

## INVESTMENT COMMITTEE MANDATE

### Role

The primary purpose of the Investment Committee (the “**Committee**”) is to assist the Board in its oversight role with respect to:

1. reviewing and recommending Board approval of the asset mix and funding strategy, including management of interest rate risks.
2. reviewing and recommending Board approval of MCAN’s Residential Mortgage Underwriting Policy (“**RMUP**”), Construction Loan Underwriting Policy (“**CLUP**”), Commercial Term Mortgage Underwriting Policy (“**CTMUP**”) and Investment Policy;
3. ensuring the effectiveness of MCAN’s investment practices; and
4. approval of exceptions and/or specific transactions as required by the Company’s underwriting policies.

### Composition and Operations

1. The Committee shall consist of at least three directors appointed annually by the Board.
2. No member of the Committee shall be an officer or employee of MCAN, its subsidiaries or affiliates. A majority of the members of the Committee will be independent in accordance with the requirements of laws governing MCAN, the applicable stock exchange on which MCAN’s securities are listed, applicable securities regulatory authorities and MCAN’s Director Independence Policy and will not be affiliated with MCAN as such term is defined in the *Trust and Loan Companies Act* (Canada).
3. Each member of the Committee shall satisfy the applicable experience requirements of the laws governing MCAN, the applicable stock exchange on which MCAN’s securities are listed and applicable securities regulatory authorities.
4. The Board shall appoint an independent member of the Committee as the Committee Chair.
5. The Committee shall meet at least quarterly and as many additional times as considered necessary. The Committee shall report to the Board on its activities, findings and recommendations after each of its meetings.

## **Specific Duties**

### **Investment Policies & Practices**

1. At least annually review and recommend to the Board for approval MCAN's RMUP, CLUP, CTMUP and Investment Policy.
2. Recommend to the Board changes to the RMUP, CLUP, CTMUP and Investment Policy as the Committee, from time to time, considers necessary to meet changes in the investment climate.
3. Review at least annually and recommend to the Board for approval the Equity Funded Investment Strategy.
4. At least annually review and approve MCAN's asset mix strategy and risk rating guidelines. Review and monitor quarterly adherence to this strategy and the risk profile of the investment portfolio.
5. Monitor investment practices of any subsidiary and every joint venture/partnership in which MCAN is a participant to ensure adherence to prudent investment standards.
6. Review quarterly compliance with MCAN's RMUP, CLUP, CTMUP and Investment Policy.
7. Review quarterly MCAN's exposure to changes in interest rates, interest rate spreads and gaps, funding strategy and sources, and liquidity position and outlook.
8. At least quarterly review compliance with MCAN's Capital Management Policy.
9. At least quarterly review and comment on investment summaries for new loan facilities and other investments over \$5 million, as well as annual status updates prepared on the anniversary date for all such loans and investments outstanding.
10. Review quarterly specific and general loan loss reserves. Approve all new specific reserves in excess of \$500,000 and all reserve reversals.
11. Review quarterly the arrears and non-performing loans.
12. Review quarterly the marketable securities and money market investments against investment policies and limits.
13. Appoint annually a Capital Commitments Committee ("CCC") and an Asset/Liability Committee ("ALCO") and delegate authorities as deemed appropriate to implement and manage the RMUP, CLUP, CTMUP and Investment Policy.
14. Review annually and recommend to the Board for approval the Collective Allowance Policy.

15. At least annually review and recommend to the Board the Liquidity Risk Management Framework and ensure quarterly testing.
16. At least quarterly review and assess the investment and related risks of any securitization programs MCAN may participate in.
17. Review and recommend to the Board any banking facilities and other financing facilities as MCAN may, from time to time, require.

**Oversight of the Vice President, Investments, and Vice President, Treasury & Securitization**

18. At least quarterly obtain and review a report from the Vice President, Investments, and the Vice President, Treasury & Securitization, regarding the management of MCAN's investments (securitization and corporate); key business risks that might affect the attainment of MCAN's objectives; compliance with the Risk Appetite Framework and underwriting policies and procedures.
19. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual review of the mandate of the Vice President, Investments, and the Vice President, Treasury and Securitization.
20. At least annually review the budget, structure and resources of the Vice President, Investments, and the Vice President, Treasury and Securitization.
21. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual performance evaluation of the Vice President, Investments, and the Vice President, Treasury and Securitization, and assess their effectiveness.
22. Review the results of periodic independent reviews of the Investment, and Treasury and Securitization functions.
23. At least quarterly, meet separately with the Vice President, Investments, and as required, with the Vice President, Treasury and Securitization, to assess the adequacy and effectiveness of those functions and report to the Board thereon.

**Oversight of the Vice President, Single Family Mortgage Operations**

24. At least quarterly obtain and review a report from the Vice President, Single Family Mortgage Operations, regarding the management of MCAN's single family mortgage operations; key business risks that might affect the attainment of MCAN's objectives; compliance with the underwriting policies and procedures.
25. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual review of the mandate of the Vice President, Single Family Mortgage Operations.
26. At least annually review the budget, structure and resources of the Vice President, Single Family Mortgage Operations.

27. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual performance evaluation of the Vice President, Single Family Mortgage Operations, and assess the effectiveness of the Vice President, Single Family Mortgage Operations.
28. Review the results of periodic independent reviews of Single Family Mortgage Operations.
29. At least quarterly, meet separately with the Vice President, Single Family Mortgage Operations, to assess the adequacy and effectiveness of MCAN's Single Family Mortgage Operations' function and report to the Board thereon.

#### **Operations**

30. Review at least annually and recommend to the Board the New Products and Initiatives Policy.
31. Review at least annually and recommend to the Board the Outsourcing Policy, including a list of all material outsourcing arrangements and review any additional reports, when appropriate.

#### **Oversight of Vice President, Operations**

32. At least quarterly obtain and review a report from the Vice President, Operations, on the Term Deposits, Bond and REIT portfolios.
33. At least annually, review and discuss with the Vice President, Operations, material risks associated with MCAN's businesses and operations, emerging risk issues and compliance with the risk limits and policies and procedures established with a view to assessing overall adherence to MCAN's risk appetite and report to the Board thereon.
34. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual review of the mandate of the Vice President, Operations.
35. At least annually review the budget, structure and resources of the Vice President, Operations.
36. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual performance evaluation of the Vice President, Operations and assess the effectiveness of the Vice President, Operations.
37. Review the results of periodic independent reviews of the Operations function.
38. As required, meet separately with the Vice President, Operations, to assess the adequacy and effectiveness of MCAN's Operations function and report to the Board thereon.

**Other**

39. Together with the Conduct Review, Corporate Governance & Human Resources Committee, ensure an annual review of the Committee mandate.

40. Carry out any other duties and responsibilities assigned by the Board.

Approved: February 2018