
CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (these "**Guidelines**") have been approved by the Board of Directors (the "**Board**") of Queen's Road Capital Investment Ltd. (the "**Company**"), and along with the charters and key practices of the various committees of the Board, provide the framework for the governance of the Company.

1. MISSION AND PRIMARY RESPONSIBILITIES OF THE BOARD

The mission of the Board is to oversee the business affairs of the Company always with the best interests of the Company in mind so as to ensure the long-term financial strength of the Company and the creation of enduring shareholder value. The Board must also maintain a sense of responsibility to the Company's investors, employees and the communities in which it operates.

The primary responsibilities of the Board are to:

- (a) develop, monitor and, where appropriate, modify the Company's Investment Policy;
- (b) review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Company;
- (c) regularly monitor the effectiveness of management policies and decisions;
- (d) evaluate and, with input from the Compensation, Corporation Governance and Nomination Committee, select and set the compensation level of the Chief Executive Officer (the "**CEO**");
- (e) identify and assess major risks facing the Company and review options for their mitigation;
- (f) ensure that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
- (g) review, with input from the Audit Committee, the financial performance and financial reporting of the Company and assess the scope, implementation and integrity of the Company's internal control systems;
- (h) appoint the officers of the Company (giving equal consideration to women), ensuring that they are of the calibre required for their roles and planning for their succession as appropriate from time to time; and
- (i) establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members as both members of the committees and as Board members.

2. DIRECTOR QUALIFICATIONS AND SELECTION

2.1 Board and Director Requirements

The directors will be elected each year by the shareholders at the annual meeting of shareholders. The Board will propose nominees to the shareholders for election to the Board at such meeting. Nominees who receive a greater number of votes "withheld" than votes "for" election must promptly tender their resignation for the consideration of the Board in accordance with a Majority Voting Policy. Between annual meetings of shareholders, the Board may appoint directors to serve until the next such meeting.

Each director should possess the following minimum qualifications: (a) the highest personal and professional ethics, integrity and values; (b) commitment to representing the long-term interests of the Company and the shareholders; (c) relevant business or professional experience; and (d) sufficient time to effectively fulfill duties as a Board member.

The Board will have a majority of "independent" directors, as such term is defined in National Instrument 52-110 ("**NI 52-110**"), and any applicable stock exchange rules, each as may be amended or replaced from time to time (collectively referred to as the "**Independence Rules**").

3. BOARD LEADERSHIP AND TERM

3.1 Board Leadership

The Board selects the Chair of the Board ("**Chair**") in the manner and based on the criteria that it deems best for the Company at the time of selection. The Chair shall perform such duties and responsibilities as outlined in the Position Description - Chair of the Board.

3.2 Directors' Tenure Policy

The Board believes that it is in the best interests of the Company that any management director whose employment at the Company terminates for any reason (including normal retirement) is expected to promptly resign from the Board, unless expressly agreed otherwise in advance.

3.3 Term Limits and Re-election

The Board does not believe it is appropriate or necessary to limit the number of terms a director may serve because of the time and effort necessary for each director to become familiar with the business of the Company. As an alternative to term limits, the Compensation, Corporate Governance and Nomination Committee and Chair will review critically each director's continuation on the Board every year.

3.4 Changes to the Board

Changes to the Board will be announced by press release.

4. DUTIES OF BOARD MEMBERS

4.1 Director Responsibilities

All directors must exercise their business judgment to act in a manner they reasonably believe to be in the best interest of the Company and in the best interests of its shareholders as appropriate. Directors must be willing to devote sufficient time and effort to learn the business of the Company, and must ensure that other commitments do not materially interfere with service as a director. In discharging their obligations, directors are entitled to rely on management and the advice of the Company's outside advisors and auditors, but must at all times have a reasonable basis for such reliance. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.

The directors are entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to the benefits of indemnification to the fullest extent permitted by law, the Company's charter documents and any indemnification agreements.

4.2 Service on Other Boards of Directors

The Company recognizes that its directors benefit from service on boards of directors of other companies, so long as such service does not materially conflict with the interests of the Company.

Prior to accepting a position on the Board or executive position of another reporting issuer, a director must advise the chair of the Compensation, Corporate Governance and Nomination Committee of the proposed position and all information available to the director regarding: (a) the business of the other reporting issuer; (b) whether the Company has any contractual or other relationship with the other reporting issuer; (c) whether any other director or senior executive of the Company is a director, officer or employee of the other reporting issuer; and (d) the expected time commitment in serving in that position with the other reporting issuer; and (e) any potential issues that may arise from good governance guidelines issued by Institutional Shareholder Services and similar organizations. The Compensation, Corporate Governance and Nomination Committee will provide the director with their views as to whether accepting such position is expected to conflict with the interests of the Company.

4.3 Conflicts of Interest

Directors are required to disclose to the Board (and any applicable committee) any financial interest or personal interest in any contract or transaction that is being considered by the Board or committee for approval. The interested director shall abstain from voting on the matter and, in most cases, should leave the meeting while the remaining directors discuss and vote on such matter. Disclosed conflicts of interest will be documented in the minutes of the meeting.

If a director has any significant conflict of interest with the Company that cannot be resolved, the director will promptly resign.

The company has adopted a Code of Business Conduct and Ethics which outline the procedure to evaluate potential conflicts of interest in more detail.

4.4 Company Loans and Corporate Opportunities

The Company will not make any personal loans or extensions of credit to directors or executive officers of the Company.

A director that possesses a business opportunity related to the Company's business shall make such business opportunity available to the Company. The director may pursue the business opportunity for the director's own account or on the account of another provided the Company informs the director in writing that the Company will not pursue the opportunity.

4.5 Director Orientation and Continuing Education

The Chair will be responsible for mentoring and counselling new members of the Board to assist them in becoming active and effective directors and ensuring that a process is in place to monitor legislation and best practices which relate to the responsibilities of the Board in order to periodically provide materials for all directors on subjects relevant to their duties as directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers and its internal and independent auditors.

4.6 Share Ownership Guidelines

The Board believes that each director should acquire and hold shares of the Company to align the interests of the director with those of the shareholders of the Company. Therefore, the Board has established a share ownership policy, which establishes a target for share ownership and a time period during which this target is to be met.

5. BOARD COMPENSATION

5.1 Directors' Fees

Directors are entitled to receive reasonable directors' fees and other compensation for their services as directors and committee members as may be determined from time to time by the Board, with input from the Compensation, Corporate Governance and Nomination Committee, as well as reimbursement of reasonable expenses incurred on Company business or in attending Board or committee meetings.

5.2 Additional Compensation

In addition to directors' fees, directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation, Corporate Governance and Nomination Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

6. BOARD MEETINGS AND COMMUNICATIONS

6.1 Attendance at Meetings

The number of scheduled Board meetings will vary with the circumstances, but the Board will meet at least once every financial quarter including following the annual meeting of shareholders held each year. In addition, special Board meetings will be called as necessary. Directors should make reasonable efforts to attend all meetings of the Board and of all Board committees upon which they serve. Any director candidate nominated for election at the annual meeting of shareholders is expected to attend such shareholders' meeting.

6.2 Board Agendas

The Chair, if any, will establish the agenda for each Board meeting in advance. Each director is free to suggest the inclusion of items on the agenda and to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

6.3 Board Material Distribution

Meeting agendas and other materials for review, discussion and/or action of the Board should, to the extent practicable, be distributed sufficiently in advance of meetings to allow time for review prior to the meeting. Directors are required to review such materials before Board meetings to enable a full discussion at the meetings. Presentations to the Board may rely on directors having reviewed information set forth in the briefing materials, thus allowing more time for discussion, clarification and feedback.

6.4 Access to Management and Independent Advisors

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

The Board has the power to hire independent legal, financial or other advisors as it may deem necessary.

6.5 Executive Sessions of Non-Management Directors

Non-management directors will meet in executive session at a scheduled Board meeting at least once per year and special meetings can be called as often as necessary. The Board will designate a lead independent director to lead such sessions. Minutes of each meeting must be prepared.

6.6 Communications with Interested Parties

Any interested party that is not an employee, officer or director of the Company, who desires to contact the Chair or other members of the Board may do so by writing to the Corporate Secretary at the address of the Company's head office. Any such communication should state the number of shares the Company beneficially owned by the party making the communication, if such interested party owns shares. The Corporate Secretary will forward to the Chair any such communication addressed to him/her or to the Board generally, and will forward such communication to other directors (including all non-management directors), as appropriate, provided that such communication addresses a legitimate business issue. For any communication relating to accounting, auditing or fraud, such communication will be forwarded immediately to the chair of the Audit Committee.

7. EVALUATION AND SUCCESSION

7.1 Annual Performance Evaluation of the Board, its Committees and Individual Directors

The Board will conduct an annual self-evaluation to determine whether it, its committees and each individual director are functioning effectively. The Compensation, Corporate Governance and Nomination Committee, in conjunction with the Chair, will ensure that there is an appropriate system in place for the evaluation of the performance of the Board, each of its committees and each individual director which should include a solicitation of comments from all directors and a report to the Board on the results of such evaluation. Such an assessment should consider:

- (a) in the case of the Board or a committee, its mandate and charter; and
- (b) in the case of an individual director, the applicable position description(s) as well as the competencies and skills each individual director is expected to bring to the Board.

7.2 CEO Evaluation

The Compensation, Corporate Governance and Nomination Committee will conduct an annual review of the CEO's performance. The Board will review the Compensation, Corporate Governance and Nomination Committee's report in order to ensure that the CEO is providing the best leadership for the Company. The evaluation should be based on criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events and development of management. The criteria should ensure that the CEO's interests are aligned with the long-term interests of the Company and its shareholders. The evaluation will be used by the Compensation, Corporate Governance and Nomination Committee in the course of its deliberations when considering the compensation of the CEO. In the absence of a Compensation, Corporate Governance and Nomination Committee, only independent directors will conduct the review of the CEO's performance.

7.3 Succession Planning

The Compensation, Corporate Governance and Nomination Committee should make an annual report to the Board on succession planning which should include policies and principles for CEO selection and performance review as well as policies regarding succession in the event of an emergency or the retirement of the CEO. The entire Board will work with the Compensation, Corporate Governance and Nomination Committee to evaluate and nominate potential successors to the CEO. In the absence of a Compensation, Corporate Governance and Nomination Committee, the Board should perform these functions.

8. BOARD COMMITTEES

8.1 Committee Structure

The Board will have at all times an Audit Committee, a Compensation, Corporate Governance and Nomination Committee and an Investment Committee, unless the Board otherwise determines. The Board may from time to time establish additional committees as necessary or appropriate, delegating to such committees all or part of the Board's power. In general, committees of the Board are utilized to focus on issues that may require in-depth scrutiny. All significant findings of a committee are presented to the full Board for discussion and review unless the Board has delegated certain authorities to that committee

8.2 Audit Committee

The Audit Committee shall be composed independent directors. The primary function of the Audit Committee is to assist the Board in its oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, and financial reporting and statements.

8.3 Compensation, Corporate Governance and Nomination Committee

The Compensation, Corporate Governance and Nomination Committee should be composed of a majority of independent directors. The Compensation, Corporate Governance and Nomination Committee should review with the Board, on an annual basis, the appropriate skills and characteristics required by Board members in the context of the current make-up of the Board. The Compensation, Corporate Governance and Nomination Committee will endeavour to recommend qualified individuals who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company. In addition, the Compensation, Corporate Governance and Nomination Committee will review and recommend to the Board appropriate compensation policies, practices and awards for the Company's employees, executive, committee members and Board members. The Compensation, Corporate Governance and Nomination Committee should review these Guidelines on an annual basis or as otherwise needed, and make recommendations to the Board of any suggested changes. The Compensation, Corporate Governance and Nomination Committee is responsible for administering the Company's Code of Business Conduct and Ethics, and will perform such other tasks as indicated in these Guidelines, or as assigned by the Board from time to time. If the Board determines to discontinue the Compensation, Corporate Governance and Nomination Committee, functions described herein as functions of the Compensation, Corporate Governance and Nomination Committee shall be performed by the independent directors of the Company or a committee composed of such directors, as directed by the Board.

8.4 Investment Committee

The Investment Committee shall be composed of at least two directors. The primary function of the Investment Committee is to implement the Investment Policy of the Company by discharging its responsibilities relative to investment strategy and guidelines, evaluation and decisions, and monitoring investment performance.

8.5 Committee Charters and Responsibilities

Each key committee will have its own charter. The charters will establish the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will evaluate its performance on an annual basis.

8.6 Committee Agendas

The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chair of each committee, in consultation with the appropriate members of the committee and management, will develop the agenda for each committee meeting.

8.7 Advisors

All committees of the Company have the power to hire independent legal, financial or other advisors, as they deem necessary.

9. CODE OF BUSINESS CONDUCT AND ETHICS

All directors, officers and employees of the Company will comply with the Company's Code of Business Conduct and Ethics, which reaffirms with Company's high standards of business conduct. The Code of Business Conduct and Ethics is part of the Company's continuing effort to ensure that it complies with all applicable laws, has an effective program to prevent and detect violations of law, and conducts its business with fairness, honesty and integrity. In the unlikely event of a waiver, any such waivers of this Code for directors or officers will be approved by the Compensation, Corporate Governance and Nomination Committee and such waiver will be properly disclosed to shareholders as required by law.

10. MISCELLANEOUS

These Guidelines are not intended to modify, extinguish or in any other manner limit the indemnification, exculpation and similar rights available to the directors of the Company under applicable law and/or the Company's charter documents. Although these Guidelines have been approved by the Board, it is expected that these Guidelines will evolve over time as customary practice and legal requirements change. In particular, guidelines that encompass legal, regulatory or exchange requirements, as they currently exist will be deemed to be modified as and to the extent such legal, regulatory or exchange requirements are modified. In addition, these Guidelines may also be amended by the Board at any time as it deems appropriate.

Nothing in these Guidelines should be construed or interpreted as limiting, reducing or eliminating the obligation of any director, officer or employee of the Company to comply with all applicable laws. Conversely, nothing in these Guidelines should be construed or interpreted as expanding applicable standards of liability under provincial or federal law for directors or officers of the Company.

These Guidelines were last reviewed, revised, approved and adopted by the Board effective on June 7, 2023.
