

## **TIMBERCREEK FINANCIAL CORP.**

### **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

#### **1.0 Establishment of Committee**

There will be a corporate governance and nominating committee (the “**Committee**”) of the board of directors (the “**Board**”) of Timbercreek Financial Corp. (the “**Corporation**”).

#### **2.0 Purpose**

The purpose of the Committee is to:

- (i) develop and recommend to the Board a set of corporate governance principles applicable to the Corporation;
- (ii) identify, evaluate and recommend candidates for nomination for election or appointment to the Board;
- (iii) evaluate the effectiveness and performance of the Board, committees of the Board and individual directors;
- (iv) review the annual report on corporate governance for inclusion in the Corporation’s annual report or management information circular in accordance with applicable legislation and stock exchange requirements; and
- (v) review the Corporation’s directors’ and officers’ liability insurance and indemnification policies.

#### **3.0 Membership and Procedure**

The Committee will be comprised of not less than three members of the Board, a majority of whom will be “independent” (as such term is defined for purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices).

The Board will appoint a chairperson of the Committee. The chairperson will provide leadership to the Committee in fulfilling its mandate and other matters delegated to it by the Board from time to time. If the chairperson of the Committee is not present at any meeting of the Committee, one of the other members of the Committee chosen by those members present at the meeting will preside at such meeting.

The members of the Committee will serve until their qualified successors are appointed. The Board will have the power at any time to change the membership of the Committee and to fill vacancies on it, subject to any independence requirements. Subject to the articles and by-laws of

the Corporation or any applicable governance guidelines of securities regulatory authorities or stock exchanges, the Committee will fix its own rules of procedure.

The Committee will not be entitled to delegate its responsibilities to any individual member or subcommittee.

The chairperson of the Committee will, on behalf of the Committee, report to the Board on matters considered by the Committee, its activities and compliance with this Charter.

#### **4.0 Meetings**

The Committee will meet at least twice per year and will meet at such other times during each year as it deems appropriate. In addition, the chairperson of the Committee may call additional meetings of the Committee at any time.

At any meeting of the Committee, a quorum will be not less than a majority of its members. The Committee will not transact business except at a meeting at which a quorum is present or by a resolution in writing signed by all the members of the Committee.

Notice of the time and place of every meeting will be given in writing (including by way of electronic mail or facsimile) to each member of the Committee at least 48 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive notice of a meeting; and attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

At the invitation of the chairperson of the Committee, one or more officers of the Corporation or the legal, financial or other advisors of the Corporation may attend any meeting of the Committee or part thereof.

#### **5.0 Responsibilities**

The responsibilities of the Committee will include the following:

##### **5.1 Overseeing Corporate Governance Matters**

- addressing the Corporation's approach to governance generally;
- developing a written mandate of the Board and a written position description for the chairperson of the Board;
- making recommendations respecting Board governance policies, such as limits on the number of boards of directors on which directors of the Corporation may sit and director retirement and succession;
- developing, reviewing and monitoring procedures for meeting the Board's information needs, including formal and informal access to Management;

- determining and reviewing, as applicable, the Corporation's orientation and continuing education programs for the Board to ensure that all directors of the Corporation fully understand: (i) the role of the Board and its committees; (ii) the contribution individual directors are expected to make, including the commitment of time and energy that the Corporation expects from its directors; and (iii) the nature and operation of the Corporation's business;
- recommending rules and guidelines governing and regulating the Board's affairs, including frequency and location of Board and committee meetings and the conduct of those meetings;
- reviewing the Corporation's codes or policies, assessing the adequacy of such codes and policies and recommending any proposed changes to such codes and policies to the Board;
- reviewing matters involving a conflict of interest between the Corporation and any director of the Corporation, and making recommendations to the Board in respect of any such matter;
- at the request of the Board or on its own initiative, investigating such other matters as it considers necessary or appropriate in the circumstances and obtaining advice and assistance from internal and external legal, accounting or other advisors, as appropriate; and
- monitoring and assessing the relationship between the Board and management of the Corporation ("**Management**"), including ensuring formal and informal access to Management, all in the context of the management agreement between the Corporation and the manager.

## **5.2 Evaluation, Identification and Recommendation of Nominees to the Board**

- regularly assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the characteristics, competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- based on the above assessments, identifying suitable candidates for membership on the Board, and recommending the criteria governing the overall composition of the Board and the desirable individual characteristics for directors, and in making such recommendations, the Committee should consider:
  - o the characteristics, competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - o the characteristics, competencies and skills that the Board considers each existing director to possess;

- o the policies and objectives set out in the diversity policy of the Corporation, including the benefits of diversity in order to maintain an optimum mix of skill, knowledge and experience on the Board;
- o the characteristics, competencies and skills each new nominee will bring to the Board; and
- o whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board;
- recommending the director candidates to be nominated for election to the Board at each annual meeting, and recommending candidates to fill vacancies on the Board that occur between annual meetings (resulting from either departures of directors or increases in the number of directors); and
- recommending the removal of a director in extraordinary circumstances.

### **5.3 Monitoring, Composition and Evaluation of Board Committees**

- in consultation with the chairperson of the Board, recommending to the Board the formation of committees of the Board;
- assisting the chairperson of the Board in determining Committee composition and the appropriate charter of each committee of the Board; and
- at least once every two years, reviewing and evaluating the functioning and performance of committees of the Board and making recommendations to the Board.

### **5.3 Directors' and Officers' Insurance**

- assessing the Corporation's directors' and officers' liability insurance coverage and making recommendations for its renewal or amendment or replacement of the insurer; and
- subject to applicable law, reviewing all policies and practices of the Corporation with respect to the indemnification of directors and officers by the Corporation and for approving all payments made pursuant to such policies and practices.

### **5.4 Committee Evaluation and Performance**

- at least once every two years, performing a self-evaluation to: (i) determine the Committee's effectiveness and performance; (ii) evaluate the Committee's succession plans related to the Committee membership; and (iii) review this Charter and, if required, recommend changes to the Board.

The Committee will have the authority to engage and compensate any outside advisor that it determines to be necessary to permit the Committee to carry out its duties.