



**Timbercreek Mortgage Investment Corporation**

**Canadian Dividend Reinvestment Plan  
Offering Circular**

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## INTRODUCTION

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Timbercreek Mortgage Investment Corporation (the “Fund”) has established this dividend reinvestment plan (the “Plan”) to provide beneficial holders of class A shares of the Fund (“Class A Shares”) with a means to reinvest dividends on the Class A Shares declared and payable to them in additional Class A Shares, as described herein.

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 Canadian income tax considerations 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 CLASS A SHARES**

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Non-registered beneficial holders of the Fund's Class A Shares (i.e. shareholders who hold their Class A 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 Fund or the Plan Agent.

### **1. What is Timbercreek Mortgage Investment Corporation's Dividend Reinvestment Plan?**

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

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

### **2. Can I enroll only some of my Class A Shares in the Plan?**

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

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

The Plan offers Shareholders a cost-effective means to purchase additional Class A 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 Fund issues Class A Shares from the treasury of the Fund in connection with the reinvestment of dividends. The discount will not apply to Class A Shares purchased on the open market under the Plan.

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

### **4. Who is eligible to participate in the Plan?**

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

### **5. How do I enroll in the Plan?**

To participate in the Plan, you should contact the intermediary through which you hold your Class A Shares (the "CDS Participant") to participate in the Plan.

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

**6. How will Class A Shares be purchased for participants under the Plan?**

Cash dividends payable on Class A Shares enrolled in the Plan will be aggregated and then used by the Plan Agent, to arrange for the purchase of Class A Shares, either on the open market through a registered broker-dealer on the Toronto Stock Exchange, or through a treasury issue by the Fund at the discretion of the Board of Directors of the Fund. These new Class A Shares issued pursuant to the Plan will be automatically enrolled in the Plan.

**7. When will Class A Shares be purchased for participants?**

For dividend reinvestment, Class A 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. In the event that the Class A Shares available in the market on the Dividend Payment Date is insufficient, the Plan Agent will purchase the remaining shares from Treasury.

**8. What will be the price of the Class A Shares purchased under the Plan?**

If Class A Shares are issued from treasury, the price will be 95% of the average of the daily volume weighted average trading prices of the Class A Shares on the Toronto Stock Exchange (the "TSX") for the 10 trading days in the Trading Period on which at least a board lot of Class A Shares is traded, which price will not be less than the NRV per Class A Share.

If purchases of Class A Shares under the Plan will be made on the open market, such additional Class A Shares can be acquired at prevailing market rates not exceeding 115% of the volume weighted average trading price of the Class A Shares on the TSX for the ten trading days in the Trading Period on which at least a board lot of Class A Shares is traded immediately preceding the date that Class A Shares are purchased.

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

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

You will receive information regarding reinvestment of dividends from your intermediary in accordance with your intermediary's administrative practices.

**10. How do I withdraw some or all of my Class A Shares from the Plan?**

To terminate your participation in the Plan, you should contact the intermediary through which you hold your Class A Shares sufficiently in advance of a particular Dividend Record Date. Each intermediary will have specific procedures on how to terminate participation in the Plan.

#### **11. How do I sell Class A Shares from the Plan?**

You should contact the intermediary through which you hold your Class A Shares if you wish to sell your Class A Shares enrolled in the Plan.

#### **12. What is the cost of participation in the Plan**

The Fund will be responsible for all administrative costs of the Plan, including any brokerage commissions on share purchases or the fees or other expenses of the Plan Agent. There are no charges payable by a participant upon termination of participation in the Plan.

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

Generally, you will be taxed on dividends that are reinvested in Class A 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 Mortgage Investment Corporation Dividend Reinvestment Plan should be directed to the Plan Agent at:**

CIBC Mellon Trust Company  
Attention: Dividend Reinvestment  
Department  
P.O. Box 7010  
Adelaide Street Postal Station  
Toronto, Ontario M5C 2W9

Telephone: 1-800-387-0825  
Facsimile: 416-643-5501  
Email: [inquiries@cibcmellon.com](mailto:inquiries@cibcmellon.com)  
On the Web: [www.cibcmellon.com/investor](http://www.cibcmellon.com/investor)

**A. Purpose**

The Timbercreek Mortgage Investment Corporation Dividend Reinvestment Plan permits eligible holders of Class A Shares to automatically reinvest either 50% or 100% of the cash dividends paid on Class A Shares in additional Class A Shares.

**B. Definitions**

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

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

**“Average Market Price”** means the volume weighted average trading price of Class A Shares on the TSX (or such other stock exchange on which the Class A Shares are listed, if the Class A Shares are no longer listed on the TSX) for the 10 trading days in the Trading Period on which at least a board lot of Class A 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”** means the non-voting Class A shares in the capital of the Fund.

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

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

**“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 Fund pays Dividends to Class A Shareholders.

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

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

**“Fund Advisor”** means Timbercreek Investment Management Inc.

**“Fund Manager”** means Timbercreek Asset Management Inc.

**“Participation Notice”** means the notice given by a CDS Participant to CDS to indicate a Shareholder’s participation in the Plan.

**“Plan”** means the dividend reinvestment plan of the Fund described herein.

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

**“Plan Participant”** means a Shareholder who has notified the Fund Manager and the Plan Agent via the applicable CDS Participant that such Shareholder wishes to participate in the Plan.

**“Plan Shares”** means the Class A Shares of the Fund purchased under the Plan by the Plan Agent for the Plan Participants.

**“NRV per Class A Share”** means the net redemption value per Class A Share on the 15<sup>th</sup> day of the month preceding the Dividend Record Date, as calculated in accordance with the terms of the Class A Shares and published by the Fund Manager, or its designate.

**“Shareholder”** means a non-registered beneficial holder of Class A Shares registered in the name of CDS.

**“Tax Act”** means the *Income Tax Act* (Canada) and includes the regulations promulgated thereunder.

**“Trading Period”** means the 10 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**

Any Shareholder who is eligible, as prescribed below, may participate in the plan by notifying the CDS Participant through which the Shareholder holds its Shares of the Shareholder's intention to participate in the Plan. The CDS Participant must, on behalf of the Shareholder, provide a Participation Notice to CDS of the Shareholder's participation in the Plan no later than 4:00 p.m. (Toronto time) on the Dividend Record Date. CDS shall, in turn, notify the Plan Agent no later than 10:00 a.m. (Toronto time) on the Business Day immediately following the Dividend Record Date of such Shareholder's participation in the Plan. If a Participation Notice is received after the deadline by the Plan Agent the current distribution will be paid to the Shareholder in cash.

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

Participation in the Plan is restricted to Class A Shareholders who are residents of Canada for the purposes of the Tax Act. The Plan Agent will not have any duty to inquire into the residency status or partnership status of the Plan Participants, nor will the Plan Agent be required to know the residency status of Plan Participants other than as notified by CDS Participant or the Fund Manager.

Plan Participants 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 notice is received by CDS, dividends to such Class A 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.

### **D. Administration**

On each Dividend Payment Date, the Fund shall pay to the Plan Agent, on behalf of the Plan Participants, all amounts paid as Dividends in respect of the Class A Shares (including Plan Shares) for which Plan Participants were beneficial owners as of the applicable Dividend Record Date. 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".

The Fund expects to permit Dividends to be reinvested pursuant to and in accordance with the Plan and Agency Agreement for Plan Participants commencing with the Dividend anticipated to be declared and payable to Class A Shareholders of record on ●.

Plan Shares will be credited by CDS for the benefit of a Plan Participant to the account of the applicable CDS Participant through whom a Plan Participant holds Class A Shares.

## **E. 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 Fund or on the open market. Not less than two Business Days prior to the Dividend Payment Date, the Fund, 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 Fund or on the open market.

**Purchase from Treasury:** In accordance with the Purchase Decision above, the Plan Shares will be purchased by the Plan Agent from the treasury of the Fund, on each applicable Dividend Payment Date, the Fund will issue to the Plan Agent that number of new whole Plan Shares from the treasury of the Fund equal to the amount of the dividend reinvested by the Plan Participant at a price of 95% of the Average Market Price, which price will not be less than the NRV per Class A Share. In the event that 95% of the Average Market Price is less than the NRV per Class A Shares, such Class A Shares will be issued at a price equal to the NRV per Class A Share. The Fund will advise the Plan Agent of the Average Market Price for Class A Shares 2 business days prior to that Dividend Payment Date. Plan Shares will be credited for the benefit of a Plan Participant to the account of CDS through whom a CDS Participant holds Shares. The Plan Shares purchased from Treasury will be allocated by CDS on a pro rata basis to the Plan Participants based on their respective entitlement to the Distributions used to purchase Plan Units.

**Market Purchase:** In accordance with the Purchase Decision above, 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 not exceeding 115% of the volume weighted average trading price of the Class A Shares on the TSX for the ten trading days in the Trading Period on which at least a board lot of Class A Shares is traded immediately preceding the date that Class A Shares are purchased. The Plan Shares purchased in the market will be allocated on a *pro rata* basis to the Plan Participants based on their respective entitlement to the Distributions used to purchase Plan Units. In the event that the Class A Shares available in the market on the Dividend Payment Date is insufficient, the Plan Agent will purchase the remaining shares from Treasury at a price of 95% of the Average Market Price, which price will not be less than the NRV per Class A Share. In the event that 95% of the Average Market Price is less than the NRV per Class A Shares, such Class A Shares will be issued at a price equal to the NRV per Class A Share.

## **F. Fractional Shares**

No fractional Plan Shares will be purchased under the Plan. Payments in cash for any funds remaining after the Plan Agent has purchased whole Plan Shares will be made in lieu of fractional Plan Shares by the Plan Agent to CDS, on a timely basis. Where applicable, CDS will credit the Plan Participant via the applicable CDS Participant.

## **G. Insufficient Funds**

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

## **H. Voting of Plan Shares**

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

## **I. Statement of Account**

A Plan Participant will receive, from his, her or its CDS Participant for tax reporting purposes, confirmations of the number of Plan Shares issued to him, her or it under the Plan in accordance with the CDS Participant's usual practice.

## **J. Commissions and Administrative Costs**

All commissions and brokerage charges associated with Class A Shares purchased in the market will be borne by the Fund.

## **K. Use of Proceeds**

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

## **L. Responsibilities of the Fund, the Fund Manager and the Plan Agent**

None of the Fund, the Fund 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 Fund, the Fund 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 in relation to the Plan, or otherwise, including, without limitation: (i) any aspect of the records relating to, or payments made on account of, beneficial ownership interests of the Class A Shares held by and registered in the name of CDS; and (ii) any authority, advice, or representation made or given by CDS to the Plan Agent or otherwise, including representations with respect to rules of CDS and any action taken or to be taken by CDS; and (c) arising in connection with income taxes (together with any applicable interest and/or penalties) payable by Plan Participants in connection with their participation in the Plan.

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

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

The Fund Manager may terminate the Plan in its sole discretion, upon written notice to: (i) the CDS Participants and (ii) the Plan Agent. The Fund Manager may also amend, modify or suspend the Plan at any time in its sole discretion, provided that it complies with certain requirements and gives notice of that amendment, modification or suspension to: (i) CDS Participants through which the Plan Participants hold their Class A Shares, and (ii) the Plan Agent. The Plan will terminate automatically upon the termination of the Fund.

The Fund 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 Fund 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 Fund Manager and upon delivery to the Fund Manager of all documents and monies being held by the Plan Agent on the Fund's behalf pursuant to the Agency Agreement.

The Fund is not required to issue Class A Shares to Class A Shareholders in any jurisdiction where that issuance would be illegal.

#### **N. Rules and Regulations**

The Fund may, in consultation with the Plan Agent, from time to time adopt rules and regulations to facilitate the administration of the Plan. The Fund 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.

#### **O. 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 Fund, the Fund Manager, the members of the Fund's independent review committee, the members of the mortgage advisory committee, the Fund Advisor, any Shareholder, or any director, officer, employee of the Fund, the Fund Manager or the Fund Advisor for any liability whatsoever to any person in connection with the property of the Fund or its affairs, including for satisfaction of any obligations or claims arising out of or in connection with the Plan. The property and assets of the Fund only are intended to be liable and subject to levy or execution for satisfaction of any obligations or claims.

#### **P. Notices**

All notices required to be given to Plan Participants by the Fund will be given to CDS, to be further provided to the CDS Participants through which they hold their Class A Shares.

R. Communication with the Plan Agent shall be addressed to:

CIBC Mellon Trust Company  
320 Bay Street, 8<sup>th</sup> Floor, P.O. Box 1  
Toronto, Ontario  
M5H 4A6  
Fax: (416) 643-5570  
Attn: Client Service Manager

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

Timbercreek Asset Management Inc.  
1000 Yonge Street, Suite 500  
Toronto, Ontario  
M4W 2K2

**Q. Effective Date**

The effective date of the Plan is ●.

The following is a summary of the principal Canadian federal income tax considerations generally applicable to Participants under the Plan. 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 the effective date of the Plan and the current published administrative policies of the Canada Revenue Agency. 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 those of any country other than Canada.

On each dividend payment date, the cash dividends paid by the Fund to the Plan Agent for the account of a Plan Participant will be treated for tax purposes as having been received by the Plan Participant as a cash dividend from the Fund. Accordingly, the Plan Participant will be subject to income tax on that amount on the same basis as cash dividends actually received by the Plan Participant.

For purposes of computing any capital gain or loss that may be realized by a Plan Participant on the disposition of Class A Shares acquired under the Plan or any other Class A shares held by the Plan Participant, the cost of such Class A Shares will be equal to the amount of the dividend and will be added to the aggregate adjusted cost base of all shares held by the Plan Participant. The aggregate adjusted cost base will be used to determine the average cost per Class A share disposed of by the Plan Participant.

**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.**