



EquityLine Mortgage Investment Corporation
Compensation Charter
August 4, 2020

1. Equity Line MIC Compensation Committee Charter

1.1. Purpose and Role

The Board of Directors (the “Board”) of the EquityLine Mortgage Investment Corporation Inc. (the “Company” or the “Corporation” or “ELMIC”) has established a Compensation Committee (the “Committee”) to assist it in discharging its duties and responsibilities relating to the compensation and performance of the President and Chief Executive Officer of the Corporation (the “CEO”) and senior management, as well as to review the Company’s employee compensation and benefit plans, policies and programs.

1.2. Composition

The Committee shall consist of the Board Chair and no fewer than three other Directors who are not employees of the Company and who have been appointed by the Board. The Board shall appoint the Chair of the Committee (the “Chair”), who shall appoint the Secretary of the Committee if required.

1.3. Authority

The Committee shall have unrestricted access to the Company’s management and employees. The Committee shall have the authority to conduct investigations into any matters within its scope of responsibilities, retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and approve the payment of the respective compensation of these advisors. The Company shall provide reasonable and appropriate funding, as determined by the Committee, for the services of these advisors.

The Committee has the authority to delegate to individual members or subcommittees of the Committee, and to engage and compensate any outside advisor that it determines to be necessary or advisable to permit it to carry out its duties.

1.4. Meetings

The Committee shall hold such meetings as are required to carry out this mandate. Any member of the Committee or the CEO may call meetings of the Committee by contacting the Corporate Secretary who will notify the Committee members. The Chair shall preside over all Committee meetings, but in the absence of the Chair, the members of the Committee present may appoint a chair from their number for that meeting.

The agenda for each meeting shall be established by the Chair, taking into account suggestions from other Directors and the CEO. Meeting materials and information shall be distributed in advance of each meeting so as to provide adequate time for review.

Directors are expected to attend, in person or by electronic means, all meetings of the Committee, to come to such meetings fully prepared, and to remain in attendance for the duration of the meeting. Where a Director's absence from a meeting is unavoidable, the Director should, as soon as practicable after the meeting, contact the Committee Chair for a briefing on the substantive elements of the meeting.

At the invitation of the Committee, senior management and others may attend Committee meetings as the Committee considers necessary or desirable; provided that no member of management shall be present during any voting or discussion regarding his or her compensation.

Notices of meetings shall be sent to all Committee members and, for informational purposes, to the Chair of the Board, to all other Directors and to the CEO.

1.5. Quorum

A majority of members of the Committee present in person, by teleconferencing or by videoconferencing shall constitute a quorum.

1.6. Chair

The Board will, following the annual general meeting of shareholders, appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair of the Committee shall be responsible for developing and setting the agenda for Committee meetings; determining the time, place and frequency of Committee meetings; and such duties and responsibilities as are set down in the document, "Position Description for a Committee Chair".

The Chair or a designate shall report to the Board on material matters arising at Committee meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval.

1.7. Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any others that are specifically delegated to the Committee by the Board.

1. CEO Performance, Evaluation and Compensation

- a. **Performance Goals** – At least annually, the Committee shall review and, if advisable, approve and recommend for Board approval the performance goals for the CEO.
- b. **CEO Evaluation** – At least annually, the Committee shall evaluate the performance of the CEO in relation to his or her performance goals and shall report on such performance to the Board.
- c. **Compensation** – At least annually, the Committee shall review, and, if advisable, approve and recommend for Board approval the CEO’s compensation package. The compensation package recommendation shall be based on the CEO’s performance evaluation conducted pursuant to this mandate, as well as other factors and criteria as may be determined by the Committee from time to time.
- d. **Employment Arrangements** – The Committee shall review, and if advisable, approve and recommend for Board approval any arrangement with the CEO relating to employment terms, termination, severance, change in control or any similar arrangements. In undertaking this review, the Committee shall take into account the overall structure, costs and general implications of these arrangements.

2. Appointment and Compensation of Senior Management other than the CEO

- a. **Senior Management** – The Committee shall require the CEO to provide recommendations respecting the appointment, compensation and other terms of employment of the Chief Financial Officer and the Chief Operating Officer, all senior management reporting directly to the CEO and all other officers appointed by the Board. The Committee shall review the CEO’s recommendations and, subject to any modifications, approve and recommend for Board approval any such appointment, compensation and other terms of employment.
- b. **Senior Management Compensation** – At least annually, the Committee shall require that the CEO provide recommendations respecting the Company’s compensation principles, policies and plans for management, including the establishment of performance measures and evaluation processes, which recommendations shall include and be consistent with the information required to be disclosed by the Company. The Committee shall review the CEO’s recommendations and, subject to any modifications, approve and recommend for Board approval such compensation principles, policies and plans. The Committee shall oversee the development and implementation of these principles, policies and plans.
- c. **Employment Arrangements** – The Committee shall require the CEO to provide recommendations relating to unusual or non-standard employment terms, termination, severance, change in control or any similar arrangements, relating to the Chief Financial Officer and Chief Operating Officer, all senior management reporting directly to the CEO and such other key senior management positions as the Committee may determine. The Committee shall review the CEO’s recommendations and, subject to any modifications, approve and recommend for Board approval any such arrangements. In undertaking this review, the Committee shall take into account the overall structure and costs of these arrangements.

3. Equity-Based Compensation Plans

- a. **Consistent principles and policies** – At least annually, the Committee shall review the Company’s equity-based compensation plans to determine whether these plans are reasonable and consistent with the Company’s compensation principles and policies.
- b. **Administration** – On an ongoing basis, the Committee shall administer and interpret the Company’s equity-based compensation plans and its policies respecting the grant of compensation pursuant thereto, and, if advisable, review and recommend for approval of the Board the grant of compensation the terms under the plan.

4. Equity Ownership and Retention Policies

- a. **Consistency.** The Committee has oversight of the Company’s equity ownership and retention policies applicable to directors and senior officers. The Committee shall review these policies annually or as required to determine whether they are consistent with the Company’s desire to have the Company’s directors and senior officers establish and maintain a meaningful equity ownership interest in the Company over a reasonable period of time.

5. Risk

- a. **Risk Oversight** – The Committee has oversight of the compensation policies and practices, that is, it shall review and discuss with management any risks related to the Company’s compensation policies and practices and any related disclosure to shareholders.

6. Disclosure

- a. **Report on Executive Compensation** – The Committee shall work with management to develop, at least annually or as directed by the Board, an Executive Compensation Report for presentation to the Board.
- b. **Executive Compensation Disclosure** – The Committee shall review and, if advisable, make recommendations to the Board with respect to any executive compensation disclosure.

7. **Delegation** – The Committee may at its discretion designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

8. **Succession and Management Development** – The Committee shall review the Company’s succession and management development plans at least annually, with particular emphasis on

identifying a successor in the event that an incumbent is unable to perform for an extended period of time.

9. **Reporting to The Board** - The Committee Chair or a designate shall report to the Board on material matters arising at Committee meetings and present the Committee's recommendations to the Board for its approval.
10. **Charter Review** - The Committee, in conjunction with the Governance Committee, shall review and assess the adequacy of this charter at least annually and recommend any changes to the Board for approval.
11. **Vacancy and removal.**
 - a. Each member of the Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of
 - i. the date of the next annual meeting of the Company's shareholders at which the member's term expires,
 - ii. the death of the member, or
 - iii. the resignation, disqualification or removal of the member from the Compensation Committee or from the Board.
 - b. A Director may resign from the Committee or may be removed and replaced at any time by the Board.
 - c. Any Committee member automatically ceases to be a member as soon as that member ceases to be a director.
 - d. A director who misses two consecutive meetings is considered to have submitted notice of his or her resignation. The Board will consider whether to accept the notice or pursue other options.
 - e. The Board will fill vacancies in the Committee by appointment from among the directors of the Board.
 - f. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.
12. **Secretary and Minutes**
 - a. The Corporate Secretary of the Corporation or such other person as may be appointed by the Chair of the Committee, will act as Secretary of the Committee.
 - b. Minutes of Committee meetings shall be recorded in writing and subsequently presented to the Compensation Committee for approval.
 - c. The approved minutes of the Committee will be duly entered into the books of the Corporation and circulated to all directors.

This charter was last revised and approved by the Board on Aug. 4, 2020.