



# MarshallZehr Governance Overview

Corporate Overview

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## Integrity, proficiency, and innovation.

At MarshallZehr, we recognize the value of good corporate governance and the impact this focus can have on the success of our company and our clients.

Our business is built on integrity, proficiency, and innovation. We are committed to demonstrating this integrity through ethical business practices, operational excellence, proactive risk management, and effective security and data protections.

Our focus on strong corporate governance and ethical business practices enables our team to guide clients through the process of real estate construction and development capital. We ensure clients understand any risks or conflicts within the opportunities suitable to them, so they can make informed decisions about how and where they may participate.



### Strong governance practices

Strong governance helps MarshallZehr to ensure steadfast fiduciary responsibility and alignment of decision-making, helping us to protect the interests of our clients.



### Refined operational execution

Effective operational business practices help MarshallZehr to have more insight and control over the capital process, manage risks, and ultimately protect our clients' interests.



### Data security

We have multiple layers of security that protect our data from external threats, including strong encryption, multi-factor authentication, and comprehensive monitoring systems.



### Reporting and communications strength

We have built robust financial controls to ensure transactions are accurately recorded, approved, evaluated, and reported - delivering the assurance our clients look for.



### Proactive focus on risk management

Good risk management practices begin with a proactive approach - identifying potential organizational risks to ensure we're constantly maintaining our fiduciary responsibility and protecting our clients' interests through professional and insightful service.



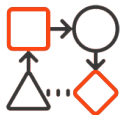
## Governance



Our focus on strong governance enables MarshallZehr to robustly ensure we're meeting our fiduciary responsibility and taking the necessary steps to protect the interests of our clients. These same structures also enable our leadership team to seamlessly align decision-making, company resources, and appetite for risk tolerance as we work towards shared objectives with our clients.

We achieve strong governance through a number of best practices:

- We have documented policies and procedures to meet the specific requirements of the Financial Services Regulatory Authority of Ontario (FSRA) and we closely monitor these requirements to ensure compliance.
- Through extensive process mapping and business structures, we are able to proactively identify opportunities to further mitigate risks, improve controls and oversight, and better protect the interests of our clients'.
- Every employee at MarshallZehr is aligned with our fiduciary duties, corporate mission, and the ethical running of our business. All employees have a clear line of sight on how they contribute to these elements and the achievement and our shared goals and objectives.



## Operational Excellence

Operational excellence unlocks a number of benefits for MarshallZehr - specifically, it gives additional insight and control and supports the fulfillment of our responsibilities and protection of our clients' interests. We are proud of the operational excellence we have achieved, through a laser-focus on a number of critical business functions:

- Advanced financial modelling enables deeper evaluation and insight for our borrowing clients, helping MZ uncover the financing solution best suited to their needs. This same modelling also enables a deeper understanding of transactions under consideration, including their risks, to better protect our lender clients' interests.
- MZ utilizes a Credit Committee to share knowledge and experience when assessing a potential transaction. This committee, comprised of experienced real estate and finance professionals, underpins our lending and credit evaluation process.
- We work with clients who are accredited investors, bringing external and sophisticated perspectives to our relationships to ensure due diligence requirements are met.
- We execute transactions daily and have a refined, proven process to deliver results for both our lending and borrowing clients



## Reporting and Communications

Leveraging our team's experience and expertise, we have designed and built robust financial controls to ensure transactions are accurately recorded, approved, evaluated, and reported - delivering the assurance our clients look for.

- We directly address - *and in many places exceed* - the requirements set out by FSRA. We accomplish this through extensive disclosure and communication standards regarding real and potential conflicts, mandated professional training and licensing for our employees, and a proprietary 'workflow' checklist to monitor and ensure compliance.
- Financial reporting and records are audited annually by E&Y. MarshallZehr engages professionals in various disciplines (i.e. Legal, Financial, Tax, Engineering, Environmental, Cost Consulting, etc.) to support our activities and provide comfort that we are aware and remain in compliance with other relevant regulatory requirements.
- Financial processes and controls in place to ensure our reporting and performance measurement are accurate. Notwithstanding, we are constantly looking for opportunities to enhance or streamline existing controls, as well as improve the way we share information with clients.



## Data Security

Effective IT security combines many layers of protection to mitigate the risk of unauthorized access, inappropriate use, or loss of data. We have in place many tools and systems to protect our platform, our internal stakeholders, and confidential data.

- We require multi-factor authentication on our core business platforms, ensuring that only our employees can access critical business data
- Our proprietary technology platform is built using leading cloud systems, ensuring that we have end-to-end security for all employees wherever they work. This also provides high reliability and availability, (and the ability to recover quickly in the event of a disaster).
- MarshallZehr employs comprehensive monitoring systems to detect unauthorized access attempts and any other unexpected behaviours, helping to keep our systems secure. We also carry Cyber Insurance, supplementing our existing E&O Insurance to further protect against cyber risks.



## Risk Management

We take a proactive approach to risk management practices: identifying potential organizational risks and ensuring we're maintaining our fiduciary responsibilities. We prioritize the protection of our clients' interests, while striving to deliver insightful and professional service:

- We have assessed the key risks associated with our operations and have developed a Risk Register, used to refine and maintain suitable mitigation strategies and improved risk related reporting.
- We carry Errors and Omissions (E&O) insurance for our Mortgage Administration and Brokerage activities, protecting our clients while also meeting FSRA requirements.
- We have a robust Privacy Policy and strong privacy controls that help our team treat client data with the due care and respect required by the confidential nature of our relationship.
- We have developed a formal Business Continuity and Emergency Response plan, providing an additional layer of protection and security to our ability to protect our clients.

## In Summary

At MarshallZehr, we remain committed to demonstrating good governance and responsible corporate practices across our business - it is fundamental to the way we do business.

We don't take for granted the trust our clients have put in us. Our clients rely on MarshallZehr to operate with integrity, transparency, and ethically - we always strive to protect stakeholder interests and conduct ourselves with the highest levels of professionalism.

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MarshallZehr Group Inc. | Mortgage Administration #11955  
Mortgage Brokerage #12453

# Code of Business Conduct and Ethics

The Management of MarshallZehr Group Inc. (MZ or the Organization) recognizes its responsibility to promote ethical behavior and compliance with laws and regulations, auditing and accounting principles, MZ's other governing documents and the MORTGAGE PROFESSIONALS CANADA Code of Ethics (see Appendix B).

MZ is committed to adhering to and encouraging the organization to conduct its business in a highly ethical manner and creating an environment that respects and values all employees, and promotes corporate responsibility and fosters and values the key principles of honesty and integrity.

Consistent with that recognition, Management has briefly outlined principles which they expect all employees to comply with.

### **ACKNOWLEDGEMENT**

Each employee will formally reaffirm knowledge of the MZ Code of Business Conduct and Ethics and commitment to this Code in writing not less often than annually.

### **POLICIES AND PROCEDURES**

Each employee is responsible for awareness, understanding and compliance with Organizational policies and procedures.

### **MORTGAGE PROFESSIONALS CANADA CODE OF ETHICS**

Each employee will continue to comply with MORTGAGE PROFESSIONALS CANADA Code of Ethics (see Appendix B) addressing the following:

- Ethical Standards
- Protection
- Disclosure
- Confidentiality
- Competence
- Member Competition
- Co-operation with the Corporation
- Advertising
- No Discrimination; and
- Laws and Regulations

### **OTHER CODES OF ETHICS OR CONDUCT**

Each employee will continue to comply with the Codes of Ethics or Conduct which govern any professional organization to which the employee may belong.

### **LAWS AND REGULATIONS**

While addressed specifically in the MORTGAGE PROFESSIONALS CANADA Code of Ethics, MZ wishes to reiterate that all employees must comply with and proactively promote compliance with all laws, rules and regulations applicable to the Organization.



## CONFLICTS OF INTEREST

The MORTGAGE PROFESSIONALS CANADA Code of Ethics addresses the disclosure of conflicts of interest as it relates to the transactions MZ participates in. Further, MZ wishes to provide additional clarification to ensure employees understand when a conflict of interest may require further discussion with supervisors or managers. "Conflict of interest" occurs when an individual's private interest interferes in any way (or even appears to interfere) with the interests of the Organization as a whole or potential stakeholders in a transaction. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her Organizational work objectively and effectively. Conflicts of interest also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation. This Code does not prohibit such conflicts of interest; however, it does require the disclosure of any potential conflict to Management by the employee. Management will determine the appropriate treatment and disclosure of the potential conflict of interest considering all factors including applicable regulatory requirements.

## ORGANIZATIONAL ASSETS

All employees should protect the Organization's assets and promote their efficient use. Theft, carelessness and waste have a direct impact on the Organization's profitability. Organization assets should be used for legitimate business purposes. It should also be noted intellectual property rights throughout the world, including patent rights, design rights, copyright, trade secret rights and trade mark rights, arising from the employment with MZ are the exclusive property of MZ.

## CONFIDENTIALITY AND PRIVACY

To protect the interests of the Organization and our Clients, employees must maintain the confidentiality of information entrusted to them by the Organization, except when disclosure is authorized in advance or legally mandated. Confidential information includes client information, corporate records, business plans and processes, strategic initiatives and the timing thereof, as well as all non-public information that might be of use to competitors, or harmful to the Organization or its stakeholders, if disclosed. Further, the employee must comply with the MZ Privacy Policy (see Appendix C) when handling of Client information or shall advise Management of their inability to comply.

Further, the entirety of our conversations and documentation regarding the businesses presented by MarshallZehr Group Inc. (MZG), are completely confidential. The content of our conversations and any related information you and MZG might exchange should not be disclosed to or discussed with anyone, unless they are a related party to MZG or have signed a Confidentiality Agreement. All relationships, materials and information disclosed or created (including spreadsheets you may create and any work that you do on behalf of MZG) are the sole property of MarshallZehr Group Inc. and may not be used elsewhere in any part.

Your salary, benefits and any bonuses that you may be entitled to, are to be kept in strict confidence. Employees are prohibited from discussing their salary or wage levels and company benefits with other employees. Such information is confidential and may not be discussed in the workplace. Any employee violating this policy will be considered to have committed a breach of confidentiality and will be subject to disciplinary action, up to and possibly including termination of employment.

## REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOR

Employees are encouraged to report any illegal or unethical behavior. The Organization and its management proactively promote ethical behavior and encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation. Further, the Organization will not allow retaliation for reports made in good faith.

This Code is, and any amendments thereto will be, communicated through the Organization's Policy and Procedures Manual made available to all employees.

If an employee has any doubt or question as to any matter contemplated by this Code, he or she should discuss it with their direct Manager or any member of the senior management team.

# Privacy Policy

Our Company is dedicated to maintaining the accuracy, privacy, and security of your Personal Information. This Privacy Policy provides our principles related to the protection of the Personal Information of our customers, suppliers and other entities with which we engage in commercial activities ("Privacy Policy") and has been designed to be compliant with the federal Personal Information Protection and Electronic Documents Act ("PIPEDA").

### 1. Who is MarshallZehr Group Inc.?

Our Company is a private real estate lender and mortgage administration company for our mortgages only.

### 2. Definition of Personal Information

"Personal Information" is any information that identifies you, or by which your identity could be learned, but does not include your name, title, business address, or business telephone number. Examples of Personal Information include your home address, home telephone number, personal email address, billing and account information, numbers which may identify you (e.g. credit card), and transaction history.

### 3. Consent

You have the choice of whether or not to give us your Personal Information. If you submit your Personal information to us, we will, upon request, tell you why we are collecting it.

By providing your Personal Information to Our Company or its agents, you are agreeing and consenting that Our Company may collect, use and disclose your Personal Information for the purposes outlined in this Privacy Policy and as permitted or required by law. Wherever possible, we collect Personal Information directly from you. If you wish to withdraw, refuse, or limit your consent in any manner, please contact our Privacy Officer.

### 4. Why do we collect Personal Information?

Our Company collects Personal Information for the following limited purposes:

- a) to meet safety, security, and legal requirements;
- b) to manage our relationship with you and our ability to respond to your inquiries;
- c) to maintain customer and supplier lists; and
- d) to satisfy other reasonable business interests (e.g. collecting on outstanding accounts, assessing your credit risk rating).

## 5. How do we maintain your Personal Information?

Our Company maintains your Personal Information in secured locations and on computer servers controlled by us. We have developed and implemented security safeguards appropriate to the sensitivity of the Personal Information. These security safeguards include:

- a) office premises security;
- b) restricted file access to personal information;
- c) deploying technological safeguards such as security software and firewalls to prevent hacking or unauthorized computer access;
- d) internal password and security policies;
- e) employee confidentiality agreements;

If our Company uses the services of any third parties to process Personal Information, we will ensure that the Personal Information delivered to third parties is maintained at a level of security equal to that provided by us under this Privacy Policy.

## 6. When do we disclose your Personal Information?

WE DO NOT SHARE, SELL OR RENT YOUR PERSONAL INFORMATION TO THIRD PARTIES FOR THEIR OWN USE WITHOUT YOUR WRITTEN CONSENT.

Under certain circumstances, our Company will disclose your Personal Information:

- when we are required or authorized by law to do so;
- when you have consented to the disclosure;
- where it is necessary to establish or collect accounts for services rendered or work performed;
- if we engage a third party to provide services to us (e.g. collection service) and the third party is bound by our Privacy Policy;
- if the information is already publicly known; and
- to meet an emergency need.

## 7. Accountability of your Personal Information

Our Company is responsible for the Personal Information collected and maintained by us and which is under our control.

## 8. Accuracy of your Personal Information

- a) We have designated a Privacy Officer to be responsible for the care and control of Personal Information; Personal Information is retained as long as is reasonably necessary to fulfill the purposes for which it was collected, which in general is five to seven years depending on the sensitivity of the Personal Information;
- b) We have taken the following measures to ensure compliance with this Privacy Policy:
  - i. developed procedures to protect Personal Information;
  - ii. developed procedures to receive and respond to complaints and inquiries;
  - iii. trained our staff about our policies and practices respecting Personal Information; and
  - iv. developed and distributed information to our staff and the general public explaining our policies and procedures respecting Personal Information.

Our Company is committed to maintaining accurate, complete and up-to-date Personal Information. We may periodically request confirmation, written or otherwise, from you to ensure that the Personal Information collected and maintained by us is up-to-date and accurate. If during the time we are working with you on a matter any of your Personal Information changes, please inform us so that we can make any necessary changes in your active file(s) and on our databases.

## 9. Who do I contact regarding access to and changes to my Personal Information?

If you wish to access your Personal Information, please contact our Privacy Officer. Please make your request in writing, or via e-mail. However, we reserve the right to confirm your identity before complying with any access requests.

Although Our Company strives to ensure your Personal Information is correct, accurate and complete, you can challenge the completeness of your Personal Information under our care and control. Where you can successfully demonstrate that an error in the accuracy or completeness of your personal information exists, we will take reasonable steps to correct it.

There may be a charge for providing this information in which case you will be notified in advance and may withdraw your request or challenge the reasonableness of the charge.

Can my request for access to my Personal Information be denied?

Our Company may deny access to Personal Information when:

- a) denial of access is required or authorized by law;
- b) information relates to existing or anticipated legal proceedings against you;
- c) when granting you access would have an unreasonable impact on another person's privacy;
- d) when to do so would prejudice negotiations with you;
- e) to protect our rights and property;
- f) where the request is frivolous or vexatious.

## 10. Is Personal Information collected on our Web site?

A visitor to our Web site ([www.marshallzehr.com](http://www.marshallzehr.com)) is not required to reveal any individually identifiable information, nor is such information collected by electronic means.

On our Web site, like most other commercial Web sites, we may monitor traffic patterns, site usage and related site information to optimize our Web service. We may provide aggregated information to third parties, but these statistics do not include any identifiable Personal Information.

Our Web site contains links to other sites, which are not governed by this Privacy Policy.

## 11. Changes to this Privacy Policy

Our Company regularly reviews all its policies and procedures, and we reserve the right to change our Privacy Policy from time to time. In the event of any change to our Privacy Policy, the amended version will be posted on our Web site. Policy changes will apply to the Personal Information collected from the date of posting and will not be applied to existing Personal Information maintained by Our Company without the consent of the person concerned.