



**Timbercreek Senior Mortgage Investment Corporation**

**Amended and Restated Canadian Dividend Reinvestment Plan  
Offering Circular**

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## INTRODUCTION

This amended and restated dividend reinvestment plan (the “**Plan**”) is effective as of November 20, 2013 and replaces in its entirety the dividend reinvestment plan (the “**Original Dividend Reinvestment Plan**”) established by Timbercreek Senior Mortgage Investment Corporation (the “**Corporation**”) on May 19, 2010.

The Plan provides eligible beneficial and registered holders of common shares (“**Common Shares**”) of the Corporation with a means to reinvest dividends declared and payable on such Common Shares in additional Common Shares. For the purpose of the Plan, “**Common Shares**” includes any Class A shares of the Corporation prior to their conversion into Common Shares on November 30, 2013 (or such other date as the Corporation may determine) pursuant to the amendment to the articles of the Corporation that came into effect on September 13, 2013.

Certain capitalized terms used herein have the meanings set forth in the Plan.

The following section answers frequently asked questions regarding the Plan but does not describe all of the provisions of the Plan. A copy of the Plan in its entirety is included beginning on page 6. In case of any differences between the information given in the Frequently Asked Questions part of this Offering Circular and the Plan, the provisions of the Plan will govern.

The final section of this document includes a summary of Canadian income tax consequences relating to participation in the Plan. This tax information is of a general nature only and you should consult your own tax advisor with respect to your own particular circumstances.

## **NOTICE TO NON-REGISTERED BENEFICIAL HOLDERS OF COMMON SHARES**

Non-registered beneficial holders of the Corporation's Common Shares (i.e. shareholders who hold their Common Shares through an intermediary such as a financial institution, broker or other nominee) should consult with that intermediary to determine the procedures for participation in the Plan. The administrative practices of such intermediaries may vary and accordingly the various dates by which actions must be taken and documentary requirements set out in the Plan may not be the same as those required by intermediaries. There may be a fee charged by some intermediaries to non-registered beneficial shareholders in respect of matters related to the Plan, which will not be covered by the Corporation or the Plan Agent.

## **FREQUENTLY ASKED QUESTIONS**

The following sets out summary answers to some basic questions you may have in relation to the Amended and Restated Dividend Reinvestment Plan (the “**Plan**”). All capitalized terms, unless otherwise defined herein, have the meaning set forth in the Plan. These summary answers are qualified in their entirety by the more detailed information set out in the Plan.

### **1. Why is the Corporation amending and restating the original Dividend Reinvestment Plan?**

The original Dividend Reinvestment Plan was available to eligible holders of Class A Shares. Pursuant to the amendment of certain share rights of the Class A Shares, Class B Shares, Class I Shares and Class J Shares in the articles of incorporation of the Corporation that came into effect on September 13, 2013, all of the Class A Shares, Class B Shares, Class I Shares and Class J Shares will be converted into Common Shares of the Corporation on November 30, 2013 (or such other date as the Corporation may determine) (the “**Exchange Date**”).

Consequently, the Corporation is amending and restating the original Dividend Reinvestment Plan and replacing it in its entirety with the Plan which will be available to eligible holders of Common Shares.

### **2. What is Timbercreek Senior Mortgage Investment Corporation’s Amended and Restated Dividend Reinvestment Plan?**

The Plan provides eligible Shareholders a convenient means to purchase additional Common Shares by reinvesting their cash dividends. Common Shares acquired under the Plan will be automatically enrolled in the Plan.

Shareholders who do not enroll their Common Shares in the Plan will continue to receive dividends in the usual manner.

### **3. Can I enroll only some of my Common Shares in the Plan?**

Shareholders may elect to enroll either 50% or 100% of their Common Shares for dividend reinvestment under the Plan.

### **4. What are some advantages of participating in the Plan?**

The Plan offers Shareholders a cost-effective means to purchase additional Common Shares through the reinvestment of dividends on a regular basis and in a convenient manner.

Participants in the Plan will dollar cost-average their Common Share purchases by reinvesting dividends under the Plan on a regular monthly basis. There will be a discount of 5% from the Average Market Price (as defined below) if the Corporation issues Common Shares from the treasury of the Corporation in connection with the reinvestment of dividends. The discount will not apply to Common Shares purchased on the open market under the Plan.

No administration fees are charged to participants by the Corporation or the Plan Agent for their participation in the Plan. The Corporation will pay for any brokerage commissions on purchases of shares under the Plan.

**5. Who is eligible to participate in the Plan?**

Participation in the Plan is restricted to holders of Common Shares who are residents of Canada for the purposes of the Tax Act (as defined below).

**6. How do I enroll in the Plan?**

If you are a beneficial holder, to participate in the Plan, you should contact the intermediary through which you hold your Common Shares (the “CDS Participant”). If you are a registered holder, you should contact the Plan Agent directly.

Once you have enrolled in the Plan, participation continues automatically until you terminate it, or until the Plan is terminated.

**7. If I was enrolled in the original Dividend Reinvestment Plan, do I have to enroll again in the Plan?**

If you are a holder of Class A Shares that was a plan participant in the original Dividend Reinvestment Plan as of the close of business on November 19, 2013, you are, without further action required by you, deemed to be a Plan Participant under the Plan.

**8. How will Common Shares be purchased for participants under the Plan?**

Cash dividends payable on Common Shares enrolled in the Plan will be aggregated and then used by the Plan Agent, to arrange for the purchase of Common Shares, either on the open market through a registered broker-dealer on the Toronto Stock Exchange (the “TSX”), or through a treasury issue by the Corporation at the discretion of the Manager. These new Common Shares issued pursuant to the Plan will be automatically enrolled in the Plan.

If the Manager elects for the purchase of Common Shares on the open market, and in the event that the Common Shares available in the market on the Dividend Payment Date is insufficient, the Plan Agent will purchase the remaining shares from Treasury.

**9. When will Common Shares be purchased for participants?**

All Common Shares will be purchased on the Dividend Payment Date (which is a date no later than the 15<sup>th</sup> day of the month or the immediately preceding Business Day in the event that the 15<sup>th</sup> day is not a Business Day) following a Dividend Record Date on which a Dividend has been declared.

**10. What will be the price of the Common Shares purchased under the Plan?**

If Common Shares are issued from treasury, the price will be 95% of the average of the daily volume weighted average trading prices of the Common Shares on the TSX for the five trading days in the Trading Period on which at least a board lot of Common Shares is traded.

If purchases of Common Shares under the Plan will be made on the open market, such additional Common Shares can be acquired at prevailing market rates.

The Corporation will announce by way of press release in dividend announcements whether purchases of Common Shares under the Plan will be made on the open market or from treasury.

**11. What kind of statements will I receive if I participate in the Plan?**

If you are a beneficial holder, you will receive information regarding reinvestment of dividends from your intermediary in accordance with your intermediary's administrative practices.

If you are a registered holder, the Plan Agent will provide you with a statement following each investment date.

**12. How do I terminate my participation in the Plan?**

If you are a beneficial holder and you wish to terminate your participation in the Plan, you should contact the intermediary through which you hold your Plan Shares sufficiently in advance of a particular Dividend Record Date. Each intermediary will have specific procedures on how to terminate participation in the Plan.

If you are a registered holder, you may terminate your participation in the Plan by contacting the Plan Agent at least five business days prior to a Dividend Record Date.

**13. Can I withdraw some or all of my Common Shares from the Plan?**

If you are a registered holder, you may withdraw some or all of your Plan Shares by contacting the Plan Agent at least five business days prior to a Dividend Record Date. You will receive a certificate for the number of whole Plan Shares withdrawn from your account typically within three weeks after the Plan Agent has given effect to the withdrawal.

**14. How do I sell Common Shares from the Plan?**

You should contact a broker if you wish to sell your Plan Shares.

**15. What is the cost of participation in the Plan**

The Corporation will be responsible for all administrative costs of the Plan, including any commissions and brokerage charges on share purchases or the fees or other expenses incurred by the Plan Agent in carrying out its duties.

There are no charges payable by a Plan Participant upon termination of participation in the Plan. However, any expenses associated with the preparation and delivery of a termination notice will be for the account of the Plan Participant exercising its right to terminate participation in the Plan.

**16. What are the tax consequences of participating in the Plan?**

Generally, you will be taxed on dividends that are reinvested in Common Shares under the Plan in the same manner as you would have if you had received the dividends in cash. For a summary of the general Canadian income tax implications of participating in the Plan please refer to “Canadian Tax Considerations” at the end of this Offering Circular. The summary is of a general nature only and shareholders should consult their own advisors for advice in respect of tax consequences relating to the Plan.

**Further questions regarding the Timbercreek Senior Mortgage Investment Corporation Dividend Reinvestment Plan should be directed to the Plan Agent at:**

CST Trust Company  
P.O. Box 700, Station B  
Montreal, Quebec H3B 3K3

Telephone: 1-800-387-0825 or (416) 682-3860  
Facsimile: 1-888-249-6189  
E-mail: [inquiries@canstockta.com](mailto:inquiries@canstockta.com)  
Or by visiting [www.canstockta.com](http://www.canstockta.com)



## TIMBERCREEK SENIOR MORTGAGE INVESTMENT CORPORATION AMENDED AND RESTATED DIVIDEND REINVESTMENT PLAN

### A. Purpose

Pursuant to the amendment of certain share rights of the Class A shares (“**Class A Shares**”) and Class B shares (“**Class B Shares**”), Class I shares (“**Class I Shares**”) and Class J shares (“**Class J Shares**”) of Timbercreek Senior Mortgage Investment Corporation (the “**Corporation**”) in the articles of incorporation of the Corporation that came into effect on September 13, 2013, all of the Class A Shares and Class B Shares will be converted into common shares (“**Common Shares**”) of the Corporation on November 30, 2013 (or such other date as the Corporation may determine) (the “**Exchange Date**”). For the purpose of the Plan, “**Common Shares**” includes any Class A shares of the Corporation prior to their conversion into Common Shares on the Exchange Date.

Consequently, effective as of November 20, 2013 (the “**Effective Date**”), the Timbercreek Senior Mortgage Investment Corporation Dividend Reinvestment Plan (the “**Original Dividend Reinvestment Plan**”) that came into effect on May 19, 2010 and that was available only to holders of Class A Shares, shall be amended and restated and replaced in its entirety with this Timbercreek Senior Mortgage Investment Corporation Amended and Restated Dividend Reinvestment Plan.

The Plan permits eligible beneficial and registered holders of Common Shares of the Corporation to automatically reinvest either 50% or 100% of the cash dividends paid on Common Shares in additional Common Shares in accordance with the terms and conditions set out herein.

All holders of Class A Shares that were plan participants in the Original Dividend Reinvestment Plan as of the close of business on the date immediately prior to the Effective Date are, without further action, deemed to be Plan Participants under the Plan.

### B. Definitions

As used herein, the following terms have the following meanings:

“**Agency Agreement**” means the amended and restated dividend reinvestment agency agreement entered into between the Corporation and the Plan Agent.

“**Average Market Price**” means the volume weighted average trading price of Shares on the TSX (or such other stock exchange on which the Common Shares are listed, if the Common Shares are no longer listed on the TSX) for the 5 trading days in the Trading Period on which at least a board lot of Shares is traded.

“**Business Day**” means any day on which the Plan Agent’s offices are generally open for the transaction of commercial business, but does not in any event include a Saturday, Sunday, civic or statutory holiday in the Province of Ontario or a day on which the TSX is not open for trading.

“**Class A Shares**” has the meaning ascribed thereto in Section A of the Plan.

“**Common Shares**” has the meaning ascribed thereto in Section A of the Plan.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee and includes any successor corporation or other depository in respect of the Common Shares.

“**CDS Participant**” means a participant in the CDS depository service, which includes securities brokers and dealers, banks trust companies and other financial institutions that holds Plan Shares on behalf of Plan Participants that are Non-Registered Shareholders.

“**Corporation**” means Timbercreek Senior Mortgage Investment Corporation.

“**Dividend Record Date**” means the last Business Day of each month and any other date designated by the board of directors of the Corporation as a record date for the determination of Shareholders entitled to receive Dividends.

“**Dividend Reinvestment Plan Enrollment Form**” means the enrollment form delivered by a Registered Shareholder to the Plan Agent to indicate such Registered Shareholder’s intention to participate in the Plan.

“**Dividend Payment Date**” means a day, which is no later than the 15<sup>th</sup> day of the month or the immediately preceding Business Day in the event that the 15<sup>th</sup> day is not a Business Day, following a Dividend Record Date on which a Dividend has been declared, on which the Corporation pays Dividends to Shareholders.

“**Dividends**” means dividends declared and payable in cash by the Corporation on the Common Shares beneficially held by the Plan Participants on a specific Dividend Record Date.

“**Effective Date**” has the meaning ascribed thereto in Section A of the Plan.

“**Exchange Date**” has the meaning ascribed thereto in Section A of the Plan.

“**Manager**” means Timbercreek Asset Management Inc., or such other manager as the Corporation may appoint from time to time.

“**Non-Registered Shareholder**” means a non-registered beneficial holder of Common Shares that are registered in the name of CDS.

“**Original Dividend Reinvestment Plan**” has the meaning ascribed thereto in Section A of the Plan.

“**Plan**” means this amended and restated dividend reinvestment plan of the Corporation, as may be amended from time to time.

“**Plan Agent**” means CST Trust Company or its successors or permitted assigns, as agent under the Plan.

“**Plan Participant**” means a Shareholder that (i) was a plan participant in the Original Dividend Reinvestment Plan as of the close of business on the date immediately prior to the Effective Date; or (ii) has notified the Plan Agent, either directly or via the applicable CDS Participant in accordance with the terms and conditions set out herein, that such Shareholder wishes to participate in the Plan.

“**Plan Shares**” means (i) with respect to the period up to the Exchange Date, Class A Shares of the Corporation purchased under the Original Dividend Reinvestment Plan by the Plan Agent for the Plan

Participants; and (ii) with respect to the period starting on and from the Exchange Date, Common Shares of the Corporation purchased under the Plan by the Plan Agent for the Plan Participants, as the context may require.

**“Registered Shareholder”** means a holder of Common Shares that are registered directly in the name of such holder.

**“Shareholders”** means, collectively, Non-Registered Shareholders and Registered Shareholders, and **“Shareholder”** means any one of the foregoing, as the context may require.

**“Tax Act”** means the *Income Tax Act* (Canada).

**“Trading Period”** means the 5 trading day period ending on the third business day immediately prior to the current Dividend Payment Date.

**“TSX”** means The Toronto Stock Exchange.

## C. Participation in the Plan

Participation in the Plan is restricted to Shareholders who are residents of Canada for the purposes of the Tax Act. Neither the Plan Agent nor CDS will have any duty to inquire into the residency status of the Plan Participants, nor will the Plan Agent or CDS be required to know the residency status of Plan Participants other than as notified by a CDS Participant or the Manager.

### 1. **Existing Plan Participants**

All holders of Class A Shares that were plan participants in the Original Dividend Reinvestment Plan as of the close of business on the date immediately prior to the Effective Date are, without further action, deemed to be Plan Participants under the Plan.

### 2. **Notice of Participation**

In addition, any Shareholder who is eligible, as prescribed below, may participate in the Plan by:

#### (i) **if the Shareholder is a Non-Registered Shareholder:**

- (a) notifying the CDS Participant through which the Shareholder holds its Common Shares of the Shareholder's intention to participate in the Plan. The CDS Participant must, on behalf of the Shareholder, advise CDS of such Shareholder's participation in the Plan by no later than the relevant Dividend Record Date. CDS shall, in turn, notify the Plan Agent no later than 2:00pm (Toronto time) on the Business Day immediately following the Dividend Record Date of such Shareholder's participation in the Plan; OR
- (b) instructing their CDS Participant to transfer the Common Shares into their own name, such that they become a Registered Shareholder, and then by following the procedures for Registered Shareholders as described below.

#### (ii) **if the Shareholder is a Registered Shareholder:**

duly completing a Dividend Reinvestment Plan Enrollment Form in respect of such Shareholder's intention to participate in the Plan and (i) delivering it to the Plan Agent via mail or fax as specified on the Dividend Reinvestment Plan Enrollment Form or (ii) if the Registered Shareholder has registered for the Plan Agent's secure online service AnswerLine™, by enrolling electronically via AnswerLine™ at [www.canstockta.com](http://www.canstockta.com) (go to "Investor Services" and "AnswerLine™"), in either case no later than five Business Days immediately preceding a Dividend Record Date.

A Dividend Reinvestment Plan Enrollment Form may be obtained by contacting the Plan Agent at the address set out in "Notices" below or online at [www.canstockta.com](http://www.canstockta.com).

If a Dividend Reinvestment Plan Enrollment Form or online enrollment is received after the deadline by the Plan Agent, the current distribution will be paid to the relevant Shareholder in cash.

### 3. **Percentage of Shares Eligible for Enrollment**

Shareholders may elect to enroll either 50% or 100% of their Shares in the Plan.

## D. Termination of Participation

### **Non-Registered Shareholders**

Plan Participants that are Non-Registered Shareholders may voluntarily terminate their participation in the Plan as of a particular Dividend Record Date by notifying their CDS Participant sufficiently in advance of that Dividend Record Date. Plan Participants should contact their CDS Participant for appropriate procedures. Beginning on the first Dividend Payment Date after such termination is effective, dividends to such Non-Registered Shareholders will be made in cash. Any expenses associated with the preparation and delivery of a termination notice will be for the account of the Plan Participant exercising its right to terminate participation in the Plan.

### **Registered Shareholders**

Plan Participants that are Registered Shareholders may voluntarily terminate their participation in the Plan as of a particular Dividend Record Date by (i) delivering written notice of their intention to terminate to the Plan Agent via mail or fax or (ii) if the Registered Shareholder has registered for the Plan Agent's secure online service AnswerLine™, by submitting a termination request electronically via AnswerLine™ at [www.canstockta.com](http://www.canstockta.com) (go to "Investor Services" and "AnswerLine™"), in either case at least five Business Days prior to the relevant Dividend Record Date. If such notice or termination request is received by the Plan Agent after the foregoing deadline, the termination shall be processed promptly following the next Dividend Payment Date.

A Registered Shareholder that has terminated its participation in accordance with the above process will receive, typically within three weeks after the Plan Agent gives effect to the termination, a certificate for the number of whole Plan Shares held for such Registered Shareholder's account, together with a cheque for any fractional Plan Shares, on the basis of the closing price of the Common Shares on the last trading day prior to the effective date of termination.

Beginning on the first Dividend Payment Date after such termination is effective, dividends to such Registered Shareholders will be made in cash.

### **Corporation's Right to Terminate**

The Corporation reserves the right to terminate the right of a Plan Participant to participate in the Plan where such Plan Participant has failed to comply with the terms of the Plan or, in the reasonable opinion of the Corporation, has abused the Plan to the detriment of the Corporation or its Shareholders.

## **E. Withdrawal of Plan Shares by Registered Shareholders**

Plan Participants that are Registered Shareholders may withdraw some or all of their whole Plan Shares by (i) delivering written notice of such withdrawal to the Plan Agent by mail or fax, or (ii) if the Registered Shareholder has registered for the Plan Agent's secure online service AnswerLine™, by submitting a withdrawal request electronically via AnswerLine™ at [www.canstockta.com](http://www.canstockta.com) (go to "Investor Services" and "AnswerLine™"), in either case at least five Business Days prior to any Dividend Record Date. If such notice or withdrawal request is received by the Plan Agent after the foregoing deadline, the withdrawal shall be processed promptly following the next Dividend Payment Date.

A Registered Shareholder that has withdrawn some or all of its Plan Shares in accordance with the above process will receive, typically within three weeks after the Plan Agent gives effect to the withdrawal, a certificate for the number of whole Plan Shares withdrawn from such Registered Shareholder's account.

## **F. Administration**

On each Dividend Payment Date, the Corporation shall pay to the Plan Agent, on behalf of the Plan Participants, all amounts paid as Dividends in respect of the Common Shares (including Plan Shares) of which Plan Participants were beneficial or registered owners as of the applicable Dividend Record Date and which have been enrolled by such Plan Participants in the Plan. The Plan Agent shall purchase Plan Shares for the Plan Participants on the terms and conditions set out in the Agency Agreement, which are duly described below under “Purchase of Plan Shares by Plan Agent”.

With respect to Plan Participants that are Non-Registered Shareholders, Plan Shares purchased from treasury or the market will be credited by the Plan Agent to CDS and CDS shall in turn, on a pro rata basis based on such Plan Participants’ respective entitlement to the Distributions used to purchase Plan Shares, credit such Plan Shares to the account of the applicable CDS Participant through whom such Plan Participants hold Plan Shares.

With respect to Plan Participants that are Registered Shareholders, Plan Shares purchased from treasury or the market will be held by the Plan Agent for the account of such Plan Participants and will be registered in the name of the Plan Agent or its nominee or in accounts designated by the Plan Agent for the account of such Plan Participants. A share certificate for such Plan Shares will only be issued to such Plan Participants if the Plan or such Plan Participant’s participation therein is terminated in accordance with the terms and conditions herein or if such Plan Participant withdraws Plan Shares from its account in accordance with the terms and conditions herein.

Plan Shares held by the Plan Agent for a Plan Participant may not be pledged, sold or otherwise disposed of by the Plan Participant while so held.

## **G. Purchase of Plan Shares by Plan Agent**

**Purchase Decision:** Dividends due to the Plan Participants will be applied, on behalf of Plan Participants, to purchase Plan Shares. Such purchases will be made directly from the Corporation or on the open market. Not less than two Business Days prior to the Dividend Payment Date, the Manager will notify the Plan Agent in writing with respect to whether the Plan Agent must purchase Plan Shares in respect of that Dividend Payment Date from the treasury of the Corporation or on the open market.

**Purchase from Treasury:** If the Manager elects for the purchase by the Plan Agent of Plan Shares from treasury, the Plan Shares will be purchased by the Plan Agent from the treasury of the Corporation on such applicable Dividend Payment Date, and the Corporation will issue to the Plan Agent that number of new whole Plan Shares from the treasury of the Corporation equal to the amount of the dividend reinvested by the Plan Participant at a price of 95% of the Average Market Price (the “**Discounted Average Market Price**”). The Corporation will advise the Plan Agent of the Average Market Price and the Discounted Average Market Price for Shares 2 business days prior to that Dividend Payment Date.

**Market Purchase:** If the Manager elects for the purchase by the Plan Agent of Plan Shares on the open market, the Plan Shares will be purchased by the Plan Agent on the open market. The Plan Agent shall purchase Plan Shares on each applicable Dividend Payment Date at prevailing market rates and the purchase price of such Plan Shares will be deemed to be the volume weighted average of the price of such Plan Shares purchased by the Plan Agent on behalf of all Plan Participants (the “**Market Purchase Price**”). In the event that the Common Shares available in the market on the Dividend Payment Date is insufficient, the Plan Agent will purchase the remaining Common Shares from treasury at the Average Market Price. With respect to the Common Shares purchased on both the open market and from

treasury in accordance with the foregoing, the purchase price of such Common Shares will be deemed to be the volume weighted average of the Market Purchase Price and the Average Market Price.

#### **H. Fractional Shares**

Full reinvestment is possible under the Plan as the Plan Agent will credit to the account of each Plan Participant, on each reinvestment made under the Plan, fractional Plan Shares, calculated to three decimal places, for any amount that cannot be reinvested in whole Plan Shares. The crediting of fractional Plan Shares in favour of Non-Registered Shareholders who participate in the Plan through a CDS Participant will depend on the policies of that CDS Participant.

In the event of a termination by a Plan Participant that is a Registered Shareholder of its participation in the Plan, or termination of the Plan, a Plan Participant will be entitled to receive a cheque in payment of the value of any fractional Plan Shares remaining in the Plan Participant's account. Upon such payment being sent to the Plan Participant, the Plan Participant's fractional Plan Shares will be deemed to be cancelled. Any such payment will be made, pursuant to the Plan, in Canadian currency.

#### **I. Insufficient Funds**

The Plan Agent shall not be obligated to purchase any Plan Shares in the event that it has insufficient funds in order to carry out its duties.

#### **J. Voting of Plan Shares**

Plan Shares may be voted in the same manner as the Plan Participants' other Shares may be voted.

#### **K. Statement of Account**

A Plan Participant that is a Non-Registered Shareholder will receive, from his, her or its CDS Participant for tax reporting purposes, confirmations of the number of Plan Shares issued to such Plan Participant under the Plan in accordance with the CDS Participant's usual practice.

A Plan Participant that is a Registered Shareholder will receive from the Plan Agent, for tax reporting purposes, a statement confirming the number of Plan Shares issued to such Plan Participant as soon as possible following each Dividend Payment Date.

Regardless of whether it receives detailed statements or reports concerning transactions made on its behalf under the Plan, each Plan Participant is responsible for calculating and monitoring its own adjusted cost base in Shares for Canadian federal income tax purposes.

#### **L. Commissions and Administrative Costs**

All administrative costs of the Plan, including any commissions and brokerage charges associated with Plan Shares purchased in the market and the fees and other expenses incurred by the Plan Agent in carrying out its duties as Plan Agent, will be borne by the Corporation.

#### **M. Use of Proceeds**

Proceeds received by the Corporation upon the purchase of Plan Shares from treasury will be invested in accordance with the investment objectives, investment strategy, and investment criteria and subject to the investment restrictions, of the Corporation, all described in the Corporation's continuous disclosure documents available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **N. Responsibilities of the Corporation, the Manager and the Plan Agent**

None of the Corporation, the Manager, or the Plan Agent are liable for any act done by any of them in good faith or for any good faith omission to act in connection with the operation of the Plan. In particular, none of the Corporation, the Manager or the Plan Agent shall have any liability with respect to:

(a) the prices at which Plan Shares are purchased for the Plan Participants' accounts or the times at which such purchases are made; and

(b) any action or responsibilities of CDS or CDS Participants in relation to the Plan.

Plan Participants should recognize that none of the Corporation, the Manager or the Plan Agent can assure a gain or protect against a loss as a result of Plan Participants holding Plan Shares.

#### **O. Amendments, Suspension or Termination of Plan and Plan Agent**

The Manager may terminate the Plan in its sole discretion, upon written notice to: (i) the TSX, (ii) CDS for onward forwarding to the CDS Participants; (iii) the Plan Participants that are Registered Shareholders; and (iv) the Plan Agent. The Manager may also amend, modify or suspend the Plan at any time in its sole discretion, provided that the Manager complies with requirements as imposed by applicable regulatory authorities from time to time and gives notice of that amendment, modification or suspension to: (i) the TSX; (ii) CDS for onward forwarding to the CDS Participants; (iii) the Plan Participants that are Registered Shareholders; and (iv) the Plan Agent. The Plan will terminate automatically upon the dissolution or winding-up of the Corporation.

The Manager may, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan, subject to the approval of the TSX (if required by the TSX rules).

The Manager may, in its sole discretion, and upon at least 90 days' written notice to the Plan Agent, remove the Plan Agent and appoint a new Plan Agent. Similarly, the Plan Agent may resign as agent under the Plan upon at least 90 days' written notice to the Manager and upon delivery to the Manager of all documents and monies being held by the Plan Agent on the Corporation's behalf pursuant to the Agency Agreement.

The Corporation is not required to issue Plan Shares to Shareholders in any jurisdiction where that issuance would be illegal.

#### **P. Rules and Regulations**

The Corporation may, in consultation with the Plan Agent, from time to time adopt rules and regulations to facilitate the administration of the Plan. The Corporation reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.



## **Q. No Personal Liability**

No Shareholder will have any personal liability and no resort will be had to, nor recourse or satisfaction sought from, the property or assets of the Corporation, the Manager, the members of the mortgage advisory committee, any Shareholder, or any director, officer, employee of the Corporation or the Manager for any liability whatsoever to any person in connection with the property of the Corporation or its affairs, including for satisfaction of any obligations or claims arising out of or in connection with the Plan.

## **R. Notices**

All notices, documents or payments required to be given to Plan Participants that are Non-Registered Shareholders by the Corporation will be validly given if given to CDS, to be further provided to the CDS Participants through which they hold their Plan Shares.

All notices, documents or payments required to be given to Plan Participants that are Registered Shareholders by the Corporation will be validly given if given to such Plan Participants at their respective addresses as recorded in the register of Shareholders maintained by or on behalf of the Corporation.

Communication with the Plan Agent shall be addressed to:

CST Trust Company  
P.O. Box 700, Station B  
Montreal, Quebec H3B 3K3

Telephone: 1-800-387-0825 or (416) 682-3860  
Facsimile: 1-888-249-6189  
E-mail: [inquiries@canstockta.com](mailto:inquiries@canstockta.com)  
Or by visiting [www.canstockta.com](http://www.canstockta.com)

Written communications to the Corporation or the Manager shall be addressed to:

Timbercreek Asset Management Inc.  
1000 Yonge Street, Suite 500  
Toronto, Ontario  
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## **S. Effective Date**

The effective date of the Plan is November 20, 2013.

## CANADIAN INCOME TAX CONSEQUENCES

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a Plan Participant who, at all relevant times and for purposes of the Tax Act, is a resident of Canada, holds its Common Shares as capital property, and deals at arm's length with the Corporation.

This summary is based on the current provisions of the Tax Act, the regulations made under the Tax Act (the "Regulations") and all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to October 10, 2013 and the current published administrative policies and assessing practices of the Canada Revenue Agency published in writing by it prior to October 10, 2013. This summary does not take into account or anticipate any other changes in law and does not take into account Canadian provincial or territorial income tax laws or laws of any country other than Canada.

This summary assumes that, a Plan Participant is not a "specified financial institution" or a "financial institution" for purposes of "mark-to-market" rules in the Tax Act, and has not elected to determine its Canadian tax results in a "functional currency" other than Canadian dollars for purposes of the Tax Act.

Plan Participants generally will be subject to tax under the Tax Act on all dividends which are reinvested in Common Shares in the same manner as they would have been if they had received the dividends in cash. Generally, a Shareholder is required to include in its income, as interest payable on a bond issued by the Corporation, any amount received by the Shareholder from the Corporation as or on account of a taxable dividend (other than capital gains dividends). The gross-up and dividend tax credit rules applicable to taxable dividends received by individuals from a taxable Canadian corporation will not apply to dividends paid by the Corporation.

Based on the Canada Revenue Agency's administrative policy, the purchase by a Plan Participant of Common Shares pursuant to the Plan at a discount that is not greater than 5% from the Average Market Price generally will not result in such Plan Participant being required to include an amount on account of such discount in computing its income for purposes of the Tax Act.

The cost to a Plan Participant of Common Shares acquired under the Plan will be the amount paid for such shares by the Plan Agent. For purposes of computing the adjusted cost base of a Plan Participant's Common Shares, the cost of the acquired Common Shares will be averaged with the adjusted cost base of all other Common Shares held by the Plan Participant. A Plan Participant may realize a capital gain (or loss) on the disposition of Plan Shares.

**The foregoing summary is general in nature and is not intended to constitute advice to shareholders regarding tax matters. Shareholders should consult their own advisors for advice on the tax consequences of participation in the Plan.**