its only undertaking must be the investing of its funds and it cannot have managed or developed any real or immovable property.

(c) None of its property consisted of:

(i) debts owing to the Corporation that were secured on real or immovable property situated outside Canada,

(ii) debts owing to the Corporation by non-resident persons, except any such debts that were secured on real or immovable property situated in Canada,

(iii) shares of the capital stock of corporations not resident in Canada, or

(iv) real or immovable property situated outside Canada, or any leasehold interest in such property.

(d) It must have 20 or more shareholders, and in general terms, no Shareholder owns directly or indirectly, alone or together with related persons, more than 25% of the issued shares of any class of the capital stock of the Corporation.

(e) Holders of preferred shares (if any) of the Corporation have the right, after payment to them of their preferred dividends and payment of dividends in a like amount per share to the holders of the Shares, to participate *pari passu* (equally) with the holders of the Shares in any further payment of dividends.

(f) At least 50% of the cost amount (within the meaning of the Act) to the Corporation of all its assets must be attributable to certain specified Canadian residential mortgages, deposits at a bank or other corporation insured by the Canada Deposit Insurance Corporation or Régie de l'assurance dépôts du Québec, deposits at credit unions or money (referred to herein as "**Required Property**").

(g) The cost amount (within the meaning of the Act) to the Corporation of its real or immovable property (including leasehold interests but excluding real property acquired by way of foreclosure or default of a mortgage) cannot exceed 25% of the cost amount to it of all of its property.

(h) Where at any time in the taxation year the cost amount (within the meaning of the Act) to the Corporation of its Required Properties represents less than two-thirds of the aggregate cost amount to the Corporation of all of its properties, the Corporation's liabilities cannot exceed 3 times the amount by which the cost amount to it of all of its properties exceeds its liabilities. This ratio increases to 5 times where the cost amount to its Required Properties is two-thirds or more of the cost amount to the Corporation of all of its properties.

With respect to the requirement noted in (d) above that no Shareholder (together with related persons) may own more than 25% of the Shares of any class of the Corporation, for these purposes "related persons" include a corporation and the person or persons that control the corporation, a parent corporation and its subsidiary corporation(s) and corporations that are part of the same corporate group, and an individual and that individual's spouse, common law partner or child under 18 years of age. The rules in the Act defining "related persons" for purposes of the rules applicable to MICs are complex and Shareholders should consult with their own tax advisors in this regard.

Taxation of the Corporation

The Corporation is a taxable Canadian corporation and is subject to tax at full general corporate rates on all its income. However, provided that the Corporation qualifies as a MIC throughout its taxation year, it may deduct in computing its income for the taxation year: (i) the aggregate of all taxable dividends, other than capital gains dividends, paid in the year or within 90 days after the end of the year (to the extent not deductible by the

Corporation for the preceding taxation year), and (ii) 50% of all capital gains dividends paid during the period beginning 91 days after the start of the taxation year and ending 90 days after the end of the taxation year. The Corporation must elect to have a dividend qualify as a capital gains dividend. The Corporation may elect that dividends paid during a 12 month period commencing 91 days after the commencement of a taxation year and ending 90 days after the end of the year be capital gains dividends to the extent of the Corporation's capital gains for the year less any applicable capital losses (including net capital losses claimed). The election must be made in respect of the full amount of a dividend and can only be made if the Corporation qualities as a MIC throughout the taxation year.

The Corporation intends to make distributions to the extent necessary to reduce its taxable income each year to nil so that no tax is payable by it under Part I of the Tax Act and to generally elect to have dividends treated as a capital gains dividends to the maximum extent allowable. However, see "*Taxation while the Corporation is Being Wound-up*" below.

Provided that the Corporation pays sufficient taxable dividends and capital gains dividends (and properly elects in respect of such capital gains dividends) to its shareholders in respect of a taxation year, it will not have any income in such taxation year and it will not be taxable in such taxation year.

Taxation of the Corporation during the Orderly Wind-Up Plan

The Resolution Agreement and the Amending Agreement should not affect the Corporation's status as a MIC or result in a taxation year end.

Under the Orderly Wind-Up Plan, mortgages may be disposed of before they mature. The disposition of a mortgage by the Corporation (other than on maturity) will generally result in the Corporation being deemed to have received any accrued interest on the mortgage which has not yet been included by the Corporation in computing its income. The proceeds of disposition of the mortgage will be considered to have been reduced by that amount. The Corporation will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition net of any reasonable costs of disposition exceed (or are exceeded by) the adjusted cost base of the mortgage to the Corporation.

Taxation while the Corporation is Being Wound-up

A corporation is entitled to be taxed as a MIC only if it is a MIC throughout its taxation year. If the Corporation begins its taxation year meeting the conditions to qualify as a MIC but stops meeting them partway through the year, the Act does not deem the Corporation to have a taxation year-end immediately before it stops meeting the qualifications so that the Corporation could qualify as a MIC throughout a stub taxation year. To the extent possible, the Board intends to monitor the Corporation's assets to try to ensure that the Corporation maintains its status as a MIC. However, it may not be possible to maintain the Corporation's status as a MIC throughout the Orderly Wind-Up Process and there is no assurance that the Corporation will not cease to be a MIC at some point prior to its eventual wind-up.

Taxation of the Corporation if it Ceases to be a MIC

If the Corporation ceases to be a MIC at any time in a taxation year, the Corporation will not be entitled to deduct any amount in respect of either the taxable dividends or the capital gains dividends paid to its shareholders in respect of that year, making the Corporation taxable on its income earned in the year. However, the Corporation should be able to deduct any unused non-capital losses in computing its income and may deduct any allowable capital losses against taxable capital gains in accordance with detailed rules in the Act.

Taxation of Shareholders if the Corporation is a MIC

Distributions

A Shareholder is required to include in its income, as interest payable on a bond issued by the Corporation, any amount received by the Shareholder from the Corporation as or on account of a taxable dividend (other than a

capital gains dividend), whether paid in cash or reinvested in Shares. The gross up and dividend tax credit applicable to taxable dividends received by individuals from a taxable Canadian corporation will not apply to dividends paid by the Corporation.

Capital gains dividends received by a holder of Shares (whether paid in cash or reinvested in Shares) will be treated as a capital gain of the Shareholder from a disposition of capital property in the year in which the dividend is received. See "*Disposition of Shares*" below for the tax treatment of capital gains.

The amount of a dividend reinvested in additional Shares will be the cost amount of such Shares and will be averaged with the cost amount of other Shares owned by the Shareholder in determining the adjusted cost base of a Shareholder's Shares.

Taxation of Shareholders if the Corporation is not a MIC

Distributions

If the Corporation is not a MIC for a taxation year (because it fails one or more of the above tests at any time during the taxation year) and it pays dividends in that year, Shareholders will not be deemed to have received interest from the Corporation and will not be deemed to have realized capital gains. Instead, Shareholders should be considered to have received taxable dividends from a taxable Canadian corporation. See "*Taxation of Dividends*" below.

Disposition of Shares

A sale or other disposition of a Share by a Shareholder (other than to the Corporation), including a deemed disposition, will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition of the Share exceed (or are exceeded by) the Shareholder's adjusted cost base of such Share and any reasonable costs of disposition. See "*Taxation of Capital Gains and Losses*" below.

Purchase of Shares by Corporation

Subject to the possible application of paragraph 84(6)(b) of the Act, discussed below, subsection 84(3) of the Act provides that, where a taxable Canadian corporation purchases a share for cancellation, the corporation is deemed to have paid a dividend to the shareholder equal to the amount by which the proceeds of disposition of the share exceed the paid-up capital in respect of the share. The paid-up capital in respect of a share of any class at any time is generally equal to the aggregate amount paid to the treasury of the corporation for shares of the particular class (assuming all the shares were issued for cash and not property) minus the paid-up capital attributable to any shares of that class that have previously been cancelled, divided by the number of shares of that class then issued and outstanding. The paid-up capital of each Share is $10.00 per Share. The tax consequences to a Shareholder of receiving a dividend from a MIC are described above under "*Taxation of Shareholders if the Corporation is a MIC – Distributions*". The tax consequences to a Shareholder of receiving a dividend from the Corporation once it ceases to be a MIC are described above under "*Taxation of Shareholders if the Corporation is not a MIC – Distributions*" above.

A Shareholder whose share has been purchased for cancellation may also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the share minus the amount of any deemed dividend exceed (or are exceeded by) the adjusted cost base to the shareholder of the share. See "*Taxation of Capital Gains and Losses*" below.

Paragraph 84(6)(b) of the Act provides that if a corporation purchases its shares in the open market and if the corporation acquired those shares in the manner in which shares would normally be purchased by any member of the public in the open market, the rules in subsection 84(3) of the Act, discussed above, do not apply. Instead, the shareholder will be considered to have realized a capital gain or a capital loss on the disposition of the shareholder's shares. The CRA generally takes the position that shares acquired by a corporation through the facilities of a stock exchange pursuant to a normal course issuer bid at prices not above market will meet the conditions for the application of paragraph 84(6)(b) of the Act. As a result, to the extent that shares of the Corporation are purchased by the Corporation pursuant to a normal course issuer bid, the shareholders should be considered to have realized a

capital gain or a capital loss on the disposition of their shares and the Corporation should not be deemed to have paid a dividend to the shareholders. The tax consequences to a Shareholder of realizing a capital gain or a capital loss are generally as described below under "*Taxation of Capital Gains and Capital Losses*".

Taxation of the Corporation and the Shareholders During Wind-up

On the eventual wind-up of the Corporation, the Corporation will be deemed to have disposed of any remaining assets it owns at their fair market value. Assuming that the Corporation has no assets other than Canadian cash and deposits there should be no tax consequences to the Corporation.

In addition, on the distribution by the Corporation of its remaining property on the winding-up, the Corporation will be deemed to have paid a dividend to each of its remaining Shareholders equal to the amount by which the fair market value of the property distributed to the particular Shareholder (likely the amount of cash) exceeds the paid-up capital in respect of the Shareholder's shares in the Corporation.

For so long as the Corporation has maintained its status as a MIC, the Corporation should be entitled to deduct one-half of the amount of any capital gains dividend and the entire amount of any taxable dividend, other than a capital gains dividend, in computing its income for its final taxation year. The taxable dividends, other than capital gains dividends, received by a particular Shareholder should be treated as interest received by the shareholder on a bond issued by the Corporation. The capital gains dividends received by a particular shareholder should be deemed to be capital gains of the Shareholder from the disposition of capital property. The amount of any paid-up capital returned to a particular Shareholder should not be deemed to be a dividend.

If the Corporation has lost its status as a MIC by the time of its winding-up, the amount of any deemed dividend will not be deductible by the Corporation and the Shareholders should be deemed to have received taxable dividends to the extent that the amounts distributed to them exceed the paid-up capital in respect of their shares. The Corporation would be taxable in the year on its net income but any unused non-capital losses should be available to be used against the Corporation's income for the year. The tax consequences to a Shareholder of receiving a dividend are generally as described below under the heading "*Taxation of Dividends*".

Any portion of such final distribution not received as a dividend will be treated as proceeds of disposition of the Shares. The Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares equal to the amount by which the Shareholder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Shareholder of the Shares. Generally, a Shareholder will not realize a capital gain as a result of the final distribution where the paid-up capital in respect of the Shareholder's Shares calculated immediately prior to the distribution is less than the adjusted cost base to the Shareholder of its Shares.

The tax consequences to a Shareholder of capital gains and capital losses are generally as described below under the heading "*Taxation of Capital Gains and Losses*".

Taxation of Dividends

A Shareholder will be required to include in computing income for a taxation year any dividends received or deemed to be received on the Shares.

Any dividend that is, or is deemed to be, received by a Shareholder who is an individual will be subject to the gross up and dividend tax credit rules normally applicable to taxable dividends received by Canadian resident individuals from a taxable Canadian corporation, including the enhanced gross up and dividend tax credit applicable to the dividend designated by the Corporation as an "eligible dividend" in accordance with the provisions of the Act.

Any dividend that is, or is deemed to be, received by a Shareholder that is a corporation will be included in computing the Shareholder's income as a dividend, and will ordinarily be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Act will treat a taxable dividend received by a Shareholder that is a corporation as proceeds of disposition or a capital gain. Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Shareholder that is or is deemed to be "private corporation", as defined in the Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 38 1/3 % under Part IV of the Act on dividends received or deemed to be received on the Shares to the extent such dividends are deductible in computing the Shareholder's taxable income for the taxation year.

Taxation of Capital Gains and Losses

Generally, on a disposition or deemed disposition of a Share, a Shareholder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Shareholder of the Share immediately before the disposition or deemed disposition.

Generally, a Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "taxable capital gain") realized by it in that year. A Shareholder will generally be required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Shareholder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Act.

The amount of a capital loss realized on the disposition of a Share by a Shareholder that is a corporation may, to the extent and under the circumstances specified in the Act, be reduced by the amount of dividends on the Shares received or deemed to be received by the Shareholder, to the extent and in the circumstances set out in the Act. Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Shareholders to whom these rules may be relevant should consult their own tax advisors in this regard.

A Shareholder that is throughout its taxation year a "Canadian-controlled private corporation" (as defined in the Act) may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Act), including amounts of taxable capital gains.

Alternative Minimum Tax

A capital gain realized, or a dividend received (or deemed to be received) by a Shareholder that is an individual, including a trust (other than certain specified trusts), may give rise to a liability for alternative minimum tax. Such Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules set out in the Act.

2. CONFIRMATION OF ADVANCE NOTICE BY-LAW

Background

On December 18, 2015, the Board adopted by-law number 2 (A by-law relating to the nomination of persons for election to the board of directors of the Corporation) (the "**Advance Notice By-Law**") with immediate effect. In order for the Advance Notice By-Law to remain in effect following termination of the Meeting, the Advance Notice By-Law must be ratified, confirmed and approved at the Meeting, as set forth more fully below.

Summary

The following information is intended as a brief summary of the Advance Notice By-Law and is qualified in its entirety by the full text of the Advance Notice By-Law, which can be found on SEDAR at www.sedar.com.

Among other things, the Advance Notice By-law fixes a deadline by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a shareholder must include in the notice for it to be valid.

The Advance Notice By-Law requires advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to a "proposal" made in accordance with the provisions of the CBCA or a requisition of shareholders made in accordance with the provisions of the CBCA.

In the case of an annual meeting of shareholders, notice to the Corporation must be given not less than 30 days prior to the date of the annual meeting. In the event that the annual meeting is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following the day on which the first public announcement of the date of the annual meeting was made.

In the case of a special meeting (other than an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board may, in its sole discretion, waive any requirement of the Advance Notice By-Law.

Under the CBCA, the directors of the Corporation may by resolution adopt new by-laws for the Corporation, subject to the requirement for shareholder ratification by ordinary resolution thereof at the next meeting of shareholders. Accordingly, at the Meeting shareholders will be asked to vote on an ordinary resolution in the form set in Schedule "B" to approve, confirm and ratify the adoption by the directors of the Advance Notice By-Law, as an addition to the Corporation's by-laws. The resolution must be approved by at least a majority of the votes cast in favour of the Advance Notice By-Law.

If the Advance Notice By-Law is approved at the Meeting, the Advance Notice By-Law will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. If the Advance Notice By-Law is not approved at the Meeting, the Advance Notice By-Law will terminate and be of no further force or effect from and after the termination of the Meeting.

The Board recommends that Shareholders vote in favour of the ordinary resolution approving, confirming and ratifying the Advance Notice By-Law.

3. RATIFICATION OF RIGHTS PLAN

Shareholders are being asked to consider, and if deemed appropriate, to ratify the shareholder rights plan agreement between the Corporation and Computershare Trust Company of Canada, as rights agent, dated as of February 25, 2016, as amended and restated by the Board on May 17, 2016 (the "**Rights Plan**"). Under the listing policies of the TSX, a shareholder rights plan must be ratified by a corporation's shareholders within six months of its adoption. The TSX has advised the Corporation that this requirement will be satisfied if the resolution ratifying the Rights Plan is approved by a majority of votes cast in favour of the Rights Plan and a majority of votes cast in favour of the Rights Plan without giving effect to any votes cast by "Independent Shareholders" (as defined below).

Background

On February 18, 2016, the Board adopted a Rights Plan for the Corporation. On May 17, 2016, the Board amended and restated the Rights Plan to ensure that the Rights Plan preserves the fair treatment of Shareholders, is consistent with current Canadian best corporate practices and addresses institutional investor guidelines.

The Rights Plan is designed to ensure that Shareholders and the Board have adequate time to consider and evaluate any unsolicited bid for the Shares, provide the Board with adequate time to identify, develop and negotiate value-enhancing alternatives to any such unsolicited bid and encourage the fair treatment of Shareholders in connection with any take-over bid for the Corporation. The Rights Plan encourages a potential acquirer to proceed by way of a "Permitted Bid", which requires the take-over bid to satisfy specified minimum standards designed to promote fairness.

The Rights Plan was not adopted in response to any specific take-over bid, nor is the Board currently aware of any pending or threatened take-over bid for the Corporation.

Summary

The material terms of the Rights Plan are summarized below. This summary is qualified in its entirety by the full text of the Rights Plan, which can be found on SEDAR at www.sedar.com.

General

The Rights Plan is effective as of February 25, 2016. One right (a "**Right**") has been issued and is attached to each Share.

The Rights will separate from the Shares and will be exercisable 10 trading days after a person has acquired, or commences a take-over bid to acquire, 20% or more of the Shares, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a "**Permitted Bid**"). The acquisition by any person (an "**Acquiring Person**") of 20% or more of the Shares, other than by way of a Permitted Bid (or other exceptions included in the Rights Plan), is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person will become void on the occurrence of a Flip-in Event. Once Rights become exercisable, holders of Rights (other than an Acquiring Person) will be entitled to acquire Shares with a market value of five times the market price for an amount equal to the exercise price, resulting in a significant dilution to the Acquiring Person.

Permitted Bid Requirements

If a take-over bid is structured as a Permitted Bid, a Flip-in Event will not occur and the Rights will not become exercisable. Permitted Bids must be made by means of a take-over bid circular and comply with the following:

(a) the take-over bid must be made to all Shareholders as registered on the books of the Corporation other than the bidder;

(b) the take-over bid must not permit the bidder to pay for any Shares that have been tendered until 105 days after the take-over bid is made (or such shorter period that a non-exempt take-over bid must remain open for deposits pursuant to applicable securities law), and then only if at such time more than 50% of the Shares held by the Independent Shareholders have been tendered to the take-over bid and not withdrawn;

(c) the take-over bid must contain an irrevocable and unqualified condition that, unless it is withdrawn, Shares may be tendered at any time during the deposit period described in (b) above, and that any Shares deposited to the take-over bid may be withdrawn until they have been taken up and paid for; and

(d) the take-over bid must contain an irrevocable and unqualified condition that, if more than 50% of the Shares held by Independent Shareholders are tendered to the take-over bid within the deposit period described in (b) above, the bidder will make a public announcement of that fact and the take-over bid will remain open for not less than 10 business days from the date of the public announcement.

The Rights Plan also allows a Competing Permitted Bid to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements for a Permitted Bid, except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be open for the minimum number of days that such Competing Permitted Bid must remain open for deposits of securities under applicable securities law.

Redemption and Waiver

The Board may waive the application of the Rights Plan to a particular take-over bid or redeem the Rights at a price of $0.0001 per Right in certain circumstances.

Fiduciary Duty of Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board will continue to have the duty and power to take such actions and make such recommendations to the Shareholders as are considered appropriate.

The resolution to ratify the Rights Plan, the text of which is set forth in Schedule "C" hereto, must be approved by at least a majority of the votes cast in favour of the Rights Plan and a majority of votes cast in favour of the Rights Plan without giving effect to any votes cast by the Independent Shareholders (present or represented by proxy) in order for the Rights Plan to be adopted. "**Independent Shareholders**" means all Shareholders other than, generally, an Acquiring Person or a person making a take-over bid for the Shares, and any affiliate, associate or any person acting jointly or in concert with either of them.

The Board recommends that Shareholders vote in favour of the ordinary resolution ratifying the Rights Plan.

PART II

Annual Business

1. FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the fiscal year ended December 31, 2015 and the report of the auditor thereon will be presented at the Meeting. No vote by Shareholders is required.

2. INCREASE THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The Articles provide that the Corporation will have a minimum of three and maximum of eleven directors. The Corporation currently has six directors, four of whom are independent (within the meaning of applicable securities laws).

The following table sets forth the names of the persons nominated by the Board for election as directors, their respective positions and offices currently held with the Corporation, their respective principal occupation or employment, the year each nominee became a director of the Corporation, and the approximate number of Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, by each of them at the date of this Information Circular.

Name and Municipality of Residence	Office	Principal Occupation	Director Since	Shares Beneficially Owned or Controlled
Michael J.R. Nisker, Toronto, Ontario	President, Chief Executive Officer and Director	President and Chief Executive Officer of Trez Capital Mortgage Investment Corporation since April 18, 2012, President and Chief Executive Officer of Trez Capital Senior Mortgage Investment Corporation since October 18, 2012; Managing Partner of Trez Capital Fund Management (2011) Corporation since July 1, 2012 and Managing Partner of Trez Capital (2011) Corporation (previously Trez Capital Corporation) since April 2012; prior thereto, Senior Vice-President of the Manager since May 2009; prior thereto, Managing Director, Fortress Investment Group since 2006.	April 2012	31,802[(1)]

Name and Municipality of Residence	Office	Principal Occupation	Director Since	Shares Beneficially Owned or Controlled
Alexander (Sandy) Manson, West Vancouver, British Columbia	Chief Financial Officer and Director	Chief Financial Officer of Trez Capital Fund Management (2011) Corporation since July 1, 2012 and Chief Financial Officer of Trez Capital (2011) Corporation (previously Trez Capital Corporation) since February 2006.	April 2012	40,747(1)
Zachary George, (3)(4)(5) Greenwich, Connecticut	Director	Principal and Portfolio Manager of FrontFour Capital Group LLC	May 2016	895,400(6)
Stephen Pustil,(2)(3) Toronto, Ontario	Director	Vice Chairman of MDC Partners Inc. from 1992 to October 2015; Vice Chairman of Peerage Realty Partners since June 2007.	April 2012	Nil
Stewart J.L. Robertson,(2)(3) Vancouver, British Columbia	Director	President of the Crerar Group of Companies since 1993.	April 2012	Nil
Gary Samuel,(2)(3)(4) Toronto, Ontario	Director	President of Perek Bet Inc.	August 2014	20,034

Notes:
(1) Includes 28,247 Shares owned by Trez Capital Group Limited Partnership.
(2) Member of the Audit Committee and the Nomination & Compensation Committee of the Board.
(3) Independent director of the Board.
(4) Member of the Investment & Capital Management Committee.
(5) Mr. George was appointed to the Board effective May 6, 2016 pursuant to the terms of the Resolution Agreement.
(6) 783,630 shares are beneficially owned by Concerned MIC Shareholders Fund, for which Concerned MIC Shareholders GP Inc. is the general partner, of which Mr. George is a principal. 103,711 shares are beneficially owned by FrontFour Master Fund, Ltd., which is managed by FrontFour Capital Group LLC, of which Mr. George is a principal and portfolio manager. 8,059 shares are beneficially owned by FrontFour Opportunity Fund, which is managed by FrontFour Capital Corp., which is an affiliate of FrontFour Capital Group LLC.

The Board has adopted a majority voting policy that requires that any nominee for director who receives a greater number of votes “withheld” than votes “for” his or her election as a director to submit his or her resignation to the Board for consideration promptly following the meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board will consider the resignation and determine whether to accept it within 90 days after the applicable meeting and a news release will be issued by the Corporation announcing the Board’s determination. A director who tenders his or her resignation will not participate in any meetings of the Board to consider whether the resignation will be accepted. Shareholders should note that, as a result of this majority voting policy, a “withhold” vote is effectively the same as a vote against a director nominee in an uncontested election.

Each director elected by the Shareholders will hold office until the next annual meeting of Shareholders, or until his successor is duly elected or appointed, unless: (i) his office is earlier vacated in accordance with our Articles and by-laws; or (ii) he becomes disqualified to act as a director. All of the nominees are currently directors of the Corporation.

The following are biographies of each director of the Corporation:

Michael J.R. Nisker has been a Managing Partner of Trez since April 17, 2012 and the President and Chief Executive Officer of Trez Capital Mortgage Investment Corporation since April 18, 2012 and Trez Capital Senior Mortgage Investment Corporation since October 18, 2012. Prior thereto, Mr. Nisker was the Senior Vice-President of Trez since May 1, 2009. He is primarily focused on all capital raising functions for Trez and is responsible for spearheading Trez’s expansion of its loan portfolio throughout Eastern Canada. In addition, Mr. Nisker focuses on a variety of strategic initiatives and new opportunities for Trez. From 2006 to 2008, he acted as Managing Director in

Canada for Fortress Investment Group of New York. Prior to 2006 he founded, and from 1995 to 2006 acted as President of, Equivest Capital Group, one of the first mezzanine lending firms in Canada focused exclusively on real estate projects. Prior thereto, he was in private law practice, specializing in international taxation.

Alexander (Sandy) Manson has been the Chief Financial Officer of Trez since February 2006. Mr. Manson has been a Chartered Accountant since 1983 and has more than twenty-eight years of experience in finance and accounting. From January 2001 through December 2005, Mr. Manson was the Chief Financial Officer for Autostock International, an international autoglass replacement company with 2,000 employees based in Burnaby B.C. which operated the "Speedy Glass" stores in Canada and the United States. Prior thereto, he was the Chief Financial Officer for Coast Mountain Hardwoods (1997–2000), a lumber company based in Ladner, B.C. Mr. Manson is responsible for all finance and administrative operations of Trez.

Zachary George is a co-founder and portfolio manager of FrontFour Capital, a value oriented, investment firm with more than $500 million in assets under management. Mr. George has worked in a management capacity and with numerous corporate boards to turnaround operations, effect corporate action, and implement governance policies in order to maximize shareholder value. He recently served as the Chairman of the boards of Slate Office REIT (formerly FAM REIT) and Huntingdon Capital Corp. and previously served as the lead independent director of both Cornell Companies Inc. and PW Eagle, and on the boards of Allied Defense Group, and IAT Air Cargo Facilities Income Fund.

Stephen Pustil is Vice Chairman of Peerage Realty Partners and serves on the Board of Mount Sinai Hospital as well as the advisory board of the Cambridge Group of Clubs based in Toronto, Ontario. Mr. Pustil brings 38 years of investment and real estate experience as the former President of Penwest Development Corporation Limited from 1972 to 2007. Penwest was a real estate development company investing in income-producing properties, hotels and industrial buildings as well as land development and residential construction. In addition, Mr. Pustil was formerly Vice Chairman of MDC Partners, one of the most influential marketing and communications networks globally, from April 1992 to October 2015. Mr. Pustil is a Chartered Accountant.

Stewart J.L. Robertson has served on the board of directors of a number of public companies, including the board and audit committee of Sterling Centrecorp Inc., a company formerly listed on the TSX and in the business of acquiring and managing shopping centres. He is the President of the Crerar Group of Companies. The Crerar Group is an active principal in the commercial real estate business in Canada and the U.S., with holdings including office, apartment, storage/warehousing, and retail buildings. Mr. Robertson also consults on structured mortgage and corporate acquisitions to various real estate entities.

Gary Samuel founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), Canada's first publicly traded REIT. Mr. Samuel is currently a trustee of Slate Office REIT (TSX: SOT.UN). Mr. Samuel formerly served as Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank. He was also formerly a director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc. (TSX: GAA), both real estate companies. Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

In order to elect all persons nominated by the Board for election as directors, Shareholders are also being asked to increase the number of directors from five members to six members.

Unless provided to the contrary, the persons named in the accompanying form of proxy (if it is duly executed in their favour and deposited) will vote the Shares represented thereby in favour of increasing the number of directors of the Corporation from five to six and electing as directors the nominees named above. In case any of the following nominees should become unavailable for election for any reason, unless provided to the contrary, the persons named in the accompanying form of proxy will vote the Shares represented thereby in favour of electing the remaining nominees and such other substitute nominees as a majority of the directors of the Corporation may designate in such event.

3. RE-APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to approve a resolution re-appointing KPMG LLP, Chartered Accountants as auditor for the Corporation, and to authorize the directors to fix the auditor's remuneration. KPMG LLP, Chartered Accountants have acted as the Corporation's auditor since its appointment on March 26, 2012. The ordinary resolution must be passed by at least the majority of the votes cast at the Meeting by all Shareholders who vote in respect thereof in person or by proxy. **The Board recommends that Shareholders vote in favour of the re-appointment of KPMG LLP, Chartered Accountants, as the auditor of the Corporation.**

CORPORATE GOVERNANCE PRACTICES

General

The Board and management of the Corporation believe that effective corporate governance practices are foundational to building the long-term success of the Corporation. The Board is committed to meeting high standards of corporate governance in all aspects of the Corporation's affairs. In the context of the Corporation's management structure, the Board believes that the Corporation's governance practices meet or exceed the standards set out by the Canadian Securities Administrators.

Board of Directors

The Corporation currently has six directors, of which Messrs. Zachary George, Stephen Pustil, Stewart J.L. Robertson and Gary Samuel are independent directors within the meaning of applicable securities laws. As the Corporation has retained the Manager to direct the business, operations and affairs of the Corporation, Mr. Michael J.R. Nisker is the Chair of the Board and the President and Chief Executive Officer of the Corporation and Mr. Alexander (Sandy) Manson is the Chief Financial Officer of the Corporation. Messrs. Nisker and Manson are directors, officers and securityholders of the Manager. Accordingly, Messrs. Nisker and Manson are not independent directors within the meaning of applicable securities laws. Mr. Stephen Pustil serves as the Lead Director of the Board. Following each scheduled Board meeting, as well as following each special Board meeting, as deemed necessary, the Board holds an in camera meeting of the independent directors. In the year ended December 31, 2015, the Board held seven in camera meetings of the independent directors (excluding meetings of the Special Committee as described under "*Special Committee*" below).

The role of the Chair of the Board is to provide leadership to the directors in discharging their duties, including by: (a) leading, managing and organizing the Board in a manner consistent with the Board's approach to corporate governance; (b) promoting cohesiveness among the directors; and (c) being satisfied, that the responsibilities of the Board and its committees are well understood by the directors. The Chair's responsibilities include: (a) scheduling Board meetings; (b) coordinating with the Chairs of the committees of the Board to schedule meetings of the committees; (c) reviewing items of importance for consideration by the Board; (d) 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; (e) setting the agenda for meetings of the Board; (f) monitoring the adequacy of materials provided to the Board by management in connection with the Board's deliberations; (g) ensuring that the Board has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Board; (h) presiding over Board meetings; (i) encouraging free and open discussion at Board meetings; and (j) assisting the Board in discharging its stewardship function, which includes identifying and managing risks, strategic planning and succession planning. The role of the Lead Director of the Board is to assist the Board in discharging its stewardship function, which includes: (a) leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time; (b) satisfying itself as to the integrity of the senior officers of the Corporation and ensuring that such senior officers create a culture of integrity throughout the organization; (c) strategic planning; (d) identifying and managing risks; and (e) succession planning.

The following table sets forth the name of each reporting issuer (or the equivalent), other than the Corporation, in a Canadian or foreign jurisdiction of which a nominee director of the Corporation is also a director.

Director	Reporting Issuer
Michael J.R. Nisker	- Trez Capital Senior Mortgage Investment Corporation
Alexander (Sandy) Manson	- Trez Capital Senior Mortgage Investment Corporation
Stephen Pustil	- Trez Capital Senior Mortgage Investment Corporation
Stewart J.L. Robertson	- Trez Capital Senior Mortgage Investment Corporation
Gary Samuel	- Trez Capital Senior Mortgage Investment Corporation - Slate Office REIT

The following table sets forth the number of directors meetings held for the fiscal year ended December 31, 2015 and attendance by the directors who are proposed to be nominated for election at the Meeting:

Director	Number of Board Meetings Attended	Number of Audit Committee Meetings Attended	Number of Nomination & Compensation Committee Meetings Attended	Number of Special Committee Meetings Attended
Michael J.R. Nisker	7	-	-	-
Alexander (Sandy) Manson	7	-	-	-
Stephen Pustil	7	4	1	8
Stewart J.L. Robertson	7	4	1	8
Gary Samuel	7	4	1	8

Board Mandate

The mandate of the Board is to be responsible for the overall stewardship of the Corporation. The Board has adopted a formal board mandate, the full text of which is set out in Schedule "D" to this Information Circular. The Board discharges its responsibilities directly and through the Audit Committee and the Nomination & Compensation Committee.

The Board has determined that a written position description is not necessary for the Chief Executive Officer of the Corporation as it is the responsibility of the Manager to provide management and administrative services required by the Corporation.

Audit Committee

The Audit Committee is comprised of the following directors, each of whom is independent and financially literate within the meaning of applicable securities laws.

Name	Education and Experience
Stephen Pustil	Mr. Pustil is a chartered accountant with more than 40 years of investment and real estate experience as the former President of Penwest Development Corporation Limited, a real estate development company investing in income-producing properties, hotels and industrial buildings as well as land development and residential construction.
Stewart J.L. Robertson	Mr. Robertson has served on the board of directors of a number of public companies, including the board and audit committee of Sterling Centrecorp Inc., a company formerly listed on the TSX and in the business of acquiring and managing shopping centres. He is the President of the Crerar Group of Companies. The Crerar Group is an active principal in the commercial real estate business in Canada and the U.S., with holdings including office, apartment, storage/warehousing, and retail buildings. Mr. Robertson also consults on structured mortgage and corporate acquisitions to various real estate entities.
Gary Samuel	Mr. Samuel founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), Canada's first publicly traded REIT. Mr. Samuel is currently a trustee of Slate Office REIT (TSX: SOT.UN). Mr. Samuel formerly served as Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank. He was also formerly a Director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc. (TSX: GAA), both real estate companies. Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

The Audit Committee assists the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation and the quality and integrity of financial statements of the Corporation. In addition, the Audit Committee is responsible for directing the auditor's examination of specific areas and for reviewing the performance of the independent auditor. Mr. Stewart J.L. Robertson is the Chair of the Audit Committee. The responsibilities of the Chair of the Audit Committee include: (a) ensuring that all business required to come before the Audit Committee is brought before the Audit Committee such that the Audit Committee is able to carry out all of its duties according to the Audit Committee Charter; (b) monitoring the adequacy of materials provided to the Audit Committee by management in connection with the Audit Committee's deliberations; (c) ensuring that the Audit Committee has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Audit Committee; (d) presiding over Audit Committee meetings; and (e) encouraging free and open discussion at Audit Committee meetings. Information regarding the Audit Committee can be found on pages 38 to 39 of the AIF.

The Audit Committee has established a policy requiring pre-approval of any retainer of the external auditor for any audit and non-audit service to the Corporation. The Audit Committee may delegate to one or more of its members the pre-approval of any retainer of the external auditor for any audit and non-audit service provided that any pre-approval by such member or members shall be presented to the Audit Committee at its next scheduled meeting.

Nomination & Compensation Committee

The Board has established a Nomination & Compensation Committee with the overall purpose of assisting the Board with maintaining high standards for stewardship of the Corporation by assessing the suitability of the size of the Board, identifying and recruiting directors for nomination, and assisting the Board, as applicable, on compensation matters. The Nomination & Compensation Committee is comprised of Stephen Pustil, Stewart J.L. Robertson and Gary Samuel, each of whom is independent within the meaning of applicable securities laws. Mr. Stephen Pustil is the Chair of the Nomination & Compensation Committee. Additional information regarding each

member of the Nomination & Compensation Committee and their respective skills and experiences is provided above under "*Corporate Governance Practices - Audit Committee*".

When a new director is required to be nominated, the Nomination & Compensation Committee considers various factors for recommending a nominee, including identifying the desired competencies, independence, expertise, skills, background and personal qualities that are being sought in potential candidates, identifying individuals qualified and suitable to become directors, meeting with potential new candidates prior to nomination to discuss the time commitments and performance expectations of the position and recommending formal approval from the Board in respect of candidates for nomination.

The Nomination & Compensation Committee annually reviews the compensation payable by the Corporation to its directors based on the responsibilities and risks of the position. In addition, remuneration must attract and motivate competent individuals to take on such responsibilities and risks. In order to ensure compensation is reasonable and objective, the Nomination & Compensation Committee may consider compensation paid to directors of similarly situated companies, including other mortgage investment corporations and publicly traded companies, and may engage an outside compensation consultant to ensure that the Corporation's compensation practices are competitive among peer companies.

In light of the services provided by the Manager to the Corporation under the Management Agreement, the Nomination & Compensation Committee has confirmed that no compensation should be paid by the Corporation to Messrs. Nisker and Manson in their capacities as directors and officers of the Corporation. For details of the Management Agreement, see the heading "*Management of the Corporation*".

Special Committee

On September 28, 2015, the Board established the Special Committee with the overall purpose of considering alternatives to enhance value for Shareholders. The Special Committee was authorized to oversee a review process to be undertaken in response to concerns raised by Shareholders regarding the discount of the Corporation's share trading price relative to its book value (the "**Strategic Review Process**"). The Special Committee is comprised of Stephen Pustil, Stewart J.L. Robertson and Gary Samuel, each of whom is independent within the meaning of applicable securities laws. Mr. Gary Samuel is the Chair of the Special Committee. The Strategic Review Process led to the Board's recommendation of the Orderly Wind-Up Plan described in this Information Circular. See "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*". If the Orderly Wind-Up Plan is approved by Shareholders at the Meeting, the Special Committee's mandate will be accomplished and the Special Committee will no longer be operative.

Investment & Capital Management Committee

On May 6, 2016, the Board established the Investment & Capital Management Committee with the overall purpose of the management of the NCIB and, provided the Special Resolution is approved, the management and oversight of the Orderly Wind-Up Plan described in this Information Circular. The Investment & Capital Management Committee is comprised of Gary Samuel and Zachary George, each of whom is independent within the meaning of applicable securities laws. Mr. Gary Samuel is the Chair of the Investment & Capital Management Committee. See "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*".

Nomination of Directors

The Board may recommend individuals for nomination as directors of the Corporation. In doing so, the Board considers the nominees recommended by the Nomination & Compensation Committee and the relative strengths of each such nominee, as identified by the Nomination & Compensation Committee, as well as the current and anticipated future needs of the Board.

Compensation

In light of the services provided by the Manager to the Corporation under the Management Agreement, the Corporation does not remunerate its executive officers. The compensation of the Manager is determined based on

the provisions of the Management Agreement. For details of the Management Agreement see the heading "*Management of the Corporation*".

The Board, as a whole, is responsible for determining the compensation of the directors of the Corporation and takes into account the recommendations of the Nomination & Compensation Committee in that regard.

Orientation and Continuing Education

As at the date hereof, the Board has not adopted a formal procedure to orient new board members or a formal policy of providing continuing education for directors. When a new director is appointed, they have the opportunity to meet the other directors, management and employees, with orientation tailored to the needs and experience of the new director, as well as the overall needs of the Board. New directors are provided with documents from recent Board meetings and written information about the Board committees, and the business and operations of the Corporation. The Corporation relies upon its professional advisors to update the knowledge of the Board in respect to changes in relevant policies and regulations.

Members of the Board are encouraged to communicate with management, auditor and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry seminars and conventions and to visit the Corporation's operations. Members of the Board have full access to the Corporation's records.

Ethical Business Conduct

The Board has not adopted a written code of ethical business conduct. The directors of the Corporation are aware of their fiduciary duties to the Corporation under applicable laws. In addition, the CBCA, subject to certain limited exceptions, restricts a director from voting on a resolution where such director has an interest in a material contract or a material transaction. Further, to encourage and promote a culture of ethical business conduct, the Board mandate requires that the Board satisfy itself as to the integrity of the Chief Executive Officer and other senior officers of the Corporation and that the Chief Executive Officer and other senior officers create a culture of integrity throughout the Corporation. A "whistleblower policy" is also in place to provide directors, officers and employees of the Corporation and the Manager with a means through which they may notify, either directly or anonymously, the Chair of the Audit Committee of potential violations of the applicable laws and regulations that relate to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters concerning potential fraud against the Shareholders of the Corporation. The whistleblower policy also establishes a mechanism for responding to, and keeping records of, complaints regarding such potential violations or concerns.

Assessments

The Board, as a whole, is responsible for assessing the effectiveness of the Board and each of its committees, and the contributions of individual directors. In carrying out its duties, the Board periodically reviews the Board mandate and the mandate of its committees and assesses the effectiveness of the individual directors. On an ongoing basis, the Board reviews the size and composition of the Board and the recommendations from the Nomination & Compensation Committee in that regard. The Board believes that five directors is an appropriate size for the Board at this time and that the Board is properly constituted to reflect the investment of all Shareholders in the Corporation.

Board Renewal

The Board has not established fixed term limits for directors. However, there are other mechanisms in place as described above relating to the renewal of the Board. In particular, the Nomination & Compensation Committee reviews the composition of the Board on a regular basis and may recommend changes as appropriate to ensure the desired mix of competencies, independence, expertise, skills, background and personal qualities are appropriately reflected on the Board. In addition, the Board, having regard to the recommendations from the Nomination & Compensation Committee, periodically reviews and assesses the effectiveness of the Board, each of its committees and the individual directors.

Representation of Women

The Board has not adopted a written policy relating to the identification and nomination of women directors, although it has historically followed a process of identifying and assessing potential director nominee candidates with the necessary competencies, independence, expertise, skills, background and personal qualities that are then being sought in a potential Board member. The Board does not specifically consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board and has not adopted a target regarding women members. However, the Board does follow a selection and screening process to ensure that the requisite elements of integrity, diversity, knowledge, skill, experience and judgment are the hallmarks of the Board members. The executive officers of the Corporation are appointed to such positions by the general partner of the Manager and are provided by the Manager to fulfill these roles on behalf of the Corporation pursuant to the terms of the Management Agreement. Accordingly, the Corporation does not specifically consider the level of representation of women in executive officer positions and has not adopted a target regarding women in executive officer positions. There are currently no female directors on the Board and no female executive officers of the Corporation.

MANAGEMENT OF THE CORPORATION

If the Special Resolution is passed, the terms of the Management Agreement will be supplemented by the terms of the Amending Agreement. See *"Business of the Meeting – Special Business – The Orderly Wind-Up Plan"*. The following description of the Management Agreement is qualified in its entirety by the Management Agreement and the Amending Agreement, both of which are available on SEDAR at www.sedar.com.

The Corporation has retained the Manager to manage the day-to-day affairs of the Corporation. The head office of the Manager is located at 1550-1185 West Georgia Street, Vancouver, British Columbia V6E 4E6. The Manager is wholly-owned by Trez Capital Group Limited Partnership. Trez Capital Fund Management (2011) Corporation, the general partner of the Manager, is a wholly-owned subsidiary of the general partner of Trez Capital Group Limited Partnership.

Manager

The Manager is the sole and exclusive manager of the Corporation to direct the business, operations and affairs of, and provide, or arrange to provide, all day-to-day management and administrative services required by, the Corporation. The Manager's duties include, without limitation: (i) through its affiliate, Trez Capital Limited Partnership, providing mortgage lending opportunities to the Corporation consistent with the lending guidelines set out in the Management Agreement with the goal of achieving the Corporation's investment objective; (ii) managing the lending and relending of the assets of the Corporation in accordance with the lending guidelines set out in the Management Agreement; (iii) authorizing the payment of operating expenses incurred on behalf of the Corporation; (iv) preparing financial statements and financial and accounting information as required by the Corporation; (v) ensuring that Shareholders are provided with financial statements (including quarterly and annual financial statements) and other reports as are required by applicable law from time to time; (vi) ensuring that the Corporation complies with regulatory requirements; (vii) preparing the Corporation's reports to Shareholders and the Canadian securities regulatory authorities; (viii) recommending to the Board the amount of dividends to be paid by the Corporation; and (ix) negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Management Agreement

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties diligently, honestly and in good faith and, in connection therewith, to exercise the standard of care that a reasonably prudent person would exercise in the circumstances. The Management Agreement provides that the Manager will indemnify the Corporation for any losses incurred as a result of the wilful misconduct, bad faith or negligence of the Manager or the Manager's breach of its standard of care under the Management Agreement or a material breach or default of the Manager's obligations under the Management Agreement.

The term of the Management Agreement is for a period of 10 years ending on November 30, 2023, and will automatically renew for successive 5 year terms thereafter, unless terminated by the Corporation upon approval of a two-thirds majority of the votes cast by the independent directors of the Corporation (a) at the conclusion of the initial term or any renewal term, upon not less than 12 months' prior written notice to the Manager, (b) at any time, in the event that there is (i) a material breach of the Management Agreement by the Manager that is not remedied within 60 days of written notice to the Manager (or such longer period as may be reasonably required to remedy such breach, provided such longer period does not exceed 120 days), and that has a material adverse effect on the business, operations or affairs of the Corporation, (ii) the Manager commits any act of bad faith, wilful malfeasance, gross negligence or reckless disregard of its duties or breach of its standard of care; or (iii) any bankruptcy, insolvency or liquidation proceedings are taken against the Manager or if the Manager makes an assignment for the benefit of its creditors, commits any act of bankruptcy or declares itself or is declared to be insolvent (each of (i), (ii) and (iii), a "**Termination for Cause**"); or (c) upon the date (the "**Early Termination Date**") specified in a written notice to the Manager, such notice to be delivered at any time after November 30, 2017 and such Early Termination Date being not less than 12 months following the date of such written notice, and upon payment of an amount equal to three times the total amount of management fees and performance fees earned by the Manager in the previous twelve months (the "**Early Termination Fee**").

Notwithstanding the foregoing, if the Early Termination Date precedes November 30, 2023 (the conclusion of the initial term), or the conclusion of any renewal term, as applicable, by less than three years, the Early Termination Fee payable in the event of termination by the Corporation other than a Termination for Cause shall be reduced to an amount equal to the Early Termination Fee multiplied by X/36 (where X is the number of calendar months (including partial calendar months) between the Early Termination Date and the conclusion of the initial term, or any renewal term, as applicable. The Management Agreement contains a provision that provides that "upon the wind-up of the Corporation approved by a special resolution of Shareholders, no Termination Fee shall be payable to the Corporation".

Notwithstanding the terms of the Management Agreement described above, in order to facilitate the Monetization Process, the Manager and the Corporation entered into the MOU pursuant to which the Manager has consented to an early termination of the Management Agreement prior to November 30, 2018 in the event that the Special Committee recommends a sale of the Corporation or substantially all of its assets that is approved by the Shareholders. On a termination in those circumstances, the Manager would receive a termination fee equal to three times the total management fees and performance fees earned by the Manager during the twelve months ending immediately prior to the date of a binding agreement in respect of that transaction and will have no right to any additional amounts representing the fees through to the end of November 2018. If the Special Resolution is approved, the MOU will terminate.

Compensation of the Manager

For its services under the Management Agreement, the Manager receives from the Corporation a management fee (the "**Management Fee**") equal to 1.25% per annum of the gross assets of the Corporation, calculated and paid monthly in arrears, plus applicable taxes.

The Manager also is entitled to a performance fee (the "**Performance Fee**") each calendar year equal to 20% of the amount by which the Net Return for that year exceeds the product of (i) the average month-end Shareholder Capital during such year, and (ii) the average of the 2-Yr GOC Yield on the last day of each calendar month during the year plus 450 basis points (the "**Hurdle Rate**") and prorated for any partial years. For the year ended December 31, 2015, the average Hurdle Rate was 5.02%. As of April 29, 2016, the 2-Yr GOC Yield was 0.68%.

If the Special Resolution is passed, the Performance Fee described above will cease effective May 1, 2016 and the Manager will instead be entitled to the Incentive Fee as described elsewhere in this Information Circular. See "*Business of the Meeting – Special Business – The Orderly Wind-Up Plan*".

The Manager also is entitled to be reimbursed for all expenses incurred by the Manager on behalf of the Corporation. In addition, the Manager and each of its directors, officers, employees and partners are not liable to the Corporation for any default, failure or defect in the Corporation's portfolio or for any act or omission within the scope of the Manager's authority, except those resulting from the Manager's wilful misconduct, bad faith,

negligence, breach of the Manager's standard of care or material breach or default by the Manager of its obligations under the Management Agreement.

The management services provided by the Manager under the Management Agreement are not exclusive to the Corporation and nothing in the Management Agreement prevents the Manager from providing similar management services to other persons or from engaging in other activities provided that the Manager acts, at all times, in accordance with its standard of care and thereby allocates mortgage lending opportunities to the Corporation and to its other clients on a fair and equitable basis.

Fees Payable to the Manager

For the year ended December 31, 2015, the Corporation incurred Management Fees in the amount of $2,675,616 and Performance Fees in the amount of $442,891.

Directors and Executive Officers of the General Partner of the Manager

The name, municipality of residence and office of each of the directors and executive officers of the general partner of the Manager are set out below:

Name and Municipality of Principal Residence	Position with the Manager
Michael J.R. Nisker, B. Comm., LLB Toronto, Ontario	Managing Partner and Director
Alexander (Sandy) Manson, B. Comm., C.A. West Vancouver, B.C.	Chief Financial Officer and Director
Morley Greene, B.A., LLB Vancouver, B.C.	Chairman, Managing Partner and Director
Robert Perkins, B. Comm. Vancouver, B.C.	Managing Partner and Director
Ken Lai, B. Comm., C.A. Richmond, B.C.	Vice President, Loan Administration and Director

EXECUTIVE COMPENSATION

Named Executive Officers

Securities legislation requires disclosure of the compensation received by each Named Executive Officer of the Corporation for each of its three most recently completed financial years. During the year ended December 31, 2015, the Corporation had two Named Executive Officers, Messrs. Nisker and Manson.

Compensation Discussion and Analysis

Neither of the Named Executive Officers received any compensation or were employed by the Corporation in the fiscal year ended December 31, 2015. Although Messrs. Nisker and Manson hold titles as officers of the Corporation, they are appointed to such positions by the general partner of the Manager and receive their compensation from the ultimate parent of the general partner of the Manager. Pursuant to the Management Agreement, the Manager is entitled to receive Management Fees and Performance Fees from the Corporation as described under "*Management of the Corporation – Compensation of the Manager*".

Messrs. Nisker and Manson hold ownership interests in the ultimate parent of the general partner of the Manager and receive their entire compensation in the form of distributions on these ownership interests. In the last three fiscal years, Messrs. Nisker and Manson received $166,000 and $66,000 per year, respectively, in respect of their ownership interests that can be attributed to the Corporation (based on the time spent by the Named Executive Officers on services provided to the Corporation).

Summary Compensation Table

The following table and notes thereto provide a summary of the compensation paid by the parent of the general partner of the Manager to each Named Executive Officer of the Corporation for the financial year ended December 31, 2015.

Name and Principal Position of Named Executive Officer	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compensation [(1)] ($)	Total Compensation ($)
					Annual Incentive Plans ($)	Long-Term Incentive Plans			
Michael J.R. Nisker, President and Chief Executive Officer	2015	N/A	N/A	N/A	N/A	N/A	N/A	166,000	166,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A	166,000	166,000
	2013	N/A	N/A	N/A	N/A	N/A	N/A	166,000	166,000
Alexander (Sandy) Manson, Chief Financial Officer	2015	N/A	N/A	N/A	N/A	N/A	N/A	66,000	66,000
	2014	N/A	N/A	N/A	N/A	N/A	N/A	66,000	66,000
	2013	N/A	N/A	N/A	N/A	N/A	N/A	66,000	66,000

Note:
(1) Represents the portion of compensation paid by the parent of the general partner of the Manager attributable to the time spent on services provided to the Corporation. None of the Named Executive Officers receives any compensation for acting as member of the Board.

Director Compensation

Directors' compensation is subject to such amendments as the Nomination & Compensation Committee may determine from time to time. A member of the Board who is not an independent director (including the Chair of the Board) does not receive any remuneration from the Corporation for serving as a member of the Board or any Board committee. The independent directors are paid fees of $15,000 per independent director per annum for serving as an independent director of the Corporation. In addition, the independent directors are paid fees of $4,000 per month for serving as a member of the Special Committee, and the Chair of the Special Committee is paid an additional $2,000 per month for acting in his capacity as such. The independent directors also are reimbursed for out-of-pocket expenses.

The following table discloses the compensation earned, paid or awarded, as the case may be, to each of the Corporation's directors during the fiscal year ended December 31, 2015. Messrs. Nisker and Manson, who are non-independent directors of the Corporation, do not receive any compensation for serving as directors of the Corporation.

Name	Fees Earned ($)	Non-equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
Stephen Pustil	27,000	-	-	-	27,000
Stewart J.L. Robertson	27,000	-	-	-	27,000
Gary Samuel	33,000	-	-	-	33,000

Equity Compensation Plan Information

The Corporation currently has no equity compensation plans in place.

Hedging and Compensation Risk

The Named Executive Officers and directors of the Corporation are not formally prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of Shares, including Shares held directly or indirectly by a Named Executive Officer or a director.

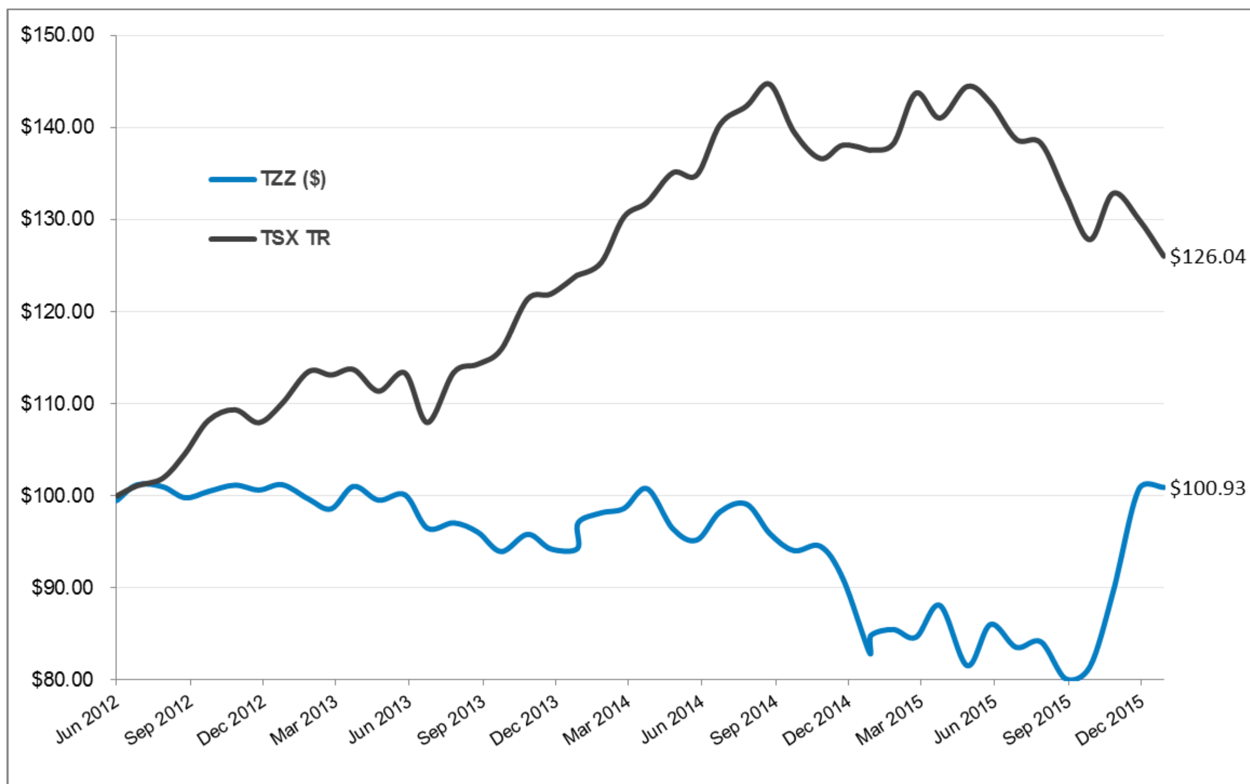
In light of the Corporation's arrangement with the Manager, the Board does not believe it to be necessary to formally consider the implications of the risks associated with the Corporation's compensation policies and practices.

Insurance Coverage and Indemnification

The Corporation has obtained insurance policies that cover corporate indemnification of its directors and officers and its individual directors and officers in certain circumstances. The Corporation indemnifies its directors and officers to the fullest extent permitted by the CBCA.

Share Performance Graph

The following graph compares the cumulative shareholder return for $100.00 invested in Shares (with any cash dividends reinvested into Shares) on the TSX (symbol: TZZ) with the cumulative return of the S&P/TSX Composite Total Return Index for the period from June 4, 2012 when the Shares commenced trading on the TSX to December 31, 2015.



	June 4, 2012 ($)	December 31, 2012 ($)	December 31, 2013 ($)	December 31, 2014 ($)	December 31, 2015 ($)
Shares(1)	100.00	100.60	96.53	84.85	100.93
S&P/TSX Composite Total Return Index(2)	100.00	109.68	120.16	137.54	126.04

Notes:

(1) The cumulative return of the Shares is based on the closing prices of the Shares on the TSX on June 4, 2012, December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015 or, if there was no trading on such date, the closing price on the last trading day prior to such date. Cash dividends on Shares have been treated as being reinvested into additional Shares on the payment date of each dividend.

(2) The S&P/TSX Composite Total Return Index is a total return index, the calculation of which includes dividends and distributions reinvested.

As discussed above, none of the Corporation's executive officers are employed by the Corporation, or received any compensation from the Corporation during the period covered by the graph above. In addition, none of their compensation is based on the value of Shares. See "*Executive Compensation - Compensation Discussion and Analysis*". As such, the trend shown in the graph above is unrelated to compensation paid to the executive officers of the Corporation during the same period.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as described herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's executive officers, directors, employees, former executive officers, former directors or former employees, as of the date hereof, is indebted to the Corporation. In addition, none of the indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described herein, no Informed Person (as such term is defined in NI 51-102) of the Corporation, nor any associate or affiliate of an Informed Person of the Corporation, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

AUDITOR

KPMG LLP, Chartered Accountants are the auditor of the Corporation. They were first appointed on March 26, 2012.

ADDITIONAL INFORMATION

Additional information, including financial information, relating to the Corporation, including the Corporation's comparative annual audited financial statements and MD&A for the year ended December 31, 2015 are available on SEDAR at www.sedar.com. Copies of the financial statements and MD&A for the year ended December 31, 2015 may also be obtained on request, at no cost, by contacting Ms. Karyn Phuong, Vice-President, Investor Relations of the Manager by e-mail at karynp@trezcapital.com or by telephone at (647) 788-1788, or by contacting Investor Relations at 1-877-689-0821 or by e-mail at investor-relations@trezcapital.com or through the Manager's website at www.trezcapital.com.

CERTIFICATE

The contents of this Information Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

DATED at Toronto, Ontario as of May 17, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"Gary Samuel"

Gary Samuel
Chair of the Special Committee

SCHEDULE "A"

SPECIAL RESOLUTION

BE IT RESOLVED THAT:

the board of directors (the "**Board**") of Trez Capital Mortgage Investment Corporation (the "**Corporation**"), as part of an orderly wind-up plan, as described in the management information circular of the Corporation dated May 17, 2016 (the "**Orderly Wind-Up Plan**"), is hereby authorized, in such manner as is determined by the Board to be in the best interests of the Corporation, taking into consideration contractual obligations of the Corporation, necessary approvals and other considerations relevant to an efficient and value-maximizing process, to cause the Corporation to:

1. implement the Orderly Wind-Up Plan;
2. discharge all liabilities;
3. distribute any remaining property to the shareholders as their interest may appear; and thereafter
4. send articles of dissolution to the Director;

pursuant to the provisions of section 210(3) of the *Canada Business Corporations Act*.

SCHEDULE "B"

RESOLUTION TO CONFIRM BY-LAW NUMBER 2

BE IT RESOLVED THAT:

1. By-law number 2 (A by-law relating to the nomination of persons for election to the board of directors of the Corporation) of Trez Capital Mortgage Investment Corporation (the "**Corporation**") adopted by the board of directors of the Corporation on December 18, 2015, is hereby adopted, confirmed and ratified as a by-law of the Corporation.

2. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to give effect to this resolution, including, without limitation, compliance with all securities laws and regulations.

SCHEDULE "C"

RESOLUTION TO RATIFY RIGHTS PLAN

BE IT RESOLVED THAT:

1. The amended and restated shareholder rights plan agreement of Trez Capital Mortgage Investment Corporation (the "**Corporation**") between the Corporation and Computershare Trust Company of Canada, as rights agent, dated as of May 17, 2016, and described in the management information circular of the Corporation dated May 17, 2016, which amends and restates the shareholder rights plan of the Corporation dated February 25, 2016, and the issuance of the rights thereunder, be and it is hereby adopted, confirmed and ratified.

2. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to give effect to this resolution, including, without limitation, compliance with all securities laws and regulations.

SCHEDULE “D”

BOARD OF DIRECTORS MANDATE

1.0 INTRODUCTION

1.1 The mandate of the board of directors (the “**Board**”) of Trez Capital 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.