



**TREZ CAPITAL SENIOR MORTGAGE INVESTMENT CORPORATION**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS TO BE HELD ON JUNE 19, 2019**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**May 17, 2019**

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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular of Trez Capital Senior Mortgage Investment Corporation (the “**Corporation**”) dated May 17, 2019 (the “**Information Circular**”).

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of shareholders (“**Shareholders**”) of the Corporation will be held at the Toronto office of Trez Capital Group LP, 401 Bay Street, Suite 1404, Toronto, Ontario on June 19, 2019 at 2:00 p.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2018 together with the auditor’s report to Shareholders thereon;
2. to increase the number of directors of the Corporation from five to six;
3. to elect the directors of the Corporation;
4. to re-appoint KPMG LLP, Chartered Professional Accountants, as the auditor of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix the auditor’s remuneration; and
5. to transact such other business as may be properly brought before the Meeting and any postponement(s) or adjournment(s) thereof.

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

Only Shareholders of record at the close of business on May 21, 2019 are entitled to notice of and to attend and vote at the Meeting, or any adjournment thereof.

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

DATED at Toronto, Ontario as of May 17, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Alexander Manson”*

Alexander Manson  
President, Chief Executive Officer and  
Director

**TREZ CAPITAL SENIOR MORTGAGE INVESTMENT CORPORATION  
MANAGEMENT INFORMATION CIRCULAR**

**GLOSSARY OF TERMS**

“**Advance Notice By-Law**” has the meaning set forth under “*Business of the Meeting – Election of Directors*”;

“**AIF**” means the Corporation’s annual information form dated April 1, 2019 for the year ended December 31, 2018;

“**Amending Agreement**” has the meaning set forth under “*Management of the Corporation – Amending Agreement*”;

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

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

“**Board**” means the board of directors of the Corporation;

“**Broadridge**” means Broadridge Financial Solutions Inc.;

“**CBCA**” means *Canada Business Corporations Act*;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Corporation**” means Trez Capital Senior Mortgage Investment Corporation;

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

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

“**Incentive Fee**” has the meaning set forth under “*Management of the Corporation – Compensation of the Manager*”;

“**Information Circular**” means this management information circular dated May 17, 2019;

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

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

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

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

“**Minimum**” has the meaning set forth under “*Management of the Corporation – Compensation of the Manager*”;

“**Meeting**” means the annual and special meeting of Shareholders of the Corporation to be held at 2:00 p.m. (Toronto time) on June 19, 2019 at the Toronto office of Trez Capital Group LP, 401 Bay Street, Suite 1404, Toronto, Ontario;

“**NCIB**” means the previously active normal course issuer bid for the Corporation’s Shares;

“**NI 51-102**” means National Instrument 51-102 *Continuous Disclosure Obligations*;

“**Orderly Wind-Up Plan**” means the plan to maximize value for all Shareholders by way of an orderly wind-up of the Company’s assets and the return of capital to Shareholders which was approved at the shareholders meeting held on June 16, 2016;

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

“**Realized Proceeds**” has the meaning set forth under “*Management of the Corporation – Compensation of the Manager*”;

“**Record Date**” means May 21, 2019;

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

“**Share**” means a Class A share of the Corporation;

“**Shareholder**” means a holder of Shares of the Corporation;

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

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

“**Threshold**” has the meaning set forth under “*Management of the Corporation – Compensation of the Manager*”;

“**Transfer Agent**” means Computershare Trust Company of Canada;

“**TSX**” means the Toronto Stock Exchange; and

“**Unrestricted Cash**” has the meaning set forth under “*Management of the Corporation – Compensation of the Manager*”.

## **THE MEETING**

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

In this Information Circular, unless the context otherwise suggests, references to “you”, “your” and “Shareholder” are to a holder of Shares. Unless otherwise stated, the information contained in this Information Circular is as of April 30, 2019.

## **HOW TO VOTE YOUR SHARES**

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

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

### **Beneficial Shareholders**

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

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

- (a) Usually, a Beneficial Shareholder will be given a voting instruction form which must be completed and signed by the Beneficial Shareholder in accordance with the instructions provided by the intermediary. In this case, the mechanisms described below for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.
- (b) Occasionally, a Beneficial Shareholder may be given a proxy that has already been signed by the intermediary, rather than a voting instruction form. This proxy is restricted to the number of Shares owned by the Beneficial Shareholder but is otherwise not completed. This proxy does not need to be signed by the Beneficial Shareholder but must be completed by the Beneficial Shareholder and returned to the Transfer Agent in the manner described below for Registered Shareholders. A proxy will not be valid unless it is deposited at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 17, 2019 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned). Shareholders that wish to attend and vote at the Meeting using this proxy should follow the instructions noted below for appointing a representative at the Meeting.

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

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

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

## **Registered Shareholder**

### *Appointment of Proxies*

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

**The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. A Registered Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him, her or it at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 17, 2019 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).**

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

### *Submitting Votes by Proxy*

**A proxy will not be valid unless it is deposited at the Proxy Department of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 17, 2019 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).**

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

### *Revocation of Proxy*

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the Registered Shareholder or by the Registered Shareholder’s attorney authorized in writing (or, if the Registered Shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Corporation (1700-745 Thurlow Street, Vancouver, British Columbia, Canada V6E 0C5; Attention: Mr. Ernie Nichiporik, Vice-President, Investor Services) at any time up to and including the last business day preceding the day of the Meeting or with the Chair of the Meeting on the day of the Meeting or in any other manner permitted by law.

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

#### *Voting in Person*

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

### **QUORUM**

The Board has fixed May 21, 2019 as the Record Date, being the date for the determination of the registered holders of Shares entitled to receive notice of, and to vote at, the Meeting. In accordance with the provisions of the CBCA, the Corporation will prepare a list of holders of Shares as of the close of business on the Record Date. Each holder of Shares named in the list will be entitled to vote the Shares shown opposite his or her name on the list at the Meeting. All such holders of record of Shares are entitled either to attend the Meeting and vote thereat in person the Shares held by them in accordance with the voting rights described herein or, provided a completed and executed proxy shall have been delivered to the Transfer Agent within the time specified in the attached Notice of Annual and Special Meeting of Shareholders, to attend and vote thereat by proxy the Shares held by them in accordance with the voting rights described herein. Please see “*How to Vote Your Shares*” for more information.

A quorum will be considered present at the Meeting if 5% of the outstanding Shares are represented in person or by proxy at the Meeting. If such a quorum does not exist when the Meeting is convened on June 19, 2019, the Meeting will be adjourned and will reconvene at 2:00 p.m. (Toronto time) on June 26, 2019 at the Toronto office of Trez Capital Group LP, 401 Bay Street, Suite 1404, Toronto, Ontario, at which time the Shares represented in person or by proxy at the reconvened Meeting will constitute a quorum.

Duly completed and executed proxies must be received by the Transfer Agent’s Proxy Department at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, no later than 5:00 p.m., Toronto time, on June 17, 2019 (or prior to 5:00 p.m., Toronto time, on the business day prior to the Meeting if it is postponed or adjourned).

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

#### **Authorized and Outstanding Voting Securities**

The authorized capital of the Corporation consists of an unlimited number of Shares and an unlimited number of Class B Shares. As of the Record Date, there were 7,318,067 Shares and no Class B Shares issued and outstanding. Each Share will be entitled to one vote at the Meeting. The voting rights for the Shares and the Class B Shares are described in the AIF under the heading “*Description of Capital Structure*”.

#### **Principal Holders**

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

**BUSINESS OF THE MEETING**

**1. FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the fiscal year ended December 31, 2018 and the report of the auditor thereon will be presented at the Meeting. No vote by Shareholders is required.

**2. INCREASE THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The Articles provide that the Corporation will have a minimum of three and maximum of eleven directors. The Corporation currently has five directors, three of whom are independent (within the meaning of applicable securities laws). Shareholders are being asked to increase the number of directors to six. All of the nominees, with the exception of Jonathon Cowan, are currently directors of the Corporation.

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

<b>Name and Municipality of Residence</b>	<b>Office</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Shares Beneficially Owned or Controlled</b>
Alexander (Sandy) Manson, West Vancouver, British Columbia	President, Chief Executive Officer and Director	Chief Financial Officer of Trez Capital Fund Management (2011) Corporation since July 1, 2012 and Chief Financial Officer of Trez Capital (2011) Corporation (previously Trez Capital Corporation) since February 2006.	October 2012	Nil
Jonathon Cowan Vancouver, British Columbia	N/A	President, Peet & Cowan Financial Services Inc. since 1996	N/A	44,800 <sup>(3)</sup>
Stephen Pustil, <sup>(1)(2)</sup> Toronto, Ontario	Director	Vice Chairman Peerage Realty Partners. President of Peerage Realty Partners since June 2007 to December 2015. Vice Chairman of MDC Partners from 1992 to June 2015.	October 2012	Nil
Stewart J.L. Robertson, <sup>(1)(2)</sup> Vancouver, British Columbia	Director	President of the Crerar Group of Companies since 1993.	October 2012	Nil
Gary M. Samuel, <sup>(1)(2)</sup> Toronto, Ontario	Director and Chair	Chief Executive Officer-Rodenbury Investments Ltd. President, Perek Bet Inc.	August 2014	Nil
Gregory S. Vorwaller Vancouver, British Columbia	Director	President of Trez Capital Fund Management (2011) Corporation since July 6, 2015	November 2016	Nil

Notes:

- (1) Member of the Audit Committee and the Nomination & Compensation Committee.
- (2) Independent director.
- (3) Includes 26,100 Shares owned by Peet & Cowan Investments Inc. over which Mr. Cowan exercises control or direction and 13,000 Shares beneficially owned indirectly by Mr. Cowan through Cowan Financial Services Inc.

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

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

The following are biographies of each proposed nominee:

*Alexander (Sandy) Manson* has been the Chief Financial Officer of Trez since February 2006. On September 28, 2016 he was also appointed President and Chief Executive Officer following the resignation of Michael J.R. Nisker. Mr. Manson has been a Chartered Accountant since 1983 and has more than thirty years of experience in finance and accounting. From January 2001 through December 2005, Mr. Manson was the Chief Financial Officer for Autostock International, an international autoglass replacement company with 2,000 employees based in Burnaby B.C. which operated the “Speedy Glass” stores in Canada and the United States. Prior thereto, he was the Chief Financial Officer of Coast Mountain Hardwoods (1997-2000), a lumber company based in Ladner, B.C. Mr. Manson is responsible for all finance and administrative operations of Trez.

*Jonathon Cowan* co-founded and is the President of Peet & Cowan Financial Services Inc., a fund manager and mortgage brokerage firm, since 1999. Since 2007, he has been the President and a director of Cambridge Mortgage Investment Corporation, a mortgage investment corporation founded and managed by Peet & Cowan. Since founding his own mortgage brokerage firm in 1996, Mr. Cowan has been continuously active in the mortgage brokerage industry. He has been in a leadership role in both brokerage and lending operations of the Peet & Cowan companies during this period, which have arranged over \$3 billion in residential and commercial mortgages. Prior thereto, he worked at CIBC and Nova Financial Services Inc. Mr. Cowan holds a Bachelor of Commerce degree from the University of British Columbia.

*Stephen Pustil* is Vice Chairman of Peerage Realty Partners and serves on the Board of Mount Sinai Hospital as well as the advisory board of the Cambridge Group of Clubs based in Toronto, Ontario. Mr. Pustil brings 40 years of investment and real estate experience as the former President of Penwest Development Corporation Limited from 1972 to 2007. Penwest was a real estate development company investing in income-producing properties, hotels and industrial buildings as well as land development and residential construction. In addition, Mr. Pustil was formerly Vice Chairman of MDC Partners, one of the most influential marketing and communications networks globally, from April 1992 to June 2015. Mr. Pustil is a Chartered Accountant.

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

*Gary M. Samuel* founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), Canada’s first publicly traded REIT. Mr. Samuel formerly served as Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank. He was also formerly a director of First Capital

Realty Corporation (TSX: FCR) and lead director of Gazit America Inc. (TSX: GAA), both real estate companies and formerly a trustee of Slate Office REIT (TSX: SOT.UN). Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.

*Gregory S. Vorwaller* was appointed President of Trez Capital on July 6, 2015. As President, Greg is responsible for overseeing the day-to-day operations of the firm, building both new and existing business, capitalizing on strategic opportunities and developing and implementing Trez' overall strategy. Greg has held a number of senior executive positions at prominent financial and real estate services firms where he led and built businesses encompassing investment sales, mortgage brokerage and investment banking to market leading positions. Most recently he served as Executive Vice President and Global Head of Capital Markets of Cushman & Wakefield, prior to which he served as the President and Chief Operating Officer of CBRE's Global Capital Markets business line. In each capacity, Greg developed a reputation for leading from the front line, working with teams and clients throughout the US, Canada, Europe and Asia Pacific in developing and executing business plans which resulted in the advancement of the key strategic initiatives of each firm. Greg graduated with distinction from the University of Wisconsin with a Bachelor of Arts. He serves as a board member of Dental Associates and sits on the Board of Advisors of the UW Madison Graaskamp Center for Real Estate Member. In addition, Greg is a member of the Urban Land Institute and Economic Club of Chicago.

At the annual and special meeting of Shareholders held on June 16, 2016, Shareholders approved, confirmed and ratified the adoption by the directors of by-law number 2 (A by-law relating to the nomination of persons for election to the board of directors of the Corporation) (the "**Advance Notice By-Law**"), as an addition to the Corporation's by-laws. The Advance Notice By-Law requires a nominating Shareholder to provide notice to the Corporation of proposed director nominations (other than pursuant to a "proposal" or a requisition of Shareholders made in accordance with the provisions of the CBCA) not less than 30 days prior to the date of the applicable annual meeting. This advance notice period is intended to give the Corporation and its Shareholders sufficient time to consider any proposed nominees.

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

### **3. RE-APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to approve a resolution to re-appoint KPMG LLP, Chartered Professional Accountants, as the auditor of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors to fix the auditor's remuneration. KPMG LLP, Chartered Professional Accountants, has acted as the Corporation's auditor since its appointment on October 18, 2012. The ordinary resolution must be passed by at least the majority of the votes cast at the Meeting by all Shareholders who vote in respect thereof in person or by proxy. **The Board recommends that Shareholders vote in favour of the re- appointment of KPMG LLP, Chartered Professional Accountants, as the auditor of the Corporation.**

**Unless provided to the contrary, the persons named in the accompanying form of proxy (if it is duly executed in their favour and deposited) will vote the Shares represented thereby FOR the re-appointment of KPMG LLP, Chartered Professional Accountants, as auditor of the Corporation until the next annual meeting of Shareholders and to authorize the directors to fix the auditor's remuneration.**

## **CORPORATE GOVERNANCE PRACTICES**

### **General**

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

### **Board of Directors**

The Corporation currently has five directors, of which Messrs. Stephen Pustil, Stewart J.L. Robertson and Gary M. Samuel are independent directors within the meaning of applicable securities laws. As the Corporation has retained the Manager to direct the business, operations and affairs of the Corporation, Mr. Alexander (Sandy) Manson is the President, Chief Executive Officer and a director of the Corporation and Mr. Gregory S. Vorwaller is a director of the Corporation. Messrs. Manson and Vorwaller are directors, officers and security holders of the Manager and/or its affiliates, and are the Manager's nominees to the Board. Accordingly, Messrs. Manson and Vorwaller are not independent directors within the meaning of applicable securities laws.

Mr. Gary M. Samuel, an independent director, serves as Chair. Following each scheduled Board meeting, as well as following each special Board meeting, as deemed necessary, the Board holds an in camera meeting of the independent directors. In the year ended December 31, 2018, the Board held four in camera meetings of the independent directors.

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

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

<b>Director</b>	<b>Reporting Issuer</b>
Alexander (Sandy) Manson	- Trez Capital Mortgage Investment Corporation
Stephen Pustil	- Trez Capital Mortgage Investment Corporation
Stewart J.L. Robertson	- Trez Capital Mortgage Investment Corporation
Gary M. Samuel	- Trez Capital Mortgage Investment Corporation
Gregory S. Vorwaller	- Trez Capital Mortgage Investment Corporation

The following table sets forth the number of directors meetings held for the fiscal year ended December 31, 2018 and attendance by the directors who are proposed to be nominated for election at the Meeting:

<b>Director</b>	<b>Number of Board Meetings Attended</b>	<b>Number of Audit Committee Meetings Attended</b>
Alexander (Sandy) Manson	5	4
Stephen Pustil	4	3
Stewart J.L. Robertson	5	4
Gary M. Samuel	5	4
Gregory S. Vorwaller	5	4

### **Board Mandate**

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

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

### **Audit Committee**

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

<b>Name</b>	<b>Education and Experience</b>
Stephen Pustil	Stephen Pustil is Vice Chairman of Peerage Realty Partners and serves on the Board of Mount Sinai Hospital as well as the advisory board of the Cambridge Group of Clubs based in Toronto, Ontario. Mr. Pustil brings 40 years of investment and real estate experience as the former President of Penwest Development Corporation Limited from 1972 to 2007. Penwest was a real estate development company investing in income-producing properties, hotels and industrial buildings as well as land development and residential construction. In addition, Mr. Pustil was formerly Vice Chairman of MDC Partners, one of the most influential marketing and communications networks globally, from April 1992 to June 2015. Mr. Pustil is a Chartered Accountant.
Stewart J.L. Robertson	Stewart J.L. Robertson has served on the board of directors of a number of public companies, including the board and audit committee of Sterling Centrecorp Inc., a company formerly listed on the TSX and in the business of acquiring and managing shopping centres. He is the President of the Crerar Group of Companies. The Crerar Group is an active principal in the commercial real estate business in Canada and the U.S., with holdings including office, apartment, storage/warehousing, and retail buildings. Mr. Robertson also consults on structured mortgage and corporate acquisitions to various real estate entities.

<p>Gary M. Samuel</p>	<p>Gary M. Samuel founded and was the former Chief Executive Officer of Canadian Real Estate Investment Trust (TSX: REF.UN), Canada’s first publicly traded REIT. Mr. Samuel formerly served as Chairman of HOMEQ Corporation (TSX: HEQ) and its wholly owned subsidiary HomEquity Bank. He was also formerly a director of First Capital Realty Corporation (TSX: FCR) and lead director of Gazit America Inc. (TSX: GAA), both real estate companies and formerly a trustee of Slate Office REIT (TSX: SOT.UN). Mr. Samuel is a co-founder and retired partner of Crown Realty Partners, a Canadian institutional real estate investment and management corporation. Mr. Samuel was co-founder and Chief Executive Officer of Royop Properties Corporation, a Canadian real estate development company formerly listed on the TSX. Mr. Samuel holds a JD from Osgoode Hall Law School, Toronto.</p>
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The Audit Committee assists the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation and the quality and integrity of financial statements of the Corporation. In addition, the Audit Committee is responsible for directing the auditor’s examination of specific areas and for reviewing the performance of the independent auditor. Mr. Stewart J.L. Robertson is the Chair of the Audit Committee. The responsibilities of the Chair of the Audit Committee include: (a) ensuring that all business required to come before the Audit Committee is brought before the Audit Committee such that the Audit Committee is able to carry out all of its duties according to the Audit Committee Charter; (b) monitoring the adequacy of materials provided to the Audit Committee by management in connection with the Audit Committee’s deliberations; (c) ensuring that the Audit Committee has sufficient time to review the materials provided to it and to fully discuss the business that comes before the Audit Committee; (d) presiding over Audit Committee meetings; and (e) encouraging free and open discussion at Audit Committee meetings. Information regarding the Audit Committee can be found on pages 27 to 28 of the AIF.

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

### **Nomination & Compensation Committee**

The Board has established a Nomination & Compensation Committee with the overall purpose of assisting the Board with maintaining high standards for stewardship of the Corporation by assessing the suitability of the size of the Board, identifying and recruiting directors for nomination, and assisting the Board, as applicable, on compensation matters. The Nomination & Compensation Committee is comprised of Stephen Pustil, Stewart J.L. Robertson and Gary M. Samuel, each of whom is independent within the meaning of applicable securities laws. Mr. Stephen Pustil is the Chair of the Nomination & Compensation Committee. Additional information regarding each member of the Nomination & Compensation Committee and their respective skills and experiences is provided above under “*Corporate Governance Practices - Audit Committee*”.

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

The Nomination & Compensation Committee reviews the compensation payable by the Corporation to its directors based on the responsibilities and risks of the position. In addition, remuneration must attract and motivate competent individuals to take on such responsibilities and risks. In order to ensure compensation is reasonable and objective, the Nomination & Compensation Committee may consider compensation paid to directors of similarly situated companies, including other mortgage investment corporations and publicly traded companies, and may engage an outside compensation consultant to ensure that the Corporation’s compensation practices are competitive among peer companies. The independent directors comprising the Nomination & Compensation Committee held four in camera meetings of the independent directors during the year ended December 31, 2018, but did not meet formally as a committee, considering the stage of the Orderly Wind-Up Plan.

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

### **Nomination of Directors**

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

### **Compensation**

In light of the services provided by the Manager to the Corporation under the Management Agreement, the Corporation does not remunerate its executive officers. The compensation of the Manager is determined based on the provisions of the Management Agreement. For details of the Management Agreement see the heading “*Management of the Corporation – Management Agreement*”.

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

### **Orientation and Continuing Education**

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

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

### **Ethical Business Conduct**

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

### **Assessments**

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

### **Board Renewal**

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

### **Representation of Women**

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

## **MANAGEMENT OF THE CORPORATION**

**The following description of the Management Agreement and the Amending Agreement is qualified in its entirety by the Management Agreement and the Amending Agreement, both of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).**

The Corporation has retained the Manager to manage the day-to-day affairs of the Corporation. The head office of the Manager is located at 1700-745 Thurlow Street, Vancouver, British Columbia V6E 0C5. The Manager is wholly-owned by Trez Capital Group Limited Partnership. Trez Capital Fund Management (2011) Corporation, the general partner of the Manager, is a wholly-owned subsidiary of the general partner of Trez Capital Group Limited Partnership.

### **Manager**

The Manager is the sole and exclusive manager of the Corporation to direct the business, operations and affairs of, and provide, or arrange to provide, all day-to-day management and administrative services required by, the Corporation. Pursuant to the Management Agreement, the Manager's duties include, without limitation: (i) through its affiliate, Trez Capital Limited Partnership, providing mortgage lending opportunities to the Corporation consistent with the lending guidelines set out in the Management Agreement with the goal of achieving the Corporation's investment objective; (ii) managing the lending and relending of the assets of the Corporation in accordance with the lending guidelines set out in the Management Agreement; (iii) authorizing the payment of

operating expenses incurred on behalf of the Corporation; (iv) preparing financial statements and financial and accounting information as required by the Corporation; (v) ensuring that Shareholders are provided with financial statements (including quarterly and annual financial statements) and other reports as are required by applicable law from time to time; (vi) ensuring that the Corporation complies with regulatory requirements; (vii) preparing the Corporation's reports to Shareholders and the Canadian securities regulatory authorities; (viii) recommending to the Board the amount of dividends to be paid by the Corporation; and (ix) negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers. Notwithstanding the foregoing, pursuant to the Amending Agreement, the Manager, acting in its capacity as manager of the Corporation, provides the day-to-day management services set out above in a manner consistent with the Orderly Wind-Up Plan, under the supervision of the Board.

### **Management Agreement**

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

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

Notwithstanding the foregoing, pursuant to the Amending Agreement, upon completion of the Orderly Wind-Up Plan, the Management Agreement shall terminate and the Manager shall not be entitled to any termination fee including, for greater certainty, the Early Termination Fee described above.

### **Amending Agreement**

On May 6, 2016, the Company entered into an amending agreement with the Manager to amend the terms of the Management Agreement (the "**Amending Agreement**") in order to facilitate the Orderly Wind-Up Plan. Under the Amending Agreement, the Manager is currently providing the full asset management services necessary to support the Orderly Wind-Up Plan. The Amending Agreement also provides for an amendment to the fees payable to the Manager to align the Manager's interest to the implementation of the Orderly Wind-up Plan, as described under "*Compensation of the Manager*" below.

In accordance with the Amending Agreement, the Board irrevocably and unconditionally directed the Manager to cease all new mortgage origination and, unless approved by the Board and subject to compliance with contractual requirements, all mortgage renewal activity. The Company has ceased all new mortgage originations and mortgage renewals, subject to contractual requirements.

The Amending Agreement provides that the Orderly Wind-Up Plan shall be implemented through a combination of the following actions: (i) allowing the mortgages in the Company's portfolio to expire at their scheduled maturities

and in accordance with the terms thereof; (ii) selling mortgages in the Company's portfolio at par prior to their scheduled maturities; and (iii) in addition to or in lieu of the foregoing, by effecting other transactions, as determined by the Board, in its discretion, acting in a fiduciary capacity consistent with its obligations to maximize value to all Shareholders.

The Amending Agreement provides that the Company shall distribute the net proceeds resulting from the Orderly Wind-Up Plan to Shareholders in a manner determined by the Board from time to time, acting reasonably and in the best interest of all Shareholders, and approved, as may be required, by the Board from time to time, whether through special dividends, the repurchase of shares pursuant to the NCIB, a substantial issuer bid, a return of capital or otherwise.

### **Compensation of the Manager**

For its services under the Management Agreement, the Manager receives from the Corporation a management fee (the "**Management Fee**") equal to 0.85% per annum of the gross assets of the Corporation, calculated and paid monthly in arrears, plus applicable taxes. Under the terms of the Amending Agreement, the foregoing Management Fee shall continue until the earlier of the completion of the Orderly Wind-Up Plan and the termination of the Management Agreement.

Pursuant to the Amending Agreement, in consideration for its additional services to the Company in connection with the Orderly Wind-Up Plan, the Manager is entitled to a fee (the "**Incentive Fee**") calculated as the greater of the following:

- (i) 20% of the amount by which the sum of:
  - (A) the aggregate Realized Proceeds; and
  - (B) the Company's Unrestricted Cash as at April 30, 2016 (\$2,924,748) exceeds \$65,549,596 (the "**Threshold**"); and
- (ii) \$300,000.

For the purpose of the foregoing calculation: (i) "**Realized Proceeds**" means the amount of proceeds on the sale, repayment or maturity of mortgages or any other transaction resulting in the monetization of the mortgages as approved by the Board in accordance with the terms of the Amending Agreement, in each case, realized by the Company in respect of the principal of the mortgages under the Orderly Wind-Up Plan; and (ii) "**Unrestricted Cash**" means the amount of Company's cash derived from the proceeds on the sale, repayment or maturity of mortgages or any other transaction resulting in the monetization of the mortgages on or prior to April 30, 2016.

Concurrent with any distributions made to Shareholders by the Company, whether through dividends, the repurchase of shares pursuant to the NCIB or a substantial issuer bid, a return of capital or otherwise, the Company shall pay to the Manager a portion of the minimum Incentive Fee (i.e., \$300,000) (the "**Minimum**"), calculated so that after the payment, the Manager shall have been paid in aggregate the same proportion of the Minimum that the aggregate of the Realized Proceeds and the Unrestricted Cash represent of the Threshold at the time of each such distribution to Shareholders until such time as the Manager has received at least the Minimum. Upon the completion of the Orderly Wind-Up Plan and concurrent with the final distribution to Shareholders, any Incentive Fee due in excess of the Minimum and any portion of the Minimum that has not been paid, shall be paid by the Company to the Manager.

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

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

*Fees Paid to the Manager*

The Corporation incurred Management Fees in the amount of \$214,643 and Incentive Fees in the amount of \$43,320 in respect of the year ended December 31, 2018.

*Directors and Executive Officers of the General Partner of the Manager*

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

Name and Municipality of Principal Residence	Position with the Manager
Gregory S. Vorwaller Vancouver, B.C.	President
Alexander (Sandy) Manson, B. Comm., C.A. West Vancouver, B.C.	Chief Financial Officer and Director
Morley Greene, B.A., LLB Vancouver, B.C.	Chairman, Chief Executive Officer and Director
Robert Perkins, B. Comm. Vancouver, B.C.	Managing Director and Director
Ken Lai, B. Comm., C.A. Richmond, B.C.	Vice President, Loan Administration and Director

**EXECUTIVE COMPENSATION**

**Named Executive Officers**

Securities legislation requires disclosure of the compensation received by each Named Executive Officer of the Corporation for each of its three most recently completed financial years. During the year ended December 31, 2018, the Corporation had two Named Executive Officers, Mr. Alexander (Sandy) Manson and Mr. Clint Matthews.

**Compensation Discussion and Analysis**

Neither Named Executive Officer received any compensation nor was he employed by the Corporation in the fiscal year ended December 31, 2018. Although Messrs. Manson and Matthews hold titles as officers of the Corporation, they are appointed to such positions by the general partner of the Manager and receive their compensation from the ultimate parent of the general partner of the Manager. Pursuant to the Management Agreement and the Amending Agreement, the Manager is entitled to receive Management Fees and Incentive Fees from the Corporation, as described under “*Management of the Corporation – Compensation of the Manager*”.

Mr. Manson holds an ownership interest in the ultimate parent of the general partner of the Manager and received his entire compensation in the form of distributions on this ownership interest. Mr. Manson received \$30,000 in 2018 and \$34,000 per year in the previous two fiscal years in respect of his ownership interest that can be attributed to the Corporation (based on the time spent on services provided to the Corporation).

For the last three fiscal years, Mr. Matthews received approximately \$25,000 per year in respect of his compensation that can be attributed to the Corporation (based on the time spent on services provided to the Corporation).

### Summary Compensation Table

The following table and notes thereto provide a summary of the compensation paid by the parent of the general partner of the Manager to each Named Executive Officer of the Corporation for the financial year ended December 31, 2018.

Name and Principal Position of Named Executive Officer	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long Term Incentive Plans (\$)			
Alexander (Sandy) Manson, President, Chief Executive Officer and a Director <sup>(2)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A	30,000	30,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	34,000	34,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	34,000	34,000
Clint Matthews, Chief Financial Officer <sup>(3)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A	25,000	25,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	25,000	25,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	25,000	25,000

Notes:

- (1) Represents the portion of compensation paid by the parent of the general partner of the Manager attributable to the time spent on services provided to the Corporation.
- (2) Mr. Manson does not receive any compensation for acting as a member of the Board. Mr. Manson also served as Chief Financial Officer of the Corporation until August 15, 2018.
- (3) Mr. Matthews is the Vice President, Finance of the Manager and was appointed Chief Financial Officer of the Corporation on August 15, 2018 in place of Mr. Manson.

### Director Compensation

Directors' compensation is subject to such amendments as the Nomination & Compensation Committee may determine from time to time. A member of the Board who is not an independent director does not receive any remuneration from the Corporation for serving as a member of the Board or any Board committee. The independent directors are paid fees of \$15,000 per independent director per annum for serving as an independent director of the Corporation. Beginning July, 2018, the Chair of the Board was paid an addition \$1,500 per month. The independent directors are also reimbursed for out-of-pocket expenses.

The following table discloses the compensation earned, paid or awarded, as the case may be, to each of the Corporation's independent directors during the fiscal year ended December 31, 2018. No person who served as a non-independent director of the Corporation during 2018 received any compensation for serving as a director of the Corporation.

Name	Fees Earned (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Stephen Pustil	15,000	-	-	-	15,000
Stewart J.L. Robertson	15,000	-	-	-	15,000
Gary M. Samuel	60,000	-	-	-	60,000

### Equity Compensation Plan Information

The Corporation currently has no equity compensation plans in place.

### Hedging and Compensation Risk

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

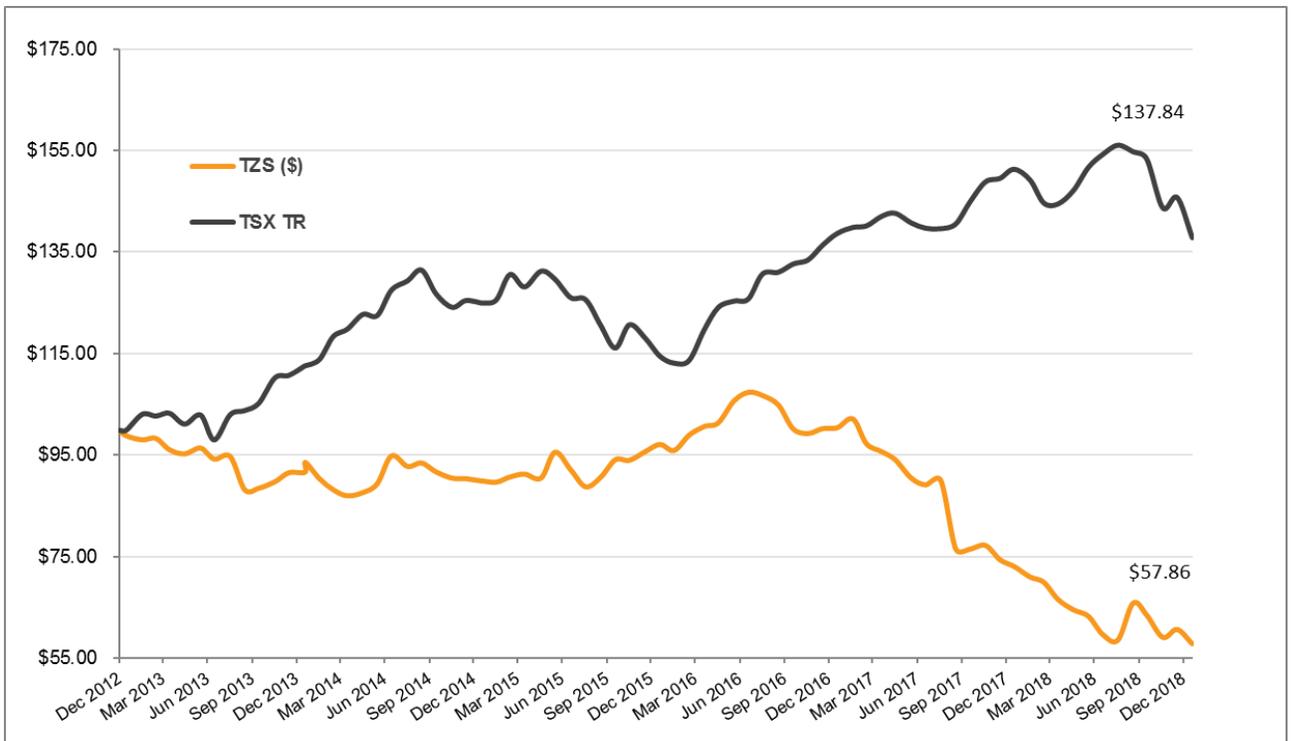
In light of the Corporation’s arrangement with the Manager, the Board does not believe it to be necessary to formally consider the implications of the risks associated with the Corporation’s compensation policies and practices.

### Insurance Coverage and Indemnification

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

### Share Performance Graph

The following graph compares the cumulative shareholder return for \$100.00 invested in Shares (with any cash dividends reinvested into Shares) on the TSX (symbol: TZS) with the cumulative return of the S&P/TSX Composite Total Return Index for the period from December 12, 2012 when the Shares commenced trading on the TSX to December 31, 2018.



Note: All distributions paid since August 15, 2016 have constituted returns of capital. Under the Orderly Wind-Up Plan, the Company is monetizing its assets and capital is being returned to shareholders under the supervision of the Board with assistance from the Manager.

	December 12, 2012 (\$)	December 31, 2012 (\$)	December 31, 2013 (\$)	December 31, 2014 (\$)	December 31, 2015 (\$)	December 31, 2016 (\$)	December 31, 2017 (\$)	December 31, 2018 (\$)
Shares <sup>(1)</sup>	100.00	99.90	93.16	89.91	97.10	100.38	73.64	57.86
S&P/TSX Composite Total Return Index <sup>(2)</sup>	100.00	100.65	110.27	124.98	114.52	138.67	151.28	137.84

Notes:

- (1) The cumulative return of the Shares is based on the closing prices of the Shares on the TSX on December 12, 2012, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016, December 31, 2017 and December 31, 2018 or, if there was no trading on such date, the closing price on the last trading day prior to such date. Cash dividends on Shares have been treated as being reinvested into additional Shares on the payment date of each dividend.
- (2) The S&P/TSX Composite Total Return Index is a total return index, the calculation of which includes dividends and distributions reinvested.

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

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

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

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

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

**AUDITOR**

KPMG LLP, Chartered Professional Accountants, is the auditor of the Corporation, which firm was first appointed as auditor on October 18, 2012.

### **SHAREHOLDER PROPOSALS**

To be eligible for inclusion in the Corporation's management information circular for the 2020 annual shareholder's meeting, shareholder proposals prepared in accordance with applicable requirements governing shareholder proposals must be received at the Corporation's office at 1700-745 Thurlow Street, Vancouver, British Columbia, Canada V6E 0C5, Attention: Mr. Ernie Nichiporik, Vice-President, Investor Services of the Manager on or before February 17, 2020.

### **ADDITIONAL INFORMATION**

Additional information, including financial information, relating to the Corporation, including the Corporation's comparative annual audited financial statements and MD&A for the year ended December 31, 2018 are available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the financial statements and MD&A for the year ended December 31, 2018 may also be obtained on request, at no cost, by contacting Mr. Ernie Nichiporik, Vice-President, Investor Services of the Manager by e-mail at [ernien@trezcapital.com](mailto:ernien@trezcapital.com) or by telephone at (778) 785-2533, or by contacting Investor Services at 1-877-689-0821 or by e-mail [investor-services@trezcapital.com](mailto:investor-services@trezcapital.com) or through the Manager's website at [www.trezcapital.com](http://www.trezcapital.com).

### **CERTIFICATE**

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

DATED at Toronto, Ontario as of May 17, 2019.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Alexander Manson"*

Alexander Manson  
President, Chief Executive  
Officer and Director

**SCHEDULE “A”  
BOARD OF DIRECTORS MANDATE**

**1.0 INTRODUCTION**

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

**2.0 PROCEDURES AND ORGANIZATION**

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

**3.0 BOARD MEETINGS**

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

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

#### **4.0 RESPONSIBILITIES**

- 4.1 As part of its stewardship responsibility, the Board is responsible for the following matters:
  - (1) Approving the strategic planning process of the Corporation.
  - (2) Reviewing, evaluating, proposing appropriate changes to, and approving, at least once annually, the business plan and financial goals of the Corporation as well as longer term strategic plans prepared and elaborated by Management, such strategic plans to take into account, among other things, the opportunities and risk of the Corporation's business.
  - (3) Monitoring, throughout the year, achievement of the Investment Objectives and goals set in accordance with the business plan and strategic plans.
  - (4) Reviewing and approving all securities continuous disclosure filings.
  - (5) Ensuring that it is properly informed, on a timely basis, of all important issues (including environmental, cash management and business development issues) and developments involving the Corporation and its business environment.
  - (6) Identifying, with Management, the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
  - (7) To the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the Corporation.
  - (8) Ensuring proper succession planning, including appointing, training and monitoring senior executives.
  - (9) Appointing, evaluating, and, if necessary, changing the Manager of the Corporation, subject to shareholder approval (as applicable).
  - (10) Adopting a communication and disclosure policy for the Corporation and monitoring investor relations programs.
  - (11) Developing the Corporation's approach to governance, including adopting and enforcing good corporate governance practices and processes.
  - (12) Taking reasonable steps to ensure the integrity of the Corporation's internal control and management information systems.
  - (13) Establishing and maintaining an audit committee of the Board (the "**Audit Committee**") and periodically reviewing the mandate of the Audit Committee.
  - (14) Receiving recommendations of the Audit Committee respecting, and reviewing and approving, the audited, interim and other publicly disclosed financial information of the Corporation.

- (15) Reviewing the Board's mandate annually and recommending and implementing changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board, the Audit Committee and each Directors.
- (16) Meeting regularly with Management to receive reports respecting the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, management concerns and any other areas of concern involving the Corporation.
- (17) Approving all matters of a material nature that are presented to the Board by Management.
- (18) Directing Management to ensure the Corporation operates at all times within Applicable Laws.

4.2 It is recognized that each Director, in exercising powers and discharging duties, must act honestly and in good faith with a view to the best interests of the Corporation. Directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

4.3 It is expected that each Director will have a high record of attendance, whether in person or by such means as permitted by Applicable Laws, at meetings of the Board and at meetings of each committee of which the Director .

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

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

## **6.0 CHAIR OF THE BOARD**

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

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

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

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

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

- (1) scheduling meetings of the Directors;

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

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

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