

TIMBERCREEK FINANCIAL CORP.

MANDATE OF THE BOARD OF DIRECTORS

1.0 MANDATE

1.1 The mandate of the board of directors (the “**Board**”) of Timbercreek Financial Corp. (the “**Corporation**”) is to be responsible for the stewardship of the Corporation.

1.2 This mandate includes, without limitation, being responsible for the matters set out in Section 3.0 below, fulfilling the duties of directors pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), 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 or to the management of the Corporation Timbercreek Asset Management Inc. or such other manager as may be appointed by the Corporation from time to time in accordance with the articles (the “**Articles**”) of the Corporation (“**Management**”).

1.3 Nothing contained in this mandate is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Corporation.

2.0 STRUCTURE

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 the Articles, collectively constitute the Board of Directors of the Corporation.

2.2 The composition of the Board, including the qualification of its members, shall comply with the constating documents of the Corporation, the OBCA as well as other applicable legislation, rules and regulations.

2.3 Except during temporary vacancies, a majority of the directors comprising the Board must be independent directors, as such term is defined under applicable securities laws.

2.4 The determination of whether a director is independent will be made by the Board on an annual basis and in accordance with applicable securities laws and stock exchange rules. In making such a determination, the Board will consider all relevant facts and circumstances, including without limitation, the director’s commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. To facilitate this review, directors may be asked to provide the board with information regarding their business and other relationships with the Corporation and its affiliates and with senior management and their affiliates. Directors have an ongoing obligation to inform the board of any material changes in their circumstances or relationships which may affect the Board’s determination as to their independence.

2.5 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 successors is so appointed. The Corporate Secretary shall be the Secretary of the Corporation.

2.6 The Board may assign to Board committees the prior review of any issues it is responsible for.

2.7 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.

2.8 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 goals and objectives as set out in the business plan and strategic plans of the Corporation.

2.9 The directors are not prohibited from serving on the board of other public entities, provided that these commitments do not materially interfere with and are not incompatible with their duties as a member of the Board.

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 member of the Board.

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 in camera independent director meetings following every scheduled Board meeting as well as following special Board meetings as deemed necessary.

3.4 The provisions of the Articles and By-laws of the Corporation that regulate meetings and proceedings shall govern Board meetings.

3.5 The Chairman shall propose and approve an agenda for each Board meeting. Each Board member is free to 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 directors should review these materials in advance of such meeting. The Board acknowledges that 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 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 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) Review the Board's mandate annually and recommend and implement changes as appropriate. The Board shall ensure that processes are in place to annually evaluate the performance of the Board, the Audit Committee and the 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 the Management.

(18) Directing the Management to ensure the Corporation operates at all times within applicable laws and regulations.

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

4.3 It is expected that each of the directors will have a high record of attendance, whether in person or by such means as permitted by the Articles and the Bylaws, at meetings of the Board and at meetings of each committee of which the director sits.

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 ORIENTATION OF NEW DIRECTORS AND CONTINUING EDUCATION

6.1 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 individual directors are expected to make.

6.2 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.