

OWENS REALTY MORTGAGE, INC.

Amended & Restated Corporate Governance Guidelines Adopted May 7, 2018

The Board of Directors (the “Board”) of Owens Realty Mortgage, Inc., a Maryland corporation (the “Company”), has adopted the following Corporate Governance Guidelines (the “Guidelines”) to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders. These Guidelines should be interpreted in the context of all applicable laws and the Company’s charter (the “Charter”), bylaws (the “Bylaws”) and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board’s standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business, and as to the behaviors and decisions of the Board, not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company and its stockholders or as required by applicable laws and regulations.

These Guidelines are available on the Company’s website at “www.owensmortgage.com” and to any stockholder who otherwise requests a copy. The Company’s Annual Report on Form 10-K will state the foregoing.

The Board

Role of the Board

The business and affairs of the Company shall be conducted under the direction of its officers and the oversight of the Board, and pursuant to a management agreement (the “Management Agreement”) between the Company and Owens Financial Group Inc. (the “Manager”). The Board shall oversee the management of the Company and act in a manner that helps ensure that the long-term interests of the Company’s stockholders are being advanced.

Size of the Board

The Charter provides that the number of directors may be increased or decreased from time to time by the Board pursuant to the Bylaws but shall never be less than the minimum number required by the Maryland General Corporation Law. The Bylaws provide that the number of directors shall never be more than 15. The Board currently has five members. The Board believes that five directors is an appropriate size based on the Company’s present circumstances. The Board will periodically review the size of the Board and any recommendation of the Nominating and Corporate Governance Committee regarding board size and determine the size that is most effective in relation to future operations.

Independence of Directors

A majority of the members of the Board will be directors who qualify as independent directors (the “Independent Directors”) under the listing standards of the NYSE American, LLC, and any successor exchange (the “NYSE American”).

The Board will review annually the relationships that each director has with the Company (including, without limitation, directly or as a partner, stockholder or officer of an organization that has a relationship with the Company). Following such annual review, only those directors who the Board affirmatively determines do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director will be considered Independent Directors, subject to additional qualifications prescribed under the listing standards of the NYSE American. The basis for any determination that a relationship is not material will be published in the Company's annual proxy statement or, if the Company does not file an annual proxy statement, in the Company's annual report on Form 10-K filed with the Securities and Exchange Commission (the "SEC").

Executive Sessions of Non-Management Directors and Independent Directors

The non-management directors will meet in executive session without management directors or management present on a regular basis as often as necessary to fulfill their responsibilities, but no less than annually. The name of the chair of such meetings will be published, along with a means for stockholders to communicate with the non-management directors. The non-management directors will review the Company's implementation of and compliance with its Guidelines and consider such matters as they may deem appropriate at such meetings. Non-management directors are all directors who are not company officers (as that term is defined in Rule 16a-1(f) under the Securities Act of 1933, as amended), including such directors who are not independent by virtue of a material relationship, former status or family membership, or for any other reason.

In addition, if the non-management directors include directors who are not also Independent Directors, the Independent Directors shall also meet separately at least once per year in executive session.

Director Qualification Standards

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the appropriate characteristics, skills and experience required for the Board as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current Board members), the Nominating and Corporate Governance Committee, in recommending candidates for election, and the Board, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including:

- (1) personal and professional integrity, ethics and values;
- (2) experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly traded company in today's business environment;
- (3) experience in the Company's industry and with relevant social policy concerns;
- (4) experience as a board member of another publicly held company;

- (5) diversity (of both background and experience);
- (6) academic expertise in an area of the Company's operations; and
- (7) practical and mature business judgment, including the ability to make independent analytical inquiries.

The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee will also consider the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Election of Directors

Each year, at the annual meeting, the Board will recommend nominees to be elected by the stockholders. As provided in the Bylaws, in any election of directors, each director shall be elected by the vote of a majority of all the votes cast at a meeting of stockholders duly called and at which a quorum is present; provided, however, that if on the record date for such meeting the number of director nominees exceeds the number of directors to be elected, then a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient for such election. Any incumbent director who does not receive a majority of the votes cast by stockholders entitled to vote with respect to the election of that director shall tender his or her resignation within three (3) days after certification of the results, for consideration by the Nominating and Corporate Governance Committee. For purposes of the foregoing, a majority of the votes cast means that the number of shares that are cast and are voted "For" the election of a director must exceed the number of shares that are voted "Against" his or her election.

- (1) The Nominating and Corporate Governance Committee will consider such tendered resignation and, as soon as is reasonably practicable following the date of the Board's receipt of such resignation, but in no event later than ninety (90) calendar days after the stockholders' meeting at which the election occurred, will make a recommendation to the Board concerning the acceptance or rejection of such resignation. In determining its recommendation to the Board, the Nominating and Corporate Governance Committee will consider all factors it deems relevant, including, without limitation, the stated reason or reasons, if any, why stockholders who cast "Against" votes for the director did so, the qualifications of the director (including, for example, the impact the director's resignation would have on the Company's compliance with the requirements of the SEC, the NYSE American and the Guidelines), and whether the director's resignation from the Board would be in the best interests of the Company and its stockholders;
- (2) The Nominating and Corporate Governance Committee also will consider a range of possible alternatives concerning the director's tendered resignation as it deems appropriate including, without limitation, acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to

seek to mitigate or cure the underlying reasons believed by the Nominating and Corporate Governance Committee to have substantially resulted in the “Against” votes;

- (3) The Board will take formal action on the Nominating and Corporate Governance Committee’s recommendation no later than 120 days following the date of the stockholders’ meeting at which the election occurred. In considering the Nominating and Corporate Governance Committee’s recommendation, the Board will consider the information, factors and alternatives considered by the Nominating and Corporate Governance Committee and such additional information, factors and alternatives as the Board deems relevant and/or appropriate;
- (4) Following the Board’s decision on the Nominating and Corporate Governance Committee’s recommendation, the Company will promptly disclose the Board’s decision and rationale regarding its acceptance or rejection of the tendered resignation in a Form 8-K filed with the SEC; and
- (5) Any director whose resignation has been tendered will not participate in any consideration of his or her tendered resignation. If a majority of the members of the Nominating and Corporate Governance Committee do not receive a majority of the votes cast “For” their election, then the independent members of the Board who received a majority of votes cast “For” their election shall consider the tendered resignation(s) as provided above and will recommend to the Board whether to accept or reject them. The independent members of the Board may appoint a committee of independent members for this purpose. If no independent members of the Board receive a majority of votes cast “For” their election and one or more of the non-independent directors has received a majority of votes cast “For” their election, then those non-independent directors will consider the tendered resignations without the use of a Board committee. If none of the members of the Board receive a majority of votes cast “For” their election, then the incumbent Board (other than the director whose resignation is being considered) will individually consider each tendered resignation without the use of a Board committee.

Selection of New Directors

Each year, at the annual meeting, the Board will recommend nominees for election as directors by the stockholders. In accordance with the Charter, Bylaws and other relevant governing documents, the Board will generally be responsible for filling vacancies on the Board that may occur between annual meetings of stockholders. The Nominating and Corporate Governance Committee is responsible for identifying, screening and recommending candidates to the entire Board for nomination.

Board Diversity

The Nominating and Corporate Governance Committee will periodically evaluate the relevant experience, skills, qualifications and contributions that the incumbent directors bring to the Board and periodically review the advisability or need for any changes in the number and composition of directors on the Board. As a part of this evaluation and review, the Nominating and Corporate Governance Committee will also assess the backgrounds, skills and experience that the Board may find valuable in the future.

Moreover, periodically, the Nominating and Corporate Governance Committee will consider the Board's overall diversity, including diversity of race, gender and ethnicity, as well as diversity of viewpoints, background, skills and experience. The Board is committed to seeking to attain diversity and balance among directors with respect to race, gender and ethnicity, as well as with respect to viewpoints, background, skills and experience. To that end, the Nominating and Corporate Governance Committee, when expanding the size of the Board or filling a vacancy on the Board, commits to interviewing at least one candidate who would increase the gender, race or ethnic diversity of the Board.

Board Leadership

The Board will appoint the Chairman of the Board in accordance with the Bylaws. Both independent and non-independent directors, including the Chief Executive Officer, are eligible for appointment as the Chairman of the Board. The independent directors shall appoint one of their number to serve as the lead independent director.

No Specific Limitation on Other Board Service

The Board does not believe that its members should be prohibited from serving on boards of other organizations and has not adopted any guidelines limiting such activities. However, the Nominating and Corporate Governance Committee and the Board will take into account the nature of and time involved in a director's service on other boards and/or committees in evaluating the suitability of individual director candidates and current directors and making its recommendations to the Company's stockholders.

Service on other boards and/or committees should be consistent with the Company's conflict of interest policies set forth below.

Directors Who Resign or Materially Change Their Current Positions with Their Company

When a director, including any director who is currently an officer or employee of the Company, resigns or materially changes his or her position with his or her employer, such director should submit his or her resignation to the Board, which shall take effect immediately upon its receipt or at such later time specified in the resignation.

Term Limits

The Board does not believe it is in the best interests of the Company to establish term limits at this time. Additionally, such term limits may cause the Company to lose the contribution of

directors who have been able to develop, over a period of time, increasing insight into the Company's business and therefore can provide an increasingly significant contribution to the Board. The Board self-evaluation process, together with the processes set forth in the charter of the Nominating and Corporate Governance Committee and other policies of the Company relating to the evaluation of suitability of Board candidates (including current Board members) for election and determining the nomination of directors shall be an important determinant for Board tenure.

Director Responsibilities

The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees, as set forth in the Bylaws and committee charters. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- (1) overseeing the conduct of the Company's business and evaluating whether the Company's business is being properly managed;
- (2) reviewing and, where appropriate, approving the Company's major financial objectives, plans and actions;
- (3) reviewing and, where appropriate, approving major changes in, and determinations of other major issues respecting, the appropriate auditing and accounting principles and practices to be used in the preparation of the Company's financial statements;
- (4) assessing the major risks facing the Company and reviewing options of the mitigation of such risks;
- (5) overseeing the relationship between the Company and the Manager, and any affiliates of the Manager and any other related parties, and the payment of all amounts owing under any agreements with any such parties, including the Management Agreement;
- (6) reviewing and, where appropriate, approving changes in, and major determinations under, these Guidelines, the Company's Code of Business Conduct and Ethics and other Company policies;
- (7) reviewing and, where appropriate, approving actions to be undertaken by the Company that would result in a material change in the financial structure or control of the Company, the acquisition or disposition of any businesses or asset(s) material to the Company or the entry of the Company into any major new line of business;
- (8) with respect to the Compensation Committee, regularly evaluating the performance and approving the compensation of the Chief Executive Officer (to the extent applicable);
- (9) providing counsel and oversight on the selection, evaluation, development, retention and compensation of senior management of the Company (to the extent applicable);

- (10) planning for succession with respect to the position of Chief Executive Officer and monitoring management's succession planning for other key executives; and
- (11) ensuring that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

Compensation

The Company's executive officers shall not receive additional compensation for their service as directors. Senior management of the Company will report once a year to the Compensation Committee regarding the status of the Company's non-management director compensation in relation to other U.S. companies of comparable size and the Company's competitors. Such report will include consideration of both direct and indirect forms of compensation to the Company's non-management directors. Following a review of the report, the Compensation Committee will recommend any changes in non-management director compensation to the Chairman of the Board, which changes will be approved or disapproved by the Board after a full discussion.

All directors shall be reimbursed for expenses related to their attendance at Board and committee meetings.

Stock Ownership

The Board believes that meaningful ownership of the Company's common stock by its directors and executive officers helps to align the interests of the Company's directors and executive officers with those of its stockholders and is consistent with the Company's commitment to sound corporate governance. Therefore, directors and executive officers are required to retain shares of the Company's common stock pursuant to the Company's director and executive stock ownership guidelines.

Conflicts of Interest

Directors are expected to avoid any action, position or interest that conflicts with the interests of the Company or gives the appearance of a conflict. If an actual or apparent conflict of interest develops, the director should immediately report the matter to the Chairman of the Board. Any significant conflict must be resolved or the director should resign. If a director has a personal interest in a matter before the Board, the director will disclose the interest to the Board, offer to excuse himself or herself from discussion on the matter and not vote on the matter unless so requested by the Board.

Board Orientation and Continuing Education of Board Members

The Company provides new directors with a director orientation program to familiarize them with, among other things, the Company's business; strategic plans; significant financial, accounting and management issues; compliance programs; conflicts policies; Code of Business Conduct and Ethics; Guidelines; principal officers; internal auditors and independent auditors.

The Company will make available to directors continuing education programs, and each director is expected to participate in such programs, as management or the Board determines desirable.

Interaction with Constituencies

The Board believes that management speaks for the Company. Each director should refer all inquiries from institutional investors, the press or customers to management. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

Board Access to Senior Management and the Manager's Personnel

The Board will have complete access to Company management and personnel of the Manager in order to ensure that directors can ask any questions and receive all information necessary to perform their duties. Directors should exercise judgment to ensure that their contact with management and personnel of the Manager does not distract those individuals from their jobs or disturb the business operations of the Company. Such contact, if in writing, should be copied to the Chief Executive Officer of the Company.

Board Access to Independent Advisors

The Board committees may hire independent advisors as set forth in their applicable charters. The Board as a whole shall have access to such advisors and such other independent advisors that the Company retains or that the Board considers necessary to discharge its responsibilities.

Annual Self-Evaluation

Following the end of each fiscal year, the Nominating and Corporate Governance Committee will oversee an annual assessment by the Board of the Board's performance. The Nominating and Corporate Governance Committee will be responsible for establishing the evaluation criteria and implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company, as well as a review of the committee structure and an assessment of the Board's compliance with the principles set forth in these Guidelines. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of any individual Board member. The Nominating and Corporate Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

Board Meetings

Frequency of Meetings

The Board will meet at least once during each fiscal quarter. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

Director Attendance

A director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. Accordingly, a director is expected to regularly prepare for and attend meetings of the Board and all committees on which the director sits (including separate meetings of non-management directors and the Independent Directors), with the understanding that, on occasion, a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chairman or the chairman of the appropriate committee in advance of such meeting, and, whenever possible, participate in such meeting via teleconference.

Attendance of Non-Directors

The Chairman of the Board or of any committee may bring Company management, personnel of the Manager and outside advisors or consultants from time to time into Board and/or committee meetings to (1) provide insight into items being discussed by the Board that involve the members of management, personnel of the Manager, advisors or consultants and (2) make presentations to the Board on matters which involve the members of management, personnel of the Manager, advisors or consultants. Attendance of non-directors at Board meetings is at the discretion of the Board.

Agendas

The Chairman of the Board establishes the agenda for each Board meeting with input from the management and, as necessary or desired, from the other directors, personnel of the Manager and Company advisors.

Advance Receipt of Meeting Materials

Information regarding the topics to be considered at a meeting is essential to the Board's understanding of the business and the preparation of the directors for a productive meeting. To the extent feasible, the meeting agenda and any written materials relating to each Board meeting will be distributed to the directors sufficiently in advance of each meeting to allow for meaningful review of such agenda and materials by the directors. Directors are expected to have reviewed and be prepared to discuss all materials distributed in advance of any meeting.

Committee Matters

Number, Name, Responsibilities and Independence of Committees

The Board currently has three committees, each composed entirely of Independent Directors. From time to time, the Board may form a new committee or disband a current committee, depending upon the circumstances. Each committee will perform its duties as delegated by the Board in compliance with the Company's Bylaws and the committee's charter. These charters are available on the Company's website at "www.owensmortgage.com."

The current committees are:

- (1) Audit Committee. The Audit Committee consists of at least three members and reviews the work of the Company's internal accounting and audit processes and independent auditors. The committee has sole authority to appoint and fire the Company's independent auditors and to approve any significant non-audit relationship with the independent auditors.
- (2) Compensation Committee. The Compensation Committee consists of at least three members and reviews and approves the Company's goals and objectives relevant to compensation, stays informed as to market levels of compensation, approves compensation levels and plans, if any, for Board members and executive officers and oversees plans and programs related to the compensation of the Manager. The committee also produces an annual report on executive compensation for inclusion in the Company's proxy statement, to the extent required by, and in accordance with, applicable rules and regulations.
- (3) Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee consists of at least three members and is responsible for recommending to the Board individuals to be nominated for election as directors or appointed as committee members. This includes evaluation of new candidates as well as evaluation of current directors. This committee is also responsible for developing and recommending to the Board these Guidelines, as well as reviewing and recommending revisions to these Guidelines on a regular basis. This committee also performs other duties described in these Guidelines and prepares any disclosure of the nominating process required by applicable rules and regulations.

Assignment and Rotation of Committee Members

Based on the recommendations of the Nominating and Corporate Governance Committee, the Board appoints committee members and committee chairs according to criteria set forth in the applicable committee charter and such other criteria that the Board determines to be appropriate in light of the responsibilities of each committee. Committee membership and the position of committee chair will not be rotated on a mandatory basis unless the Board determines that rotation is in the best interests of the Company.

Each member of the Audit Committee must satisfy the independence requirements of Rule 10A-3 under the Securities Exchange Act of 1934 and must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, and at least one member of the Audit Committee must have accounting or related financial management expertise as determined by the Board in its business judgment. In addition, at least one member of the Audit Committee must meet the definition of "audit committee financial expert" as determined by the Board in its business judgment in accordance with the definition adopted by the SEC, which will also satisfy the requirement of the NYSE American that at least one Audit Committee member must be financially sophisticated.

Frequency of Committee Meetings

The Audit Committee will meet at least once during each fiscal quarter. The Compensation Committee and Nominating and Corporate Governance Committee will meet at least two times annually. In addition, special meetings may be called by the chairman of the committee from time to time as determined by the needs of the business. It is the responsibility of the directors to attend the meetings of the committees on which they serve.

Committee Agendas

The chairman of each committee, in consultation with the appropriate members of the respective committee, will develop his or her committee's agenda.

Committee Self-Evaluations

Following the end of each fiscal year, each committee will review its performance and charter and recommend to the Board any changes it deems necessary.

Leadership Development

Review of Chief Executive Officer

The Compensation Committee shall, to the extent and when required by applicable rules and regulations: (i) evaluate the performance criteria (including both long-term and short-term goals) to be considered in connection with the Chief Executive Officer's performance evaluation; and (ii) meet (with the Chief Executive Officer absent) to review the Chief Executive Officer's performance. The results of any such required review and evaluation shall be communicated to the Chief Executive Officer by the Chairman of the Compensation Committee.

Succession Planning

The Board works on a periodic basis with the Chief Executive Officer to review, maintain and revise, if necessary, the Company's succession plan upon the Chief Executive Officer's retirement and in the event of an unexpected occurrence. The Chief Executive Officer shall report annually to the Board on succession planning for the Chief Executive Officer and senior management positions, including a discussion of assessments, leadership development plans and other relevant factors. There should also be available to the Board, on a continuing basis, the Chief

Executive Officer's recommendations regarding his or her successor should he or she be unexpectedly disabled.

Anti-Hedging and Anti-Pledging Policy

The Company considers it inappropriate for any director or officer or personnel of the Manager to enter into speculative transactions in the Company's securities or to pledge any of the Company's securities. Such transactions allow the holder to own Company securities without the full risks and rewards of ownership and potentially separate the holder's interests from those of other Company stockholders. Therefore, the Company prohibits the purchase or sale of puts, calls, options or other derivative securities based on the Company's securities and the pledging of the Company's securities by directors, officers or personnel of the Manager. Our policy also prohibits hedging or monetization transactions, such as forward sale contracts, in which the stockholder continues to own the underlying Company security without all the risks or rewards of ownership.

Any person nominated by any stockholder of the Company to stand for election to the Company's Board at a meeting of the Company's stockholders (such nominee a "Director Nominee," and the stockholder(s) (and their associates and affiliates) that nominated the Director Nominee will be subject to the Company's anti-hedging and anti-pledging policy (i) from the time of such nomination until the certification of the results of the stockholder meeting at which the Director Nominee stands for election or the earlier withdrawal of such nominee and nomination and (ii) for any period of time during which such Director Nominee serves as a director of the Company.

Notwithstanding the foregoing, the Board or any committee designated by the Board, may, on a case-by-case basis, authorize the hedging or pledging of Company securities due to significant financial or other hardship on the part of the directors, officers or personnel of the Manager. Among the other factors that will be considered in determining whether to permit any particular transaction are the degree and nature of the hardship, the amount of securities involved, and the timing and terms of the proposed transaction. The grant of any exception to this policy is solely within the discretion of the Board or any committee of the Board that is assigned the responsibility of evaluating and determining such exception and will only be considered in extraordinary circumstances. The Board or such applicable committee of the Board may request whatever information it deems necessary or appropriate in making any such determination. Any exception must be approved in advance of the transaction so any individual seeking an exception should seek such approval sufficiently far in advance to permit an adequate amount of time to consider the request.