



EquityLine Mortgage Investment Corporation
Board Charter
August 4, 2020

1. Preamble

The Canada Business Corporations Act (CBCA) states that:

“Subject to any unanimous shareholder agreement, the directors shall manage, or supervise the management of, the business and affairs of a corporation.”

The structure of rules, practices, and processes by which this is accomplished is called corporate governance and a company's board of directors is the primary force influencing corporate governance. The board deploys its legal authority and collaborative processes to link the desires of owners with the actions of management in the allocation of the company's resources and the direction of its affairs to attain those purposes for which it exists.

2. Mandate

Overall, the Board of Directors is responsible for the stewardship of the Corporation with a goal of enhancing long-term shareholder value. Specifically, the Board is charged with these responsibilities:

- a. To the extent feasible, satisfying itself as to the integrity of the chief executive officer and other executive officers and that the chief executive officer and other executive officers create a culture of integrity throughout the Corporation.
- b. Adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which considers, among other things, the opportunities and risks of the business.
- c. Identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks.
- d. Succession planning (including appointing, training and monitoring senior management).
- e. Adopting a communication policy for the Corporation.
- f. Approving the Corporation's internal control and management information systems.
- g. Developing the Corporation's approach to corporate governance, including a set of corporate governance principles and guidelines that are applicable specifically to the Corporation.

3. Composition

- a. The number of directors to be elected at a meeting of the shareholders will be a minimum of 5 and a maximum of 9 directors, including the Board Chair, a majority of whom are Independent Directors (as that term is defined in Multilateral Instrument 52-110).
- b. Directors, when elected by the shareholders of the Corporation, hold office for the ensuing year or until their successors are elected or appointed
- c. Subject to election by the shareholders and the requirements of the applicable laws, the Company's charter documents and the rules of any stock exchanges on which the shares of the Company are listed, the CEO may be a member of the Board.
- d. The Board may from time to time designate one of its members to be the Board Chair.

4. Board Committees

From time to time the Board may establish standing committees to assist it in fulfilling its responsibilities, e.g. an audit committee, a governance committee, a compensation committee and the like. An audit committee or a compensation committee shall be composed entirely of "independent" directors (as such term is defined in MI 52-110).

Each committee shall have a written charter. At a minimum, each charter shall clearly establish the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter shall be reviewed by the Board (or a committee thereof) on at least an annual basis.

The Board is responsible for appointing directors to each committee in accordance with the written charter for each committee.

5. Expectations of Directors

The Board expects that each director will, among other things:

- a. Act honestly, in good faith and in the best interests of the Corporation – the duty of a fiduciary.
- b. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances – the duty of care.
- c. Commit the time and energy necessary to carry out his or her duties properly.
- d. Attend all Board and committee meetings, as applicable.
- e. Review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings.

6. Meetings and Participation

The Board shall meet at least once per quarter, or more frequently as circumstances dictate. The Board Chair or any two directors may call a meeting of the Board.

Meeting agendas will be prepared and provided to directors in advance, along with appropriate briefing materials. The agenda will be set by the Board Chair in consultation with other directors of the Board and senior management.

No business may be transacted by the Board except at a meeting at which a quorum of the Board is present. A quorum for meetings of the Board is a simple majority of its directors. The Board may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend meetings of the Board and participate in the discussions of the Board.

The independent directors shall meet in camera from time to time, that is without any member of management being present.

The Board shall keep minutes of its meetings in which shall be recorded all actions taken by it, which minutes shall be subsequently presented to the Board for review and approval.

7. Duties, Powers, and Responsibilities

1. Management Oversight

The Board is responsible for supervising management:

- a. Designating the officers of the Corporation, appointing such officers, specifying their duties and delegating to them the power to manage the day-to-day business and affairs of the Corporation,
- b. Reviewing the officers' performance and effectiveness, and
- c. Acting in a supervisory role, such that any duties and powers not delegated to the officers of the Corporation remain with the Board and its committees.

2. Strategic Planning

The Board is responsible for adopting a strategic planning process for the Corporation. At least annually, the Board shall approve the Corporation's strategic plan or an update to the

Corporation's long-term strategic plan, which shall consider, among other things, the opportunities and risks of the Corporation's business. The Board will:

- a. Consider and approve the Company's objectives and goals, its strategic plan to achieve those objectives and goals and approve any material changes thereto;
- b. Monitor and assess the resources required to implement the Company's strategic plan;
- c. Monitor and assess developments which may affect the Company's strategic plan;
- d. Evaluate and, as required, enhance the effectiveness of the strategic planning process;
- e. Monitor and, as required, enhance the execution of the strategic plan by management; and
- f. Monitor corporate performance against the Company's objectives and goals.

3. Risk Management

The Board is responsible for monitoring the principal risks of the Corporation's businesses and ensuring that those risks are effectively managed. Among other things, the Board shall review the Corporation's risk management policies and procedures. The Board may delegate to the Audit Committee responsibility for reviewing the Corporation's internal controls and risk management policies and procedures related to the finance and accounting aspects of the business.

The Board shall ensure that systems are in place to identify principal risks to the Corporation and its businesses and that appropriate procedures are in place to manage those risks and to address and comply with applicable regulatory, corporate, securities and other compliance matters. Specifically, the Board shall ensure that procedures are in place to comply with the law, the Corporation's by-laws, the Corporation's Code of Business Conduct and Ethics, all exemption orders issued in respect of the Corporation by applicable securities regulatory authorities and all other significant corporate policies and procedures.

4. Succession Planning

The Board is responsible for overseeing succession planning matters for officers and senior management, including the appointment, training and monitoring of such person. The Board is also responsible for:

- a. Generally ensuring depth in senior management;
- b. Reviewing candidates for senior management positions;
- c. Considering annually the organizational structure of the Corporation; and
- d. Considering annually other succession planning matters.

5. Communications Policy

The Board is responsible for adopting a communications policy that ensures that the Corporation communicates effectively with its shareholders, other stakeholders, and the public in general. The Corporate Disclosure Policy shall:

- a. Contain measures for the Corporation to comply with its continuous and timely disclosure requirements and to avoid selective disclosure;
- b. Address how the Corporation interacts with analysts, investors, other key stakeholders and the public; and
- c. Address who reviews and approves major Corporation announcements.

The Corporation shall maintain an investor relations function with the responsibility of maintaining communications with the investing public in accordance with the Corporate Disclosure Policy. The Board shall review the Corporate Disclosure Policy at least annually.

6. Internal Controls

The Board is responsible for ensuring the integrity of the Corporation's internal control and management information systems. The Board may delegate its responsibilities relating to the Corporation's internal control and management information systems to the Audit Committee.

7. Corporate Governance

The Board is responsible for developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation. The Board shall monitor and evaluate the effectiveness of the system of corporate governance at the Corporation, including the information requirements for the Board, the frequency and content of meetings and the need for any special meetings, communication processes between the Board and management, the charters of the Board and its committees and policies governing size and compensation of the Board. The Board may create and delegate its responsibilities relating to corporate governance to a Corporate Governance and Nominating Committee.

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