



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MONDAY, JUNE 10, 2024

AND

MANAGEMENT INFORMATION CIRCULAR

Shareholders and any other interested persons who are interested to listen to the meeting live may do so through an audio conference call, and should register by following the link provided on the Corporation's website at www.firmcapital.com.

May 6, 2024

This Notice, Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters they refer to, please consult your professional advisors.



**NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 10, 2024**

NOTICE IS HEREBY GIVEN THAT the annual and special meeting of shareholders (the “**Meeting**”) of Firm Capital Mortgage Investment Corporation (the “**Corporation**”) will be held at the Park Hyatt Toronto, 4 Avenue Road, Toronto, Ontario, Canada M5R 2E8, on Monday, June 10, 2024 at 12:30 p.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2023 together with the auditor’s report to shareholders thereon;
2. to elect the directors of the Corporation;
3. to appoint the auditor of the Corporation and authorize the directors to fix its remuneration;
4. to consider and, if thought fit, to approve a special resolution in the form set forth in Schedule “B” of the accompanying management information circular (the “**Circular**”) authorizing certain amendments to the amended and restated mortgage banking agreement between the Corporation and Firm Capital Corporation and to the joint venture agreement between the Corporation and FC Treasury Management Inc., each as more particularly set forth in the Circular; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment(s) thereof.

The board of directors of the Corporation has fixed the close of business on May 10, 2024, as the record date for determining shareholders of record who are entitled to receive notice of the Meeting and to attend and vote at the Meeting, or at any adjournment(s) thereof. This notice of the Meeting (this “**Notice**”) is accompanied by the Circular and, in the case of registered shareholders, a form of proxy. The specific details of the matters to be put before the Meeting as identified above are set forth in the Circular. This Notice and the Circular have been sent to each director of the Corporation, each shareholder of the Corporation entitled to notice of the Meeting, and the auditor of the Corporation.

A shareholder may attend the Meeting in person or may be represented by proxy. Registered holders of the Corporation’s common shares who are unable to attend the Meeting or any adjournment(s) thereof in person are requested to complete, date, sign and deposit the enclosed form of proxy with the Corporation, c/o Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (fax: 416-263-9524) (or complete the form of proxy by such other method as is identified, and pursuant to any instructions contained, in the form of proxy), prior to 12:30 p.m. (Toronto time) on June 6, 2024, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) prior to the start of such adjourned meeting. Non-registered holders of the Corporation’s common shares should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in your common shares of the Corporation not being voted at the Meeting.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and should be reviewed carefully by shareholders of the Corporation. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified either by the Corporation before the Meeting or by the Chair at the Meeting.

Shareholders and any other interested persons who are unable or not permitted to attend the Meeting in person have the opportunity to listen to the Meeting live through an audio conference call. Registration to participate in the live call should be completed by following the link provided on the Corporation’s website at www.firmcapital.com and, once registered, call-in details will be provided.

DATED at Toronto, this 6th day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

“Eli Dadouch”

ELI DADOUCH
President, Chief Executive Officer and Director



FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION
MANAGEMENT INFORMATION CIRCULAR
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

GENERAL

The annual and special meeting of shareholders (the “**Meeting**”) of Firm Capital Mortgage Investment Corporation (the “**Corporation**”) will be held at the Park Hyatt Toronto, 4 Avenue Road, Toronto, Ontario, Canada M5R 2E8 on Monday, June 10, 2024 at 12:30 p.m. (Toronto time).

The record date for determining persons entitled to receive notice of and vote at the Meeting is May 10, 2024. Shareholders of record as at the close of business on such date will be entitled to attend and vote at the Meeting, or any adjournment(s) thereof, in the manner and subject to the procedures described in this Management Information Circular (the “**Circular**”).

The Corporation provides detailed information on its business and financial results on its website located at www.firmcapital.com. The Corporation’s financial statements and other prescribed documents are required to be filed on the electronic database maintained by the Canadian Securities Administrators (known as SEDAR+) located at www.sedarplus.ca. A copy of this Circular is available on SEDAR+.

Unless otherwise specifically stated, all information set forth herein is given as at May 6, 2024. In this Circular, references to “\$” and “dollars” are to the lawful currency of Canada. All dollar amounts herein are in Canadian dollars, unless otherwise stated. The address of the registered office of the Corporation is 163 Cartwright Avenue, Toronto, Ontario M6A 1V5.

LISTEN TO THE MEETING LIVE

Shareholders and any other interested persons who are unable or not permitted to attend the Meeting in person have the opportunity to listen to the Meeting live through an audio conference call. Registration to participate in the live call should be completed by following the link provided on the Corporation’s website at www.firmcapital.com and, once registered, call-in details will be provided.

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (the “Notice”) and any adjournment(s) thereof for the purposes set forth in the Notice. References in this Circular to the “**Meeting**” include references to any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone or other personal contact by employees, officers and directors of the Corporation. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The costs of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

A form of proxy is enclosed for registered holders of common shares (the “**Shareholders**”) of the Corporation (the “**Shares**”) and, if it is not your intention to be present in person at the Meeting, you are asked to complete and return the form of proxy in the envelope provided or complete and submit the form of proxy by such other method as is identified, and pursuant to any instructions contained, in the form of proxy. The proxy must be executed by the Shareholder or the attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Corporation’s transfer agent for the Shares, Computershare Trust Company of

Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by such other method as is identified in the form of proxy, in accordance with the instructions set out in the form of proxy, prior to 12:30 p.m. (Toronto time) on June 6, 2024, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) prior to the start of such adjourned meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

The individuals specified as proxyholders in the enclosed form of proxy are directors or officers of the Corporation.

A REGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM, HER OR IT AND ON HIS, HER OR ITS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY. SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE NAMES OF THE PERSONS DESIGNATED IN THE FORM OF PROXY AND BY INSERTING IN THE BLANK SPACE PROVIDED FOR THAT PURPOSE THE NAME OF THE DESIRED PERSON, OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING OR SUBMITTING THE COMPLETED AND EXECUTED FORM OF PROXY AS OUTLINED HEREIN.

If you have given a proxy pursuant to this solicitation, you may revoke it as to any matter on which a vote has not already been cast pursuant to its authority, either: (i) by instrument in writing executed by you or by your attorney authorized in writing and deposited either (y) at the Corporation's head office at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or (z) with the Chair of the Meeting on the day of the Meeting (but prior to the commencement thereof) or any adjournment thereof; or (ii) in any other manner permitted by law.

If your Shares are held in the name of a nominee (such as a bank, trust company or securities broker), the nominee will seek your instructions as to how to vote the Shares and you should follow the voting instructions provided by the nominee. See "Non-Registered Holders".

EXERCISE OF DISCRETION BY PROXIES

The Shares represented by any proxy received by management will be voted or withheld from voting by the persons named in the enclosed form of proxy in accordance with the direction of the Shareholder appointing them. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares represented by such Shareholder's proxy will be voted accordingly. **In the absence of any direction to the contrary, it is intended that the Shares represented by proxies received by management will be voted "for": (i) the election of the director nominees referred to in this Circular; (ii) the appointment of the Corporation's auditor with its remuneration to be fixed by the directors; and (iii) the amendments to each of the amended and restated mortgage banking agreement dated as of June 13, 2023 between the Firm Capital Corporation (the "Mortgage Banker") and the Corporation (the "Mortgage Banking Agreement") and the joint venture agreement dated as of June 13, 2023 between the FC Treasury Management Inc. (the "Corporation Manager") and the Corporation (the "JV Agreement"), as set forth in Schedule "B" annexed hereto.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice but which may properly come before the Meeting or any adjournment thereof, and with respect to amendments or variations of matters identified in the Notice. As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended that the persons appointed as proxy will vote on such other business in such other manner as such persons then consider proper.

NON-REGISTERED HOLDERS

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Shares beneficially owned by a holder who is not a registered Shareholder (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Shares (an "**Intermediary**") such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans ("**RRSPs**"),

registered retirement income funds (“RRIFs”), registered education savings plans and similar plans; or (ii) in the name of a clearing agency (such as CDS & Co., of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will distribute copies of the Notice and this Circular to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice, the Circular, and a Voting Instruction Form (as defined below) (collectively, the “**Mailed Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Holders. The Corporation is not sending the Mailed Materials directly to non-objecting beneficial owners. The Corporation does not intend to pay for Intermediaries to deliver the Mailed Materials to the objecting beneficial owners.

Intermediaries are required to forward the Mailed Materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**Voting Instruction Form**”) which, when properly completed and, if applicable, signed by the Non-Registered Holder and returned to the Intermediary or the Corporation, as applicable, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Should a Non-Registered Holder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instruction Form.

If any person entitled to vote at a meeting of the Corporation’s Shareholders wishes to propose any matter for consideration at the next meeting, in order for such proposal to be considered for inclusion in the materials mailed to Shareholders in respect of such meeting, such proposal must be received by the Corporation no later than 90 days before the anniversary date of the Notice.

AUTHORIZED CAPITAL, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation’s authorized capital consists of an unlimited number of Shares and an unlimited number of preferred shares, issuable in series. As at May 6, 2024, 34,490,173 Shares were issued and outstanding.

Shareholders are entitled to one vote in respect of each matter to be voted upon at the Meeting for each Share registered in their name as at the close of business on May 10, 2024, even if a Shareholder disposes of their Shares after that date, and no Shareholder becoming such after that date shall be entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at May 6, 2024, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the Shares.

The Corporation has adopted a by-law that requires advance notice by any Shareholder intending to nominate a director to the board of directors of the Corporation (the “**Advance Notice By-Law**”) in order to provide Shareholders, directors and management of the Corporation with a clear framework for nominating directors in connection with an annual or special meeting of the Shareholders. 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. In the case of an annual meeting of Shareholders, notice to the Corporation must be made not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on 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 such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made 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 Advance Notice By-Law was

confirmed by the Shareholders on June 26, 2013. The by-laws of the Corporation, including the full text of the Advance Notice By-Law, are available under the Corporation's profile on the SEDAR+ website at www.sedarplus.ca.

QUORUM

The by-laws of the Corporation provide that a quorum of Shareholders for the Meeting is that holders of not less than 5% of the Shares entitled to vote at the Meeting are present in person or represented by proxy, and at least two persons entitled to vote at the Meeting are actually present at the Meeting.

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

No: (i) director or executive officer of the Corporation who has held such position at any time since January 1, 2023; (ii) proposed nominee for election as a director of the Corporation; or (iii) associate or affiliate of a person in (i) or (ii), 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.

MATTERS REQUIRING SHAREHOLDER APPROVAL

Election of Directors

The Corporation's articles of incorporation, as amended, provide that there shall be no fewer than three and no more than twelve directors, with the actual number of directors within that range to be determined from time to time by the Shareholders or by the directors. Presently, the Corporation has twelve directors. Pursuant to a nomination rights agreement between the Corporation and the Corporation Manager, as long as the Corporation Manager administers the day-to-day operations of the Corporation, the Corporation has the right to designate three nominees for election as a director of the Corporation in the event that the board of directors of the Corporation comprises eight or more directors, and two nominees for election as a director of the Corporation in the event that the board of directors of the Corporation comprises fewer than eight directors. In connection with the foregoing nomination rights agreement, three of the directors, namely, Eli Dadouch, Jonathan Mair and Michael Warner, have been nominated by the Corporation Manager, while the remaining nine directors are nominated by management. All directors elected by the Shareholders will hold office until the close of business of the next annual meeting of Shareholders, or any adjournment(s) thereof, unless his or her office is earlier vacated or until his or her successor is elected or appointed. The terms of all of the current directors expire at the close of the Meeting.

It is the intention of the persons named in the enclosed form of proxy for use at the Meeting (in the event that authority is not withheld) to vote in favour of the election of Geoffrey Bledin, Eli Dadouch, Morris Fischtein, Victoria Granovski, Stanley Goldfarb, Anthony Heller, Jonathan Mair, Francis Newbould, Joe Oliver, Keith Ray, Lawrence Shulman and Michael Warner as directors of the Corporation, to hold office until the close of the annual meeting of Shareholders in 2024 or until their successors are duly elected or appointed. Management does not contemplate that any of such nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy will vote for another nominee as management may recommend unless the Shareholder has specified in the form of proxy that its Shares are to be voted against in the election of a director.

The following table sets forth the names of the persons proposed by management and the Corporation Manager to be nominated 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, directly or indirectly, or over which control or direction is exercised by each of them at the date of this Circular:

Name and Municipality of Residence	Office	Principal Occupation	Year First became a Director	Number of Shares Beneficially Owned or Over Which Control or Direction is Exercised⁽⁴⁾
GEOFFREY BLEDIN ⁽¹⁾ Antigua, West Indies	Director	Corporate Director, Trustee of Firm Capital Property Trust (a publicly traded real estate trust); Chairman of Firm Capital Apartment Real Estate Investment Trust (a publicly traded real estate trust)	2011 (2008-2010 trustee of predecessor)	85,000
ELI DADOUCH..... Toronto, Ontario, Canada	Chief Executive Officer, President and a Director	President of the Mortgage Banker, the Corporation Manager, and Firm Capital Properties Inc. (a property management company); President and a director of Firm Capital Mortgage Investors Corp. (a mortgage investment company); Vice Chair and Co-Chief Investment Officer of Firm Capital Property Trust (a publicly traded real estate trust); Vice Chairman of Firm Capital Apartment Real Estate Investment Trust (a publicly traded real estate trust)	2011 (1999-2010 trustee of predecessor)	298,660 ⁽⁵⁾
MORRIS FISCHTEIN ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	President of High City Holdings Limited (a construction, development and property management company)	2011 (2000-2010 trustee of predecessor)	1,000
STANLEY GOLDFARB, FCPA, FCA ⁽¹⁾⁽²⁾⁽³⁾ Toronto, Ontario, Canada	Chairman of the Board of Directors and a Director	Chief Executive Officer of Goldfarb Management Services Limited (a private investment management company); Director of The Goldfarb Corporation (an investment holding company); Chairman, and Chair of the Audit Committee of Firm Capital Property Trust (a publicly traded real estate trust)	2011 (1999-2010 trustee of predecessor)	102,000
VICTORIA GRANOVSKI, CFA, MFIN..... Vaughan, Ontario, Canada	Senior Vice President, Credit & Equity Capital, Secretary and a Director	Internal Credit Manager, Senior Vice President, Credit and Equity Capital and Vice President of Mortgage Operations at Firm Capital Corporation (Mortgage Banker)	2017	13,000
ANTHONY HELLER ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	President, Plazacorp Investments Limited (a real estate development company)	2011 (1999-2010 trustee of predecessor)	900

Name and Municipality of Residence	Office	Principal Occupation	Year First became a Director	Number of Shares Beneficially Owned or Over Which Control or Direction is Exercised⁽⁴⁾
JONATHAN MAIR, CPA,CA Toronto, Ontario, Canada	Chief Operating Officer, Executive Vice-President and a Director	Chief Financial Officer and Senior Vice-President of the Corporation Manager; Trustee and Co-Chief Investment Officer of Firm Capital Property Trust (a publicly traded real estate trust); Vice-President, Mortgage Banking, of the Mortgage Banker and a trustee of Firm Capital Apartment Real Estate Investment Trust (a publicly traded real estate trust)	2011 (1999-2010 trustee of predecessor)	139,081
THE HONOURABLE FRANCIS (FRANK) NEWBOULD, Q.C. ⁽¹⁾ Toronto, Ontario, Canada	Director	Former Justice at the Ontario Superior Court of Justice; Counsel to Thornton Grout Finnigan LLP; member arbitrator at Arbitration Place	2017	15,739
THE HONOURABLE JOE OLIVER, P.C. ⁽¹⁾ Toronto, Ontario, Canada	Director	Former Minister of Finance, Minister of Natural Resources and Member of Parliament for Eglinton-Lawrence; Member of the board of High Arctic Energy Services Inc. (listed on the TSX).	2016	40,000
KEITH RAY, CPA,CA ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	CEO of Realvest Management (a company that manages real estate related investments); a director, and Chair of the Audit Committee of Cliffside Capital Ltd; a director, and Chair of the Audit Committee of Firm Capital Apartment Real Estate Investment Trust (a publicly traded real estate trust)	2014	97,353
LAWRENCE SHULMAN, B.COMM., CPA,CA ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	Investment manager and financial advisor; trustee for Firm Capital Property Trust (a publicly traded trust)	2011 (2006-2010 trustee of predecessor)	18,700
MICHAEL WARNER Thornhill, Ontario, Canada	Director	Senior Vice President, Mortgage Lending, of the Mortgage Banker	2020	26,700

Notes:

- (1) Member of the Investment Committee.
- (2) Member of the Audit Committee.
- (3) Chair of the Investment Committee and the Audit Committee.
- (4) Individual directors have furnished information as to Shares beneficially owned by them, directly or indirectly, or over which they exercise control or direction.
- (5) 12,000 of these Shares are beneficially owned by the Corporation Manager. See “Executive Compensation – Compensation Discussion and Analysis”.

Following the Meeting, the Corporation will issue a news release disclosing the detailed results of the vote for the election of directors in accordance with the rules of the Toronto Stock Exchange (the “TSX”).

Corporate Cease Trade Orders

To the best of the knowledge of the Corporation and based upon information provided to it by each proposed directors for election to the board of directors, no proposed director of the Corporation is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Other Proceedings

Other than as set forth below, no proposed director of the Corporation is, as at the date hereof, or has been within 10 years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed director of the Corporation has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

The directors recommend that Shareholders vote in favour of the proposed director nominees.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE <u>FOR</u> THE ABOVE DIRECTOR NOMINEES.

Appointment of Auditor

At the Meeting, Shareholders will be asked to approve a resolution appointing RSM Canada LLP, Chartered Professional Accountants, as auditor for the Corporation to hold office until the close of the next annual meeting of the Shareholders, and to authorize the directors to fix their remuneration. In September 2022, RSM Canada LLP was appointed to act as the Corporation's auditor, prior to which KPMG LLP acted the Corporation's auditor since December 2002. For the fiscal year ended December 31, 2023, RSM Canada LLP was paid approximately \$201,000 in audit and audit related fees. 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 directors recommend that**

Shareholders vote in favour of the appointment of RSM Canada LLP, Chartered Professional Accountants, and the authorization of the directors to fix their remuneration.

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE FOR THE APPOINTMENT OF RSM CANADA LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE CORPORATION, AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION.

Amendments to the Mortgage Banking Agreement and JV Agreement

Mortgage Banking Agreement

In order to assist the Corporation in achieving its objectives of providing Shareholders with stable and secure cash dividends and maximizing yields, dividends and Share price, the Corporation has retained the Mortgage Banker to provide certain services pursuant to the Mortgage Banking Agreement. Under the Mortgage Banking Agreement, the Mortgage Banker is required to, among other things: (i) identify investment opportunities for the Corporation; (ii) provide the directors and the Investment Committee with information relating to proposed acquisitions, participation in investments, financing and mortgage and related investments; and (iii) service and administer the Corporation's portfolio of investments or interests therein on behalf of, and solely in the best interests and for the benefit of, the Corporation and the Shareholders.

The Mortgage Banking Agreement can only be changed or modified by an instrument in writing signed by each of the Corporation and the Mortgage Banker. In addition to the foregoing, the Mortgage Banking Agreement currently provides that any material change to the Mortgage Banking Agreement shall only be effective upon the approval of at least two thirds of the votes cast by Shareholders at a meeting of Shareholders called for such purpose. In acknowledgement of the need to facilitate fair changes to the Mortgage Banking Agreement approved in an independent manner, and consistent with analogous securities laws, the Corporation's board of directors has approved, subject to Shareholder approval at the Meeting, an amendment to the Mortgage Banking Agreement to provide that, in addition to an instrument in writing signed by each of the Corporation and the Mortgage Banker, material changes to the Mortgage Banking Agreement will require a majority of the votes cast by Shareholders, excluding the votes attached to Shares held by the directors, senior officers and 10% or greater owners of the Mortgage Banker and their respective affiliates.

The proposed amendment to the Mortgage Banking Agreement will allow Shareholders to continue to approve a material change to the Mortgage Banking Agreement otherwise agreed to by the Corporation and the Mortgage Banker, with such approval being given utilizing a voting threshold which is consistent with securities law requirements for approvals similar in nature. Although not a related party transaction, making material changes to the Mortgage Banking Agreement will require the same "majority-of-the-minority" Shareholder approval as would be required if the entering into of an amendment effecting a material change to the Mortgage Banking Agreement was a related party transaction for the Corporation under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* adopted by the Ontario Securities Commission. This change to the Mortgage Banking Agreement will balance efficiency and fairness together with good governance and conflicts avoidance using a robust standard provided for under applicable securities laws.

JV Agreement

Pursuant to the JV Agreement, the Corporation Manager administers the Corporation's day-to-day operations. The Corporation Manager's address is 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5. Among its duties, the Corporation Manager is required to: (i) arrange financing and raise capital for the Corporation, as required; (ii) provide advice and assistance on the Corporation's behalf in connection with the Corporation's dealings with investment dealers, institutions and investors regarding sales of the Corporation's securities; (iii) conduct day-to-day relations on the Corporation's behalf with other persons, including brokers, consultants, lenders, accountants, lawyers, appraisers, insurers and insurance agents, and lenders; (iv) maintain the Corporation's books and financial records; and (v) provide office space, equipment and the necessary clerical and secretarial personnel for the administration of the Corporation's day-to-day affairs.

Similar to the Mortgage Banking Agreement, the JV Agreement can only be changed or modified by an instrument in writing signed by each of the Corporation and the Corporation Manager. In addition to the foregoing, the JV Agreement currently provides that any material change to the JV Agreement shall only be effective upon the approval of at least two thirds of the votes cast by Shareholders at a meeting of Shareholders called for such purpose. Subject to Shareholder approval at the Meeting, and the need to facilitate fair changes to the JV Agreement approved in an independent manner, and consistent with analogous securities laws, the Corporation's board of directors has approved an amendment to the JV Agreement to provide that, in addition to an instrument in writing signed by each of the Corporation and the Corporation Manager, material changes to the JV Agreement will require a majority of the votes cast by Shareholders, excluding the votes attached to Shares held by the directors, senior officers and 10% or greater owners of the Corporation Manager and their respective affiliates.

Similar to the reasons referred to above in connection with the proposed amendment to the Mortgage Banking Agreement, the proposed amendment will allow Shareholders to continue to approve a material change to the JV Agreement otherwise agreed to by the Corporation and the Corporation Manager, with such approval being given utilizing a voting threshold which is consistent with securities law requirements for approvals similar in nature. Although not a related party transaction, making material changes to the JV Agreement will require the same "majority-of-the-minority" Shareholder approval as would be required if the entering into of an amendment effecting a material change to the JV Agreement was a related party transaction for the Corporation under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* adopted by the Ontario Securities Commission. This change to the JV Agreement will balance efficiency and fairness together with good governance and conflicts avoidance using a robust standard provided for under applicable securities laws.

Additionally, as the JV Agreement and Mortgage Banking Agreement are interdependent, the terms of these agreements should be able to modified in the same fair and independent manner. Accordingly, the ability to amend the JV Agreement should be changed to match the proposed amendment to the Mortgage Banking Agreement discussed above.

The text of the special resolution authorizing the amendments to both the Mortgage Banking Agreement and the JV Agreement is set forth in Schedule "B" to this Circular. To be effective, this special resolution must be passed by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. **The directors recommend that Shareholders vote in favour of the special resolution approving the amendments to both the Mortgage Banking Agreement and the JV Agreement.**

UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE FOR THE SPECIAL RESOLUTION APPROVING THE AMENDMENTS TO BOTH THE MORTGAGE BANKING AGREEMENT AND THE JV AGREEMENT.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

None of the Corporation's executive officers, including Ryan Lim (Chief Financial Officer), Eli Dadouch (Chief Executive Officer and President), Jonathan Mair (Chief Operating Officer and Executive Vice President), and Sandy Poklar (Executive Vice President and Managing Director, Finance), received compensation from, or were employed by, the Corporation during the fiscal year ended December 31, 2023. Pursuant to the JV Agreement, the Corporation Manager is entitled to receive a portion of interest income payable by borrowers of the Corporation's investments equal to the greater of \$150,000 and 0.75% of our first \$1 billion of invested mortgages, in aggregate, in each calendar year, paid monthly. Under the JV Agreement, the share of interest income to which the Corporation Manager is entitled in respect of investments greater than \$1 billion shall be determined at a future date and based on a proposal by the Corporation Manager to the Shareholders for their approval by 2/3 of the votes cast by Shareholders at a meeting. The Corporation Manager is not entitled to any share of interest income on cash balances or mortgage loans held in respect of which interest payments are in arrears for 30 days or more, but excluding mortgage loans in respect of which any default thereunder was subsequently remedied in accordance with the terms of such loans. For the years ended December 31, 2023, 2022 and 2021, the Corporation Manager received a share of interest income under the JV Agreement (or the predecessor thereto) equal to \$4,848,896, \$4,690,384 and \$4,151,045, respectively. Eli Dadouch, who is a director and officer of the Corporation, is also a director, officer and/or related to an entity that directly or indirectly owns an interest in the Corporation Manager, and a portion of the interest income is received by

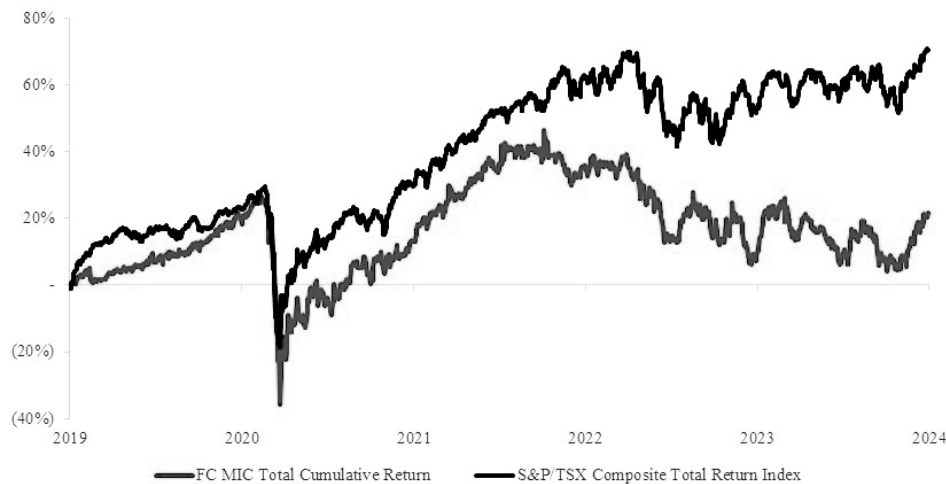
the entity related to Mr. Dadouch in connection with such entity’s ownership interest (and not in his capacity as a director, officer and/or employee of the Corporation Manager). In the last three fiscal years, an entity related to Eli Dadouch received the following amounts in respect of such entity’s ownership interest in the Corporation Manager or in respect of the reimbursement of such entity for costs incurred on behalf of the Corporation Manager): in 2023, it received \$3,740,269; in 2022, it received \$3,815,047; and in 2021, it received \$3,352,744. As Eli Dadouch, does not own a direct interest in the Corporation Manager, he may receive only a part of, or none of, the amounts received by the entity related to him. Also, due to the fact that the Corporation has a different fiscal year end than the Corporation Manager, certain of the interest income earned by the Corporation Manager is not distributed by the Corporation Manager during its fiscal year.

As a result of the Corporation’s arrangements with the Corporation Manager, the Corporation does not employ any individuals (and has no employment contracts with any individuals) other than the Corporation’s Credit Manager, Victoria Granovski. The Credit Manager, being the Corporation’s sole employee, is responsible for ensuring compliance with the Corporation’s investment and operating guidelines established from time to time by the board of directors and reports directly to the Chair of the board of directors (who is an independent director). As such, the directors have determined that the Corporation does not require a compensation committee. Instead, the entire board of directors is responsible for compensation matters, to the extent applicable.

Share Performance Graph

The following graph compares the total cumulative Shareholder return for \$100 invested in Shares with the cumulative total return of the S&P/TSX Composite Total Return Index during the Corporation’s five most recently completed financial years. During the period, the total cumulative Shareholder return for \$100 invested in Shares was \$121, as compared to \$171 for the S&P/TSX Composite Total Return Index.

**Five-Year Cumulative Total Return on \$100 Investment Assuming Distributions are Re-invested
January 1, 2019 – December 31, 2023**



As is noted above, none of the executive officers of the Corporation are employed by the Corporation, or received any compensation from the Corporation, other than stock options, during the period covered by the graph above. As such, the trend shown in the graph above is unrelated to compensation paid by the Corporation to the Corporation’s executive officers during the same period.

Option-Based Awards

The Corporation’s 2010 stock option plan (the “**Stock Option Plan**”) provides for the grant of options to purchase Shares to eligible service providers of the Corporation, including the Corporation’s directors, officers, and employees, and the directors, officers and employees of the Corporation Manager and the Mortgage Banker. The maximum number of Shares that may be issued pursuant to options granted under the Stock Option Plan is equal to

10% of the number of Shares outstanding from time to time. Given that the Stock Option Plan does not have a fixed maximum number of Shares issuable thereunder, it has to be re-approved by Shareholders every three years from the date of the meeting of Shareholders at which it was last approved.

As of December 31, 2023, the Stock Option Plan permitted a maximum of 3,448,910 Shares to be issued to holders of options granted thereunder. Previous grants and exercises of options under the Stock Option Plan are taken into account when considering new grants.

During 2023, 182,500 options were cancelled. During 2022, 1,650,000 options were issued at a price of \$11.62 per Share (1,196,000 of which were fully vested upon granting, and the remaining of 454,000 vesting after 5 years from the grant date), and 45,000 options were exercised. During 2021, 100,000 additional options were issued at a price of \$13.97 per Share (all of which were fully vested upon granting), and 947,500 options were exercised. During 2020, the Corporation granted 1,875,000 options at an exercise price of \$11.70 per Share (1,700,000 of these options were fully vested upon granting, and the remaining 175,000 options vest five years from the grant date), and 65,000 options were exercised. During 2019, 46,250 options were exercised. During 2018, 20,000 options were exercised. During 2017, 70,000 additional options were issued at a price of \$13.15 per Share, and 131,000 options were exercised. During 2016, 46,250 options were exercised. During 2015, 10,000 options were cancelled, and additional 35,000 options were issued at a price of \$12.21 per Share. During 2014, 10,000 options were cancelled and 1,500 options were exercised. During 2013, the Corporation granted 1,040,000 options at an exercise price of \$11.78 per Share. These options were fully vested upon granting.

As at December 31, 2023, 3,245,000 options were outstanding, representing 9.41% of the issued and outstanding Shares on that date, leaving 203,910 options available to be issued under the Stock Option Plan, representing 0.59% of the issued and outstanding Shares, on that date.

The number of Shares issuable to insiders at any time pursuant to the Stock Option Plan and any other security based compensation arrangement cannot exceed, in aggregate, 10% of the Shares then issued and outstanding. In addition, the number of Shares issuable to insiders within any one year period pursuant to the Stock Option Plan and any other securities based compensation arrangement cannot exceed 10% of the issued and outstanding Shares. Finally, the number of Shares issuable to non-employee directors of the Corporation pursuant to the Stock Option Plan cannot exceed 5% of the Shares then issued and outstanding.

Notwithstanding anything in the Stock Option Plan, with respect to a Stock Option Plan participant who is a director of the Corporation but not an employee of: (i) the Corporation; or (ii) a consultant of the Corporation (such a participant, a “**Non-Employee Director**”), the aggregate annual value of options granted to a Non-Employee Director under the Stock Option Plan and any other security based compensation arrangements established or maintained by the Corporation may not exceed \$100,000 in value of equity. The foregoing limitation shall not apply to awards made under any of the Corporation’s security based compensation arrangements *in lieu* of directors’ fees that would otherwise have been payable in cash.

The exercise price at which Shares may be issued pursuant to any option granted under the Stock Option Plan shall not be less than the Market Price. For the purposes of the Stock Option Plan, “**Market Price**” means: (i) the volume weighted average trading price for the Shares during the five trading days on the TSX prior to the applicable date of grant, or (ii) if the Shares are not listed on the TSX or are suspended from trading thereon, the market price shall be either (y) the price per Share determined in accordance with the rules and regulations of any other stock exchange or over-the-counter trading system upon which the Shares may then be listed and traded, or (z) if (y) is not applicable, the fair market value of the Shares as determined by the board of directors in its sole discretion shall be used for the purpose of determining the Market Price.

Unless limited by the terms of the Stock Option Plan or any regulatory or stock exchange requirement, the board of directors shall have full and final authority to determine the terms and conditions attached to any grant of options to an eligible participant (an “**Optionee**”), including when such options shall become vested and exercisable. The Optionee may then exercise any vested options, in whole or in part, at any time not later than the tenth anniversary of the date of grant or such earlier date fixed by the board of directors (the “**Expiry Date**”), and all unexercised options shall expire and terminate following such Expiry Date. The Stock Option Plan provides that, if the Expiry Date occurs during a black-out period, then the options shall remain exercisable until the period ending up to two trading days

after the end of such black-out period, notwithstanding the natural expiry of its term, except that in no event may such exercise occur more than 10 years after the initial grant date of the options.

None of the Optionees shall receive any loan or other financial assistance from the Corporation to facilitate the exercise of options.

In the event of the death of an Optionee, vested options held by such Optionee may be exercised by the personal representatives of the Optionee until the earlier of one year from the date of death or the Expiry Date of such options, following which the options will terminate.

In the event that any Optionee shall cease to be an eligible participant for any reason, other than for cause or death, he or she may exercise any options issued under the Stock Option Plan that are then exercisable, but only within the period that is three months from the date that he or she ceases to be an eligible participant. However, the board of directors of the Corporation may, in its discretion, amend the terms of any options held by such Optionee to permit such Optionee to exercise any or all such options as if such Optionee's employment had not been terminated.

In the event that an Optionee ceases to be an eligible participant because of termination for cause, the options of the Optionee not exercised at such time shall immediately be cancelled on the date of such termination and be of no further force or effect whatsoever, notwithstanding anything to the contrary in the Stock Option Plan. Likewise, if any Optionee shall cease to be an eligible participant for any reason other than as already provided for, the options of the Optionee not exercised at such time shall immediately be cancelled and be of no further force or effect whatsoever.

Notwithstanding the foregoing, the board of directors always retains the discretion to permit the exercise of any or all options held by an Optionee in the manner and on the terms it authorizes, provided it shall not authorize the exercise of an option after its Expiry Date.

The Optionee's rights with respect to an option granted under the Stock Option Plan are not assignable or transferable by the Optionee or capable of being the subject of any other alienation, sale, pledge, hypothec or other encumbrance by an Optionee, other than a transfer to the Optionee's legal personal representative(s) by will or by law and other than a transfer to an Optionee's RRSP or RRIF, provided that the Optionee is, during the Optionee's lifetime, the sole beneficiary of such RRSP or RRIF.

If at any time an option granted under the Stock Option Plan remains unexercised with respect to any Shares and: (i) a *bona fide* offer to purchase all of the issued Shares is made by a third party; (ii) the Corporation proposes to sell all or substantially all of its assets and undertaking; (iii) the Corporation proposes to merge, amalgamate or be absorbed by or into any other corporation (save and except for a subsidiary) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its Shareholders, or the termination of the corporate existence of the Corporation; or (iv) the Corporation proposes an arrangement as a result of which all of the outstanding Shares of the Corporation would be acquired by a third party, then the Corporation shall use its best efforts to bring such offer or proposal to the attention of the Optionees as soon as practicable. All or any of the Shares subject to an option granted under the Stock Option Plan may be exercised, whether or not vested, by the Optionee at any time up to and including a date 60 days following the date of the completion of such transaction or prior to the close of business on the Expiry Date of the option, whichever is the earlier, or, if a longer period is provided for in a written agreement between an Optionee and the Corporation, the period provided for in the agreement shall apply provided that such period does not exceed one year. The Corporation may also, by resolution of the board of directors, require the acceleration of the time for the exercise of said option and of the time for the fulfillment of any conditions or restrictions on such exercise, and all such changes shall be final and binding on all options granted to Optionees under the Stock Option Plan.

The board of directors of the Corporation may, at any time and from time to time, amend, suspend or terminate the Stock Option Plan, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange, and may not materially prejudice the rights of any Optionee under any option previously granted to the Optionee without the consent or deemed consent of the Optionee.

Without limiting the generality of the provisions of the Stock Option Plan, the board of directors of the Corporation may, without the approval of the holders of the outstanding Shares, make amendments to the Stock Option Plan for any of the following purposes:

- changing the terms related to the vesting of options as provided in Section 7(c) thereof;
- changing the terms related to the termination of options upon the cessation of provision of services as provided in Section 8 thereof;
- making provisions for any form of financial assistance by the Corporation for the acquisition of Shares by an Optionee;
- making any addition to, deletion from or alteration of the provisions of the Stock Option Plan that are necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
- changing the provisions relating to the administration of the Stock Option Plan; and
- making any other amendment under applicable laws or the rules of the TSX, including amendments of a “clerical” or “housekeeping” nature.

Notwithstanding any other term or condition of the Stock Option Plan, none of the following amendments may be made to the Stock Option Plan without first obtaining the approval of the holders of the outstanding Shares:

- an increase in the maximum number of Shares which may be issued under the Stock Option Plan or a change in the percentage of Shares issuable thereunder;
- removing or exceeding the insider participation limits;
- changing the terms related to the pricing of options as provided in Section 6 of the Stock Option Plan;
- changing the amendment and termination provisions of the Stock Option Plan as provided in Section 11 thereof;
- changing the definition of Eligible Participant in the Stock Option Plan;
- making any amendments to the transferability of options as provided in Section 10 of the Stock Option Plan;
- changing the exercise price of any option issued under the Stock Option Plan where such amendment would reduce the exercise price of such option; or
- changing the term of any option issued under the Stock Option Plan where such amendment would extend the term of such option (provided in all cases that any such extension shall not exceed the 10 year term provided for in Section 7(b) of the Stock Option Plan).

Summary Compensation Table

The following table provides a summary of compensation paid during the fiscal years ended December 31, 2023, 2022 and 2021 to the Chief Executive Officer, the Chief Operating Officer, Chief Financial Officer and the Managing Director, Finance of the Corporation (collectively, the “**Named Executive Officers**”). The Corporation has no executive officers who received total salary and bonus in excess of \$150,000 during the Corporation’s most recently completed financial year.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁽¹⁾⁽³⁾ (\$)	Total Compensation (\$)
					Bonus/Annual Incentive Plan (\$)	Long-term Incentive Plans (\$)			
ELI DADOUCH, CEO and President ⁽²⁾⁽³⁾	2023	N/A	N/A	N/A	N/A	N/A	N/A	3,740,269	3,740,369
	2022	N/A	N/A	84,156 ⁽⁶⁾	N/A	N/A	N/A	3,815,047	3,899,203
	2021	N/A	N/A	N/A	N/A	N/A	N/A	3,352,744	3,352,744
JONATHAN MAIR, COO and Executive VP ⁽²⁾	2023	N/A	N/A	N/A	N/A	N/A	N/A	300,000	300,000
	2022	N/A	N/A	84,156 ⁽⁶⁾	N/A	N/A	N/A	300,000	384,156
	2021	N/A	N/A	N/A	N/A	N/A	N/A	300,000	300,000
SANDY POKLAR, Executive VP and Managing Director, Finance	2023	N/A	N/A	N/A	N/A	N/A	N/A	120,000	120,000
	2022	N/A	N/A	84,156 ⁽⁶⁾	N/A	N/A	N/A	99,500	183,656
	2021	N/A	N/A	N/A	N/A	N/A	N/A	70,000	70,000
RYAN LIM, CFO ⁽⁴⁾	2023	N/A	N/A	N/A	N/A	N/A	N/A	225,000	225,000
	2022	N/A	N/A	84,156 ⁽⁶⁾	N/A	N/A	N/A	225,000	309,156
	2021	N/A	N/A	52,621 ⁽⁵⁾	N/A	N/A	N/A	63,942	116,563

Notes:

- (1) Refers to amounts received by entities related to the Named Executive Officers in connection with the Corporation Manager but does not include any amounts received from the Mortgage Banker. See “Compensation Discussion and Analysis”.
- (2) The Named Executive Officers do not receive any compensation for acting as directors. See “Director Compensation”.
- (3) Includes payments received by entities related to Eli Dadouch, which include the reimbursement for costs incurred on behalf of the Corporation Manager. As Eli Dadouch does not own a direct interest in the Corporation Manager, Mr. Dadouch may receive only a part of, or none of, the amounts received by the entities related to them. Also, due to the fact that the Corporation has a different fiscal year end than the Corporation Manager, certain of the interest income earned by the Corporation Manager is not distributed by the Corporation Manager during its fiscal year.
- (4) Ryan Lim was appointed as Chief Financial Officer on August 16, 2021.
- (5) Fair value of these options was determined using Black-Scholes options pricing model assuming ten year average expected options holding period, 17.99% average expected volatility rate, 6.7% average dividend yield and 1.5% average risk-free rate.
- (6) Fair value of these options was determined using Black-Scholes options pricing model assuming ten year average expected options holding period, 18.22% average expected volatility rate, 8.19% average dividend yield and 3.19% average risk-free rate.

Incentive Plan Awards

The table below sets forth information related to options held by the Named Executive Officers as at the end of the Corporation’s most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)	Number of Shares or units of Shares that have not Vested (\$)	Market or Payout Value of Share-based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed (\$)
Eli Dadouch	500,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	0 0	N/A	N/A	N/A
Jonathan Mair	150,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	0 0	N/A	N/A	N/A
Sandy Poklar	117,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	0 0	N/A	N/A	N/A
Ryan Lim	100,000 84,000	13.97 11.62	Dec 6, 2031 Jul 14, 2032	0 0	N/A	N/A	N/A

Note:

- (1) The value of unexercised in-the-money options is calculated by multiplying the difference between the closing Share price at December 29, 2023 of \$10.84 and the option exercise price by the total number of unexercised in-the-money options.

The following table provides a summary of the value vested or earned for incentive plan awards for each Named Executive Officer during the Corporation's most recently completed financial year.

Name	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Eli Dadouch	0	0	0
Jonathan Mair	0	0	0
Sandy Poklar	0	0	0
Ryan Lim	0	0	0

Although the Corporation has no formal compensation arrangements in place with the Corporation's officers and, in particular, the Named Executive Officers, the Corporation may provide a long-term incentive by granting options pursuant to the Stock Option Plan. The options granted permit certain key individuals, including the Corporation's directors and the Named Executive Officers, to acquire Shares at an exercise price equal to the Market Price of such Shares under option at the date the option is granted. The objective of granting options is to encourage directors and executives to acquire an ownership interest in the Corporation over a period of time, which acts as a financial incentive for such persons to consider the Corporation's long-term interests and those of the Shareholders.

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 granted as or underlying Share-based compensation or otherwise held directly or indirectly by a Named Executive Officer or a director.

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

Pension Plan Benefits

The Corporation does not have a pension plan and does not provide any pension plan benefits.

Termination and Change of Control Benefits

The JV Agreement provides that upon the agreement being terminated by the Corporation other than for cause (including, without limitation, if the Corporation's activities are not carried on in the normal course consistent with past practice or if the Corporation proposes to distribute its capital (other than ordinary distributions of capital which are consistent with past practice and that portion of the distributions, if any, in connection with the amortization of the Corporation's initial public offering costs) or upon a breach by the Corporation of the JV Agreement, the Corporation will be required to pay the Corporation Manager any amounts which would have been earned by the Corporation Manager under the JV Agreement for the duration of the term of the agreement (including notice periods), based on the amounts to which the Corporation Manager was entitled during the four most recently completed fully operational quarters immediately prior to the occurrence of the termination or breach. If the JV Agreement was terminated by the Corporation other than for cause as of December 31, 2023, it is estimated that the Corporation would be required to pay the Corporation Manager approximately \$67 million. In lieu of termination of the JV Agreement other than for cause as set out above, at the option of the Corporation Manager, it may cause the Corporation to acquire the JV Agreement for a purchase price equal to the amount that the Corporation Manager would have received had the agreement been terminated other than for cause. The Corporation Manager will have the option to take payments for the amounts payable on termination or breach in cash, interests in mortgages or any combination thereof, and to obtain a security interest in the Corporation's property and assets in respect of such obligations.

The Mortgage Banking Agreement provides that upon the agreement being terminated by the Corporation other than for cause or upon a breach by the Corporation of the agreement, the Corporation will be required to pay the Mortgage Banker an amount equal to a termination fee of approximately \$11 million, plus any other amounts which would have been earned by the Mortgage Banker under the agreement in respect of the then-remaining portion of the term of the agreement, which, as of the date of this Circular, is estimated to be approximately \$107 million.

Director Compensation

The following table shows the fee amounts earned by individual directors in respect of their membership on the board of directors and its committees for the fiscal year ended December 31, 2023. Eli Dadouch, Jonathan Mair and Michael Warner do not receive any compensation in acting as directors of the Corporation.

Name	Annual Fee (\$)	Share-based Award (\$)	Option-based Award (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Geoffrey Bledin	31,750	0	0	0	0	0	31,750
Morris Fischtein	31,750	0	0	0	0	0	31,750
Victoria Granovski	13,750	0	0	0	0	161,000 ⁽¹⁾	174,750
Stanley Goldfarb	85,000	0	0	0	0	0	85,000
Anthony Heller	31,750	0	0	0	0	0	31,750
Francis Newbould	31,750	0	0	0	0	0	31,750
Joe Oliver	31,750	0	0	0	0	0	31,750
Keith Ray	31,750	0	0	0	0	0	31,750
Lawrence Shulman	31,750	0	0	0	0	0	31,750
TOTAL	321,000	0	0	0	0	161,000	482,000

Note:

(1) Earned salary in capacity as Internal Credit Manager for the Corporation.

In the fiscal year ended December 31, 2023, the Chair of the board of directors received remuneration from

the Corporation in the aggregate amount of \$85,000 in respect of base remuneration and for acting as Chair of the board of directors, the Investment Committee and the Audit Committee, as well as Chair of the annual meeting of Shareholders, for performing his duties as a member of the Investment Committee, and for participating in meetings of the directors.

In fiscal 2023, each independent director of the Corporation (other than the Chair of the board of directors) received remuneration from the Corporation in the aggregate amount of \$31,750 in respect of base remuneration and for performing his or her duties as a member of the Investment Committee and participating in meetings of the Directors. In fiscal 2023, Victoria Granovski, a non-independent director, received remuneration from the Corporation in the aggregate amount of \$13,750 for participating in meetings of the directors and \$161,000 earned in her capacity as Internal Credit Manager for the Corporation.

The directors' compensation is subject to such amendments as the independent directors of the Corporation may determine from time to time, and the directors are entitled to reimbursement of their out-of-pocket expenses incurred in acting as directors. The directors may also be entitled to additional remuneration from the Corporation for the performance of additional services and special projects. The amount of any such remuneration shall be determined by the independent director of the Corporation. The Corporation's directors are entitled to participate in the Stock Option Plan.

Incentive Plan Awards – Directors

The table below sets forth information related to options held by the directors of the Corporation as at the end of the Corporation's most recently completed financial year (other than Eli Dadouch and Jonathan Mair, whose similar information is set out under "Incentive Plan Awards" above).

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares that have not Vested (\$)	Market or Payout Value of Share-based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed (\$)
Geoffrey Bledin	84,000	11.62	Jul 14, 2032	N/A	N/A	N/A	N/A
Morris Fischtein	35,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Victoria Granovski	33,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Stanley Goldfarb	50,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Anthony Heller	50,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Francis Newbould	60,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Joe Oliver	60,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Keith Ray	50,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Lawrence Shulman	50,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A
Michael Warner	150,000 84,000	11.70 11.62	Aug 14, 2030 Jul 14, 2032	N/A	N/A	N/A	N/A

Note:

- (1) The value of unexercised in-the-money options is calculated by multiplying the difference between the closing Share price at December 29, 2023 of \$10.84 and the option exercise price by the total number of unexercised in-the-money options.

The following table provides a summary of the value vested or earned for incentive plan awards for each of the directors (other than Eli Dadouch and Jonathan Mair, whose similar information is set out under “Incentive Plan Awards” above) during the Corporation’s most recently completed financial year.

Name	Option-based Awards – Value Vested during the Year (\$)	Share-based Awards – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Geoffrey Bledin	0	0	0
Morris Fischtein	0	0	0
Victoria Granovski	0	0	0
Stanley Goldfarb	0	0	0
Anthony Heller	0	0	0
Francis Newbould	0	0	0
Joe Oliver	0	0	0
Keith Ray	0	0	0
Lawrence Shulman	0	0	0
Michael Warner	0	0	0

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth details of the Corporation’s equity compensation plans as of the end of the Corporation’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽²⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of Shares remaining available for future issuance under equity compensation plans as of December 31, 2023 (excluding securities reflected in column (a)) ⁽¹⁾⁽³⁾ (c)
Equity compensation plans approved by Shareholders	3,245,000	\$11.67	203,910 ⁽¹⁾
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	3,245,000	\$11.67	203,910

Notes:

- (1) The maximum number of Shares that may be issued pursuant to options granted under the Stock Option Plan is equal to 10% of the number of Shares outstanding from time to time. See “Option-Based Awards”.
- (2) As at May 6, 2024, the Corporation had 3,245,000 options outstanding under the Stock Option Plan.
- (3) As at May 6, 2024, the Corporation had 204,017 options available for grant under the Stock Option Plan.

Set out below is information related to the applicable “annual burn rate” of options granted under the Stock Option Plan. “Annual burn rate” is the number of stock options granted under the Stock Option Plan during the applicable fiscal year divided by the weighted average number of Shares outstanding for the applicable fiscal year.

Year	Number of Options Granted under Stock Option Plan	Weighted Average Number of Shares Outstanding for the Applicable Year	Annual Burn Rate
2023	0	34,487,580	N/A
2022	1,650,000	34,332,947	4.8%
2021	100,000	31,560,133	0.3%

STATEMENT OF GOVERNANCE PRACTICES

General

The Corporation’s directors believe that sound governance practices are essential to the well-being of the Corporation and the Shareholders, and that these practices must be reviewed regularly to ensure that they are appropriate. The following describes the Corporation’s governance practices with reference to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (collectively, the “**Governance Guidelines**”), which are initiatives of the Canadian Securities Administrators.

The board of directors and management of the Corporation recognize that effective corporate governance practices are fundamental to the long-term success of the Corporation. Sound corporate governance contributes to Shareholder value through increased market confidence. In light of the Governance Guidelines and best practice standards in Canada, the board of directors and management have implemented a sophisticated set of governance policies and procedures and is committed to maintaining a high standard of corporate governance.

The following is a description of the Corporation’s corporate governance practices.

Board of Directors

The board of directors has determined that eight of the twelve current directors are “independent” as such term is defined in the Governance Guidelines. The “independent” directors are Messrs. Bledin, Fischtein, Goldfarb, Heller, Oliver, Newbould, Ray and Shulman.

The non-independent directors are Mr. Dadouch, President and Chief Executive Officer of the Corporation and President of the Mortgage Banker and the Corporation Manager; Mr. Mair, Chief Operating Officer and Executive Vice-President of the Corporation, Chief Financial Officer and Senior Vice-President of the Corporation Manager and, Vice-President, Mortgage Banking of the Mortgage Banker; Mr. Warner, Senior Vice President, Mortgage Lending, of the Mortgage Banker; and Ms. Granovski, Internal Credit Manager and Secretary of the Corporation, and Senior Vice President, Credit and Equity Capital and Vice President of Mortgage Operations of the Mortgage Banker.

A majority of the directors of the Corporation are “independent”.

Other Public Company Directorships

The following members of the board of directors currently hold directorships in other reporting issuers as set forth below:

Name	Name of Reporting Issuer	Market
Geoffrey Bledin	Firm Capital Property Trust Firm Capital Apartment Real Estate Investment Trust	TSX TSX Venture Exchange
Eli Dadouch	Firm Capital Property Trust Firm Capital Apartment Real Estate Investment Trust	TSX TSX Venture Exchange
Anthony Heller	Findev Inc.	TSX Venture Exchange
Stanley Goldfarb	Firm Capital Property Trust	TSX
Victoria Granovski	Firm Capital Property Trust	TSX
Jonathan Mair	Firm Capital Property Trust Firm Capital Apartment Real Estate Investment Trust	TSX TSX Venture Exchange
Joe Oliver	High Arctic Energy Services Inc	TSX
Keith Ray	Firm Capital Apartment Real Estate Investment Trust Cliffside Capital Ltd.	TSX Venture Exchange TSX Venture Exchange
Lawrence Shulman	Firm Capital Property Trust	TSX

Independence of the Board

Due to the fact that the Chief Executive Officer, the Chief Operating Officer and Secretary are the only directors who are related to the Corporation, the board of directors believes that it is sufficiently independent from the management of the Corporation. The board of directors facilitates its exercise of independent judgment by appointing an independent director as the Chair of the board of directors. The Corporation has also appointed a Credit Manager, Victoria Granovski, who was appointed to the board of directors on November 13, 2017. In addition, the board and its committees meet annually without management present and have the ability to ask the directors who are related to the Corporation to leave any meeting in order to facilitate an open and candid discussion among the independent directors.

Chairman of the Board of Directors

The Chair of the board of directors, Mr. Goldfarb, is an “independent” director. Mr. Goldfarb’s responsibilities include:

- (i) attending and chairing meetings of the board of directors of the Corporation and Shareholders;
- (ii) providing direction with respect to the dates and frequencies of board meetings and related committee meetings and liaising with the Chief Executive Officer of the Corporation to prepare board meeting agendas;
- (iii) ensuring that the board understands the boundaries between board and management responsibilities; and
- (iv) ensuring that the board of directors carries out its responsibilities effectively, which will involve the board meeting on a regular basis without management present and may involve assigning responsibility for administering the board’s relationship with management to a committee of the board.

Board and Audit Committee Meetings

The following table sets forth, for the fiscal year ended December 31, 2023, the number of board of directors and Audit Committee meetings held and attendance by directors who are proposed to be nominated for election at the Meeting:

Director	Director Meetings Attended	Audit Committee Meetings Attended
Eli Dadouch	4 of 4	–
Jonathan Mair	4 of 4	–
Victoria Granovski	4 of 4	–
Geoffrey Bledin	4 of 4	–
Morris Fischtein	4 of 4	5 of 5
Stanley Goldfarb	4 of 4	5 of 5
Anthony Heller	4 of 4	4 of 5
Francis Newbould	4 of 4	–
Joe Oliver	4 of 4	–
Keith Ray	4 of 4	5 of 5
Lawrence Shulman	4 of 4	5 of 5
Michael Warner	4 of 4	–

The Board of Directors is actively involved in the approval process of the Corporation’s investments. During fiscal year 2023, the approval of the Board of Directors was sought and obtained for the Corporation’s 75 investments made in 2023. Under the investment and operating guidelines adopted by the Corporation, investments made by the Corporation with a total investment amount of between \$1 million to \$2 million require the approval of one independent director, and investments made by the Corporation with a total investment amount of over \$2 million require the approval of three independent directors.

Further, the alignment of the interests of the Corporation and its board of directors is demonstrated by the fact that certain directors (and senior management) and their related entities also invested side by side and *pari passu* as participants in various investment opportunities that the Corporation participated in. As at December 31, 2023, certain members of the Corporation’s board of directors and senior management and their related entities so invested an aggregate amount of approximately \$40 million.

Board Mandate

The board of directors has adopted a written mandate (the “**Mandate of the Board of Directors**”) to confirm and enhance the board of directors’ ongoing duties and responsibility for stewardship of the Corporation. A copy of the Mandate of the Board of Directors is attached to this Circular as Schedule “A”. The directors have assumed responsibility for the stewardship of the Corporation and have been granted the necessary powers to carry out their responsibilities. The directors’ responsibilities include: (a) the development and adoption of the Corporation’s strategic planning process; (b) the identification of the principal risks associated with the business, and the implementation of appropriate systems to manage these risks; and (c) the appointment and evaluation of senior management.

Position Descriptions

The board of directors, together with the Chief Executive Officer, has developed position descriptions for the Chair of the board of directors, the Chair of each of the Investment Committee and the Audit Committee, and the Chief Executive Officer of the Corporation. These position descriptions are disclosed in the Mandate of the Board of Directors, which is attached to this Circular as Schedule “A”.

Orientation and Continuing Education

New board members are provided with materials to educate them on the Corporation and its business, as well as their responsibilities as directors. This practice is consistent with the Governance Guidelines and enables a new director to better understand the Corporation and his or her role and responsibilities. The Corporation requires that at least 75% of the directors must have had at least 10 years of substantial experience in the real estate and/or mortgage industries. Currently, greater than 75% of the directors have over 10 years of substantial experience in the real estate and/or mortgage industries. Such experience and continued involvement in the real estate and/or mortgage industries allows the directors to make meaningful contributions to the Corporation. The directors do not believe that a

formalized continuing education program is required at this time, given the continuing extensive industry experience of each of the directors.

Code of Business Conduct and Ethics

The Corporation has adopted a Code of Business Conduct and Ethics (the “Code”) that sets out the basic principles to guide the behaviour of directors, officers and employees of the Corporation. The Code addresses the following issues:

- (a) compliance with laws, rules and regulations;
- (b) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;
- (c) confidential information;
- (d) personal opportunities discovered through the use of corporate property, information or positions without the consent of the board of directors;
- (e) protection and proper use of the Corporation’s assets;
- (f) fair dealing with persons with whom the Corporation has a business relationship;
- (g) gifts and entertainment and payments to government personnel;
- (h) discrimination and harassment;
- (i) health and safety;
- (j) accuracy of records and reporting; and
- (k) reporting of any illegal or unethical behaviour.

A copy of the Code is available under the Corporation’s profile on the SEDAR+ website at www.sedarplus.ca.

Monitoring of accounting, internal controls and auditing matters, as well as violations of the law, the Code and other policies or directives, occurs through the reporting of complaints and concerns using the reporting methods provided for in the Code. The board monitors compliance with the Code by making enquiries of the appropriate parties at each meeting. Any person can report complaints or concerns, on an anonymous basis if desired, by reporting to the Chair of the Audit Committee by email, phone or fax.

The board of directors (or a committee of the board of directors to whom that authority has been delegated) can grant waivers of compliance with the Code for the benefit of directors or executive officers in appropriate circumstances. No such waiver has been granted since the adoption of the Code and consequently, the Corporation filed no material change report during the last fiscal year pertaining to any conduct of a director or executive officer that constituted a departure from the Code.

To ensure that directors or executive officers exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest, the director or officer of the Corporation, as the case may be, is required to disclose in writing to the directors or request to have entered into the minutes of meetings of the directors or the Investment Committee, as the case may be, the nature and extent of such interest, as follows:

- (a) The disclosure required in the case of a director must be made:
 - (i) at the meeting of directors or the Investment Committee, as the case may be, at which a proposed contract or transaction is first considered;
 - (ii) if the director was not then interested in a proposed contract or transaction, at the first such meeting after he becomes so interested;
 - (iii) if the director becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or
 - (iv) if a person who is interested in a contract or transaction later becomes a director, at the first such meeting after he becomes a director.
- (b) The disclosure required in the case of an officer of the Corporation who is not a director must be made:

- (i) forthwith after such person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the directors or the Investment Committee;
- (ii) if such person becomes interested after a contract is made or transaction entered into, forthwith after such person becomes aware that he has become so interested; or
- (iii) if a person who is interested in a contract or a transaction later becomes an officer of the Corporation, forthwith after he becomes an officer of the Corporation.

A director may not vote on any resolution to approve the said contract or transaction in which he or she is interested unless the contract or transaction is one relating primarily to his remuneration as a director, or one for indemnity or the purchase of liability insurance.

Nomination of Directors

The Corporation does not currently have a nominating committee. Pursuant to the JV Agreement, the Corporation Manager may recommend suitable individuals for nomination as directors. In order to ensure objectivity in the nomination process, the independent directors of the Corporation review and approve any nominations proposed by the Corporation Manager.

Compensation

The Corporation does not currently have a compensation committee. As a result of the Corporation's arrangements with the Corporation Manager, the Corporation does not employ any individuals (and has no employment contracts with any individuals) other than its Credit Manager, Victoria Granovski, and thus the directors have determined that there is no need for a separate compensation committee. The compensation of the Corporation Manager is determined based on the provisions of the JV Agreement, which can only be amended with the approval of Shareholders.

The directors are responsible for implementing a process for reviewing the adequacy and form of compensation of directors and ensuring that compensation realistically reflects the responsibilities and risk involved in being a director. The Corporation requires that remuneration be at a level that will attract and motivate competent directors. Compensation is also based on the compensation of directors of similarly situated issuers. In order to ensure an objective process for determining compensation, the directors, through the Corporation Manager, review compensation paid to directors of various real estate investment trusts and other publicly traded companies.

Audit Committee

Information concerning, among other things, the composition of the Audit Committee and the Audit Committee's Charter, can be found in the "Directors and Officers – Audit Committee" and "Directors and Officers – Audit Services" sections of the Corporation's most recently filed Annual Information Form, available under the Corporation's profile on the SEDAR+ website at www.sedarplus.ca.

Investment Committee

The Corporation's Investment Committee is composed of all of the independent directors of the Corporation. The Investment Committee is responsible for the following:

- (a) reviewing all of the Corporation's investments on at least an annual basis;
- (b) adjudicating and advising on transactions involving potential conflicts of interest or any other transactions which may be detrimental to the interests of the Shareholders;
- (c) the approval or rejection of investments and acquisitions of investments; and
- (d) dealing with such other matters as may be referred to the Investment Committee by the directors.

The Corporation shall obtain approval for its investments from the independent directors, as follows: (i) investments with a total investment amount of under \$1 million, no independent directors; (ii) investment amounts with a total investment amount of between \$1 million to \$2 million, one independent director; and (iii) investments with a total investment amount of over \$2 million, three independent directors.

The Chair of the Investment Committee, Stanley Goldfarb, is also the Chair of the board of directors and the Audit Committee.

Assessments

The board of directors is responsible for implementing a process for assessing the effectiveness of the board as a whole, the committees of the board and the contributions of individual directors. In carrying out its responsibilities, the board of directors is required to periodically review the mandates of the directors and the board's committees and to make an assessment of the effectiveness of the directors. The directors have determined that the present number of directors is appropriate for the board to function at this time and that the board is properly constituted to reflect the investment of all Shareholders in the Corporation. On an ongoing basis, the directors review the size and composition of the board.

Shareholder Communication

The Corporation has adopted a written Disclosure Policy. The Disclosure Policy reflects the basic principle of securities regulation that all persons investing in securities should have equal access to information that may affect their investment decisions. The Disclosure Policy establishes the Corporation's procedure for determining how material information is to be disclosed or disseminated and promotes consistent disclosure practices aimed at informative, timely and broadly disseminated disclosure of material information to the market in accordance with all applicable legal, regulatory and stock exchange requirements.

The Disclosure Policy also deals with how the Corporation and its directors and employees handle material undisclosed information about the Corporation. It addresses the Corporation's formal disclosure requirements such as annual and quarterly reports, prospectuses and news releases, and information that the Corporation posts on its website. It also extends to oral communications, such as speeches by senior management, responses to media inquiries and statements made in meetings with analysts and investors, all of which must comply with the Disclosure Policy.

Board's Expectations of Management

The board of directors expects management to operate the Corporation in accordance with the investment restrictions and operating policies, and to enhance Shareholder value while managing the Corporation in a prudent manner. Management is expected to provide regular financial and operating reports to the board of directors and to make the board of directors aware of all important issues and major developments, particularly those which may not have been previously anticipated. Management is also expected to find opportunities for acquisitions and dispositions and to make appropriate recommendations to the board of directors.

Director Term Limits and Other Mechanisms of Board Renewal

The board of directors believes that the need to have highly experienced directors who: (i) are familiar with the business of the Corporation; (ii) possess highly developed specialized skill sets in real estate, finance, taxation, mortgage underwriting analysis and accounting; and (iii) are knowledgeable about the Corporation as a whole takes precedent when assessing management and its recommendations. As such, the board of directors has not adopted director term limits or other mechanisms of board renewal for the following reasons:

- (i) after considering the director profile at the Corporation, the board of directors determined that a term limit was not appropriate in the context of the Corporation. The Corporation invests in mortgages secured by all types of residential and commercial real property, subject to compliance with our investment policies. As such, this form of investment activity requires highly developed and specialized skill sets in real estate, finance, taxation, mortgage underwriting analysis and accounting;

- (ii) the Corporation has found that having long standing directors on its board of directors does not negatively impact its effectiveness, and instead positively contributes to boardroom dynamics. As such, the Corporation has for many years enjoyed a consistently engaged board of directors. This is reflective in the consistent returns the Corporation has delivered to Shareholders since the initial public offering of its predecessor in 1999 in the form of dividends and capital appreciation. See “Share Performance Graph”;
- (iii) the imposition of director term limits on a board of directors implicitly discounts the value of experience and continuity amongst members of the board of directors and runs the risk of excluding experienced and potentially valuable members of the board of directors as a result of an arbitrary determination;
- (iv) that directors with the level of understanding of the issuer’s business, history and culture acquired through long service on the board of directors provide additional value;
- (v) that term limits run the risk of acting as a substitute for proper board self-assessment and renewal and undermines Shareholders’ voting rights to select their board of directors; and
- (vi) there is little empirical evidence that a director’s ability to act independently of management declines after any specific period of service.

Policies Regarding the Representation of Members of Designated Groups on the Board of Directors

A requirement to disclose diversity with respect to “designated groups” (“**Designated Groups**”) is required under the *Canada Business Corporations Act*, which governs the Corporation. As defined under Section 3 of the *Employment Equity Act* (Canada), Designated Groups includes women, Aboriginal peoples, persons with disabilities and members of visible minorities.

The Corporation has not adopted a written policy relating to the identification and nomination of members of Designated Groups for directors to the Corporation. The Corporation has not adopted such a policy, written or otherwise, because the board of directors does not consider diversity of race, ethnicity, gender, age, abilities/disabilities and cultural background as requirements to be a director of the Corporation. When vacancies on the board of directors arise, the Corporation focuses on nominating directors with highly developed and specialized skill sets in real estate, finance, mortgage underwriting analysis and accounting, regardless of whether they a member of a Designated Group. These requirements are necessary to ensure that the Corporation continues to deliver consistent returns to Shareholders as it has since the initial public offering of its predecessor in 1999, and no written policy relating to the identification and nomination of members of Designated Groups for directors to the Corporation will ensure this outcome. As at May 6, 2024, the Corporation had one female board member.

Consideration of the Representation of Members of Designated Groups in the Director Identification and Selection Process

In identifying and nominating candidates for election or re-election to the board of directors, the directors of the Corporation do not consider the level of representation of members of Designated Groups on the board of directors. The Corporation does not consider the level of representation of members of Designated Groups on the board of directors because in considering individuals as potential directors, the Corporation at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age, abilities/disabilities and cultural background. The Corporation believes that this approach enables it to make decisions regarding the composition of the board of directors based on what is in the best interests of the Corporation and its Shareholders. During the year ending December 31, 2023, the Corporation had one female board member.

Consideration of the Representation of Members of Designated Groups in Senior Management Appointments

In appointing individuals to the senior management team, the Corporation does not consider the level of representation of members of Designated Groups in senior management positions. The Corporation does not consider the level of representation of members of Designated Groups in senior management positions because, in considering individuals as members of senior management, the Corporation at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age, abilities/disabilities and cultural background. The Corporation believes that this approach enables it to make decisions regarding the composition of the senior management team based on what is in

the best interests of the Corporation and its Shareholders. As at December 31, 2023, the Corporation had one employee, the Internal Credit Manager, which one employee is female and a member of senior management and the board of directors of the Corporation.

Targets Regarding the Representation of Members of Designated Groups on the Board and in Senior Management Positions

The Corporation has not adopted a target or percentage, or a range of target numbers or percentages, regarding the members of each group comprising the Designated Groups on the Corporation's board of directors. The Corporation has not adopted a target or percentage, or a range of target numbers or percentages, for members of each group comprising the Designated Groups on the board of directors because the Corporation does not believe that any director nominee should be chosen nor excluded solely because of their race, ethnicity, gender, age, abilities/disabilities and cultural background. When vacancies on the board of directors arise, the Corporation focuses on nominating directors with highly developed specialized skill sets in real estate, finance, mortgage underwriting analysis and accounting, regardless of their race, ethnicity, gender, age, abilities/disabilities and cultural background. These requirements are necessary to ensure that the Corporation continues to deliver consistent returns to Shareholders as it has since the initial public offering of its predecessor in 1999, and no adoption of a target or percentage, or a range of target numbers or percentages, relating to the representation of members of each group comprising the Designated Groups on the board of directors of the Corporation will ensure this outcome.

The Corporation has not adopted a target or percentage, or a range of target numbers or percentages, regarding the members of each group comprising the Designated Groups in senior management positions. The Corporation has not adopted a target or percentage, or a range of target numbers or percentages, for members of each group comprising the Designated Groups in senior management positions because the Corporation does not believe that any candidate for a senior management position should be chosen nor excluded having any regard to their race, ethnicity, gender, age, abilities/disabilities and cultural background. In selecting senior management candidates, the Corporation considers the skills, expertise and background that would complement the existing management team. As at December 31, 2023, the Corporation had one employee, the Internal Credit Manager, which one employee is female and a member of senior management and the board of directors of the Corporation. In general, senior management personnel are recruited solely based on their ability to contribute to the Corporation having regard to the relevant senior management position.

Number of Members of Designated Groups on the Board and in Senior Management Positions

As of the date of this Circular, one woman is a member of the Corporation's board of directors (8.3% of the board of directors) and one woman serves in a senior management position with the Corporation, the Corporation Manager and the Mortgage Banker (20% of the collective senior management personnel of the Corporation, the Corporation Manager and the Mortgage Banker). No members of each group comprising the Designated Groups, other than women, are represented on the Corporation's board of directors or serve in a senior management position with the Corporation, the Corporation Manager and the Mortgage Banker.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS AND MANAGEMENT CONTRACTS

Several of the Corporation's mortgages are shared with other investors, including certain of the Corporation's directors and/or officers. The Corporation ranks equally with, or in priority to, other members of the syndicate as to receipt of principal and income in respect of such mortgages.

Pursuant to the JV Agreement, the Corporation Manager received a share of interest income for the year ended December 31, 2023 in the amount of \$4,848,896. Eli Dadouch, who is a director and officer of the Corporation, are also a director and officer of, and/or is related to entities that directly or indirectly own an interest in, the Corporation Manager. See "Executive Compensation – Compensation Discussion and Analysis". A summary of the JV Agreement is set out in the most recent Annual Information Form of the Corporation, which summary is incorporated herein by reference.

Pursuant to the Mortgage Banking Agreement, the Mortgage Banker receives loan servicing fees equal to 0.10% per annum of the principal amount of each of the Corporation's mortgage investments and certain additional

compensation, as disclosed and explained in the Corporation's annual financial statements for the year ended December 31, 2023 (under "Related party transactions and balances", note 12) included in the Corporation's 2023 Annual Report. These loan servicing fees amounted to approximately \$647,000 for the year ended December 31, 2023. Eli Dadouch, Jonathan Mair, and Michael Warner, each of whom is a director and/or officer of the Corporation, are also directors and/or officers of the Mortgage Banker. Victoria Granovski is Senior Vice President, Credit & Equity Capital and Senior Vice President of Mortgage Operations at the Mortgage Banker. The Mortgage Banker is indirectly controlled by an entity related to Eli Dadouch. A summary of the Mortgage Banking Agreement is set out in the most recent Annual Information Form of the Corporation, which summary is incorporated herein by reference.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the financial year ended December 31, 2023, no director or executive officer of the Corporation or proposed nominee for election as a director (and each of their associates) was indebted, including under any securities purchase or other program, to: (i) the Corporation; or (ii) any other entity which is, or was at any time during the financial period ended December 31, 2023, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, that was not entirely repaid on or before the date of this Circular.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation indemnifies the directors and officers against certain losses arising from claims against them for their acts, errors or omissions as such. The Corporation maintains liability insurance for its directors and officers. The policy provides insurance for the Corporation's directors and officers in respect of certain losses arising from claims against them for their acts, errors or omissions in their capacity as directors or officers. The Corporation is also insured against any loss arising out of any payment that the Corporation may be required or permitted by law to make to its directors and officers, the coverage being the same for both groups. The policy limit for such insurance coverage is \$5 million per occurrence in each policy year, with no deductible for individual directors or officers and a deductible of \$25,000 payable by the Corporation per occurrence. The annual premium paid by the Corporation for this insurance in fiscal 2023 was \$36,639.

RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2023 and the report of the auditors thereon will be presented to the Meeting. No vote by the Shareholders with respect thereto is required. If any Shareholders have questions regarding such financial statements, the questions may be brought forward at the Meeting. The audited financial statements of the Corporation for the year ended December 31, 2023 and the report of the auditors' thereon and management's discussion and analysis relating thereto, are included in the 2023 Annual Report of the Corporation sent to Shareholders.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR+ at www.sedarplus.ca. Financial information is being provided in the Corporation's comparative financial statements for the year ended December 31, 2023 and the related management's discussion and analysis. A copy of the following documents may be obtained, without charge, upon request to the Secretary of the Corporation at 163 Cartwright Avenue, Toronto, Ontario M6A 1V5, Phone 416-635-0221, Fax: 416-635-1713: (a) the latest Annual Information Form of the Corporation together with any document, or the pertinent pages of any document, incorporated by reference therein; (b) the comparative financial statements of the Corporation for the year ended December 31, 2023 together with the accompanying report of the auditors thereon, any interim financial statements of the Corporation for periods subsequent to December 31, 2023 and the related management's discussion and analysis therefor; and (c) this Circular.

CERTIFICATE

The contents and the sending of the Notice and this Circular have been approved by the Corporation's directors.

DATED May 6, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

"Eli Dadouch"

ELI DADOUCH
President, Chief Executive Officer and Director

SCHEDULE “A”

FIRM CAPITAL MORTGAGE INVESTMENT CORPORATION

MANDATE OF THE BOARD OF DIRECTORS

The board of directors of Firm Capital Mortgage Investment Corporation (the “**Corporation**”) is elected by the shareholders of the Corporation and is responsible for the stewardship of the Corporation. The purpose of this mandate is to describe the principal duties and responsibilities of the directors, as well as some of the policies and procedures that apply to the directors in discharging their duties and responsibilities.

Responsibilities of the Board of Directors

The role of the board of directors is to represent the shareholders of the Corporation, enhance and maximize shareholder value and conduct the business and affairs of the Corporation ethically and in accordance with high standards of corporate governance. The board of directors is ultimately accountable and responsible for providing effective leadership in supervising the management of the business and affairs of the Corporation. The responsibilities of the board of directors include:

- (i) the adoption of a strategic planning process and approval, on at least an annual basis, of a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation’s business and investments and ensures the Corporation’s strategic plan is aligned with the long-term interests of shareholders of the Corporation;
- (ii) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and senior officers of the Corporation (or persons performing such functions for the Corporation, whether or not employed by the Corporation) and that the Chief Executive Officer and other senior officers create a culture of integrity throughout the organization;
- (iii) the identification of the principal risks for the Corporation, and ensuring the implementation of appropriate risk management systems;
- (iv) ensuring that the Corporation complies with all applicable laws and legal requirements;
- (v) succession planning;
- (vi) adopting a policy which enables the Corporation to communicate effectively and addresses how the Corporation interacts with all of its stakeholders, including analysts and the public, contains measures for the Corporation to avoid selective disclosure and is reviewed at such intervals or times as the board deems appropriate;
- (vii) establishing and maintaining a standing audit committee of the board of directors (the “**Audit Committee**”);
- (viii) reviewing and reassessing the adequacy of the terms of reference of the Audit Committee at such intervals or times as the board deems appropriate;
- (ix) receiving recommendations of the Audit Committee respecting, and reviewing and approving, the audited, interim and any other publicly announced financial information of the Corporation;
- (x) developing the Corporation’s approach to governance;
- (xi) implementing a process for assessing the effectiveness of the board as a whole, the committees of the board and the contributions of individual directors;
- (xii) implementing a process for examining the size of the board of directors and undertaking, where appropriate, a program to establish a board size which facilitates effective decision-making;

- (xiii) implementing a process for reviewing the adequacy and form of compensation of directors, and ensuring that compensation realistically reflects the responsibilities and risk involved in being a director;
- (xiv) meeting regularly with management of the Corporation to receive reports respecting the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any areas of concern involving the Corporation; and
- (xv) meeting regularly without management.

While the board of directors is called upon to "manage" the business of the Corporation, this is done by proxy through the appointed executives of the Corporation. The board of directors is responsible for the ongoing strategic planning process of the Corporation, approving the goals of the business and the strategies and policies within which it is managed, and then stepping back and evaluating management performance. Reciprocally, management keeps the board of directors fully informed of the progress of the Corporation and its subsidiaries towards the achievement of their established goals, and of all material deviations from the goals or objectives and policies established by the board of directors, in a timely and candid manner.

It is recognized that every 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. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, directors are expected to carry out their duties in accordance with policies adopted by the board of directors from time to time, the current policy being annexed hereto as Appendix "A".

It is expected that management will co-operate in all ways to facilitate compliance by the board of directors with its legal duties by causing the Corporation and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information that may affect such compliance to the board of directors.

Responsibilities of the Chair

The role and responsibilities of the Chair of the board of directors are set out below:

- (i) the Chair shall be expected to attend and chair meetings of the board of directors of the Corporation and shareholders of the Corporation;
- (ii) the Chair shall not be a member of management;
- (iii) the Chair shall not be expected to and shall not perform policy making functions other than in his or her capacity as a director of the Corporation. The Chair shall not have the right or entitlement to bind the Corporation in his or her capacity as Chair;
- (iv) the Chair shall provide direction with respect to the dates and frequencies of board meetings and related committee meetings, and the Chief Executive Officer of the Corporation and the Chair shall liaise to prepare board meeting agendas;
- (v) the Chair shall ensure that the board understands the boundaries between board and management responsibilities; and
- (vi) the Chair shall ensure that the board of directors carries out its responsibilities effectively, which will involve the board meeting on a regular basis without management present and may involve assigning responsibility for administering the board's relationship with management to a committee of the board.

Responsibilities of the Audit Committee Chair

The role and responsibilities of the Chair of the Audit Committee include:

- (i) acting as a liaison between the Audit Committee and the board of directors of the Corporation;

- (ii) acting as a liaison between the Audit Committee and senior management of the Corporation;
- (iii) acting as a liaison between the Audit Committee and the Corporation's internal and external auditors;
- (iv) reporting to the board of directors on the activities of the Audit Committee;
- (v) recommending procedures to enhance the activities of the Audit Committee; and
- (vi) chairing meetings of the Audit Committee.

Responsibilities of the Investment Committee Chair

The role and responsibilities of the Chair of the Investment Committee include:

- (i) acting as a liaison between the Investment Committee and the board of directors of the Corporation;
- (ii) acting as a liaison between the Investment Committee and senior management of the Corporation;
- (iii) reporting to the board of directors on the activities of the Investment Committee;
- (iv) recommending procedures to enhance the activities of the Investment Committee; and
- (v) chairing meetings of the Investment Committee.

Responsibilities of the Chief Executive Officer

The Chief Executive Officer of the Corporation will:

- (i) manage and supervise the affairs of the Corporation;
- (ii) initiate and co-ordinate the strategic planning process for the Corporation and recommend to the board of directors goals for the business of the Corporation and, when approved by the board of directors, implement the corresponding strategic, operational and profit plans;
- (iii) report to, and meet regularly and as required with, the board of directors and all formally appointed committees of the board of directors, to review the board's and each committee's issues and to provide the board or the relevant committee with all information and access to management necessary to permit the board of directors or the relevant committee to fulfil its statutory and other legal obligations on a timely basis;
- (iv) assist in the development of policies of the board of directors regarding the public disclosures of the Corporation;
- (v) develop and seek the board of directors' concurrence for plans for management development and succession in all key positions, and then implement such plans;
- (vi) review, with the assistance of the Chief Financial Officer, the financial reporting and public disclosure of the Corporation, satisfy himself or herself of the processes followed in their preparation and provide the certifications required under applicable securities laws concerning such reporting and disclosure; and
- (vii) assume such other appropriate responsibilities as are delegated to him or her by the board of directors.

Decisions Requiring Prior Approval of the Board of directors

Approval of the board of directors shall be required for:

- (i) dividends;
- (ii) related party transactions;

- (iii) the release of any financial information to be publicly disseminated;
- (iv) the issuance or repurchase of shares or other securities of the Corporation;
- (v) the terms of reference of committees of the board; and
- (vi) any other matter that would give rise to a “material change” to the Corporation.

The foregoing list is intended to specify particular matters requiring board approval and is not intended to be an exhaustive list.

Measures for Receiving Shareholder Feedback

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback from shareholders. Persons designated to receive such information shall be required to provide a summary of the feedback to the directors on a semi-annual basis or at such other more frequent intervals as they see fit.

Meetings

The board of directors will meet not less than four times per year: three meetings to review quarterly results and one following the annual general meeting. A quorum for the meetings shall be at least two-fifths of the directors, at least one of whom shall, and one of whom shall not be, an independent director.

Meeting Guidelines

Directors will be expected to have read and considered the materials sent to them in advance of each meeting, and to be prepared to discuss the matters contained in such materials at the meeting. The notice of meeting will highlight significant matters to be dealt with at each meeting so that directors can focus on reviewing the related materials. Senior management will be made accessible to directors at board meetings and committee meetings to help the directors fulfill their obligations.

Remuneration

Remuneration shall be at a level that will attract and motivate competent board members.

Telephone Board Meetings

Directors may participate in a meeting of the directors or in a committee meeting by means of telephone or such other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the board of directors to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone board meetings may be required to be called in order for directors to be in a position to better fulfill their legal obligations. Alternatively, management may request that the directors approve certain matters by unanimous consent.

Expectations of Management

Management shall be required to report to the board of directors at the request of the board on the performance of the Corporation, new and proposed initiatives, the Corporation’s business and investments, management concerns and any other matter the board or its Chair may deem appropriate. In addition, the board expects management to promptly report to the Chair or the board any significant developments, changes, transactions or proposals respecting the Corporation or its subsidiaries.

APPENDIX “A” TO SCHEDULE “A”
POLICY OF PRACTICES FOR DIRECTORS

ATTENDANCE AT MEETINGS

Each director is expected to have a very high record of attendance at meetings of the board of directors, and at meetings of each committee on which the director sits. A director is expected to:

1. *advise the Chair as to planned attendance at board and committee meetings shortly after meeting schedules for the year have distributed;*
2. *advise the Chair as soon as possible after becoming aware that he or she will not be able to attend a meeting; and*
3. *attend a meeting by telephone conference if unable to attend in person.*

PREPARATION FOR MEETINGS

Directors are expected to carefully review and consider the materials distributed in advance of a meeting of the board of directors or a committee of the board of directors. Directors are also encouraged to contact the Chair, the Chief Executive Officer and any other appropriate officers to ask questions and discuss agenda items prior to meetings.

CONDUCT AT MEETINGS

Directors are expected to ask questions and participate in discussions at meetings, and to contribute relevant insights and experience. In discussions at meetings, a director should:

1. *be candid and forthright;*
2. *not be reluctant to express views contrary to those of the majority;*
3. *be concise and, in most circumstances, respect the time constraints of a meeting; and*
4. *be courteous to and respectful of other directors and guests in attendance.*

KNOWLEDGE OF THE CORPORATION’S BUSINESS

Directors are expected to be knowledgeable with respect to the various fields and divisions of the Corporation’s business. Although management has a duty to keep the board of directors informed about developments in the Corporation’s business, directors have a primary duty of care and diligence, which includes a duty of inquiry. Directors should:

1. *ask questions of management and other directors, at meetings and otherwise, to increase their knowledge of the business of the Corporation;*
2. *familiarize themselves with the risks and challenges facing the business of the Corporation;*
3. *read all internal memoranda and other documents circulated to the directors, and all reports and other documents issued by the Corporation for external purposes;*
4. *insist on receiving adequate information from management with respect to a proposal before board approval is requested;*
5. *familiarize themselves with the Corporation’s competitors by, among other things, reading relevant news, magazine and trade journal articles; and*
6. *familiarize themselves with the legal and regulatory framework within which the Corporation carries on its business.*

PERSONAL CONDUCT

Directors are expected to:

1. *exhibit high standards of personal integrity, honesty and loyalty to the Corporation;*
2. *project a positive image of the Corporation to news media, the financial community, governments and their agencies, shareholders and employees;*
3. *be willing to contribute extra efforts, from time to time as may be necessary including, among other things, being willing to serve on committees of the board; and*
4. *disclose any potential conflict of interest that may arise with the business or affairs of the Corporation and, generally, to avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.*

SCHEDULE "B"

SPECIAL RESOLUTION TO AMEND THE MORTGAGE BANKING AGREEMENT AND JV AGREEMENT

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the Mortgage Banking Agreement (as defined in the management information circular (the "**Circular**") of Firm Capital Mortgage Investment Corporation (the "**Corporation**") dated May 6, 2024) be amended by deleting Section 10.3 in its entirety and replacing it with the following:

"This Agreement shall not be changed or modified in whole or in part, except by instrument in writing signed by the parties hereto or their respective successors or permitted assigns otherwise as provided herein. Notwithstanding the foregoing, any material change to this Agreement including, without limitation, a change to any of the fees payable to the Mortgage Banker hereunder, shall only be effective upon the approval of at least a majority of the votes cast by shareholders at a meeting of shareholders called for such purpose, excluding the votes attached to shares of the Corporation held by the directors, senior officers and 10% or greater owners of the Mortgage Banker and their respective affiliates."

2. the JV Agreement (as defined in the Circular) be amended by deleting Section 9.2 in its entirety and replacing it with the following:

"This Agreement shall not be changed or modified in whole or in part, except by instrument in writing signed by the parties hereto or their respective successors or permitted assigns otherwise as provided herein. Notwithstanding the foregoing, any material change to this Agreement including, without limitation, a change to any of the amounts payable to Participant #2 hereunder, shall only be effective upon the approval of at least a majority of the votes cast by shareholders of Participant #1 at a meeting of shareholders called for such purpose, excluding the votes attached to shares of Participant #1 held by the directors, senior officers and 10% or greater owners of Participant #2 and their respective affiliates."

3. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be and are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Corporation (i) to amend the Mortgage Banking Agreement or the JV Agreement to the extent permitted by the Mortgage Banking Agreement or the JV Agreement, and (ii) not to proceed with the foregoing amendments and to revoke the foregoing resolution at any time; and
4. any director of the Corporation is authorized and directed, for an on behalf of the Corporation, to do, or cause to be done, all such acts and things and execute, whether under the corporate seal or otherwise, and deliver, or cause to be delivered, such other documents, agreements, certificates and statements, as any such director may deem necessary or desirable in order to carry out the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.

