

RELATIONSHIP DISCLOSURE

UPDATES OF THIS DOCUMENT

This document will be updated with any significant changes to the information contained herein, in any event, no less frequently than once a year. The updated *Relationship Disclosure, Privacy Policy, Terms & Conditions* document will be made available to clients and stakeholders in a timely manner and, if possible, before AMUR purchases or sells a security for the client or advises the client to purchase, sell or hold a security.

INTRODUCTION

As a client of AMUR Capital Management Corporation ("AMUR"), it is important that you understand the nature of the services that will be provided by AMUR and what you, as client and investor, can and should do to ensure a satisfactory ongoing relationship. To this end, we are providing this Relationship Disclosure Information ("RDI"), which describes what a reasonable investor needs to know about AMUR to better understand the nature of our role and responsibilities. This document contains, among other things, the following information:

- a) The RDI required to be delivered to you in accordance with Section 14.2 of National Instrument 31-103 - *Registrations Requirements, Exemptions and Ongoing Registrants Obligations* ("NI 31-103").
- b) A description of the measures that we are required to implement in accordance with applicable anti-money laundering and terrorist financing legislation.
- c) A description of the data and privacy protection we provide to your personal information collected for the purposes of managing your account with us.
- d) A description of our electronic delivery of documents policy.

OUR REGISTRATIONS

AMUR is registered as an exempt market dealer ("EMD") in province of British Columbia, Alberta, Manitoba, Nova Scotia, and Saskatchewan.

PRODUCTS AND SERVICES OFFERED

AMUR, in acting as the EMD it permits AMUR to participate in the distribution of securities of mortgage investment entities or mortgage syndications AMUR has 3 products, Amur Capital Income Fund, Amur Capital Conservative Income Fund, and Amur Capital High Yield Fund. (collectively, referred to as the "AMUR MIEs"), will provide services related to the sale of prospectus exempt securities to accredited investors and other investors to whom securities are sold in reliance on other prospectus exemptions. AMUR does not offer any products other than the AMUR MIEs.

Since certain registrants of AMUR are directors and officers of the AMUR MIEs, the AMUR MIEs are "connected issuers" of AMUR. Under the terms of each services agreement with each

AMUR MIE, the services provided by AMUR include, but are not limited to, processing new subscriptions for shares, applications for registered accounts at partnered trustees, Know-Your-Client ("KYC") and Know-Your-Product ("KYP") review and suitability recommendations, marketing programs, investor communication and education.

This RDI is provided to clients who:

- a) are qualified as "accredited investors" under National Instrument 45-106 - *Prospectus Exemptions*
- b) purchase securities of an AMUR MIE pursuant to other available exemptions from the prospectus requirement under applicable securities laws and, in each case, who acquire such securities directly through AMUR acting in its capacity as an exempt market dealer

CLIENT'S ACCOUNT WITH AMUR

A client's account with AMUR is governed by the terms of the applicable subscription agreements and/or offering documents relating to the particular AMUR MIE. All accounts with AMUR are "non-discretionary" accounts which means our Dealing Representatives require your authorization and instructions to process a transaction.

CUSTODIAN ASSETS

When a trade is made, client money is used to settle the transaction and a share certificate in the relevant MIE purchased is issued to the client. The share certificate is evidence of the client's ownership of a share in the respective MIE. Amur Capital Conservative Income Fund, Amur Capital Income Fund, and Amur Capital High Yield Fund, issues its own share certificates in digital (paper if requested by client) and they hold the share certificates in Issuer Edge, which is a platform digitally as part of Exempt Edge the settlement system used by the MIEs for settlements and issuing shares. The client can request a paper copy of the share certificate by requesting it from a Dealing Representative. For all the AMUR MIEs they are the custodian of their assets (mortgages) and for all registered accounts OTC is the custodian for clients shares in the AMUR MIEs. You have the option to find your own custodian who is willing to hold AMUR MIE in your self-directed registered plan.

AMUR ACCESS TO CLIENT ASSETS

When you purchase share in one of AMUR's MIEs, directly through AMUR then the money provided to purchase the shares goes in trust to AMUR to be paid to the appropriate Amur MIE and then is provided to the MIE in exchange for the respective shares purchased pursuant to the subscription agreement. The money you invested goes to the MIE in exchange for the shares. The benefit of AMUR having access to your funds allows AMUR to facilitate transaction in order for you to purchase your shares. The risk is that AMUR makes an error in transaction or does not process the transaction, this risk is mitigated by the payment to the MIEs being made payable to the respective MIEs.

The shares are then as noted above are held by in the case of Amur Capital Income Fund and Amur Capital High Yield Fund held by those respective issuers and you are listed on their share registry.

With respect to Amur Capital Conservative Income Fund then the shares are held by OTC as custodian. AMUR keeps record of the transaction on its trading platform, Dealer Edge and the MIEs settle the transactions in their platform Issuer Edge. The record of your purchase is recorded through the respective MIE share registry and transaction history of Issuer Edge. AMUR can access the record of the client transactions in Dealer Edge and has access to Issuer Edge as well. The benefit of this is AMUR is able to reconcile your transactions and there is the risk of fraud by an AMUR employee however that is mitigated by the Issuer having to approve the transaction and the issuer (MIE) has access to Dealer Edge to view the transaction details.

The risk with Amur Capital Income Fund and Amur Capital High Yield Fund holding the share certificates through Issuer Edge digitally is a system failure that may occur and therefore leave the certificates inaccessible. Issuer Edge is a third-party digital platform. The benefit of this digital platform approach is that there is no risk the physical certificate would be destroyed without a back up. The risk is that if Issuer Edge is subject to a cyber attack, however Issuer Edge has a back up server located in Canada.

ENSURING WE KNOW OUR CLIENTS

As a registrant under Canadian securities legislation, AMUR is subject to conduct rules relating to "know-your-client" obligations. These rules require a registrant to learn about each client and keep the information current, including information related to investment objectives, investment knowledge and experience, risk tolerance, investment time frame, employment status, income level and net worth. For clients that are not individuals, information concerning the nature of a prospective client's business, control structure and specified beneficial ownership is also collected.

Accordingly, when opening an account, AMUR must take reasonable steps to:

- a) establish your identity and if we have a cause for concern, make reasonable inquiries as to your reputation;
- b) ensure that we have sufficient information to meet our obligations regarding suitability namely; your investment needs and objectives, your financial circumstances and your risk tolerance; and
- c) obtain information to establish the identity of any individual who, in the case of a partnership or trust, exercises control over the entity or, in the case of a corporation, is a beneficial owner of or exercises voting rights of the outstanding voting securities of the corporation.

The information gathered from the Know Your Client Form is used by AMUR to collect the client information and evaluate the suitability of the securities we may transact for their account. By completing and executing our New Account Application Form and a subscription agreement for an investment in a MIE, our clients consent to our collection, use and disclosure of their personal information as necessary to comply with applicable legislation, it being understood that this personal information may only be used and disclosed for the purposes it was collected.

AMUR takes reasonable steps to keep the KYC information current. You can help us in this endeavor by providing us with new information that you deem of importance on a timely basis and

you should promptly advise us of any material changes to your life circumstances or investment objectives.

INVESTMENT SUITABILITY

AMUR will exercise its powers and duties honestly, in good faith and in the best interests of clients and will devote such time and attention and exercise such degree of care, diligence and skill as a prudent and reasonable exempt market dealer would in comparable circumstances. AMUR must determine that any investment action it takes, recommends, or decides on, for the client is suitable for the client and puts the client's interest first.

Where it is permitted to do so under the applicable securities legislation, AMUR will act as exempt market dealer for a client that is interested in investing in shares of an AMUR MIE offered by AMUR for his/her account. Before making such investment, AMUR is obligated to ensure that such trades are suitable for each client and in line with the investment objectives and constraints set out in each client's account opening documentation. Furthermore, when affecting a trade for one or more of the AMUR MIEs, AMUR is also obligated to ensure such trades are suitable and in line with the investment objectives and constraints set out in the applicable MIEs offering documents. AMUR will take reasonable steps to verify that the client satisfies the requirements of any other prospectus exemption relied on to purchase shares of any of the AMUR MIEs.

AMUR does not purport to provide advice or guidance on your general financial needs or circumstances nor does AMUR offer custody services, brokerage services, tax advice, actuarial advice or financial planning. Your account with AMUR has been opened solely for the purpose of transacting in one or more of the AMUR MIEs.

AMUR shall continue to subscribe to the belief that Canadians operate in a free choice market economy. As such, so long as the AMUR MIE is operating in legal transparent manner and the individual investing is of sound mind, it is AMUR's duty to not only preserve this choice, but also to protect it. As such, unless AMUR can specifically identify a rational reason otherwise, AMUR shall in no way be prejudicial towards an individual because of his/her age.

Risks Associated with Investing in the AMUR MIEs

There are risks associated with investing in the AMUR MIEs. Those risks include risks associated with mortgage loans as follows:

(a) Credit Risk: As with most mortgage investment corporations, AMUR MIE provides financings to borrowers who may not meet financing criteria for conventional mortgages from institutional sources and, as a result, these investments generally earn a higher rate of return than what institutional lenders may receive. Credit risk is the risk that the mortgagor will fail to discharge the obligation causing the AMUR MIE to incur a financial loss. The AMUR MIE minimizes its credit risk primarily by ensuring that the collateral value of the security fully protects first, second and subsequent Mortgage advances and that there is a viable exit strategy for each Loan. In addition, AMUR MIE limits concentration of risk by diversifying its Mortgage portfolio by way of location, property type, and maximum loan amount on anyone property, and maximum loan amount to any one borrower.

- (b) **Liquidity Risk:** Liquidity risk is the risk that AMUR MIE will encounter difficulty in raising funds to meet commitments associated with financial instruments. AMUR MIE attempts to hedge this liquidity risk by maintaining a line of credit and managing Preferred Share redemptions. Successful utilization of leverage, as contemplated by any bank line of credit or other financing depends on AMUR MIE ability to borrow funds from outside sources and to use those funds to make loans and other investments at rates of return in excess of the cost to AMUR MIE of the borrowed funds. Leverage increases exposure to loss.
- (c) **Mortgage Insurance:** AMUR MIE Mortgage Loans are not insured by CMHC or any other mortgage insurer in whole or in part.
- (d) **Decline in Property Value:** AMUR MIE Mortgage Loans will be secured by real estate. All real estate investments are subject to elements of risk. Real property value is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants, competition from other available properties and other factors. While independent appraisals are required before AMUR MIE may make any mortgage investments, the appraised values provided therein, even were reported on an "as is" basis, are not necessarily reflective of the market value of the underlying real property, which may fluctuate.
- (e) **Default:** In case of default on a mortgage, it may be necessary for AMUR MIE, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing.
- (f) **Impaired Loans:** AMUR MIE may from time to time have one or more impaired Loans in its portfolio, particulars of which can be obtained by contacting AMUR MIE. AMUR MIE defines Loans as being impaired where full recovery is considered in doubt based on a current evaluation of the security held and for which write-downs have been taken or specific loss provisions established.
- (g) **Priority:** Financial charges funded by first mortgage lenders may in some cases rank in priority to the mortgages registered in favour of AMUR MIE. In the event of default by the mortgagor under any prior financial charge, AMUR MIE may be required to arrange a new first mortgage or pay out same, in order to avoid adverse financial implications.
- (h) **Risk of Losses:** due to default from borrower AMUR MIE may experience losses.
- (i) **Market Interest Rate Risk:** As a consequence of investing in Mortgages, an increase in interest rates generally may reduce the demand for AMUR MIE Mortgage Loans and AFG's ability to originate such Mortgage Loans for AMUR MIE. Conversely, a decrease in the general level of interest rates may adversely affect AMUR MIE through, among other things, increased prepayments on AMUR MIE's Mortgage portfolio.
- (j) **Risk of Mortgage Fraud:** Mortgage fraud can occur if a borrower misrepresents himself or herself to be the owner of a property of which they are not the legal owner, and obtains a Mortgage on such property. Although industry-standard precautions are taken by AMU MIE, there can be no guarantee that a fraudulent Mortgage will not adversely impact the earnings of AMUR MIE.

FEES AND COSTS RELATED TO YOUR INVESTMENTS IN THE AMUR MIES

The fees applicable to an investment in the shares of an AMUR MIE or any redemption of such shares of an AMUR MIE are as set out in the offering documents relating to an investment in the shares of a particular AMUR MIE. The offering documentation also describes the costs that may be incurred by the AMUR MIE in relation to the offering such as operating expenses (audit fees, legal fees, etc.).

AMUR, acting in its capacity as an exempt market dealer, will not charge clients any fees for the operation of their account or the making, holding or selling of investments in any of the AMUR MIEs. However, for AMUR providing such exempt market dealer services to the AMUR MIEs, AMUR will be receiving compensation of 1/12th of 0.15% per month (0.15% per annum) of the value of each AMUR MIE's mortgage portfolio on a monthly basis. Although the compensation received by AMUR are not charged to you directly, they are deducted from the returns of AMUR MIE prior to distribution therefore reducing your return on investment by 0.15% year over year.

Other fees that may be associated with your account are OTC account fees for a self-directed registered plan. OTC will have their own fee schedule which can include an annual administration fee, full or partial withdrawal fee, transfer fees, etc. OTC fees are retained by OTC and AMUR does not receive compensation for the fees. More information on Olympia Trust's fee schedule can be found here <https://ias.olympiustrust.com/fee-schedule>

REPORTING

Statements of the client's account will be provided quarterly, unless otherwise required. **These statements will contain:** (a) information about each transaction conducted for the client during the time period covered by the statement; and (b) information about each share the client owns and the cash balance, if any, in the account at the end of the period covered by the statement.

Annual financial statements and interim financial statements, if any, with respect to an AMUR MIE invested in by the client are provided to the client, except as otherwise directed by the client pursuant to instructions given to AMUR.

In addition, a client will be provided with the following information and or statements to the extent applicable, in accordance with and in the form prescribed under NI 31-103:

- a) trade confirmations in connection with the purchase or sale of a security;
- b) account statements delivered at least every three months or if the client requests to receive statements on a monthly basis;
- c) position cost information for securities reported in account statements; and
- d) annual report on the firm's charges and other compensation received by the firm in connection with their investments for each 12-month period.
- e) annual performance report delivered by the firm in connection to the client's investment for each 12-month period.

Descriptions:

- “Trade confirmation” is a confirmation of a purchase or sale that will be visible in your client portal or mailed to you if you have selected paper option.
- “Account Statement” will show you your account activity for a period.
- “Annual Report of Charges” will show you the fees paid by you associated with the 15-bps administrative fee charged by the AMUR MIEs.
- “Annual Performance Report” will show you what your performance returns on your investment has been for the past 12-month period.

INVESTMENT RISKS

An investment in the AMUR MIEs should only be made after consulting with independent and qualified sources of investment and tax advice. Only investors who can reasonably afford the risk of loss of their entire investment should consider the purchase of shares of any of the AMUR MIEs. The risks associated with an investment in an AMUR MIE are set forth in the applicable offering documentation for the AMUR MIE.

USING BORROWED MONEY TO PURCHASE SECURITIES (LEVERAGE)

AMUR does not arrange for nor recommend that a client borrow money in order to invest in the AMUR MIEs. Borrowing money to finance the purchase of shares of an AMUR MIE involves greater risks than a purchase using cash resources only. If a client borrows money to purchase shares, the responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the shares purchased declines.

CONFLICTS OF INTEREST DISCLOSURE STATEMENT

Securities legislation in Canada requires AMUR to make certain disclosures regarding conflicts of interest. This statement is to inform you of the nature and extent of conflicts of interest that might be expected to arise between AMUR and its clients.

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact. During the course of providing our services, there are potential circumstances in which competing interests may give rise to a conflict between AMUR's interests and yours, or between you and another client. We use our professional judgement to determine whether a conflict is material enough that it may be reasonable to expect that it could affect our decisions or recommendations and your decisions. We are required by securities legislation to disclose any existing and potential material conflicts of interests that we have identified and inform you of how we plan to address them by putting into place controls to mitigate the conflict so that we are acting in your best interest. We are also required to disclose and address any reasonably foreseeable material conflicts of interest between you and your representative. If a material conflict of interest cannot be addressed sufficiently to be in your best interest, we are required to avoid it. We must obtain your consent prior to engaging in any transactions that involve material conflicts of interest.

We have identified the following key potential conflicts of interest and indicate how they are addressed:

Proprietary Products. As you are aware, AMUR exclusively trades in or recommends proprietary products specifically, Amur Capital Income Fund, Amur Capital Conservative Income Fund, and Amur Capital High Yield Fund (collectively, referred to as the "AMUR MIEs"). A "proprietary product", as defined in NI 31-103, means a security of an issuer if one or more of the following apply: (a) the issuer of the security is a connected issuer of the registered firm; (b) the issuer of the security is a related issuer of the registered firm; (c) the registered firm or an affiliate of the registered firm is the investment fund manager portfolio manager of the issuer of the security. The suitability determination conducted by the firm and its representatives will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse, or equal in meeting the client's investment needs and objectives.

- a) AMUR, as the captive EMD for each of the AMUR MIEs, was created in response to change in regulation. After evaluation with external third-party EMDs, the AMUR MIEs determined that having a captive EMD would be the most economic means for investors to gain access to the AMUR MIEs. The AMUR MIEs offer prospective investors various levels of risk based on certain portfolio metrics such as loan-to-value and mortgage position.
- b) Client profiles are created for each investor through specific Know Your Client Forms. These forms assist Dealing Representatives in determining if a prospective investor qualifies for an exemption to purchase exempt securities.
- c) Through Know Your Client ("KYC") Forms and a robust Know Your Product ("KYP") routine, AMUR Dealing Representatives establish the suitability of an investment for a prospective investor.
- d) As a captive EMD, only dealing in securities of related issuers, AMUR's KYP information is updated regularly and provided to investors upon request. We also conduct semi-annual analysis of mortgage investment corporations ("MICs") in the Canadian marketplace for structure, conduct and performance. **AMUR does not use benchmarks to assess and report performance.**
- e) AMUR has engaged third-party compliance professionals to help us review and establish industry-leading best practices in compliance, conflicts management and successful dealer operations.
- f) Each trade is reviewed and approved by AMUR's Chief Compliance Officer (CCO), while quarterly trade audits are performed by the Ultimate Designated Person.

COMPETITOR FUNDS

Similar issuers with competitor products (that we do not sell or recommend) that you may want to consider include but is not limited to, Atrium Mortgage, Fisgard Capital, Capital Direct,

Timbercreek Financial, and Mortgage Corporation of Canada to name a few, there are others. Please speak with your financial advisor to discuss the suitability and compare the product offerings from these issuers as part of your due diligence and investment decision process.

Third-party Compensation. AMUR may receive third-party compensation for the sale of or recommendation of certain securities. AMUR will be receiving compensation of 1/12th of 0.15% per month (0.15% per annum) of the value of each AMUR MIE's mortgage portfolio on a monthly basis for AMUR providing such exempt market dealer services to the AMUR MIEs. To mitigate this conflict of interest, we take steps to ensure that our product shelf development and recommendations are based on the quality of each security rather than the availability of third-party compensation. We do this by:

- a) Ensuring that all securities are evaluated equally and subject to the same KYP processes.
- b) AMUR conducts semi-annual benchmarking activities where we analyze additional MICs in the Canadian marketplace for structure, conduct and performance.

Internal Compensation and Incentive Practices. AMUR's compensation practices are calculated independently of the products or services sold and are not tied to incentives.

Compliance or Supervisor Roles. The compensation of our representatives who take on compliance roles is ultimately tied to the sales and revenue generation of AMUR and the representatives that they supervise. In order to mitigate this conflict of interest and ensure that they perform their role properly, we have policies and procedures in place which are closely monitored for compliance.

Fee-based Accounts. Your account is in a fee-based account that holds securities with embedded commissions. AMUR performs an ongoing evaluation to ensure this continues to meet your investment needs and objectives. Details of these arrangements are outlined in the offering documents of each MIE.

Conflicts Between Clients. AMUR has in place an internal system to evaluate how we balance competing interests between you and our other clients. Any conflict of interest of this type is addressed fairly and transparently.

Referral Arrangements. AMUR or our representatives may participate in referral arrangements that involve the payment or collection of fees or benefits when carrying out our services from time to time. These arrangements will only be entered into with qualified parties after we have considered the benefits to you and any available alternatives to ensure they are in your best interests. All referral arrangements are in writing and all fees paid and received are recorded. The following information will also be provided to clients in writing:

- a) the name of each party to the agreement;
- b) the purpose and material terms of the agreement;

- c) any conflicts of interest resulting from the relationship between the parties to the agreement and from any other element of the referral arrangement;
- d) the method of calculating the referral fee and, to the extent possible, the amount of the fee;
- e) the category of registration of each registrant that is a party to the agreement with a description of the activities that the registrant is authorized to engage in under that category and, giving consideration to the nature of the referral, the activities that the registrant is not permitted to engage in;
- f) if the referral is made to AMUR, a statement that all activity requiring registration resulting from the referral arrangement will be provided by AMUR; and
- g) any other information that a reasonable client would consider important in evaluating the referral arrangement.

Relationship to Amur Financial Group Inc. Members of the Board of Directors and officers of AMUR are also employed or engaged by Amur Financial Groups Inc. ("AFG"). Pursuant to the terms of a services agreements between AFG and each AMUR MIE (each, a "**Services Agreement**") AFG will act as agent for the AMUR MIEs with respect to originating mortgage applications for mortgage loans in order to assist the AMUR MIEs in their lending decisions. AFG wholly owns related mortgage-origination companies: Alpine Credits Ltd, Alpine Credits Ontario Limited, Alpine Credits Quebec Limited and Sequence Capital Inc. The related mortgage-origination companies earn brokerage fees for the origination of mortgages for the related AMUR MIEs. In consideration for AFG's services, each AMUR MIE will pay AFG fees based on a percentage of the value of such AMUR MIE's mortgage portfolio. Accordingly, members of the Board of Directors and officers of AMUR may indirectly personally benefit by each additional investment into an AMUR MIE which increases the value of the mortgage portfolio. In order to address this conflict of interest, AMUR will ensure that adequate disclosure is provided to its clients relating to the AMUR MIEs and the inherent conflicts of interest, each director and officer of AMUR will deal fairly with the clients, and AMUR will follow its policies on controlling conflicts of interest.

Relationship to AMUR MIEs. Certain individual registrants of AMUR are also directors and officers of the AMUR MIEs. As consideration for AMUR providing EMD services to the AMUR MIEs, AMUR will receive compensation based on a percentage of the value of each AMUR MIE's mortgage portfolio. In addition, as stated above, directors and officers of AMUR are also employed or engaged by AFG, as described in greater detail in the offering materials for each AMUR MIE, as applicable, which receives compensation from each AMUR MIE based on a percentage of the value of such AMUR MIE's mortgage portfolio. Accordingly, AMUR faces an inherent conflict of interest to sell the prospectus-exempt securities of the AMUR MIEs, each of which provides compensation to AMUR as well as indirectly to AFG, and AMUR's obligations, including KYC, KYP, suitability and its fair-dealing duty. In order to address this conflict of interest, AMUR will ensure that adequate disclosure is provided to its clients relating to the AMUR MIEs and the

inherent conflict of interest, each director and officer of AMUR will deal fairly with the clients, and AMUR will follow its policies on controlling conflicts of interest.

Investments in Related or Connected Issuers. In all investment decisions, AMUR will deal fairly, honestly and in good faith with each of its clients.

AMUR's management fee is based on outstanding mortgage investments in the related-party AMUR MIEs that it manages and may therefore be motivated to sell you an unsuitable investment with an aim to increase Assets Under Management (AUM). An unsuitable investment may be the investment itself, or too large of an investment in a particular product based on the investment information you provide and your risk profile. AMUR complies with regulatory requirements, which prohibit AMUR from recommending investments that are not suitable for you. Securities regulations require that, unless you are a permitted client and waive the requirement, AMUR must provide you with an assessment of the suitability of the proposed transaction based on the financial information you provide and your investor risk profile. AMUR may even decline to proceed with your trade. AMUR's Dealing Representatives are not paid a commission, nor does AMUR earn a specific fee on your transaction.

Dealer Representatives compensated with commission based on sales volumes could be motivated to sell you shares to earn fees for their own account. AMUR's Dealing Representatives are not paid a commission, nor does AMUR earn a specific fee on your transaction. If that should change in the future, AMUR is required to disclose those fees to you on each trade.

Other business activities may distract AMUR from its responsibilities agreed to in management agreements with AMUR MIEs and private lenders. AMUR has procedures in place to ensure regular reporting to outside stakeholders, and internal reports to AMUR executives regarding performance and activities of each business segment. Reporting is an important control in monitoring performance. AMUR complies with regulatory requirements to report outside business activities of its registrants. As well, securities regulators require that each registrant firm appoint an Ultimate Designated Person, CEO, or the officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only within the division and the firm has significant other business activities, and who is ultimately responsible for the activities of the registrant, supervision of its employees and its compliance with securities regulations. In tandem with the internal and regulatory controls, each of the AMUR MIEs has a Board of Directors that is independent of AMUR that regularly reviews financial results, and meets annually with the auditors of each AMUR MIE.

AMUR only sells investment products that it originates or manages. AMUR might be motivated to sell you its products even if other products in the exempt market that are not sold by AMUR may be better suited to your investment needs or risk profile. AMUR is not a financial planner, and as such does not purport to provide you with advice regarding your entire investment portfolio. AMUR and its Dealing Representatives are registered as EMDs and are obligated under security regulations and its policies and procedures to KYP, which includes an understanding of comparable products not sold by AMUR that could be considered to have similar features. This KYP assessment plays a role in performing suitability assessments to determine whether an

investment in AMUR's product is suitable for you. An assessment of suitability is based on financial information you disclose on the KYC information form.

Separation of Management and Board duties is an important control function. Matthew Boulton is the President and Ultimate Designated Person for AMUR with the British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission, Nova Scotia Securities Commission, and Financial and Consumer Affairs Authority of Saskatchewan. AMUR is the EMD for the proprietary AMUR MIEs. Matthew Boulton is not a member of the Board of Directors of the Amur MIEs. Having an independent Board of Directors is an important control in protecting investor interests and monitoring management of each of the AMUR MIE's investment activities and performance.

AMUR has stewardship of confidential client information and may be motivated to sell or provide this to third parties. AMUR's Privacy Policy, security and securities regulations, and provincial and federal laws prohibit such actions without your permission. AMUR does not sell client information. AMUR has policies and procedures in place to safeguard and protect client information, including cyber security measures and discloses instances where AMUR may be compelled to disclose information to third parties or to certain government agencies in those policies.

AMUR could earn a referral fee for introducing you to other professionals. AMUR is committed to disclosing to all investors any referral fees that it may receive for making such a referral. Currently AMUR does not engage in this type of referral relationship respecting investors but would be required to disclose to you any fee it might receive when referring you in the future.

Canadian securities legislation requires AMUR, prior to trading with clients to purchase securities, to inform them of any relevant relationships and connections they may have with the issuer of securities. A "related issuer" is a person or company that influences or is influenced by, through ownership or direction and control over voting securities, another person or company.

A person or company is a "connected issuer" to another person or company if, due to its relationships with such person, a prospective purchaser of securities of the person or company might question the other person or company's independence from the first person or company. Clients of AMUR, in its capacity as an exempt market dealer, invest in the AMUR MIEs which are connected issuers of AMUR by virtue of registrants of AMUR being directors and officers of the AMUR MIEs.

- a) **Exempt Market Dealer for Third Party Issuers** - AMUR will only act as dealer in connection with the distribution of the securities of the AMUR MIEs.
- b) **Related Registrants** - A "related registrant" is a registered adviser or dealer under securities legislation that has a principal shareholder, director or officer that is a principal shareholder, director or officer of AMUR. Since the AMUR MIEs are not registered advisers or dealers, the AMUR MIES are not related registrants of AMUR.
- c) **Referral Arrangements** - AMUR may enter into referral arrangements in the future.
- d) **Other Conflicts of Interest** - From time to time, other conflicts of interest may arise. AMUR will continue to take appropriate measures to identify, avoid where possible,

disclose information to clients and address conflicts to respond to such situations fairly and reasonably and in the best interests of its clients.

HOW WE RESPOND TO CONFLICTS OF INTEREST

Whenever AMUR identifies an additional conflict of interest, we will apply the following policies:

- a) every director, officer or employee of AMUR shall conduct themselves in a manner consistent with the highest ethical standards;
- b) the client's interest will have precedence over any director, officer or employee's personal interest;
- c) AMUR will ensure that its clients are adequately informed about any conflicts of interest that may affect the services provided to them. AMUR will disclose, in a timely manner, the nature and extent of the conflict of interest to the client whose interest conflicts with the interest identified. AMUR will use its best judgment to determine the best way and time to inform clients about these conflicts in order to provide such clients a reasonable amount of time to assess such conflicts; and
- d) if a conflict of interest is sufficiently contrary to the interests of a client that AMUR cannot use controls or disclosure to respond to them, AMUR will avoid such conflict, stop providing the service or stop dealing with the client.

AMUR has policies and procedures in place to address other potential conflicts of interest that may occur in a variety of different contexts from time to time, and disclosure will be provided to clients as they arise.

Temporary Holds

AMUR may place a temporary hold on a client's account if AMUR reasonably believes all of the following:

- (a) the client is a vulnerable client and;
- (b) financial exploitation of the client has occurred, is occurring, has been attempted or will be attempted.

AMUR will not place a temporary hold on the basis of a client's lack of mental capacity unless AMUR reasonably believes that the client does not have the mental capacity to make decisions involving financial matters. If AMUR does place a temporary hold, AMUR will provide to the client notice of the temporary hold and the reasons for the temporary hold as soon as possible after placing the temporary hold. AMUR will also provide the client within 30 days of placing the temporary hold and, until the hold is revoked, within every subsequent 30-day period, a notice of AMUR's decision to continue the hold and reasons for that decision.

WHAT TO DO IF YOU HAVE A COMPLAINT

AMUR maintains an ongoing membership with the Ombudsman for Banking Services and Investments ("OBSI"). Please see Appendix to this RDI for a description of AMUR's complaint handling process and the procedure to be followed if you wish to have your complaint resolved by OBSI.

ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

Under the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), AMUR is obligated to implement specific measures to detect and deter money laundering and the financing of terrorist activity. As such, all investments into AMUR MIEs require completed documentation including confirmation of investor identification or financial entity information.

If AMUR is aware or suspects that an investor is engaged in money laundering, it is our duty to report our suspicions to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Any such reporting will not be deemed a breach of privacy and confidentiality restrictions imposed by applicable law or otherwise. Additional information on FINTRAC can be obtained at <http://fintrac-canafe.gc.ca>.

Canada's legislative measures against terrorists, terrorist groups and other listed and sanctioned individuals and entities, prohibit activity with respect to assets of persons designated under such legislation. Registered dealers are also required to make monthly reports to securities regulators, stating whether they have had any dealings with persons on official lists of terrorists. Accordingly, AMUR is required, on a monthly basis, to compare its client list to the list of names published on official lists of terrorists. An exception report would be produced and filed if any matches occurred.

CONSENT TO ELECTRONIC COMMUNICATIONS & ELECTRIC DELIVERY OF DOCUMENTS

As part of the account opening process, AMUR provides its clients with the possibility to consent to the electronic delivery of documents if they wish to receive electronic delivery of the documents which relate to their investment in the AMUR MIEs. Clients' consent may be revoked or altered, including any change in the electronic mail address provided, at any time by notifying AMUR of such revoked or altered consent by telephone, regular mail, or electronic mail. Consent is implied if you enter into a written contract which is still in existence or expired within two years immediately before the day on which the message was sent or if you made an inquiry or application on any of our services or products within the six month period immediately before the message was sent or you purchased a product with us within the two-year period immediately before the day on which the message was sent.

1. If you consent to the receipt of electronic communications and the electronic delivery of documents in connection with your investment in AMUR's mortgage investment entities (the "MIEs"), the following documents may be delivered electronically by or on behalf of the MIEs, AMUR Capital Management Corporation (the "EMD") or other service providers at the request of the EMD:
 - a. trade confirmations in respect of purchase of securities of the MIEs;

- b. financial statements for the MIEs (if requested);
 - c. unaudited financial information about the net asset value of the MIEs; and
 - d. such other reports, investment commentary or other information relating to other products and services offered by the EMD may choose to provide from time to time.
2. All communications and documents delivered electronically will be delivered by e-mail to the address you provide.
3. You may receive from the EMD a paper copy of any documents delivered electronically at no cost if I contact the EMD by telephone, regular mail, or electronic mail at:

AMUR Capital Management Corporation
Address: #210 – 10524 King George Boulevard, Surrey, BC, V3T 2X2
Attn: Chief Compliance Officer
Email: Invest@amurcapital.ca
Tel: 1-866-868-4139

4. You will be provided with a paper copy of any documents delivered electronically if electronic delivery fails.
5. Your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the EMD of such revised or revoked consent by telephone, regular mail or electronic mail at the contact information listed above.
6. You are not required to consent to receipt of electronic communications or electronic delivery of the documents described in paragraph 1.
7. Unless otherwise instructed by you the EMD will deliver documents and communications under this consent in English. Il est de mon souhait exprès que les documents à remettre selon ce Formulaire de Consentement soient rédigés en anglais.

DATA & PRIVACY PROTECTION

The privacy of our clients is very important to us. Set forth below are our policies with respect to personal information of clients that we collect, use and disclose. In connection with an investment in one or more of the AMUR MIEs, we collect, maintain and may disclose personal information about investors to meet legal or regulatory requirements, for year-end tax preparation purposes, and for any other purpose to which you may consent in the future. Your personal information is collected from the following sources:

- (a) subscription agreements or other forms that you submit to us;
- (b) your transactions with us and our affiliates; and
- (c) meetings and telephone conversations with you.

Unless you advise otherwise, by providing us with your personal information you have consented to our collection, use and disclosure of your information as provided herein and as provided in the governing documents of the applicable AMUR MIE. Private information obtained from our investors is strictly protected, and access is restricted only to circumstances where we require

information to provide services directly to you and to meet compliance requirements in accordance with regulatory bodies.

Investor personal information is maintained on our secure networks. Your information may also be stored on or at a secure off-site storage facility. You may access your personal information to verify its accuracy, to withdraw your consent to any of the foregoing collections, uses and/or disclosures being made of your personal information and may update your information by contacting the Chief Compliance Officer at 1-866-868-4139. Please note that your ability to participate in the AMUR MIEs may be impacted should you withdraw your consent to the collection, use and disclosure of your personal information as outlined above due to our inability to comply with regulatory requirements if this consent is not provided.

If you have a complaint regarding the use of your personal information, you may contact the Chief Compliance Officer at:

AMUR Capital Management Corporation
#210 – 10524 King George Boulevard
Surrey, British Columbia V3T 2X2
eloho.egbedi@amurcapital.ca

Investors should be aware that the AMUR MIEs are required to file with the British Columbia Securities Commission a report setting out the subscriber's name and address, the class and series of shares issued, the date of issuance and the purchase price of shares issued to the Investor. Such information is collected indirectly by the Securities Commission under the authority granted to it in securities legislation, for the purposes of the administration and enforcement of the securities legislation of British Columbia. By submitting this subscription, the Investor authorizes such indirect collection of the information by the Securities Commission.

The following official can answer questions about the Securities Commission's indirect collection of the information:

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581

TERMS & CONDITIONS

WHAT IS THE EXEMPT MARKET?

Securities law contains two fundamental concepts when considering bringing securities to market:

- a) The prospectus requirement
- b) The registration requirement

Issuers are required to file a prospectus in order to sell or distribute securities to the general public. This requirement is to ensure that investors are provided with relevant information about the company so that the investor can make an informed decision regarding their investment options. Securities offered by way of prospectus provide investors with certain statutory rights in the case of a misrepresentation in a prospectus including the right to sue for damages.

The registration requirement requires parties involved in the business of trading or advising in securities become registered with the securities regulators. Ensuring that individuals and firms who deal in securities are suitable and meet the requirements for proficiency, integrity and solvency. The registration requirement also requires, among other things, that registrants comply with certain know your product (KYP), know your client (KYC), and suitability requirements.

An *exempt security* is a security that is distributed under an exemption from the prospectus requirement as discussed above. Securities that are offered for sale under an exemption from prospectus requirements are usually called *private placements*. The market in which exempt securities are traded is known as the *exempt market or private market*.

Types of Exemptions: Where an issuer decides to distribute securities in the exempt market, they can utilize some of the commonly used prospectus exemptions below:

- a) Accredited Investor exemption (AI)
- b) Minimum Amount exemption (MA) or the \$150,000 exemption
- c) Offering Memorandum exemption (OM)
- d) Private Issuer exemption (less than 50 shareholders)
- e) Family, Friends and Business Associates exemption (FFBA)

Secondary Market:

There are secondary markets for publicly listed companies such as stock exchanges. On the contrary, there is no secondary market for exempt securities. Securities of private issuers purchased through an exemption are generally considered less liquid and can only be redeemed to the issuer.

Roles in the Exempt Market: The participants in the exempt market are below:

- a) Issuers – *corporations that raise capital through the exempt market*
- b) Exempt Market Dealers (EMDs) – *Registered firms who sell exempt securities to investors*
- c) Dealing Representatives (DR) – *Individuals who sell exempt securities via their EMD.*
- d) Securities Commissions/Regulators – *Provincial oversight over the issuer, EMD, DR.*
- e) Investors – *Individuals and institutions who purchase exempt securities*

DISTRIBUTION OF MORTGAGE INVESTMENT CORPORATIONS (MIC)

Most commonly, MICS are offered to investors under exemptions from prospectus requirements. As with all securities offered in the *exempt market*, MICs are distributed primarily by way of an offering memorandum (OM) and may only be purchased by certain investors who qualify for exemption (e.g., accredited investor exemption (AI), eligible investors under the OM exemption, or family, friends or business associates (FFBA)). When considering an exempt investment, you should thoroughly review the offering documents (offering memorandum, if any) and audited financial statements as a matter of your due diligence obligations.

WHAT IS A MORTGAGE INVESTMENT CORPORATION (MIC)?

A mortgage investment corporation (MIC) is an issuer and lending institution that: (a) offers shares of the corporation to investors; and (b) invests the process from the offering into mortgage secured by real property by lending to mortgage borrowers. MIC shareholders receive income from the MIC mortgage pool. In essence, the debt payments that the borrower make on their mortgages are flowed through to the shareholders of the MIC. Additional revenue may be generated from various fees paid by the borrower throughout the life of their mortgage.

Flow-Through Investments:

MICs are flow-through investments, meaning that tax is not paid by the corporation. Rather, income is flowed through to the investors. The criteria for eligibility for MICs, under the Income Tax Act (Canada), are summarized below:

- a) Must have at least 20 shareholders
- b) No shareholder may hold more than 25% of the MIC's total capital
- c) At least 50% of a MIC's assets must be residential mortgages and/or cash and deposits insured by Canada Deposit Insurance Corporation (CDIC)
- d) May invest up to 25% of its assets directly in real estate
- e) Must not develop land or engage in construction
- f) Must not invest in assets or debts (mortgages) related to property outside of Canada
- g) Must distribute 100% of its net income to its shareholders
- h) Distributions paid from a MIC to its shareholders are considered income for tax purposes (T5)
- i) Annual financial statements must be audited by an independent accounting firm
- j) May employ financial leverage by using debt to partially fund assets

WHAT IS SUITABLE (SUITABILITY)?

A suitable investment meets a firm's, and often legal, criteria that an investment strategy is appropriate for an investor's or client's objectives of risk tolerance and means. Dealing Representatives for exempt market issuers have a duty to take steps that ensure the investment is suitable for a client.

WHAT IS RISK TOLERANCE?

Risk tolerance is the degree of variability in investment returns that an investor is willing to withstand. Risk tolerance is an important component in investing. You should have a realistic understanding of your ability and willingness to stomach large swings in the value of your investments.

WHAT IS KNOW YOUR CLIENT (KYC)?

The Know Your Client form is a standard form in the investment industry that ensures investment advisors know detailed information about their clients' risk tolerance, investment knowledge, and financial position. KYC forms protect both clients and investment advisors. Clients are protected by having their Dealing Representatives know what investments best suit their personal situations. Dealing representatives are protected by knowing what they can and cannot include in their client's portfolio.

WHAT ARE ARTICLES OF ASSOCIATION?

A document that specifies the regulations for a company's operations and defines the company's purpose. The document lays out how tasks are to be accomplished within the organization, including the process for appointing directors and the handling of financial records.

WHAT DEFINES AN INSIDER OF A REPORTING ISSUER

Insider trading is defined as trading in a security by someone who has access to non-public material information. All directors and senior officers of a corporation and those who may also be presumed to have access to non-public or inside information concerning the company are considered insiders. Insiders can also be any one owning more than 10% of the voting shares in a corporation. Insiders are prohibited from trading on this information.

WHAT ARE FIXED ASSETS

Assets that are purchased for long-term use and are not likely to be converted into cash quickly. To calculate your **NET** fixed assets simply deduct any fixed liabilities from the sum of your fixed assets.

- a) *Examples of fixed assets*: real estate; automobiles, boats, and other recreational vehicles; equipment; group RRSPs
- b) *Examples of fixed liabilities*: mortgages; car loans; credit card debt; any other obligations not used to finance investments

WHAT ARE LIQUID ASSETS?

Short-term assets, which can be converted into cash quickly with little or no loss in value. To calculate your **NET** liquid assets simply minus any liquid liabilities from the sum of your fixed assets. **Excludes Fixed Assets*

1. Examples of liquid assets:
 - a) Cash & Securities
 - b) Monies owing under an insurance contract (a claim about to be paid or cash surrender value of a whole life policy)
 - c) Deposit or evidence of a deposit that is not a security
 - d) Investments, including Guaranteed Investment Certificates (GICs), but NOT including Group RRSPs
 - e) Money held on the investors' behalf by a trustee so long as the investor has control and gets the clear benefit of the money in the trust
2. Examples of liquid liabilities: loans, lines of credit, margin, or other obligations which are used to finance investments (any investments, not necessarily the investment in question).

HOW DO I CALCULATE MY NET WORTH?

Simply add the total value of both fixed and liquid assets, and minus both short-term and long-term liabilities, debt, and obligations.

WHAT IS THE OFFERING MEMORANDUM EXEMPTION?

The offering memorandum exemption allows an issuer to sell its securities to anyone, regardless of their relationship, wealth, or the amount of securities purchased.

WHAT DEFINES A POLITICALLY EXPOSED (FOREIGN) PERSON?

A person who holds or has held one of the following offices or positions in or on behalf of a foreign state:

- a) the head of state or head of government;
- b) member of the executive council of government or member of a legislature;
- c) deputy minister or equivalent rank;
- d) ambassador or attaché or counsellor of an ambassador;
- e) military officer with a rank of general or above;
- f) president of a state-owned company or state-owned bank;
- g) head of a government agency;
- h) judge;
- i) leader or president of a political party represented in a legislature; or
- j) any of the foregoing people's spouse or common-law partner, child, mother, father, mother or father of the person's spouse or common-law partner or child of the person's mother or father (i.e. half-brother or half-sister)

WHAT IS SPECULATION (IN TERMS OF INVESTING)?

The act of putting money into financial endeavors with a high probability of failure. Speculating seeks abnormally high returns from bets that can go one way or the other. Speculating is similar to gambling, but speculators try to make a more educated decision on the direction of their trades. These traders buy securities with the understanding that they will be held for only a short period before selling.

TRUSTED CONTACT PERSON

We may ask you for a trusted contact person to keep their information on file for the following reasons;

- (a) if we have concerns about possible financial exploitation of the client;
- (b) if we have concerns about the client's mental capacity as it relates to the ability of the client to make decisions involving financial matters; and
- (c) the name and contact information of a legal representative of the client, if any.