



Harbour Mortgage Corp.

PRIVACY POLICY

HARBOUR MORTGAGE GROUP

(Effective as at October 31, 2008)

The following is the Privacy Policy of Harbour Mortgage Corp., Harbour Real Estate Investments Inc., HMT Holdings Inc., Harbour Canadian Capital Corp., and their respective affiliates and associated entities (collectively “Harbour”, “we”, “our”, or “us”).

The purpose of this Privacy Policy is to explain the type of Personal Information we collect, how we use it, and our commitment to ensure that it is properly managed and safeguarded.

What is Personal Information?

For the purposes of this Privacy Policy, “Personal Information” shall have the meaning set out in Canada’s *Personal Information Protection and Electronic Documents Act (“PIPEDA”)*. Under PIPEDA, Personal Information includes any information about an identifiable individual that is factual or subjective, whether recorded or not.

It typically includes your name, residential address and telephone number, personal email address, identification numbers, date of birth, employment and financial information, and credit records. It does not include business or employment information typically found on your business card or available in public records.

The Ten Privacy Principles

Harbour follows the ten principles for the protection of personal information outlined in PIPEDA that set out the ground rules for the collection, use and disclosure of Personal Information.

1. Accountability

It is the responsibility of Harbour to protect Personal Information held by us or disclosed by us to third parties. Our employees, agents, investors and suppliers are advised of, and must comply with, our privacy policies and procedures. We have appointed an individual to be the Privacy Officer responsible for our organization’s compliance with our privacy policies and practices.

2. Identifying purposes

At Harbour, we collect Personal Information from individuals who are investors or borrowers or guarantors of loans facilitated and/or managed by us.

If you are an investor, we will collect Personal Information from you such as your name, address, telephone number, email address, social insurance number and banking information, as well as such other Personal Information which will allow us to contact or respond to you, receive funds from you, disburse funds to you, and to comply with any tax or other reporting requirements to which we are subject.

If you are a borrower or guarantor, we will, as part of our due diligence process, collect Personal Information about you from telephone calls, application forms or contracts, face-to-face meetings, emails or other forms of communication, past dealings you may have had with us, credit reporting agencies, current or previous lenders or bankers or mutually known parties such as brokers or intermediaries.

Personal Information collected from a borrower or guarantor will include but not be limited to the name, age, address, telephone number, email address, social insurance number, banking and other personal financial information of such persons.

This allows us, and any credit bureau, service provider, person or organization to whom we may disclose your Personal Information, to verify your identity, understand your needs, assess your creditworthiness and financial status, take a security interest, obtain automatic bank withdrawals, comply with tax, regulatory, contractual and other legal requirements, and if required, to assist with enforcement and collection of the loan.

If we syndicate or assign your mortgage or loan, or otherwise sell, merge or amalgamate some or all of our business with other entities, we may release the Personal Information we hold about you to the prospective investor, purchaser or assignee as part of the due diligence process, and when the transaction is completed.

3. Consent

We will only collect, use and disclose your Personal Information with your knowledge and consent, except where otherwise permitted or required by law.

In most cases, we will request your express consent, and will ask you to give consent explicitly, either orally, electronically or in writing.

In some cases, we may rely on your implied consent, that is, where consent may reasonably be inferred from the request, action or inaction or from a previous relationship.

It is your choice whether you provide us with Personal Information, however, the failure to do so (or later withdrawing or limiting your consent) may prevent us from providing you with a loan or allowing you to invest with us.

Where you are permitted to withdraw or limit your consent, and choose to do so, we will use our commercially reasonable efforts to update our files as soon as possible, however, we require reasonable notice of your withdrawal or limitation of your consent, in writing.

There are a number of exceptions to the requirements to obtain consent and provide access, which allow organizations to collect, use and disclose or refuse to disclose Personal Information without the individual's knowledge or consent. These exceptions are set out in PIPEDA.

By disclosing your Personal Information to us, you consent to the collection, use and disclosure of your Personal Information in the manner contemplated by this Privacy Policy.

4. Limiting collection

We limit the collection of your Personal Information to only those details that we consider are necessary for the identified purposes, and will do so only by fair and lawful means.

5. Limiting use, disclosure, and retention

Your Personal Information will only be used or disclosed by us for the purposes for which it was collected, unless you consent otherwise, or when we are required or permitted by law to disclose. Such circumstances where disclosure may occur without your consent will include, where:

- disclosure of Personal Information is required or authorized by law;
- an individual has consented to the disclosure;
- it is necessary to establish or collect fees or other costs incurred by us or by our agents;
- we engage a third party to provide administrative services to us (such as computer back-up services or archival file storage, wage and salary processors) and the third party is bound by our Privacy Policy; or
- the Personal Information is already publicly known.

In the event that you ask us to disclose some or all of your Personal Information to your relative, advisor or any other party, we may require that you provide us with express written authorization to do so.

We will retain your Personal Information for the period of time required to fulfill the purposes for which it was collected, or to comply with a legal requirement. Thereafter, we will destroy your Personal Information by shredding, deleting or otherwise disposing of the relevant records.

Our website may contain links to other sites, which are not governed by this Privacy Policy. On our website, like most other commercial websites, we may monitor traffic patterns, site usage and related website information in order to optimize the information, services or products we provide. We may provide aggregated information to third parties, but these statistics will not include any identifiable Personal Information.

6. Accuracy

We strive to ensure that an individual's Personal Information is as accurate, complete and up to date as necessary, to fulfill the purposes for which it was collected. We rely on you to advise us when your Personal Information changes or when you become aware that your Personal Information is incorrect or incomplete.

7. Safeguards

Although we cannot take responsibility for any theft misuse, unauthorized copying, disclosure, loss, alteration or destruction of data by a third party, we will take appropriate and reasonable steps to protect your Personal Information against these occurrences. The nature of the safeguards depends on the sensitivity, format, location, and storage of the Personal Information.

8. Openness

We have attempted to make our policies and practices relating to Personal Information understandable and easily available. Should you have any questions, comments or complaints, the contact information for our Privacy Officer is available on our website at www.harbourmortgage.ca.

9. Individual access

If requested by you in writing, we will as soon as reasonably possible, advise you of what Personal Information we have, and how it is or may be used, from whom it was collected, and to whom it has been disclosed. We will correct or amend any Personal Information that is found to be inaccurate or incomplete.

Since the information may not be available immediately, we will attempt to provide you with the requested information within thirty days of receipt of your written request. Unless we consider your request to be onerous, we will not charge you for our response, and if there is to be a charge, you will be advised in advance.

There may be instances where we will not provide Personal Information, including if it (a) is not readily available and the cost of retrieval is onerous, (b) has already been destroyed due to legal requirements or because we no longer needed it, (c) contains Personal Information about others, (d) contains proprietary or other confidential commercial information, (e) cannot be disclosed for legal reasons, (f) is subject to solicitor-client or litigation privilege, (g) is being used for the detection or prevention of criminal activity, including fraud; (h) the request is vexatious or frivolous; or (i) to protect the rights and property of Harbour.

10. Challenging compliance

Harbour is committed to complying with this Privacy Policy. Should you have any questions, comments or complaints, you should contact our Privacy Officer, whose contact information is available on our website at www.harbourmortgage.ca, and who will respond to your request or investigate your concern as quickly as possible.

If we find your complaint to be justified, we will take appropriate steps to correct our information, practices or procedures.

If you are not satisfied with our response, you may contact the Office of the Privacy Commissioner of Canada at www.privcom.gc.ca, or your provincial privacy commissioner, if applicable.

11. Changes to this Privacy Policy

We reserve the right to change this Privacy Policy at any time. All individuals are encouraged to contact Harbour to establish if any updates have been made to this Privacy Policy, which can be ascertained by the date listed at the top of this Privacy Policy.