

MAINSTREET
EQUITY CORP.

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

RELATING TO THE

ANNUAL AND SPECIAL GENERAL MEETING OF COMMON SHAREHOLDERS

OF

MAINSTREET EQUITY CORP.

TO BE HELD ON

FRIDAY, MARCH 16TH, 2018

FEBRUARY 9TH, 2018

MAINSTREET EQUITY CORP.

**NOTICE OF AN ANNUAL AND SPECIAL GENERAL MEETING OF COMMON
SHAREHOLDERS OF MAINSTREET EQUITY CORP.**

Notice is hereby given that the annual and special general meeting of holders of common shares of Mainstreet Equity Corp. (the “**Corporation**”) will be held at 1413 - 2nd Street S.W., Calgary, Alberta, T2R 0W7, at 1:30 p.m. (Calgary time), on Friday, March 16th, 2018 for the following purposes.

1. To receive the consolidated audited financial statements of the Corporation for the financial year ended September 30, 2017 and the report of the auditors thereon.
2. To fix the board of directors of the Corporation at six (6) members.
3. To elect the board of directors for the ensuing year.
4. To appoint Deloitte, Chartered Accountants, as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix their remuneration.
5. To consider, and if deemed advisable, approve, with or without variation, an ordinary resolution approving and adopting a new share option plan of the Corporation, as more fully described in the accompanying management information circular of the Corporation.
6. To transact such other business as may be properly brought before the meeting.

Shareholders who are unable to attend the meeting in person are requested to date and execute the enclosed form of instrument of proxy and return it in the envelope provided for that purpose.

Dated at the City of Calgary, in the Province of Alberta, this 9th day of February, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“Navjeet (Bob) S. Dhillon”

Navjeet (Bob) Dhillon, President and Chief Executive Officer

IMPORTANT

It is desirable that as many common shares of the Corporation as possible be represented at the meeting. If you do not expect to attend and would like your common shares represented, please complete the enclosed instrument of proxy and return the same as soon as possible in the envelope provided for that purpose. All instruments of proxy, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the meeting or any adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairman of the meeting in his discretion and the Chairman of the meeting is under no obligation to accept or reject any particular late instruments of proxy.

If you are a non-registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

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MAINSTREET EQUITY CORP.

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

MANAGEMENT INFORMATION CIRCULAR

PERSONS MAKING THE SOLICITATION

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management and board of directors (“**Board**”) of Mainstreet Equity Corp., (the “**Corporation**” or “**Mainstreet**”), for use at the annual and special general meeting of common shareholders of the Corporation (the “**Meeting**”), to be held at 1413 - 2nd Street S.W., Calgary, Alberta, T2R 0W7, on Friday, March 16th, 2018 at the hour of 1:30 p.m. (Calgary time) or at any adjournment thereof for the purposes set forth in the accompanying notice of meeting (the “**Notice**”).

The costs incurred in the preparation and mailing of both the instrument of proxy and this Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers and employees of the Corporation who will not be directly compensated therefore.

In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, (“NI 54-101”) arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the capital of the Corporation (the “Common Shares”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders and the Corporation will pay for intermediaries to deliver proxy-related materials to the objecting Beneficial Shareholders of the Corporation, all in accordance with NI 54-101.

The record date to determine the registered shareholders entitled to receive Notice of the Meeting is February 9, 2018 (the “Record Date”). All information set forth in this Circular is dated effective as of the Record Date unless otherwise indicated.

APPOINTMENT, VOTING AND REVOCATION OF PROXIES

Appointment

The persons named (the “**Management Designees**”) in the accompanying instrument of proxy have been selected by the Board and have indicated their willingness to represent any shareholder who appoints them as their proxy at the Meeting or any adjournment thereof. Any shareholder has the right to appoint a person (who need not be a shareholder) other than the Management Designees to attend and to vote and act for and on behalf of such person at the Meeting. In order to do so the shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of instrument of proxy. All proxies must be deposited with the Corporation’s Registrar and Transfer Agent, Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Voting

Common Shares represented by any properly executed instrument of proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of instrument of proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

Revocation

In addition to revocation in any other manner permitted by law, a shareholder may revoke an instrument of proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited either at the registered office of the Corporation, 1413 - 2nd Street S.W., Calgary, Alberta, T2R 0W7, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Beneficial Holders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold their Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only instruments of proxy deposited by shareholders whose names appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by its broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many brokerage firms located in the United States. Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and directly vote their Common Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to registered shareholders of Common Shares unless specifically stated otherwise.

Registered Shareholders

Registered holders of Common Shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held, except to the extent that the person has transferred the ownership of any of his Common Shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands, not later than (10) days before the Meeting, or shorter period before the Meeting which the by-laws of the Corporation may provide, that his name be included in the list before the Meeting, in which case the transferee is entitled to vote his Common Shares at the Meeting.

As of the Record Date, 8,832,305 of the Corporation's unlimited authorized voting Common Shares were issued and outstanding. The Corporation is also authorized to issue an unlimited number of preferred shares issuable in series, none of which are issued.

Pursuant to By-Law No. 1 of the Corporation, a quorum for the transaction of business at the Meeting shall be two (2) or more persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy for an absent shareholder so entitled and together holding or representing in person or by proxy not less than five percent (5%) of the outstanding shares of the Corporation entitled to vote at the Meeting. In accordance with the By-law No.1 of the Corporation, if a quorum is present at the beginning of the Meeting, the shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the beginning of the Meeting, the shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business.

The following table sets forth information as of the Record Date with respect to each person who, to the knowledge of the Board and Executive Officers (as defined herein) of the Corporation, beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

Name and Municipality of Residence	Designation	Nature of Ownership	Number of Common Shares as at Record Date	Percentage of Class as at Record Date
Navjeet (Bob) S. Dhillon Calgary, Alberta	Common Shares	Direct and Indirect	3,815,700	43.2%

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview and Objectives

The Corporation has a Human Resources Committee that is primarily responsible for evaluating and making recommendations to the Board for the compensation of directors and Executive Officers. During the financial year ended September 30, 2017, Messrs. Amantea and Anderson made up the Human Resources Committee. Mr. Anderson is considered independent.

Mr. Anderson has served in senior management positions in a number of financial institutions for over 30 years and is currently the President of Tallinn Capital Partners Corp. He has and continues to be involved in all aspects of management decisions including human resources matters and compensation policies.

Mr. Amantea has been a partner of Warren Tettensor Amantea LLP, Barristers and Solicitors for more than 30 years and has and continues to be actively involved in policy making process in human resource matters and compensation policies of the firm.

The objective of the executive compensation program is to effectively retain and motivate the Executive Officers of the Corporation to achieve the corporate goals and objectives.

“**Executive Officer**” is defined by the legislation to mean (i) the Chair, Vice-Chair or President of the Corporation, (ii) a Vice-President of the Corporation in charge of a principal business unit, division or function including sales, finance or production, or (iii) an individual performing a policy-making function in respect of the Corporation.

Elements of the Compensation Program

The executive compensation program is comprised of three principal elements: base salaries, performance bonuses and an incentive stock option plan designed to provide a combination of cash and equity-based compensation. Other components of the executive compensation program include or previously included, a now expired share purchase loan assistance program (“**Loan Assistance Program**”) as well as transaction commissions, perquisites and other personal benefits. Each component of the executive compensation program is addressed separately below.

Base Salaries and Performance Bonuses

Salaries and performance bonuses for Executive Officers are reviewed annually based upon prevailing labour market conditions supported by independently prepared information, corporate and personal performance and on individual levels of responsibility. Salaries and performance bonuses of the Executive Officers are not determined based on any specific benchmarks or a specific formula.

During the last financial year ended September 30, 2017 the Corporation employed four Executive Officers, namely Navjeet (Bob) S. Dhillon acting as the President and Chief Executive Officer, Trina Cui acting as the Chief Financial Officer, Johnny C.S. Lam acting as the Chief Operating Officer and Sheena J. Keslick acting as Vice-President, Operations. The salaries for these Executive Officers are reviewed annually by the Human Resources Committee and the Chief Executive Officer based on labour market conditions supported by independently prepared information at the relevant time, financial performance of the Corporation and personal performance and contribution during the last financial year. The Human Resources Committee then recommends such compensation to the entire Board for approval.

Stock Option Plan

Prior to its expiry in March of 2017, the Board administered the incentive stock option plan of the Corporation which was implemented in March, 2007 (the “2007 Option Plan”). Subject to its approval by the shareholders of the Corporation at Meeting, the Corporation will administer the new share option plan which was approved by the Board on February 7, 2018 (the “New Option Plan”). Both the 2007 Option Plan and the New Option Plan are designed to provide a long-term incentive that is linked to share value. The Board, upon the recommendation of the Human Resources Committee, will determine the number of options to be granted to each director, officer or employee of the Corporation. In determining the number of options to be granted to individual directors, officers and employees, the Human Resources Committee will take into consideration the level of responsibility and experience required for the position, length of service with the Corporation, performance and personal contribution to the Corporation and previous grants to such individual. The Board will regularly review, and where appropriate adjust, the number of options granted to individual directors, officers and employees. Both the 2007 Option Plan and the New Option Plan are designed to attract and retain qualified and talented directors, officers and employees.

Other Compensation

Other components of compensation include or previously included, transaction commissions, perquisites and personal benefits as determined by the Human Resources Committee that are consistent with the overall compensation strategy as well as a now expired share purchase loan assistance program. There is no formula for how perquisites or personal benefits are utilized in the total compensation package.

The President and Chief Executive Officer also receives commissions for property transactions conducted by the Corporation at commercial rates in his capacity as a licensed real estate broker. Except in limited circumstances, these commissions are not incurred or paid by the Corporation but rather by the other selling party or parties to the transactions. The commissions form part of the President and Chief Executive Officer's annual compensation in that the Human Resources Committee takes them into account in determining the net amount of annual performance bonus. Commissions received by the President and Chief Executive Officer in the financial year ended September 30, 2017 amounted to \$ 282,000.

The Corporation does not provide any pension or retirement benefits to its Executive Officers.

Benchmarks

Salaries of the Executive Officers are not determined based on specific benchmarks or formula.

Performance Goals

The Corporation's performance bonuses incentive program is measured against a financial target of the Corporation being return on shareholders' equity and upon personal goals set by the Chief Executive Officer.

Risk Management

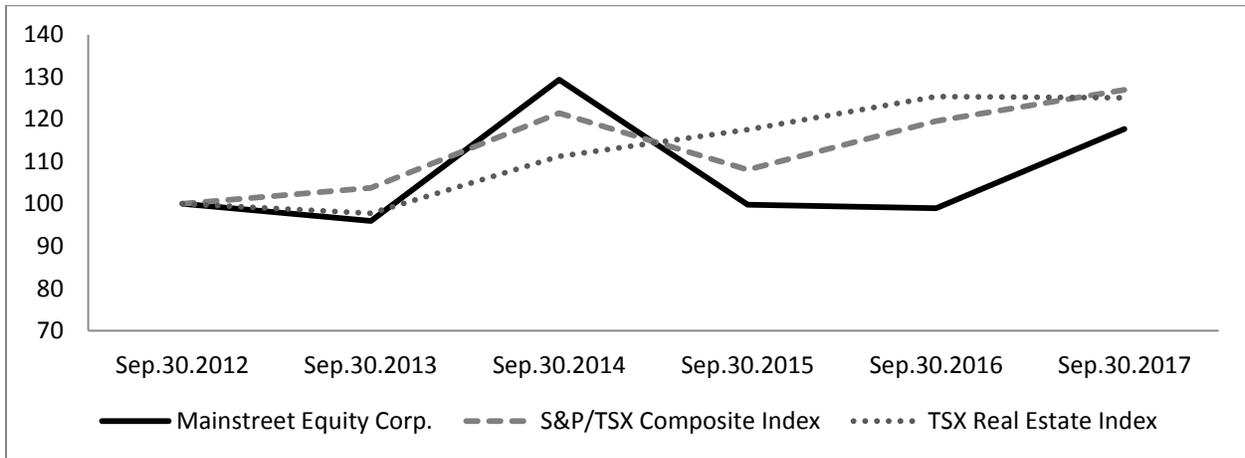
In designing the executive compensation program for the Corporation, the Human Resource Committee takes into account the implications of risk. In doing so, the Human Resource Committee's role is to ensure that the Corporation's belief in risk management is accurately reflected in its overall approach to compensation. As a result, the compensation principles and practices of the Corporation support the appropriate balance between risk and reward and encourage measured risk taking by Executive Officers. Two large components of compensation are base salary, a form of compensation that is not "at-risk", and incentive awards, which are considered to be "at-risk". This mix is designed to encourage Executive Officers to take measured risks that may have a positive impact of the Corporation's performance while simultaneously providing adequate compensation to Executive Officers to discourage them from taking excessive or inappropriate risks. In addition, the directors oversee the Corporation's debt levels and approve every acquisition over \$25 million. On an annual basis, the Human Resource Committee will continue to review the Corporation's compensation practices with a view to mitigating risk taking activities and will endeavour to ensure that the necessary adjustments to maintain the appropriate balance between "at-risk" and "not at-risk" compensation are made.

The Corporation does not prohibit the Named Executive Officers (as defined below) or the directors of the Corporation from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Named Executive Officers and directors have advised the Corporation that they have not entered into any such arrangements. To the extent that they subsequently enter into an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, their economic exposure to the Corporation, insider reporting laws in Canada provide that they must file a report disclosing the existence and material terms of the agreement, arrangement or understanding within five (5) days of the event.

Performance Graph

The following graph illustrates the Corporation's cumulative shareholder return to the end of the last financial year, as measured by the closing trading price of the Common Shares of the Corporation at the end of each financial period.

The starting point is September 30, 2012, assuming an initial investment of \$100 on September 30, 2012 compared to the S&P/TSX Composite Index and the TSX Real Estate Index, assuming in all cases that dividends are reinvested.



	Sep.30.2012	Sep.30.2013	Sep.30.2014	Sep.30.2015	Sep.30.2016	Sep.30.2017
Mainstreet Equity Corp.	100	96	129	100	99	118
S&P/TSX Composite Index	100	104	121	108	120	127
TSX Real Estate Index	100	98	111	118	125	125

There is no direct link between the trends in the Corporation's Common Share price performance to the trend in the Corporation's compensation to Executive Officers; however the Common Share trading price performance is one of the significant performance indicators taken into consideration by the Human Resources Committee in determining Executive Officer performance bonuses in any given financial year.

Option-Based Awards

For a description of the process that the Corporation uses to grant option-based awards to Executive Officers including the role of the Human Resources Committee and Executive Officers in such process, see the description under the "Compensation Discussion and Analysis – Elements of Compensation – Stock Option Plan." For an additional description of the stock option plans of the Corporation, see "Securities Authorized for Issuance under Equity Compensation Plan" and "Particulars of Matters to be Acted Upon – New Stock Option Plan".

Summary Compensation

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and Chief Financial Officer of the Corporation (ii) each of the Corporation's three most highly compensated Executive Officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an Executive Officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

The following table sets forth a summary of all compensation for services paid during the financial years ended September 30, 2015, 2016 and 2017 for the Corporation's four (4) Named Executive Officers, namely Navjeet (Bob) S. Dhillon, President and Chief Executive Officer, Trina Cui, Chief Financial Officer, Johnny C. S. Lam, Chief Operating Officer, and Sheena J. Keslick, Vice-President Operations (collectively the "Named Executive Officers").

Summary Compensation Table

Name and principal position ⁽³⁾	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$) ⁽²⁾	Total Compensation (\$)
					Annual incentive plans ⁽¹⁾		Long-term incentive plans		
Navjeet (Bob) S. Dhillon President and CEO ⁽⁴⁾	2017	1,225,000	Nil	Nil	918,000	Nil	Nil	Nil	2,143,000
	2016	1,200,000	Nil	Nil	926,753	Nil	Nil	Nil	2,126,753
	2015	1,200,000	Nil	Nil	728,500	Nil	Nil	Nil	1,928,500
Trina Cui CFO	2017	141,200	Nil	Nil	10,000	Nil	Nil	9,616	160,816
	2016	97,200	Nil	Nil	10,000	Nil	Nil	6,818	114,018
	2015	63,645	Nil	Nil	Nil	Nil	Nil	8,973	72,618
Johnny C.S. Lam, COO	2017	188,000	Nil	Nil	500,000	Nil	Nil	59,443	747,443
	2016	188,000	Nil	Nil	400,000	Nil	Nil	50,803	638,803
	2015	188,000	Nil	Nil	300,000	Nil	Nil	42,160	530,160
Sheena J. Keslick, Vice-President, Operations	2017	112,507	Nil	Nil	10,000	Nil	Nil	4,642	127,149
	2016	140,000	Nil	Nil	15,000	Nil	Nil	8,380	163,380
	2015	128,000	Nil	Nil	31,155	Nil	Nil	9,741	168,896

Notes:

- (1) Includes an annual performance bonus based on pre-determined performance goals and discretionary bonus amounts.
- (2) Other annual compensation relates to vacation pay and taxable benefits on loans under the Loan Assistance Program.
- (3) There were no other Executive Officers at the end of the most recently completed financial year whose total compensation exceeded \$150,000 per year.
- (4) Excludes transaction commissions received by the President and CEO during the year ended September 30, 2017 which commissions amounted to \$282,000 (2016 - \$173,000, 2015 - \$371,500) These commissions are not incurred or paid by the Corporation but rather by the other selling party or parties to the transaction.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended September 30, 2017 to the Named Executive Officers of the Corporation

Outstanding Share-Based Awards and Option-Based Awards at the end of the Financial Year Ended September 30, 2017

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that	Market or payout value of share-based

	options (#)			(\$) ⁽¹⁾	have not vested (#)	awards that have not vested (\$)
Navjeet (Bob) S. Dhillon President and CEO	750,000	5.51	March 10, 2019	23,632,500	Nil	N/A
Trina Cui CFO	Nil	N/A	N/A	N/A	Nil	N/A
Johnny C.S. Lam COO	22,000	5.51	March 10, 2019	693,220	Nil	N/A
Sheena J. Keslick Vice-Presid ent, Operations	Nil	N/A	N/A	N/A	Nil	N/A

Notes:

- (1) The value of the unexercised in-the-money options is the difference between the market value of the securities underlying the options at the end of the financial year and the exercise price of the options. The closing trading price of the Corporation's Common Shares as traded on The Toronto Stock Exchange as of September 30, 2017 was at \$37.02.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's financial year ended September 30, 2017 of option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

**Value Vested or Earned of Incentive Plan Awards during the Financial Year Ended
September 30, 2017**

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Navjeet (Bob) S. Dhillon President and CEO	Nil	Nil	Nil
Trina Cui CFO	Nil	Nil	Nil
Johnny C.S. Lam COO	Nil	Nil	Nil
Sheena J. Keslick Vice-President, Operations	Nil	Nil	Nil

Pension Plan Benefits**Defined Benefit Plans Table**

The Corporation does not have a pension or retirement plan.

Deferred Compensation Plans

The Corporation does not have a deferred compensation plan.

Termination and Change of Control Benefits

Pursuant to an employment agreement, dated effective March 1, 2017 (the “**Employment Agreement**”) between the Corporation and Trina Cui, the Corporation has agreed to engage the fulltime services of Ms. Cui as Chief Financial Officer of the Corporation. Ms. Cui is responsible for the financial and accounting related matters associated with the Corporation. Currently, Ms. Cui is paid an annual salary of \$150,000. Ms. Cui’s salary is reviewed annually by the Chief Executive Officer and the Human Resources Committee and is subject to adjustment based on prevailing labour market conditions and the annual financial results of the Corporation. Ms. Cui is also entitled to an annual performance bonus which is recommended by the Chief Executive Officer and the Human Resources Committee to the Board based upon the personal performance of Ms. Cui and the financial results of the Corporation. There is no fixed compensation nor do any outstanding options to purchase shares of the Corporation granted to Ms. Cui vest or become exercisable, in the event of termination of Ms. Cui’s employment.

Pursuant to an employment agreement, dated effective February 18, 1999, as amended on January 2, 2008 , October 1, 2014 and March 1, 2017 (the “**Employment Agreement**”) between the Corporation and Johnny C. S. Lam, the Corporation has agreed to engage the fulltime services of Mr. Lam as Chief Operating Officer of the Corporation. Mr. Lam is responsible for overall operational matters associated with the Corporation. Currently, Mr. Lam is paid an annual salary of \$188,000. Mr. Lam’s salary is reviewed annually by the Chief Executive Officer and the Human Resources Committee and is subject to adjustment based on prevailing labour market conditions and the annual financial results of the Corporation. Mr. Lam is also entitled to an annual performance bonus which is recommended by the Chief Executive Officer and the Human Resources Committee to the Board based upon the personal performance of Mr. Lam and the financial results of the Corporation. There is no fixed compensation nor do any outstanding options to purchase shares of the Corporation granted to Mr. Lam vest or become exercisable, in the event of termination of Mr. Lam’s employment.

Pursuant to an employment agreement, dated effective January 2, 2008, as amended on January 18, 2009 and November 16, 2014 (the “**Employment Agreement**”) between the Corporation and Navjeet (Bob) S. Dhillon, President and Chief Executive Officer, the Corporation agreed to engage the fulltime services of Mr. Dhillon as the President and Chief Executive Officer of the Corporation. Under the terms of the Employment Agreement Mr. Dhillon is currently paid an annual base salary of \$1,200,000. Mr. Dhillon’s salary is reviewed annually by the Human Resources Committee and is subject to adjustment based on prevailing labour market conditions and the annual financial results of the Corporation and having regards to market rates of remuneration paid in Canada for similar duties and responsibilities. Mr. Dhillon is also entitled to an annual performance bonus which is recommended by the Human Resources Committee to the Board based upon the personal performance of Mr. Dhillon and the financial results of the Corporation.

Unless Mr. Dhillon’s employment is terminated for cause, as defined under the employment agreement, the Corporation shall, upon termination, or within two (2) years if he voluntarily resigns after a change of control or if he becomes permanently disabled:

- (a) pay, in lieu of reasonable notice an amount equal to his monthly salary at the highest rate in effect during the twenty (24) months immediately preceding the date of termination multiplied by 36 months;
- (b) cause all outstanding options to purchase shares of the Corporation granted to Mr. Dhillon pursuant to any stock option plan of the Corporation to vest and become exercisable;
- (c) pay reasonable cost of financial, estate and career counseling and related expenses in connection with such termination to a maximum amount of \$10,000.

Assuming that a triggering event occurred on September 30, 2017 for the scenarios outlined in the paragraphs above, Mr. Dhillon would be entitled to receive a maximum of \$3,610,000, such amount being equal to: (i) 36 months’ salary at a rate of \$100,000 per month; and (ii) the amount of \$10,000, being the maximum payable for the reasonable cost of

financial, estate and career counseling and related expenses. All options held by Mr. Dhillon vested prior to September 30, 2017.

As at September 30, 2017, the Corporation was not a party to any compensatory plan, contract or arrangement where a Named Executive Officer is entitled a payment from the Corporation in the event of resignation, retirement or termination of employment of such persons, change of control of the Corporation or a change in the Named Executive Officer's responsibilities following a change of control, other than as described in the preceding paragraphs.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation (other than directors who are also Named Executive Officers) during the Corporation's financial year ended September 30, 2017.

Name	Fees earned (\$)	Share based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Joseph B. Amantea	35,000	Nil	Nil	Nil	Nil	Nil	35,000
Ron Anderson	35,000	Nil	Nil	Nil	Nil	Nil	35,000
Karanveer V Dhillon	35,000	Nil	Nil	Nil	Nil	Nil	35,000
Richard Grimaldi	35,000	Nil	Nil	Nil	Nil	Nil	35,000
John Irwin	35,000	Nil	Nil	Nil	Nil	Nil	35,000

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended September 30, 2017 to the directors of the Corporation (other than directors who are also Named Executive Officers) of the Corporation.

Outstanding Share-Based Awards and Option-Based Awards at the end of the Financial Year Ended September 30, 2017

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Karanveer V. Dhillon	25,000	5.51	March 10, 2019	787,750	Nil	Nil
Richard Grimaldi	25,000	5.51	March 10, 2019	787,750	Nil	Nil

Notes:

- (1) The value of the unexercised in-the-money options is the difference between the market value of the securities underlying the options at the end of the financial year and the exercise price of the options. The closing trading price of the Corporation's Common Shares as traded on The Toronto Stock Exchange as of September 30, 2017 was at \$37.02.
- (2) Messrs. Amantea, Anderson and Irwin do not hold any option-based awards or share-based awards of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation’s financial year ended September 30, 2017 of option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation.

Value Vested or Earned of Incentive Plan Awards during the Financial Year Ended September 30, 2017

Name	Option based awards Value vested during the year (\$)	Share based awards Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Joseph B. Amantea	192,820 ⁽¹⁾	Nil	Nil
Ron Anderson	Nil	Nil	Nil
Karanveer V. Dhillon	Nil	Nil	Nil
Richard Grimaldi	Nil	Nil	Nil
John Irwin	Nil	Nil	Nil

Note:

(1) The value of option-based awards vested or earned is calculated based on the difference between the exercise price of \$5.51 per common share and the market price of \$36.61 per common share on the day the option vested.

Other Compensation

A law firm, of which a director and officer of the Corporation is a partner, was paid \$240,000 for professional legal fees and disbursements rendered on behalf of the Corporation during the financial year ended September 30, 2017.

Other than as set forth above, the Corporation did not pay any additional compensation to the Executive Officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets forth information as at September 30, 2017 with respect to the Corporation’s compensation plan approved by the shareholders of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	822,000	\$5.51	-
Equity compensation plans not approved by shareholders	-	-	1,760,000
Total	822,000	\$5.51	1,760,000

Under the 2007 Option Plan, the Corporation was authorized to issue options exercisable for Common Shares equal to not more than twenty (20%) of the outstanding issue. “Outstanding issue” means the number of Common Shares outstanding on a non-diluted basis, subject to applicable adjustments as provided for in the by-laws and rules of any stock exchange having jurisdiction, and is determined on the basis of the number of Common Shares that are

outstanding immediately prior to the share issuance in question. The 2007 Option Plan was considered a rolling plan, since the Common Shares covered by options which have been exercised became available for subsequent grants under the 2007 Option Plan and the number of options available to grant increased as the number of issued and outstanding Common Shares of the Corporation increased.

The 2007 Option Plan expired on March 26, 2017 and accordingly, no further options may be granted under the 2007 Option Plan. However, options that were issued prior to March 26, 2017 under the 2007 Option Plan remain outstanding and shall be governed by the terms of the 2007 Option Plan. As of the date hereof and September 30, 2017, there were 822,000 options outstanding under the 2007 Option Plan (representing approximately 9.3% of the issued and outstanding shares of the Corporation), all of which are held by directors and Executive Officers of the Corporation. All outstanding options under the 2007 Option Plan have an exercise price of \$5.51 per Common Share and expire on March 10, 2019. Where an option granted under the 2007 Option Plan expires or is deemed to expire during a period of time imposed by the Corporation upon certain designated persons during which those designated persons may not trade in any securities of the Corporation (a “**Black-Out Period**”), the Option shall not be deemed to expire until the date that is ten (10) business days from the last day of the Black-Out Period.

The 2007 Option Plan did not limit insider participation and the 2007 Option Plan did not provide for a maximum number of Common Shares which may be issued to an individual pursuant to the Plan (expressed as a percentage or otherwise). The price of options granted under the 2007 Option Plan was not permitted to be less than the “market price” of the Common Shares at the time the option was granted. “Market price” means at any time during which the Common Shares are listed on the Toronto Stock Exchange, the closing sale price for board lots of Common Shares on the Toronto Stock Exchange on the business day immediately prior to the day on which the market price is determined. Options issued under the 2007 Option Plan are subject to earlier termination should any of the following events occur to an optionee: (a) the termination of the optionee’s employment (if the employment is terminated “without cause” options expire within 12 months, and should employment be terminated “with cause” options expire within 30 days); (b) upon the optionee ceasing to be a director or officer of the Corporation (options expire within 12 months); (c) upon retirement (options expire within 12 months); (d) permanent disability (options expire within 12 months); or (e) death (options expire within 12 months). The options granted under the 2007 Option Plan are transferable to permitted assigns, such as a trustee, custodian, administrator, holding entity, registered retirement savings plan or registered retirement income fund of the optionee or his or her spouse. The 2007 Option Plan includes a cash settlement alternative whereby optionees and the Corporation may jointly elect that the optionee may receive a cash payment from the Corporation equal to the “money value” of the option upon exercise in lieu of purchasing the Common Shares. The “money value” means the amount by which the weighted average trading price per Common Share on the Toronto Stock Exchange on the pricing date (being the date of exercise provided that notice of the exercise of the option is received by the secretary of the Corporation) exceeds the option price per Common Share multiplied by the number of Common Shares for which the option is exercised.

Subject to any required regulatory approval of any regulatory authority or stock exchange, the Board is permitted to amend the option price, the option period (which in no event shall exceed 10 years from the date of grant) and the termination provisions of options granted pursuant to the 2007 Option Plan, without shareholder approval, provided that if the Board proposes to reduce the option price or extend the option period of options granted to insiders of the Corporation pursuant to the 2007 Option Plan, such amendments will require shareholder approval.

On February 7, 2018, the Board approved the adoption of the New Option Plan, which is being submitted to the shareholders of the Corporation for consideration, and if thought appropriate, approval at the Meeting. See “*Particulars of Matters to be Acted Upon – New Option Plan*” for additional information in respect of the New Stock Option Plan. No options have been granted under the New Option Plan as of the date hereof.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof and during the most recently completed financial year, no current or former director, Executive Officer or employee of the Corporation, no proposed director, nor any associate thereof, is or was indebted to the Corporation or the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

MANAGEMENT CONTRACTS

No management functions of the Corporation or its subsidiaries are, to any substantial degree, performed by a person or corporation other than the directors or Executive Officers of the Corporation.

CORPORATE GOVERNANCE PRACTICES

The Board of the Corporation views effective corporate governance as an essential element of the effective and efficient operation of the Corporation and in the best interest of the Corporation's shareholders. The Corporation strives to ensure that its corporate governance policies and practices provide for effective stewardship of the Corporation and evaluate its governance practices on an on-going basis as a whole. The Corporation's principle objective in directing and managing its business and affairs is to enhance shareholder value. The Corporation believes that effective corporate governance improves corporate performance and benefits all of its shareholders.

The Board of Mainstreet has an Audit Committee, a Human Resources Committee and an Executive Committee. During the financial year ended September 30, 2017, Messrs. Grimaldi, Irwin and Anderson made up the Audit Committee, Messrs. Amantea and Anderson made up the Human Resources Committee and Messrs. Dhillon and Amantea made up the Executive Committee.

Board of Directors

Independent Directors

Mainstreet's Board facilitates its exercise of independent supervision over management by ensuring that at least one half of the Board is composed of independent directors. The Board is currently has six (6) directors, three (3) of which are considered to be independent (Messrs. Grimaldi, Irwin and Anderson). Joseph B. Amantea is not considered an independent director as he is a partner of a firm which provides legal services to the Corporation. Navjeet (Bob) S. Dhillon is not considered an independent director in that he is part of the management of the Corporation in his position as President and Chief Executive Officer. Karanveer V. Dhillon is not considered an independent director in that he is the sibling of Navjeet (Bob) Dhillon, the President and Chief Executive Officer of the Corporation. None of the remaining three directors, namely Richard Grimaldi, John Irwin and Ron Anderson or their associates have any interest, business or other relationship that could or could reasonably be perceived to materially interfere with each individual's ability to act in the best interests of the Corporation. These individuals do not receive remuneration from the Corporation other than annual director's fees and discretionary incentive stock options that may be determined by the Board from time to time.

Although three directors are not independent directors, these directors, like all directors, are required by law at all times to act in good faith and with a view to the best interests of the Corporation and its shareholders. As is the case with independent directors, these directors are sensitive to conflicts of interest and excuse themselves from deliberations and voting in the appropriate circumstances. Their extensive knowledge of the Corporation's business is extremely beneficial to the other directors and the Corporation and their participation as directors is an important element in the overall effectiveness of the Board. Although the Board considers independence from the Corporation as a factor in assessing its own effectiveness as well as the qualifications of potential candidates, the Board's primary objective is to ensure that directors are the most qualified candidates available and are selected on the basis of their overall qualifications and ability to contribute to the effective governance of the Corporation. All of the Corporation's directors make a valuable contribution to the Board, the Corporation and its shareholders.

The Corporation has not appointed an independent chairman or an independent lead director, however, the Board believes that each of the independent directors have significant experience as a director and/or executive officer of a publicly-traded or large corporate entity and that such independent directors do not require guidance of an independent chairman or lead director in exercising his duties as an independent director.

The Board has functioned, and is of the view that it can continue to function, independently of management, as required. In order to provide leadership for the independent directors, the independent members of the board are afforded the opportunity at meetings of the Board and applicable committees of the Board, to meet separately, in camera, in the absence of non-independent directors or management, to discuss any necessary matters in the absence of non-independent directors and management. In addition thereto, to facilitate open and candid discussion among independent directors, members also are encouraged to meet and discuss matters outside the formal board meeting

forum. The Board anticipates that such meetings can and will continue to be held in the future, provided, however, during the last fiscal year ended September 30, 2017, no regularly scheduled meetings of the independent directors were held at which non-independent directors and management were not in attendance.

Directorships

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Names of Other Issuers
Richard Grimaldi	Holloway Lodging Corporation

Meetings

The Board approves an annual schedule of Board and Committee meetings. The Board generally meets four (4) times a year and additionally during the year as the need arises.

The following sets forth all meetings of the Board that took place in the financial year ended September 30, 2017 and the Board members in attendance.

Date	Names	Type of Meeting
December 1, 2016	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
February 09, 2017	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
May 04, 2017	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
July 18, 2017	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting

Mandate of the Board

The Board has adopted a general mandate to govern the conduct of the Board and each Committee of the Board, full particulars of which as set forth and described in Schedule A attached hereto.

Position Descriptions

Brief position descriptions for the Chairman of the Board and the Chair of each Committee of the Board can be found in the Board of Directors and Committee Mandate attached hereto as Schedule A.

There is no written mandate or position description for the Chief Executive Officer. The Chief Executive Officer's objectives are consistent with the adoption of the Corporation's annual plan and budget. These objectives and any modifications thereto are approved by the Board and the Board assesses the performance of the Chief Executive Officer against these objectives adopted annually. The Board also monitors and assesses senior management based on regular contact with management. The Chief Executive Officer and Chief Financial Officer participate in presentations to the Board at all regularly scheduled meetings.

Orientation and Continuing Education

Given the relatively small and static composition of the Board since its incorporation, the Corporation has not yet developed an official orientation or training program for new directors. New directors will have the opportunity to become familiar with the Corporation by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

The Corporation undertakes ongoing education efforts to update the directors' skills and knowledge of the Corporation and its businesses. Both outsider advisors and executives of the Corporation's corporate office make regular presentations to the Board and its committees regarding business matters and other appropriate subjects. In 2016, the topics of these presentations included capital markets, information system development, corporate finance, taxation, industry mergers and acquisition, business growth strategy, risk management, corporate governance, shareholder relations and economic updates.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

The Board has adopted a Governance Code which can be found on SEDAR at www.sedar.com. The Governance Code applies to the Corporation's directors, Executive Officers, management and employees, each of whom is expected to ensure that his or her behavior accords with the letter and the spirit of the Governance Code. Besides establishing guidelines designated to promote integrity and deterring wrongdoing, the Governance Code also includes Whistleblower, public disclosure and insider trading restrictions and blackout periods to endeavor to protect the Corporation's business and regulation. The Governance Code mandates that the Corporation shall investigate complaints and the Governance Code prohibits retaliation by the Corporation, its directors, Executive Officers, management and employees against complainants who raise concerns in good faith and requires the Corporation to maintain the confidentiality of complainants to the greatest extent practicable.

Since the beginning of the Corporation's most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or Executive Officer that constitutes a departure from the Governance Code.

Nomination of Directors

Mainstreet's Board considers its size each year when it considers the number of directors to recommend to the Corporation's shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain diversity of view and experience. Given the relatively static composition of the Board over the last several years, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy may be reviewed.

Compensation

The Board, upon recommendation of the Human Resources Committee is responsible for determining all forms of compensation to be granted to Mainstreet's Chief Executive Officer, and for reviewing the Chief Executive Officer's recommendations respecting compensation of Mainstreet's other Executive Officers, to ensure such arrangements reflect the responsibilities and risks associated with each position. During the financial year ended September 30, 2017, the Human Resources Committee consisted of Messrs. Amantea and Anderson. Mr. Anderson is considered independent. Please see "*Statement of Executive Compensation – Compensation Discussion and Analysis*" for additional information regarding how compensation is determined.

Assessments

The Board does not currently have any formal process for assessing the effectiveness of the Board, its committees and contributions of individual directors; however, believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

Director Term Limits and Other Mechanisms of Board Renewal

The Corporation has not adopted term limits or other mechanisms to force Board removal. The By-laws of the Corporation provide that all directors in office shall retire at the next annual general meeting of shareholders and if qualified, shall be eligible for re-election. Accordingly, the Board has determined that term limits or mandatory retirement based on age is not necessary. The Board believes that sustained leadership and intimate knowledge of the Corporation is an asset to the operations and future of the Corporation. The Board also believes that an imposition of term limits is inflexible and could possibly result in experienced directors being forced to resign or being barred from standing for re-election solely based on tenure. The Board considers the performance and contribution of individual directors on an ongoing basis.

Policies Regarding the Representation of Women on the Board

The Corporation does not have a written policy or set targets relating to the identification and nomination of women on the Board. The Board may consider the adoption of such a policy in the future if it deems it to be in the best interest of the Corporation. The Board is committed to nominating the best candidates to fulfill director roles and Executive Officer positions taking into account diversity and personal characteristics such as age, gender, race, cultural and educational background to ensure the Board and Executive Officers have the proper skills, expertise and diversity of perspectives.

Currently the Board believes that it is not necessary in the case of the Corporation to have such written policy given the current size of the Board, the relatively static composition of the Board over the last several years and that the nominating function is currently performed by the Board as a whole.

Consideration of the Representation of Women in the Director Identification and Selection Process

The Board is relatively small and static, with no new directors being nominated by the Board since 2011. However, when the Board does identify and nominate new directors, it aims to maintain a composition which provides the best mix of perspectives, experience and expertise to lead the Corporation's long-term strategy and monitor ongoing business operations. When identifying and nominating new members, the Board will do so with a view to its overall diversity, including the level of representation of women on the board, in tandem with other considerations, including a candidate's experience, skills, independence, and the time a proposed nominee is able to devote to the Board.

Consideration Given to the Representation of Women in Executive Officer Appointments

In making new Executive Officer appointments, the Board considers the overall diversity of the Corporation's executive team, including the level of women in executive office positions, in tandem with other considerations, including candidates' experience, skills, independence, and the time a proposed nominee is able to devote to the appointment. Currently two Executive Officers (or 50% of the total number of Executive Officers of the Corporation) are women.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a target regarding women on the Board or in Executive Officer positions. Selection of Board members and Executive Officers is based on the factors enumerated in the preceding subsections.

Number of Women on the Board and in Executive Officer Positions

The Corporation currently has no women on the Board. Two Executive Officers (or 50% of the total number of Executive Officers of the Corporation) are women. In the broader leadership group consisting of Executive Officers and regional and headquarters managers, eight of twenty (40%) are female, with two of four Executive Officers (50%) and six of sixteen (38%) regional and headquarters managers being female.

COMMITTEES OF THE BOARD OF DIRECTORS

In the financial year ended September 30, 2017, the Board had three standing committees (the "Committees").

Human Resource Committee

The Corporation has a Human Resources Committee which is responsible for evaluation and making recommendations to the Board for the compensation of directors and Executive Officers. During the financial year ended September 30, 2017, Messrs. Amantea and Anderson made up the Human Resources Committee. Mr. Anderson is the Chairman of this Committee and considered independent.

Please see “*Compensation Discussion and Analysis*”, for additional information related to responsibilities and duties of the Human Resources Committee.

Audit Committee

During the financial year ended September 30, 2017, the Audit Committee of the Corporation consisted of Richard Grimaldi, John Irwin and Ron Anderson, all of whom are considered independent and financially literate as such terms are defined under Multilateral Instrument 52-110 *Audit Committees*. Mr. Irwin is the Chairman of this Committee.

The Audit Committee is specifically mandated to assist the Board by reviewing the effectiveness of financial reporting, management information and internal control systems. The Audit Committee generally meets with the Corporation’s external auditors four (4) times per year.

The principal function of the Audit Committee is to review the overall audit plan and the Corporation’s system of internal controls, review the results of the external audit, and to resolve any potential dispute with the Corporation’s auditors. In performing this function, the Audit Committee monitors audit functions and the preparation of financial statements, communicates directly with the external auditors, has overview responsibility for management reporting on internal controls, and meets with outside auditors independently of management. The Audit Committee also prepares press releases of financial results, reviews all prospectuses and the Corporation’s annual information form. The Audit Committee, together with the full board, specifically reviews principal risks of the Corporation.

The Audit Committee also reviews principal risks of the Corporation on an annual basis, considers the Corporation’s risk management program and reviews risks in conjunction with the external auditors.

The Corporation’s Annual Information Form, dated December 13, 2017 contains a complete description of the Audit Committee together with a copy of the Audit Committee Charter appended thereto as required by Form 52-110F1 of Multilateral Instrument 52-110 - *Audit Committees*.

Executive Committee

The Executive Committee of the Corporation currently consists of Navjeet (Bob) Dhillon and Joseph B. Amantea, neither of whom are independent. The Executive Committee is responsible for approving acquisitions exceeding financial authority of the Chief Executive Officer. The Chief Executive Officer’s and the Executive Committee’s authority limit is reviewed and set each year by the Board.

Other

Except as set forth above there are no other standing committees of the Board.

While there is no formal communications policy, the Board generally oversees communication with shareholders and other stakeholders by approving the content of press releases and regulatory filings. Furthermore, part of the Chief Executive Officer’s mandate is to communicate with and respond to shareholders and the media on an ongoing basis as circumstances require.

The Board has not appointed a committee responsible for developing an approach to corporate governance issues.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate of any “informed

person” or proposed director in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of the above, “**informed person**” means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who:

- (i) has acted as a director or Executive Officer of the Corporation since the beginning of the Corporation’s last financial year;
- (ii) is a proposed nominee for election as a director of the Corporation; or
- (iii) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditors.

Certain of the directors and Executive Officers hold incentive stock options granted under the 2007 Option Plan and may be granted additional share options under the New Option Plan in the future.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Financial Statements

The Board has approved the consolidated audited financial statements of the Corporation for the financial year ended September 30, 2017 and the report of the auditors thereon, which accompany this Circular.

Election of Directors

It is the intention of the management designees, if named as proxy, to vote for the election of the following persons to the Board. Management does not contemplate that any of nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favor of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by him, his municipality of residence, his principal occupation at the present and during the preceding five years, the period during which he has served as a director, and the number of voting Common Shares of the Corporation that he has advised are beneficially owned, or controlled or directed, directly or indirectly, by him as of the date hereof.

Name and Place of Residence	Position	Director Since	Principal Occupation	Number of Common Shares Beneficially Owned or Controlled
Joseph B. Amantea Calgary, Alberta	Corporate Secretary and Director	March 31, 2000	Partner, Warren Tettensor Amantea LLP, Barristers and Solicitors	23,183 ⁽¹⁾
Navjeet (Bob) S. Dhillon Calgary, Alberta	President, Chief Executive Officer and Director	June 24, 1997	President and Chief Executive Officer of the Corporation	3,815,700 ⁽²⁾
Richard Grimaldi Westport, Connecticut, USA	Director	January 27, 2005	Self-employed Real Estate Developer, former Managing Director of Institutional Accounts for GE Capital - Commercial Real Estate until April 2004.	24,100
Karanveer V. Dhillon San Francisco, California, USA	Director	April 24, 2007	Managing Director, Guggenheim Capital Management (Asia) Private Limited since December, 2008, former Managing Director of Thomas Weisel International Private Limited	171,700
John Irwin, London, Ontario	Director	April 24, 2007	Former Chief Financial Officer and Chief Information Officer and Director of Facilities for the Richard Ivey School of Business	2,000
Ron Anderson Vancouver, British Columbia	Director	April 24, 2011	President, Tallinn Capital Partners Corp.	3,475

Notes:

- (1) 4,115 of the Common Shares are held by the spouse of Mr. Amantea indirectly.
(2) 3,815,700 of these Common Shares are held by Pan Pacific Mercantile Group Inc., a corporation owned and controlled by Navjeet (Bob) S. Dhillon, President and Chief Executive Officer.

The number of Common Shares of the Corporation beneficially owned, directly or indirectly, by all current directors, Executive Officers and insiders of the Corporation as a group as at the date hereof is set forth below.

Designation of Class	Number of Shares	Percentage of Class
Common Shares	4,056,158	46%

Corporate Cease Trade Orders and Bankruptcies

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such person, has within the past ten years of the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Appointment of Auditors

Unless such authority is withheld, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the appointment of Deloitte, Chartered Accountants, as auditors for the Corporation for the next ensuing year. Deloitte, Chartered Accountants have been auditors of the Corporation since June 28, 1999.

New Option Plan

On February 7, 2018, the Board approved the adoption of the New Option Plan, subject to the receipt of shareholder and regulatory approvals. At the Meeting, shareholders will be asked to approve an ordinary resolution, the full text of which is set forth below, approving and adopting the New Option Plan.

Purposes of the Stock Option Plan

The principal purposes of the New Option Plan are: (i) to promote a proprietary interest in the Corporation and greater alignment of interests between Participants (as defined below) and the shareholders of the Corporation by providing Participants with an opportunity to acquire an equity interest in the Corporation or augment their equity interest in the Corporation, as the case may be; (ii) to provide a compensation system for Participants that is reflective of the responsibility and commitment accompanying their role in conducting the business and operations of the Corporation; and (iii) to assist the Corporation in attracting and retaining individuals with experience and ability to act as officers, employees and consultants of the Corporation.

Summary of Key Terms of New Option Plan

The following is a summary of key terms of the New Option Plan and is qualified in its entirety by the full text of the New Option Plan, a copy of which is attached as Schedule B hereto.

Eligibility

Options may be granted only to such Participants as the Board may determine and no Participant has any claim or right to be granted an option under the New Option Plan. A "Participant" means, on any date, a person who is at least one of the following: (i) regularly employed by the Corporation on that date; (ii) an officer of the Corporation on that date; (iii) a director of the Corporation on that date; (iv) a Consultant to the Corporation on that date; or (v) a corporation, the shares of which are wholly owned by a person described above in (i), (ii), (iii) or (iv). In determining the Participant to whom options may be granted under the New Option Plan and the number of options granted to any Participant, the Board may take into account such factors as it shall determine in its sole and absolute discretion.

Transferability

Options granted under the New Option Plan, and any interest therein, are not transferable or assignable by an optionee, and may not be made subject to execution, attachment or similar process, otherwise than for normal estate settlement purposes or by operation of law.

Common Shares Subject to the New Option Plan

Subject to adjustment in accordance with the terms of the New Option Plan, the maximum number of Common Shares reserved for issuance pursuant to options granted under the New Option Plan shall be 1,760,000 Common Shares, which represents approximately 19.9% of the current issued and outstanding Common Shares as of the date hereof, all of which are available for grant, as no options have been granted under the New Option Plan as of the date hereof. Any amendment to the maximum number of Common Shares reserved for issuance pursuant to options granted under the New Option Plan must be by the Toronto Stock Exchange (the "Exchange"), and if required by the Exchange, the shareholders of the Corporation. The Common Shares issuable upon the exercise of the 822,000 options outstanding under the 2007 Option Plan shall not form part of the Common Shares reserved for issuance pursuant to options granted under the New Option Plan and in addition thereto.

In the event that options granted under the New Option Plan expire, terminate or are otherwise not exercised, the Common Shares that were issuable pursuant to such options shall be considered to have been cancelled and available for future issuance.

Insider Participation Limit

Notwithstanding anything else in the New Option Plan, the aggregate number of Common Shares (i) issued to Insiders, within any one year period, and (ii) issuable to Insiders, at any time, granted under the Plan and under any other security based compensation arrangement of the Corporation, including without limitation, the 2007 Option Plan, shall not exceed ten (10%) percent of the issued and outstanding Common Shares, respectively. The number of issued and outstanding Common Shares is determined as the number of Common Shares that are issued and outstanding immediately prior to a proposed grant of options. "Insiders" has the meaning ascribed thereto by the Toronto Stock Exchange Company Manual.

Exercise Price

The exercise price per Common Shares of options granted under the New Option Plan shall be determined by the Board and if the Common Shares are listed on an Exchange, the exercise price of the options shall not be less than the Market Price of the Common Shares or such other minimum price as may be required by the Exchange. "Market Price" at any date and in respect of an option, means: (i) where the Common Shares are listed and posted for trading on a stock exchange, the closing price on the trading day prior to the date of grant on the principal stock exchange on which they are traded; or (ii) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board on the date of grant.

Cashless Exercise

The New Option Plan permits cashless exercise, whereby an optionee may elect to exercise an option by surrendering such option in exchange for the issuance of Common Shares equal to the number determined by dividing the Market Price (as at the date of exercise) into the difference between the Market Price (as at the date of exercise) and the exercise price of such option and the Corporation may, but is not obligated to, accept such election. Upon exercise of the foregoing, the number of Common Shares actually issued shall be deducted from the number of Common Shares reserved for future issuance under the New Option Plan and the balance of the Common Shares that were issuable pursuant to the options so surrendered shall be considered to have been cancelled and available for further issuance.

Cash Surrender

An optionee may make an offer (the "**Cash Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the optionee to the Corporation (and the termination thereof) of any of the options granted under the New Option Plan, for an amount per option that is equal to the difference between the Market Price (as at the date of exercise) and the exercise price of such option. If the Cash Surrender Offer is accepted, the options in respect of which the Cash Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the optionee any further rights thereunder upon payment of the amount of the agreed Cash Surrender Offer by the Corporation to the optionee. Upon the surrender and termination of options pursuant to a Cash Surrender Offer, the Common Shares issuable pursuant to such options shall, for purposes of the number of Common Shares reserved for issuance pursuant to the New Option Plan, be available for further issuance.

Vesting

The Board may determine the vesting schedule of the options granted under the New Stock Option Plan and such vesting schedule shall be set out in the option agreement ("**Option Agreement**") between the Corporation and the optionee.

Term

The expiry date in respect of an option (the "**Option Period**") granted pursuant to the New Option Plan shall be determined by the Board in its sole discretion; provided that the expiry date of any option may not be extended beyond the date that is ten (10) years from date of grant. If the Option Period expires during a period self-imposed by the Corporation during which certain director, officers or employees of the Corporation are not permitted to trade the securities of the Corporation ("**Blackout Period**"), the expiry of the Option Period shall be extended for ten (10) business days after the end of the Blackout Period.

Early Termination

Unless otherwise determined by the Board, or unless otherwise provided in an Option Agreement pertaining to a particular option, the following provisions shall apply in the event that an optionee ceases to be a Participant:

- (a) by reason of the Participant's permanent physical or mental disability, or death, then such Participant's options may be exercised to purchase the total number of Common Shares reserved under such option and not previously purchased by such Participant, whether or not the rights to purchase some or all of those Common Shares have previously vested in and are exercisable by the Participant as at the date of ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of: (i) the end of the Option Period; and (ii) the date that is 12 months after the

date the Participant ceases to be a Participant, due to such permanent physical or mental disability, or death; or

- (b) for any other reason, other than the Participant’s permanent physical or mental disability, or death, then the right to exercise an option shall be limited to and shall expire on the earlier of: (i) the end of the Option Period; and (B) the date that is 90 days after the date the Participant ceases to be a Participant.

Amendment

The Board has the sole discretion, without the approval of the shareholders of the Corporation, to amend, suspend, terminate or discontinue the New Option Plan and may amend the terms and conditions of options granted pursuant to the New Option Plan, subject to any required approval of any regulatory authority or the Exchange, including without limiting the generality of the foregoing, where the amendment: (i) is for the purpose of curing any ambiguity, error or omission in the New Option Plan to correct or supplement any provision of the New Option Plan that is inconsistent with any other provision of the New Option Plan; (ii) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares of the Corporation are listed; (iii) is an amendment to the New Option Plan respecting administration and eligibility for participation under the New Option Plan; (iv) changes the terms and conditions on which options may be granted pursuant to the New Option Plan including the provisions relating to exercise price, vesting provisions and Option Period; (v) is to alter, extend or accelerate the terms and conditions of vesting applicable to any option; (vi) is to accelerate the expiry date of any option; (vii) is to determine the adjustment provisions contained in the New Option Plan; (viii) amends the definitions contained in the New Option Plan; (ix) amends or modifies the mechanics of exercise of options under the New Option Plan; (x) changes the termination provisions of an Option Agreement or the New Option Plan; or (xi) is an amendment to the Plan of a “housekeeping nature”.

Subject to any required approval of any regulatory authority or the Exchange, the Board may amend the exercise price, the expiry date (which in no event shall exceed 10 years from the date of grant) and the termination provisions of options granted pursuant to the New Option Plan, without shareholder approval, provided that if the Board proposes to reduce the exercise price (including by way of cancellation and immediate re-issue of options or other entitlements) or extend the expiry date of options granted to Insiders of the Corporation pursuant to the New Option Plan, such amendments will require shareholder approval, excluding the votes of any Insiders who may benefit from such amendments. The approval of the shareholders of the Corporation will be required for amendments to the New Option Plan which: (i) amend the number of Common Shares issuable pursuant to options granted under the New Option Plan pursuant; (ii) increase the number of Common Shares that may be issued to Insiders of the Corporation as set out above under the heading “*Insider Participation Limit*”; and (iii) make any amendments to the amendment provisions of the New Option Plan.

If the New Option Plan is terminated, the provisions of the New Option Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the New Option Plan, the Board shall remain able to make such amendments to the New Option Plan or the options as they would have been entitled to make if the New Option Plan were still in effect.

Burn Rate

In accordance with the requirements of section 613 of the TSX Company Manual, the following table sets out the burn rate of the awards granted under the Corporation’s security based compensation arrangements as of the end of the financial year ended September 30, 2017 and for the two preceding financial years. The only security based compensation arrangements of the Corporation, during the last three financial years, was the 2007 Option Plan. The table below sets out the burn rate for the options granted under the 2007 Option Plan for the years ended September 30, 2017, 2016, and 2015. The burn rate is calculated by dividing the number of options granted under the 2007 Option Plan during the relevant fiscal year by the weighted average number of securities outstanding for the applicable fiscal year.

	Year Ended September 30, 2017	Year Ended September 30, 2016	Year Ended September 30, 2015

Number of options granted under the 2007 Option Plan	Nil	Nil	Nil
Weighted average of outstanding securities for that fiscal year	8,865,934	9,512,571	10,360,184
Annual Burn Rate	0%	0%	0%

Shareholder Approval

If the New Stock Option Plan is approved at the Meeting, the New Option Plan will continue to be effective and in full force and effect in accordance with its term and conditions following the termination of the Meeting.

If the New Option Plan is not approved at the Meeting, the Corporation may be required to consider alternative forms of long-term compensation for its directors, officers and employees in order to attract and retain qualified personnel.

At the Meeting the shareholders will be asked to approve the following by ordinary resolution (the “**Option Plan Resolution**”):

“**BE IT RESOLVED**, as an ordinary resolution of the holders of common shares of Mainstreet Equities Corp. (the “Corporation”) that:

1. The adoption of the share option plan (the “**New Option Plan**”) of the Corporation as set forth in Schedule B to the management information circular of the Corporation dated February 9, 2018 (the “**Circular**”), and the reservation for issuance under such New Option Plan of 1,760,000 common shares in the capital of the Corporation is hereby authorized, approved, ratified and confirmed.
2. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute, and if thought appropriate, deliver all other documents and instruments and do all other things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such instrument or documents, and the taking of any such action.”

The Option Plan resolution must be approved by at least a majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting. **It is the intention of the management designees, if named as proxy, to vote for the adoption of the New Option Plan, if not expressly directed to the contrary in such proxy.**

Toronto Stock Exchange

The New Option Plan is subject to the approval of the Exchange. The Exchange has conditionally approved the New Option Plan and the listing of the Common Shares reserved for issuance thereunder, subject to receipt of shareholder approval and fulfilling the requirements of the Exchange.

GENERAL

All matters to be brought before the Meeting require, for the passing of same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. If a majority of the Common Shares represented at the Meeting should be voted against the appointment of Deloitte, Chartered Accountants, as auditors of the Corporation, the Board will appoint another firm of chartered accountants based upon the recommendation of the audit committee, which appointment for any period subsequent to the 2018 annual and special general meeting of shareholders shall be subject to approval by the shareholders at the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is filed on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's comparative financial statements and Management's discussion and analysis for the financial year ended September 30, 2017 also filed on SEDAR.

REQUESTING CORPORATE INFORMATION

Shareholders interested in receiving any information relating to the Corporation such as the quarterly and annual reports, should contact Navjeet (Bob) Dhillon and/or his assistant Karen Engel at (403) 215-6070 respectively. Shareholders may also feel free to email the request to bdhillon@mainst.biz or kengel@mainst.biz. All information can also be found on our website at www.mainst.biz and on SEDAR at www.sedar.com.

SCHEDULE “A”

BOARD OF DIRECTORS AND COMMITTEES MANDATE

Stewardship of the Corporation

1. The Corporation’s board of directors (the “**Board**”) is responsible for the stewardship of the Corporation, supervising the management of the business and affairs of the Corporation and providing leadership to the Corporation by practicing responsible, sustainable and ethical decision making. The Board has the responsibility to act honestly and in good faith with a view to the best interests of the Corporation, exercise the care, diligence and skill that a reasonably prudent Board would exercise in comparable circumstances and direct management to ensure legal, regulatory and exchange requirements applicable to the Corporation have been met.

Board Composition

2. One half of the Board will, at all times, be independent directors as defined in the current laws applicable to the Corporation. To be considered for nomination and election to the Board, directors must demonstrate integrity and high ethical standards in their business dealings and in the discharge of their duties to and on behalf of the Corporation.

Board Meetings

3. The Board is responsible to meet in person, or in exceptional circumstances by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Board and will hold meetings of the independent directors without management and non-independent directors present at every meeting of the Board.

Chairman of the Board

4. The Board may, in its discretion, select a member of the Board (and preferably an independent member of the Board) to serve as Chairman of the Board to provide leadership to the independent directors, manage the affairs of the Board and ensure that the Board functions effectively in fulfillment of its duties to the Corporation. If appointed, the Chairman of the Board shall endeavour to ensure that: meetings of the independent directors are held at each meeting of the Board, the Board has an appropriate opportunity to question executive officers, management, employees, external auditors, experts and advisors regarding any and all matters of importance to the Board and the Corporation, communicate with each Board member to endeavour to ensure that each director has the opportunity to be heard and participate in decision making, and assist in maintaining effective working relationships between the Board, auditors, experts, advisors, executive officers and management.

Chief Executive Officer

5. The Chief Executive Officer will be appointed, serve and be removed at the pleasure of the Board. The Chief Executive Officer will serve as the Corporation’s role model for responsible, ethical and effective decision making, provide the Corporation with executive, operational, strategic, financial and administrative leadership. The Chief Executive Officer will act as the principal spokesperson for the Corporation and oversee interactions between the Corporation, the public, investors, regulators and the media.

Supervision of Management

6. The Board is responsible to select and appoint the Chief Executive Officer, establish the Chief Executive Officer’s goals and objectives and evaluate the Chief Executive Officer’s performance. The Board shall be responsible for endeavouring to establish a succession plan for the replacement

of the Chief Executive Officer and executive management. The Board and every Committee of the Board shall have access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties and has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Board in the discharge of its duties.

Governance

7. The Board is responsible to periodically review and either approve or require revisions to the corporate governance regime and documents currently adopted by the Corporation (the “**Governance Documents**”) and to take reasonable steps to satisfy itself that each of the directors and officers are performing their duties ethically, conducting business on behalf of the Corporation in accordance with the requirements and the spirit of the Governance Documents and fostering a culture of integrity throughout the Corporation. The Board is responsible for reviewing departures from the Governance Documents, providing or denying waivers and disclosing departures from the Governance Documents.

Disclosure and Communications

8. The Board is responsible for overseeing the Corporation’s public disclosure and communications practices.

Strategic Planning

9. The Board has the duty to adopt a strategic planning process for increasing shareholder value, annually approve a strategic plan, and regularly monitor the Corporation’s performance against its strategic plan. The Board is required to approve capital and operating budgets to implement the strategic plan, conduct periodic reviews of the Corporation’s resources, risks, and regulatory constraints and opportunities to facilitate the strategic plan and evaluate management’s analysis of the strategies of existing and potential competitors and their impact, if any, on the Corporation’s strategic plan.

Risk Management

10. The Board has the duty to adopt a process to identify business risks and ensure appropriate systems to manage risks and together with the Audit Committee, ensure policies and procedures are in place and are effective to maintain the integrity of the Corporation’s disclosure controls and procedures, internal controls over financial reporting, management information systems and auditing and accounting principles and practices.

Financial Management

11. The Board has the duty to review, and on the advice of the Audit Committee, approve, prior to their public dissemination interim and annual financial statements and notes thereto, managements’ discussion and analysis of financial condition and results of operations, relevant sections of the annual report, annual information form and management information circular containing financial information, forecasted financial information and forward looking statements and press releases and other documents in which financial statements, earnings forecasts, results of operations or other financial information is disclosed. The Board has the duty to approve dividends and distributions, material financings, transactions affecting authorized capital or the issue and repurchase of shares and debt securities, and all material divestitures and acquisitions.

Committees of the Board

12. The Board may delegate any of its authority that it is permitted to delegate by law. The Board may establish such Committees of the Board as are required by applicable law and as are necessary to effectively discharge the duties of the Board, to appoint directors to serve as members of each Committee and to appoint a Chairman of each Committee to manage the affairs of each Committee and ensure that Committees functions effectively in fulfilling their duties to the Board and the Corporation. The Board is responsible to regularly receive and consider reports and recommendations of each Committee that it has established. The majority of the members of each Committee (other than the Executive Committee) will be independent as such term is defined in the current laws applicable to the Corporation, and ideally every member of a Committee of the Board will be independent.

Committee Meetings

13. Committees of the Board will meet as often as required to discharge their duties. The Chairman of each Committee, in consultation with the members, will determine the schedule, time and place of meetings. A quorum for a meeting of any Committee will be a majority of members present in person or by telephone conference call. Notice of the time and place of every meeting will be given in writing, by email or facsimile to each member of a Committee at least twenty four (24) hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting. Following each Committee Meeting, the Chairman of such Committee will report to the Board regarding its activities, findings and recommendations.

Chairmen of Committees

14. Except in the case of the Executive Committee, the Chairman of each Committee shall be an independent director who is appointed, serves and is removed at the pleasure of the Board. The Chairman of each Committee will serve as the Committee's role model for responsible, ethical and effective decision making, provide leadership and manage the affairs of the Committee which he chairs and lead his Committee to discharge the mandate and all duties given to his Committee by the Board. The Chairman of each Committee shall preside at all meetings of the Committee he chairs and ensure that following each meeting he reports to the Board regarding the Committee's activities, findings and recommendations.

Human Resources Committee

15. The Board may appoint a Human Resources or Compensation Committee for the purpose of assisting the Board in discharging the Board's duties with respect to corporate governance; the nomination, orientation and continuing education of Board members; the review of corporate goals and objectives applicable to and the annual evaluation of the results achieved by the Corporation, the Board and the Chief Executive Officer; and compensation of the Board, Chief Executive Officer and executive management and compensation plans proposed to be adopted by the Corporation.

Executive Committee

16. The Board may appoint an Executive Committee for the purpose of evaluating and pursuing business opportunities of a value in excess of the Chief Executive Officer's discretion to conclude; assist the Board in ensuring that all publicly disclosed information is timely, factual and accurate; ensure that the Corporation has appropriate disclosure controls and procedures; and ensure the Corporation abides by applicable disclosure standards.

**SCHEDULE “B”
SHARE OPTION PLAN**

1. PURPOSES

The principal purposes of the Plan are as follows:

- (a) to promote a proprietary interest in the Corporation and greater alignment of interests between Participants and the shareholders of the Corporation by providing Participants with an opportunity to acquire an equity interest in the Corporation or augment their equity interest in the Corporation, as the case may be;
- (b) to provide a compensation system for Participants that is reflective of the responsibility and commitment accompanying their role in conducting the business and operations of the Corporation; and
- (c) to assist the Corporation in attracting and retaining individuals with experience and ability to act as officers, employees and Consultants of the Corporation.

2. DEFINITIONS AND INTERPRETATION

When used in this Option Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“2007 Option Plan”** means the Corporation’s stock option plan implemented in March, 2007, as amended from time to time;
- (b) **“Associate”** has the meaning ascribed thereto in the Securities Act;
- (c) **“Black-Out Expiry Date”** means ten (10) Business Days from the date that any Black-Out Period ends;
- (d) **“Black-Out Period”** means a period of time imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;
- (e) **“Board”** means the Board of Directors of the Corporation as constituted from time to time;
- (f) **“Business Day”** means any day which is not a Saturday, Sunday or statutory holiday, on which the Exchange is open for trading;
- (g) **“Cash Surrender Offer”** has the ascribed thereto in Section 6(f)(iii) of this Plan;
- (h) **“Change of Control”** means the purchase or acquisition of Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares as a result of which a person, group of persons or persons acting jointly or in concert, or persons who are Associates of or affiliated with, within the meaning of the Securities Act, any such person, group or persons or any of such persons

acting jointly or in concert, beneficially owns or exercises control or direction over Common Shares and/or securities convertible into or exchangeable or exercisable for Common Shares such that, assuming the conversion, exercise or exchange of all such securities, would entitle such person, group of persons or person acting jointly or in concert to cast 50% plus one of the votes attaching to all Common Shares of the Corporation (on a non-diluted basis), excluding, however, a purchase or acquisition of Common Shares in connection with a Reverse Take-Over, and provided that the beneficial ownership by or exercise or control or direction over securities by shareholders of the Corporation as at the date hereof shall not constitute or be counted towards a Change of Control;

- (i) **“Committee”** means a committee of Directors appointed by the Board as contemplated by Section 3 hereof;
- (j) **“Common Share”** means a common share in the capital of the Corporation and, after any adjustments pursuant to Section 7 hereof, means the shares or other securities or property which, as a result of such adjustments and all prior adjustments pursuant to Section 7, the holders of Options are then entitled to receive on the exercise thereof;
- (k) **“Consultant”** means any person or company, other than an employee, officer or director of the Corporation or of a subsidiary of the Corporation that:
 - (i) is engaged to provide services to the Corporation or a subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation;
 - (ii) provides the services under a written contract with the Corporation or a subsidiary of the Corporation; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, or a subsidiary of the Corporation;
- (l) **“Corporation”** means Mainstreet Equity Corp. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (m) **“Disinterested Shareholder Approval”** means majority shareholder approval that does not include the votes attached to Common Shares held directly or indirectly by Insiders who may benefit from the amendments to the terms of any outstanding Options;
- (n) **“Exchange”** means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board.
- (o) **“Exercise Price”** means the purchase price of Option Shares under an Option Agreement determined as provided in Section 6(b) of this Plan;
- (p) **“Expiry Date”** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date determined by the Corporation and specified in the particular Option

Agreement on which the Option would normally terminate, subject to early termination in accordance with Section 6(g) of this Plan;

- (q) **“Insider”** has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual;
- (r) **“Market Price”** at any date and in respect of an Option, means:
 - (i) where the Common Shares are not listed and posted for trading on a stock exchange, the value conclusively determined by the Board or Committee, as the case may be, on (i) the Option Date; or (ii) in respect of Sections 6(f)(ii) and 6(f)(iii), the date of exercise; or
 - (ii) where the Common Shares are listed and posted for trading on a stock exchange, the closing price on the trading day prior to the (i) the Option Date; or (ii) in respect of Sections 6(f)(ii) and 6(f)(iii), the date of exercise, on the principal stock exchange on which they are traded;
- (s) **“Offer”** means an offer made generally to the holders of the Common Shares in one or more jurisdictions to acquire, directly or indirectly, Common Shares and which is in the nature of a “takeover bid” as defined in the Securities Act and where the Common Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the Securities Act;
- (t) **“Option”** means a right to purchase Common Shares pursuant to this Plan and an Option Agreement;
- (u) **“Option Agreement”** means an agreement entered into between the Corporation and a Participant pursuant to which an Option is granted to a Participant and which contains such provisions not inconsistent with this Plan as the Board or the Committee may determine;
- (v) **“Option Date”** means the date on which an Option is granted by the Corporation to a Participant which for greater certainty is:
 - (i) where prior notice is required under the policies of the principal stock exchange on which the Common Shares are listed and posted for trading in connection with regulatory approval for the grant of the Option, the date of notice to such stock exchange of such proposed grant; or
 - (ii) in all other cases, the date on which the grant of the Option is approved by the Board or the Committee, as the case may be;
- (w) **“Option Shares”** means the Common Shares which a Participant is entitled to purchase under an Option whether or not the rights to purchase all such Common Shares have vested in and to the Optionee;
- (x) **“Optionee”** means a Participant who has entered into an Option Agreement with the Corporation;
- (y) **“Participant”** means, on any date, a person who is at least one of the following:

- (i) regularly employed by the Corporation or one of its subsidiaries on that date;
- (ii) an officer of the Corporation or one of its subsidiaries on that date;
- (iii) a director of the Corporation or one of its subsidiaries on that date;
- (iv) a Consultant to the Corporation or one of its subsidiaries on that date; or
- (v) a corporation, the shares of which are wholly owned by a person described above in (i), (ii), (iii) or (iv);
- (z) **“Plan”** means the Corporation’s “Share Option Plan” embodied herein, as from time to time amended;
- (aa) **“Reverse Take-Over”** means a transaction in the nature of a “reverse take-over” as defined in the policies of any stock exchanges upon which the Common Shares are listed and posted for trading;
- (bb) **“Securities Act”** means the *Securities Act* (Alberta), as amended; and
- (cc) **“Vest”** means that the applicable vesting conditions in relation to a whole or percentage of the number of Common Shares covered by an Option determined by the Board in connection with each Option granted pursuant to the Plan, have been met and such Options become exercisable in accordance with the terms of such Options, and **“Vested”** and **“Vesting”** have comparable meanings.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders. In this Plan, references to “Sections” or “Subsections” are references to sections or subsections in this Plan.

3. ADMINISTRATION, PARTICIPANTS AND ALLOTMENTS

- (a) The Board will administer the Plan. The Board may at any time or from time to time delegate to a Committee the responsibility for administering the Plan or elements thereof and where so delegated, any reference to the Board in this Plan shall be deemed to be a reference to the Committee. In addition, the Board may delegate to one or more of its members or to one or more agents any duties as it may deem advisable, and the Board or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Board, or such person, may have under the Plan. The Board, or the Committee if so empowered, will have the authority in its sole and absolute discretion to administer the Plan and to exercise all powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan, subject to and not inconsistent with the express provisions of this Plan and including, without limitation:
 - (i) the authority to grant Options;

- (ii) to determine the Market Price of the Common Shares on any date in accordance with the definition of Market Price contained in this Plan;
- (iii) to determine the Participants to whom, and the time or times at which, Options shall be granted;
- (iv) to determine the number of Options to be granted;
- (v) to determine the Expiry Date with respect to any Option;
- (vi) to determine whether any Vesting criteria shall apply to any particular Option and, if so, to determine such Vesting criteria;
- (vii) to establish policies and adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (viii) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan (and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes on the Corporation and the applicable Participants);
- (ix) to determine and prescribe the terms and conditions of the Option Agreements (which need not be identical) entered into in connection with Options and the form of documents or processes in respect of the payment of Options; and
- (x) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Board or the Committee will review the Plan from time to time with a view to making revisions to it, granting additional Options and, in the case of the Committee, making appropriate recommendations to the Board. Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board or by the Committee constitutes an Option hereunder. An Option granted by the Board or the Committee to a Participant pursuant to the Plan is subject to, and is of no force and effect until, the execution and delivery of, an Option Agreement by both the Corporation and such Participant.

- (b) The Corporation is responsible for all costs of administration of the Plan.
- (c) The implementation of the Plan, the grant or exercise of any Options pursuant to the Plan and, from time to time, the operation and administration of the Plan is subject to receipt by the Corporation of all necessary approvals, advance rulings, exemptions or registrations required or deemed advisable under applicable law or regulatory policy including without limiting the generality of the foregoing, all necessary approvals or registrations required by any and all stock exchanges upon which the Common Shares are listed and posted for trading.
- (d) Subject to Section 14 of this Plan, the Board or the Committee, as the case may be, may at any time and subject to regulatory approvals:

- (i) discontinue or terminate the Plan; or
- (ii) amend or revise the terms and conditions of the Plan; amend or revise the terms and conditions of the Plan and any outstanding Options granted under the Plan,

provided that no such action adversely affects any Options previously granted under the Plan or the rights of Optionees in respect of those Options without the prior written consent or agreement of those Optionees.

4. ELIGIBILITY AND OPTION DETERMINATION

Options may be granted only to such Participants as the Board may determine and no Participant has any claim or right to be granted an Option. In determining the Participant to whom the Options may be granted and the number of Options granted to any Participant, the Board may take into account such factors as it shall determine in its sole and absolute discretion. Participation in the Plan by a Participant is entirely voluntary and does not affect the Participant's employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. None of the Plan or any Options granted under the Plan of itself gives any Participant the right to continue to be an employee, officer, director or Consultant of the Corporation or any subsidiary thereof. None of the terms and conditions governing the Option are affected by any change in the Optionee's employment by or engagement with the Corporation so long as the Optionee continues to be a Participant.

5. COMMON SHARES SUBJECT TO PLAN

- (a) Subject to Section 7 below, the maximum number of Common Shares reserved for issuance pursuant to Options granted under this Plan shall be 1,760,000 Common Shares. Any amendment to the maximum number of Common Shares reserved for issuance pursuant to Options granted under this Plan must be approved by the Exchange and, if required by the Exchange, the shareholders of the Corporation.
- (b) Notwithstanding anything else in this Plan, the aggregate number of Common Shares:
 - (i) issued to Insiders, within any one year period; and
 - (ii) issuable to Insiders, at any time,

granted under the Plan and under any other security based compensation arrangement of the Corporation, including without limitation, the 2007 Plan, shall not exceed ten (10%) percent of the issued and outstanding Common Shares, respectively.

For the purposes hereof, the number of issued and outstanding Common Shares is determined as the number of Common Shares that are issued and outstanding immediately prior to a proposed grant of Options.

6. CERTAIN TERMS OF OPTION AGREEMENTS

In order to constitute a valid Option granted under this Plan, the Optionee and the Corporation must enter into an Option Agreement in the form acceptable to the Board or the Committee, as the case may be, which shall be subject to the following express terms and conditions and to such other terms and conditions as the Board may deem appropriate:

- (a) Minimum Exercise - An Option under the Plan is only exercisable for a minimum of 100 Common Shares at any one time.
- (b) Exercise Price – The Exercise Price per Common Shares of Options granted under the Plan shall be determined by the Board and if the Common Shares are listed on an Exchange, the Exercise Price of the Options shall not be less than the Market Price of the Common Shares or such other minimum price as may be required by the Exchange.
- (c) Vesting - The Board may determine Vesting provisions with respect to any Options granted pursuant to the Plan.
- (d) Expiry Date – Subject to Section 6(e) of this Plan, with respect to any Option issued pursuant to the Plan, the Expiry Date in respect of such Option shall be determined by the Board in its sole discretion on the Option Date. All Options granted pursuant to this Plan will expire on the applicable Expiry Date and becomes null and void. Notwithstanding any other provision of this Plan, the Expiry Date of any Option may not be extended beyond the date that is ten (10) years from the Option Date (as the same be extended pursuant to Section 6(e) of this Plan).
- (e) Expiry Dates if Black-Out - If the Expiry Date of an Option is on a date during a Black-Out Period applicable to a Participant holding such Option, the Expiry Date shall be extended to the Black-Out Expiry Date. For greater certainty, the extension in this Section 6(e) shall not be considered an extension of the Expiry Date of an option for the purposes of Section 14(b) of this Plan.
- (f) Exercise of Options
 - (i) *Exercise* – An Optionee may exercise from time to time by delivery to the Corporation, at its head office in Calgary, Alberta, a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Common Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the Optionee a certificate or certificates, representing such Common Shares in the name of the Optionee or the Optionee’s legal personal representative or otherwise as the Optionee may or representative may in writing direct.
 - (ii) *Cashless Exercise* - Subject to the provisions of this Plan, an Optionee may elect to exercise an Option by surrendering such Option in exchange for the issuance of Common Shares equal to the number determined by dividing the Market Price into the difference between the Market Price and the Exercise Price of such Option, and the Corporation may, but is not

obligated to, accept such election. An Option may be exercised pursuant to this Subsection 6(f)(ii) from time to time by delivery to the Corporation at its head office in Calgary, Alberta or such other place as may be specified by the Corporation, of a written notice of exercise specifying that the Optionee has elected a cashless exercise of such Option and the number of Options to be exercised. The Corporation will not be required, upon the exercise of any Options pursuant to this Section 6(f)(ii), to issue fractions of Common Shares or to distribute certificates representing fractional Common Shares. In lieu of fractional Common Shares, there will be paid to the Optionee by the Corporation upon the exercise of such Options pursuant to this Section 6(f)(ii) within ten (10) Business Days after the exercise date, an amount in lawful money of Canada equal to the then fair market value of such fractional interest (as determined by the Board), provided that the Corporation will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon exercise of the foregoing, the number of Common Shares actually issued shall be deducted from the number of Common Shares reserved with the Exchange for future issuance under the Plan and the balance of the Common Shares that were issuable pursuant to the Options so surrendered shall be considered to have been cancelled and available for further issuance.

- (iii) *Cash Surrender Offer* – An Optionee may make an offer (the “**Cash Surrender Offer**”) to the Corporation, at any time, for the disposition and surrender by the Optionee to the Corporation (and the termination thereof) of any of the Options granted hereunder, for an amount per Option that is equal to the difference between the Market Price and the Exercise Price of such Option; provided that to the extent such Cash Surrender Offer is in conjunction with a take-over bid, amalgamation, arrangement or merger the Board in its sole discretion may determine the maximum amount that may be received pursuant to such Cash Surrender Offer based on the fair market value (as determined by the Board) of the consideration to be received per Common Share pursuant to such transaction less the Exercise Price of such Options, and the Corporation may, but is not obligated to, accept the Cash Surrender Offer, subject to any regulatory approval required. If the Cash Surrender Offer, either as made or as renegotiated, is accepted, the Options in respect of which the Cash Surrender Offer relates shall be surrendered and deemed to be terminated and cancelled and shall cease to grant the Optionee any further rights thereunder upon payment of the amount of the agreed Cash Surrender Offer by the Corporation to the Optionee. Upon the surrender and termination of Options pursuant to a Cash Surrender Offer, the Common Shares issuable pursuant to such Options shall, for purposes of the number of Common Shares reserved for issuance pursuant to the Plan, be available for further grants
- (g) Termination - Unless otherwise determined by the Board, or unless otherwise provided in an Option Agreement pertaining to a particular Option, the following provisions shall apply in the event that an Optionee ceases to be a Participant:
 - (i) by reason of the Optionee’s permanent physical or mental disability, or death, then such Optionee’s Options may be exercised to purchase the total number of Option Shares not previously purchased by the Optionee

whether or not the rights to purchase some or all of those Option Shares have previously Vested in and are exercisable by the Optionee as at the date of ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of: (A) the Expiry Date; and (B) the date that is 12 months after the date the Optionee ceases to be a Participant, due to such permanent physical or mental disability, or death. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder cease and expire and are of no further force and effect. For greater certainty but without limiting the generality of the foregoing, if the Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or a subsidiary thereof, the Optionee is deemed to be an employee for the purpose of the Plan and the Option; or

- (ii) for any other reason, other than the Optionee's permanent physical or mental disability, or death, then the right to exercise an Option shall be limited to and shall expire on the earlier of: (A) the Expiry Date; and (B) the date that is 90 days after the date the Optionee ceases to be a Participant. Thereafter, the Option and all unexercised rights to acquire Option Shares thereunder cease and expire and are of no further force and effect. For greater certainty, if any Optionee is entitled to reasonable notice of termination of employment or contract or compensation in lieu thereof, or is entitled to a specific period of notice or compensation in lieu thereof, then the Optionee is not entitled to claim any right to further unvested Common Shares which may be available pursuant to an Option or further time to exercise Vested Common Shares available pursuant to an Option during the said reasonable notice period or during the said specific notice period, or to compensation in lieu thereof by way of general damages, or special damages, whether in contract, in tort or otherwise.
- (h) With respect to Section 6(g)(i), the rights under the Option exercisable after the death or permanent disability of the Optionee, as therein specified, may be exercised by the person or persons to whom the Optionee's rights under the applicable Option Agreement pass by will or applicable law or, if no such person has such right, by the deceased or disabled Optionee's legal representatives, within one year from the date of death or disability.
- (i) Non-Transferrable - Options granted under this Plan, and any interest therein, will not be transferable or assignable by an Optionee, and may not be made subject to execution, attachment or similar process, otherwise than for normal estate settlement purposes or by operation of law. During the lifetime of the Optionee, an Option will be exercisable only by the Optionee and any elections with respect to an Option may be made only by the Optionee. The terms of the Option shall be binding upon the executors, administrators and heirs of the Optionee.
- (j) Liquidation - In the event the Board shall adopt a plan of complete liquidation, dissolution or winding-up, all Options shall become immediately exercisable in full, notwithstanding that they may have been initially granted subject to Vesting.

- (k) No Right as a Shareholder - An Optionee has no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Common Shares in respect of which the Optionee has exercised his Option to purchase thereunder, which the Optionee has actually taken up and paid for, and which have been duly issued to the Optionee and are outstanding as fully paid and non-assessable Common Shares.

7. CHANGES IN SHARES

In the event:

- (a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
- (b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case:

- (e) the Board will proportionately adjust the number of Option Shares available for Options, the number of Option Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the price per Option Share in such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees/Participants; and
- (f) the Board, in its discretion, may determine that:
 - (i) all or any part of the unexercised and unvested outstanding Options granted under the Plan Vest and are exercisable on a date specified by the Board and the unexercised and unvested portion of such Options are thereupon deemed to have been Vested and are exercisable on and after the date so specified in respect of any and all Option Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
 - (ii) such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time,

and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

8. TAKEOVER BID

If an Offer is made which, if successful, would result in a Change of Control, then all unexercised and unvested outstanding Options shall immediately vest and become exercisable by the Participants, notwithstanding any other vesting provisions in the Plan or in an Option Agreement, as to all or any of the Common Shares in respect of which such Options have not previously been exercised, but such shares may only be purchased for tender pursuant to such Offer. If for any reason such shares are not taken up and paid for by the offeror pursuant to the Offer, any such shares so purchased by a Participant shall be deemed to be cancelled and returned to the treasury of the Corporation, shall be added back to the number of Common Shares remaining available under the Plan and, upon presentation to the Corporation of share certificates representing such shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Participant all consideration paid for such shares and, in such event, the Participant shall thereafter continue to hold the same number of unexercised and unvested outstanding Options on the same terms and conditions, including the Exercise Price thereof, as were applicable thereto immediately prior to time the subject Offer was made.

9. ARRANGEMENT, AMALGAMATION OR SALE

If the Corporation enters in an agreement providing for an arrangement, merger, amalgamation or other business combination which provides that the Common Shares are transferred in exchange for securities of another corporation, the units of a royalty trust or income trust, the units of a limited partnership or any other security, or are merged into or amalgamated with any other corporation, or sells all or substantially all of its assets, the Corporation will make provision that, upon the exercise of any outstanding Options after the effective date of such transaction, the Participants shall receive such number of securities of the other, continuing or successor corporation, trust or limited partnership, as the case may be, in such arrangement, merger, amalgamation or other business combination or of the shares or units of the purchasing corporation, trust or limited partnership, as the case may be, in such sale as the Participants would have received as a result of such transaction if the Participants had exercised the Options immediately prior thereto, for the same consideration paid on the exercise of such Options, and had held Common Shares on the effective date of such transaction. Upon such provision being made, the obligations of the Corporation to the Participants pursuant to the Option Agreements and under this Plan shall terminate and be at an end. If such arrangement, merger, amalgamation or other business combination results in a Change of Control, the provisions of Clause 8 shall apply and the context thereof and all references therein to "Offer" are to be read as being applicable to an "arrangement, merger, amalgamation or other business combination" and the reference in the first sentence of Clause 8, to 'tender pursuant to such Offer,' shall be read as meaning voting in favour of the arrangement, merger, amalgamation or other business combination at the shareholders' meeting held in connection therewith and the reference in the second sentence of Clause 8 to, 'shares not being taken up and paid for by the offeror pursuant to the Offer', shall be read as meaning that the arrangement, merger, amalgamation or other business is not completed.

10. WITHHOLDINGS AND TAX ELECTION

- (a) To the extent required under applicable law or regulation, the Corporation shall be entitled to take all reasonable and necessary steps, including the sale of any Option Shares issued upon the exercise of any Option granted under the Plan, or obtain all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation to any taxing authorities arising in respect of any exercise of any

Options granted under the Plan (including any cash payments pursuant to the the Cash Surrender Offer) and the Chief Financial Officer of the Corporation shall be and is hereby appointed as the irrevocable attorney-in-fact for any person granted an Option under this Plan to take all such reasonable and necessary steps or sales of Option Shares. The Corporation does not accept responsibility for the price obtained on the sale of such Option Shares; and

- (b) Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan or under any Option Agreement, whether arising as a result of the grant or exercise of Options (including any cash payments pursuant to the Cash Surrender Offer) or otherwise. The Corporation makes no guarantee or representation to any person regarding the tax treatment of Options or payments made under the Plan or any Option Agreement and none of the Corporation, or any of its officers, directors, employees or other representatives shall have any liability to a Participant with respect thereto.

11. COMMON SHARES FULLY PAID AND NON-ASSESSABLE

All Common Shares issued upon the exercise of any Option are to be issued as fully paid and non-assessable Common Shares.

12. CONDITIONS OF ISSUANCE OF COMMON SHARES

- (a) No Common Shares shall be issued pursuant to Options granted under the Plan unless and until the Plan shall have been approved by the Exchange, if such approval is required under the policies and rules of the Exchange.
- (b) If at any time the Board determines, in its discretion that:
 - (i) the registration or qualification of the Common Shares which are the subject of any Option Agreement, or the consent or approval of, any securities commission or any stock exchange upon which the Common Shares are listed;
 - (ii) the registration or qualification under any laws of Canada or any Province thereof or of the United States or any state thereof or the consent or approval of any regulatory authority thereof;
 - (iii) evidence (in form and content satisfactory to the Board) of the investment intent of the Optionee; and/or
 - (iv) an undertaking of the Optionee as to the sale or disposition of such Option Shares that may purchased pursuant to an Option Agreement to the effect that such Option Shares once purchased are not to be traded by the Optionee for a specified period of time,

is necessary or desirable as a condition of the issuance of any Option Shares pursuant to any Option Agreement, then the issuance of any Common Shares is not to be made unless and until such registration, qualification, consent, approval, evidence or undertaking has been effected or obtained free of any condition not acceptable to the Board. The Optionee shall, to the extent applicable, cooperate with the Corporation in relation thereto and shall

have no claim or cause of action against the Corporation or any of its officers, directors or shareholders as the result of any failure by the Corporation to take any steps to obtain any such registration, qualification or approval.

- (c) Any trade by the Optionee in any Common Shares issued to the Optionee pursuant to the Plan including, without limiting the generality of the foregoing, any sale or disposition for valuable consideration, and any transfer, pledge or encumbrance of any Common Shares issued to an Optionee pursuant to the Plan, is subject to such regulatory approvals and other restrictions under applicable securities laws and regulatory policies as may be required at the time of such trade. Accordingly, the Corporation makes no representation as to the ability of any Optionee to trade in such Common Shares.
- (d) The Corporation cannot assure a profit or protect the Optionee against a loss on the Common Shares purchased under the Plan. The Corporation assumes no responsibility relating to any tax liability of the Optionee by reason of the exercise of any Option or any subsequent trade.
- (e) The granting of options and the issuance of Common Shares under the Plan shall be carried out in compliance with applicable statutes and with regulations of governmental authorities and applicable stock exchanges.

13. ACCOUNTS AND STATEMENTS

The Corporation will maintain records indicating the number of Options granted to each Optionee and the number of Options exercised under the Plan. Upon written request from an Optionee, the Corporation will furnish to that Optionee a statement indicating the number of Options held on his behalf.

14. AMENDMENT AND TERMINATION

- (a) The Board may at any time or from time to time, in its sole and absolute discretion and without the approval of the shareholders of the Corporation, amend, suspend, terminate or discontinue the Plan and may amend the terms and conditions of Options granted pursuant to the Plan, subject to any required approval of any regulatory authority or the Exchange, including without limiting the generality of the foregoing, where the amendment:
 - (i) is for the purpose of curing any ambiguity, error or omission in the Plan to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
 - (ii) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares of the Corporation are listed;
 - (iii) is an amendment to the Plan respecting administration and eligibility for participation under the Plan;

- (iv) changes the terms and conditions on which Options may be granted pursuant to the Plan including the provisions relating to Exercise Price, vesting provisions and Expiry Date;
 - (v) is to alter, extend or accelerate the terms and conditions of Vesting applicable to any Option;
 - (vi) is to accelerate the Expiry Date of any Option;
 - (vii) is to determine the adjustment provisions pursuant to Clause 7 hereof;
 - (viii) amends the definitions contained in the Plan;
 - (ix) amends or modifies the mechanics of exercise of Options;
 - (x) changes the termination provisions of an Option Agreement or the Plan; or
 - (xi) is an amendment to the Plan of a “housekeeping nature”.
- (b) Subject to any required approval of any regulatory authority or the Exchange, the Board may amend the Exercise Price, the Expiry Date (which in no event shall exceed 10 years from the Option Date unless extended in accordance with Section 6(e) of this Plan) and the termination provisions of Options granted pursuant to the Plan, without shareholder approval, provided that if the Board proposes to reduce the Exercise Price (including by way of cancellation and immediate re-issue of Options or other entitlements) or extend the Expiry Date of Options granted to Insiders of the Corporation pursuant to the Plan, such amendments will require Disinterested Shareholder Approval.
- (c) The approval of the shareholders of the Corporation will be required for amendments to the Plan which:
- (i) amend the number of Common Shares issuable pursuant to Options granted and outstanding under the Plan pursuant to Subsection 5(a);
 - (ii) increase the number of Common Shares that may be issued to Insiders of the Corporation above the restrictions set out in Subsection 5(b); or
 - (iii) make any amendments to this Section 14.
- (d) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

15. WAIVER

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless the same is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

16. NOTICES

The manner of giving notices to the Corporation or to an Optionee is to be specified in the Option Agreement with such Optionee.

17. GENERAL

- (a) This Plan and each Option granted under this Plan are to be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to this Plan is to be treated in all respects as an Alberta contract.
- (b) Nothing contained herein restricts or limits or is deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of shares in the capital stock of the Corporation which are not reserved for issuance hereunder.
- (c) This Plan and any Option Agreement entered into pursuant hereto enure to the benefit of and are binding upon the Corporation, its successors and assigns. The interest of any Optionee hereunder or under any Option Agreement is not transferable or alienable by the Optionee either by assignment or in any other manner whatsoever and, during his lifetime, is Vested only in him, but, subject to the terms hereof and of the Option Agreement, enures to the benefit of and is binding upon the legal personal representatives of the Optionee.
- (d) Upon granting options to employees or Consultants the Corporation will represent that the Optionee is a bona fide employee or Consultant as the case may be.
- (e) In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

18. EFFECTIVE DATE

This Plan is effective as of this 7th day of February, 2018.