

TIMBERCREEK FINANCIAL CORP.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE POLICY

TIMBERCREEK FINANCIAL CORPORATION'S COMMITMENT TO ESG

The purpose of this policy (the "Policy") is to codify Timbercreek Financial Corporation ("TF")'s approach to Environmental, Social and Governance ("ESG") management.

TF has a strong commitment to the development and practice of an ESG regime. TF's philosophy is founded on the commitment that acting responsibly toward various stakeholders is a key element in the operation of a successful and sustainable business. This is reflected in the attention and care provided to ESG by our Board of Directors and senior leadership team. Our view of ESG considerations are those factors that potentially or actually have a significant impact on the business's ability to create and maintain economic, environmental or social value for itself and its stakeholders. We believe that the approach to an effective ESG policy is one that evolves with time and involves a continuous and ongoing process of evaluation and improvement.

As a leading Canadian Mortgage Investment Corporation and a lender in the real estate sector, TF does not have any employees of its own or a physical corporate facility. Rather, TF's business is operated by its manager, Timbercreek Capital Inc. ("TCAP") and TF relies on TCAP to ensure its adherence to ESG policies and practices as it relates to TF's lending activities. TCAP, as manager, is a sophisticated private debt management organization and promotes ESG principals and practices in its origination and underwriting, portfolio management and asset management groups, among others.

TCAP strives to remain apprised of the latest guidance from common ESG frameworks in North American Real Estate such as the Principles for Responsible Investment and the Suitability Accounting Standards Board in its approach to ESG principles and practices. TCAP has its own ESG policy and this policy is attached hereto as Schedule "A".

While neither TF nor TCAP have direct control over the operations of our borrowers, we believe that ESG performance is crucial at our borrowers' organizational level. As part of TCAP's due diligence process, TCAP asks prospective borrowers to disclose information on their organization's ESG-related goals, commitments and performance and incorporate ESG principles in its loan evaluation and approval process.

TCAP's origination and underwriting group evaluates potential loans using a process that incorporates financially material ESG factors. These include evaluation of the following types of factors:

- Borrower credit quality
- Identification of high risk assets and mitigation strategies

- Individualized loan pricing and terms
- Environmental site assessment results
- Property condition assessment results
- Climate and natural hazard risk
- Insurance requirements including climate and natural hazard risk insurance
- Standardized clauses
- Green building certification (LEED or BREEAM)
- ENERGY STAR score / certification
- Metrics for access to public or sustainable transportation, such as Bike Score, Walk Score and
- Transit Score

In addition, once potential loans are recommended to TCAP's Investment Committee for approval, the Investment Committee which is comprised of TCAP's Chief Executive Officer, Chief Investment Officer, Head of Global Credit and a revolving fourth member depending on geography (Canada/US or Ireland) conducts a risk analysis that includes consideration of ESG principles in its approval process.

Following loan approval, TCAP's portfolio management and asset management groups continue to conduct ongoing risk assessments and evaluations which involve consideration of ESG factors and will flag potential issues or exposures to the organization.

TCAP is also committed to the development and maintenance of strong governance practices in relation to ESG. These include the following:

- The creation of a strong risk and asset management culture with leadership from a permanent member of the Investment Committee
- Firm leadership (eg. C-Suite and Board) involvement in setting and monitoring ESG policies and processes
- The creation of ESG policies and processes that align with industry practices
- Formal ESG responsibilities through an ESG committee
- Strong legal and compliance staff in-house
- A broader TCAP Risk and Compliance Committee
- Experience in large institutional investment standards and processes with professional risk management capabilities
- Seasoned investment professional team for whom ESG can be an extension of their knowledge base
- Other governance documents including the Whistle-Blower Policy, TCAP's Code of Business Conduct and Ethics, various codes of conduct of affiliates including the Timbercreek Financial Timely Disclosure, Confidentiality and Insider Trading Policy, etc.
- The creation of general risk assessments for example, in relation to anti-money laundering and bribery, fraud, cybersecurity, data protection and the like

ESG is the responsibility of TF's Corporate Governance and Nominating Committee ("CGNC") and TCAP's ESG committee reports annually to the CGNC to provide updated progress on the ESG program.

CONCLUSION

In summary, TF is dedicated to the development and practice of an effective ESG regime, as demonstrated by its Board of Directors and senior leadership team. TF ensures that TCAP, in its capacity as TF's manager, takes an ESG-informed approach to conducting and managing TF's lending activities.

This Policy reflects TF's approach to ESG management and has been prepared under the supervision of the Chief Executive Officer and the General Counsel. TF remains committed to conducting ongoing review of its practices and policies and, as such, this Policy will be reviewed and updated periodically, as appropriate.

Approved by the Board as of May 6, 2024.