

**MAINSTREET**  
EQUITY CORP.

**NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR**

**RELATING TO THE**

**ANNUAL GENERAL MEETING OF COMMON SHAREHOLDERS**

**OF**

**MAINSTREET EQUITY CORP.**

**TO BE HELD ON**

**THURSDAY, MARCH 12<sup>TH</sup>, 2020**

**FEBRUARY 7, 2020**

**MAINSTREET EQUITY CORP.**

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

Notice is hereby given that the annual general meeting of holders of common shares of Mainstreet Equity Corp. (the “**Corporation**”) will be held at 1413 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2R 0W7, at 1:30 p.m. (Calgary time), on Thursday, March 12<sup>th</sup>, 2020 for the following purposes.

1. To receive the consolidated audited financial statements of the Corporation for the financial year ended September 30, 2019 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 PricewaterhouseCoopers (“**PWC**”), 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 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 7<sup>th</sup> day of February, 2020.

**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.**



<u>Other</u> .....	<u>1717</u>	Field Cod
<u>INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS</u> .....	<u>1717</u>	Field Cod
<u>INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON</u> .....	<u>1717</u>	Field Cod
<u>PARTICULARS OF MATTERS TO BE ACTED UPON</u> .....	<u>1717</u>	Field Cod
<u>Financial Statements</u> .....	<u>1717</u>	Field Cod
<u>Election of Directors</u> .....	<u>1818</u>	Field Cod
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<u>ADDITIONAL INFORMATION</u> .....	<u>2020</u>	Field Cod
<u>REQUESTING CORPORATE INFORMATION</u> .....	<u>2020</u>	Field Cod
<u>SCHEDULE "A" BOARD OF DIRECTORS AND COMMITTEES MANDATE</u> .....	<u>A11</u>	Field Cod

## MAINSTREET EQUITY CORP.

### ANNUAL 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 general meeting of common shareholders of the Corporation (the “**Meeting**”), to be held at 1413 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2R 0W7, on Thursday, March 12th, 2020 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 7, 2020 (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 - 2<sup>nd</sup> 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, 9,381,730 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.

<b>Name and Municipality of Residence</b>	<b>Designation</b>	<b>Nature of Ownership</b>	<b>Number of Common Shares as at Record Date</b>	<b>Percentage of Class as at Record Date</b>
Navjeet (Bob) S. Dhillon Calgary, Alberta	Common Shares	Direct and Indirect	4,317,000	46.0%

## STATEMENT OF EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS

#### Overview and Objectives

The Corporation has an Executive Compensation 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, 2019, Messrs. Anderson and Amantea made up the Executive Compensation 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 is also serving as a director and chairman of the Audit Committee of Adventus Realty Trust. He has and continues to be involved in all aspects of management decisions including human resources matters and compensation policies.

Mr. Amantea was a partner of Warren Tettensor Amantea LLP, Barristers and Solicitors for in excess of thirty five years and during that time was actively involved in policy and the strategic planning of the firm including human resource matters and compensation policies. He continues to remain at the firm as a senior associate.

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 designed to provide a combination of cash and equity-based compensation. Other components of the executive compensation program include 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, 2019 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 Executive Compensation 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 Executive Compensation Committee then recommends such compensation to the entire Board for approval.

#### **Other Compensation**

Other components of compensation include or previously included, transaction commissions, perquisites and personal benefits as determined by the Executive Compensation 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.

Each year the Chief Executive Officer is entitled to receive an annual performance bonus based upon pre-determined performance goals and discretionary bonus amounts determined by the Executive Compensation Committee. In making such determination, the Executive Compensation Committee takes in consideration the amount of commission paid to the Chief Executive Officer during each year, such that once determined, that portion of the annual performance bonus paid by the Corporation amounts to the difference between the amount of annual performance bonus determined by the Executive Compensation Committee, if any, less the amount of commissions paid to the Chief Executive Officer during that year. As a result, the actual portion of the discretionary bonus, if any, paid by the Corporation each year to the Chief Executive Officer will vary, depending on how much commission was paid to the Chief Executive Officer during that year. The President and Chief Executive Officer is paid a commission at commercial rates in his capacity as a licensed broker for certain property transactions conducted by the Corporation in its normal course of business. Commissions are determined on an exchange value basis. Except in very limited

circumstances, these commissions are paid by the selling third party or parties to the transaction. The commissions form part of the President and Chief Executive Officer's annual compensation in that the Executive Compensation 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, 2019 amounted to \$ 406,775.

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 an overall budget which addresses numerous key financial performance criteria relating to rental revenue, net operating income, funds from operation, number of unit acquisitions made during the year, number of financings and numerous other non-financial performance criteria relating to strategic planning, risk management, and other intangible factors for the fiscal year of the Corporation. At the end of each fiscal year, the Executive Compensation Committee then subjectively assesses on a holistic basis whether or not and to what extent management have achieved the overall performance results and then establishes, in its sole discretion, performance bonuses payable for management.

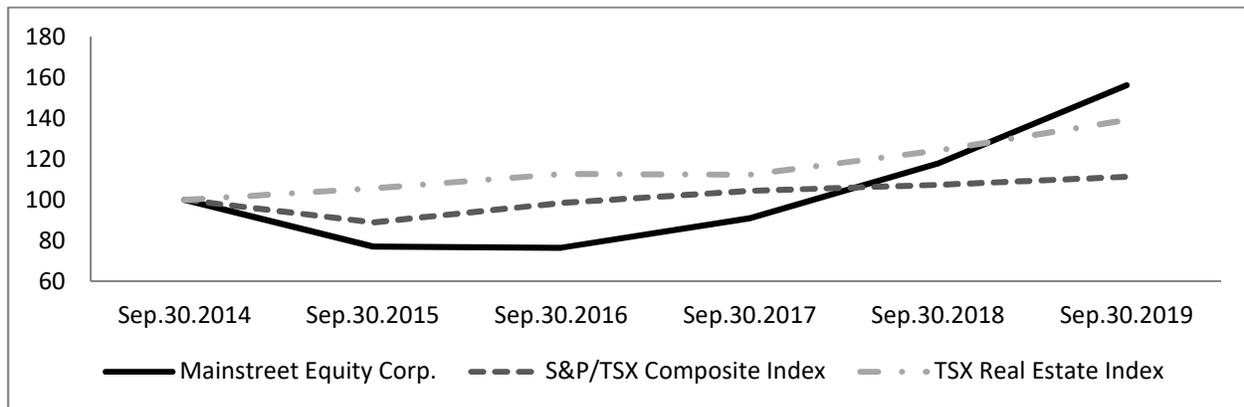
### **Risk Management**

In designing the executive compensation program for the Corporation, the Executive Compensation Committee takes into account the implications of risk. In doing so, the Executive Compensation 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 Chief Executive Officer had a financial authority limit of \$25 million for the year ended September 30, 2019, and the Executive Committee oversees the Corporation's debt levels and approve every acquisition over \$25 million and up to 40 million after independent review of key information of proposed acquisitions. The board approves acquisitions over \$40 million. On an annual basis, the Executive Compensation 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, 2014, assuming an initial investment of \$100 on September 30, 2014 compared to the S&P/TSX Composite Index and the TSX Real Estate Index, assuming in all cases that dividends are reinvested.



	Sep.30.2014	Sep.30.2015	Sep.30.2016	Sep.30.2017	Sep.30.2018	Sep.30.2019
Mainstreet Equity Corp.	100	77	77	91	118	156
S&P/TSX Composite Index	100	89	98	105	107	111
TSX Real Estate Index	100	106	113	112	124	139

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 performance indicators taken into consideration by the Executive Compensation Committee in determining Executive Officer performance bonuses in any given financial year.

### 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, 2017, 2018 and 2019 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 <sup>(3)</sup>	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$) <sup>(2)</sup>	Total Compensation (\$)
					Annual incentive plans <sup>(1)</sup>	Long-term incentive plans			
Navjeet (Bob) S. Dhillon President and CEO <sup>(4)</sup>	2019	1,400,000	Nil	Nil	993,225	Nil	Nil	Nil	2,393,225
	2018	1,300,000	Nil	Nil	65,207	Nil	Nil	Nil	1,365,207
	2017	1,225,000	Nil	Nil	918,000	Nil	Nil	Nil	2,143,000
Trina Cui CFO	2019	170,000	Nil	Nil	15,000	Nil	Nil	11,537	196,537
	2018	150,000	Nil	Nil	10,000	Nil	Nil	10,096	170,096
	2017	141,200	Nil	Nil	10,000	Nil	Nil	9,616	160,816
Johnny C.S. Lam, COO	2019	188,000	Nil	Nil	600,000	Nil	Nil	85,113	873,113
	2018	188,000	Nil	Nil	600,000	Nil	Nil	67,948	855,948
	2017	188,000	Nil	Nil	500,000	Nil	Nil	59,443	747,443
Sheena J. Keslick, Vice-President, Operations	2019	175,885	Nil	Nil	57,999	Nil	Nil	14,272	248,156
	2018	156,292	Nil	Nil	10,000	Nil	Nil	10,693	176,985
	2017	112,507	Nil	Nil	10,000	Nil	Nil	4,642	127,149

#### 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.
- (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, 2019 which commissions amounted to \$406,775 (2018 - \$1,234,800, 2017 - \$282,000). Except in very limited circumstances, these commissions are paid by the other selling third party or parties to the transaction.

**Incentive Plan Awards****Outstanding Share-Based Awards and Option-Based Awards**

There were no share-based awards and option-based awards outstanding at the end of the financial year ended September 30, 2019 to the Named Executive Officers of the Corporation.

**Incentive Plan Awards – Value Vested or Earned During the Year**

All options held by Named Executive Officers of the Corporation vested prior to the commencement of the 2019 fiscal year, and as a result no value vested or was earned during the Corporation's financial year ended September 30, 2019 of option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

On March 1, 2019, Navjeet (Bob) S. Dhillon, President and CEO of the Corporation, exercised 501,300 stock options at an exercise price of \$5.51 per Common Share to acquire 501,300 Common Shares. The closing trading price of the Common Shares on the TSX on February 28, 2019 was \$45.75, resulting in a difference between the closing market price and the exercise per Common Share of \$40.24. As a result, the value to Mr. Dhillon in respect of the exercise of the 501,300 stock options on the date of exercise was \$20,172,312. Mr. Dhillon has advised the Corporation that he has no present intention to sell or otherwise dispose of the Common Shares acquired in connection with the stock option exercise.

In addition, and in order to pay the taxes associated with the option exercise described above, Mr. Dhillon exercised options to purchase 248,700 Common Shares on a cash settlement alternative basis, whereby the Corporation paid Mr. Dhillon an amount of \$10,007,688 representing the in-the-money value of the options on February 28, 2019 (being the difference between the closing price of the Common Shares and the exercise price) and cancelled the stock options.

On March 1, 2019, Johnny C.S. Lam, COO of the Corporation, exercised 14,705 stock options at an exercise price of \$5.51 per Common Share to acquire 14,705 Common Shares. The closing trading price of the Common Shares on the TSX on February 28, 2019 was \$45.75, resulting in a difference between the closing market price and the exercise per Common Share of \$40.24. As a result, the value to Mr. Lam in respect of the exercise of the 14,705 stock options on the date of exercise was \$591,729. Mr. Lam has advised the Corporation that he has no present intention to sell or otherwise dispose of the Common Shares acquired in connection with the stock option exercise.

In addition, and in order to pay the taxes associated with the option exercise described above, Mr. Lam exercised options to purchase 7,295 Common Shares on a cash settlement alternative basis, whereby the Corporation paid Mr. Lam an amount of \$293,559, representing the in-the-money value of the options on February 28, 2019 (being the difference between the closing price of the Common Shares and the exercise price) and cancelled the stock options.

## 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. Ms. Cui was paid an annual salary of \$170,000. Ms. Cui’s salary is reviewed annually by the Chief Executive Officer and the Executive Compensation 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 Executive Compensation 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. Mr. Lam was paid an annual salary of \$188,000 in 2019. Mr. Lam’s salary is reviewed annually by the Chief Executive Officer and the Executive Compensation 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 Executive Compensation 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 was paid an annual base salary of \$1,400,000 as at September 30, 2019. Mr. Dhillon’s salary is reviewed annually by the Executive Compensation 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 Executive Compensation 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, 2019 for the scenarios outlined in the paragraphs above, Mr. Dhillon would be entitled to receive a maximum of \$4,210,000, such amount being equal to: (i) 36 months' salary at a rate of \$116,667 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 and exercised prior to September 30, 2019.

As at September 30, 2019, 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, 2019.

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	40,000	Nil	Nil	Nil	Nil	Nil	40,000
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	40,000	Nil	Nil	Nil	Nil	Nil	40,000

### Outstanding Share-Based Awards and Option-Based Awards

There were no share-based awards and option-based awards outstanding at the end of the financial year ended September 30, 2019 to the directors of the Corporation (other than directors who are also Named Executive Officers) of the Corporation.

### Incentive Plan Awards – Value Vested or Earned During the Year

There was no value vested or earned during the Corporation's financial year ended September 30, 2019 in respect 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, 2019

On March 1, 2019, Richard Grimaldi exercised 16,710 stock options at an exercise price of \$5.51 per Common Share to acquire 16,710 Common Shares. The closing trading price of the Common Shares on the TSX on February 28,

2019 was \$45.75, resulting in a difference between the closing market price and the exercise per Common Share of \$40.24. As a result, the value to Mr. Grimaldi in respect of the exercise of the 16,710 stock options on the date of exercise was \$672,410. Mr. Grimaldi has advised the Corporation that he has no present intention to sell or otherwise dispose of the Common Shares acquired in connection with the stock option exercise.

In addition, and in order to pay the taxes associated with the option exercise described above, Mr. Grimaldi exercised options to purchase 8,290 Common Shares on a cash settlement alternative basis, whereby the Corporation paid Mr. Grimaldi an amount of \$333,590 representing the in-the-money value of the options on February 28, 2019 (being the difference between the closing price of the Common Shares and the exercise price) and cancelled the stock options.

On March 1, 2019, Karanveer V Dhillon exercised 16,710 stock options at an exercise price of \$5.51 per Common Share to acquire 16,710 Common Shares. The closing trading price of the Common Shares on the TSX on February 28, 2019 was \$45.75, resulting in a difference between the closing market price and the exercise per Common Share of \$40.24. As a result, the value to Mr. Dhillon in respect of the exercise of the 16,710 stock options on the date of exercise was \$672,410. Mr. Dhillon has advised the Corporation that he has no present intention to sell or otherwise dispose of the Common Shares acquired in connection with the stock option exercise.

In addition, and in order to pay the taxes associated with the option exercise described above, Mr. Dhillon exercised options to purchase 8,290 Common Shares on a cash settlement alternative basis, whereby the Corporation paid Mr. Dhillon an amount of \$333,590 representing the in-the-money value of the options on February 28, 2019 (being the difference between the closing price of the Common Shares and the exercise price) and cancelled the stock options.

#### **Other Compensation**

A law firm, of which a director and officer of the Corporation is a partner, was paid \$374,077 for professional legal fees and disbursements rendered on behalf of the Corporation during the financial year ended September 30, 2019.

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, 2019 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.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)</b>
Equity compensation plans approved by security holders	Nil	N/A	Nil
Equity compensation plans not approved by shareholders	-	-	-
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>Nil</b>

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. As of September 30, 2019, all options that were under the 2007 Option Plan were exercised or cancelled and, as of the date hereof and September 30, 2019, there were no options outstanding.

### **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 Executive Compensation Committee and an Executive Committee. During the financial year ended September 30, 2019, Messrs. Grimaldi, Irwin and Anderson made up the Audit Committee, Messrs. Amantea and Anderson made up the Executive Compensation Committee and Messrs. Dhillon, Amantea and Anderson 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 senior associate 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, 2019, 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):

<b>Name of Director</b>	<b>Names of Other Issuers</b>
Ron Anderson	Adventus Realty Trust

#### *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, 2019 and the Board members in attendance.

<b>Date</b>	<b>Names</b>	<b>Type of Meeting</b>
December 6, 2018	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
February 6, 2019	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
May 9, 2019	Joseph B. Amantea, Ron Anderson, Karanveer V. Dhillon, Navjeet (Bob) Dhillon, Richard Grimaldi, John Irwin	Board Meeting
July 17, 2019	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 2019, 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](http://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 Executive Compensation 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, 2019, the Executive Compensation 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 seventeen (47%) are female, with two of four Executive Officers (50%) and six of thirteen (46%) regional and headquarters managers being female.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

In the financial year ended September 30, 2019, the Board had three standing committees (the “**Committees**”).

### **Executive Compensation Committee**

The Corporation has an Executive Compensation 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, 2019, Messrs. Amantea and Anderson made up the Executive Compensation 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 Executive Compensation Committee.

### **Audit Committee**

During the financial year ended September 30, 2019, 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 5, 2019 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, and Ron B. Anderson who is 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.

## 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, 2019 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.

<b>Name and Place of Residence</b>	<b>Position</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Number of Common Shares Beneficially Owned or Controlled</b>
Joseph B. Amantea Calgary, Alberta	Corporate Secretary and Director	March 31, 2000	Senior Associate, Warren Tettensor Amantea LLP, Barristers and Solicitors	18,933 <sup>(1)</sup>
Navjeet (Bob) S. Dhillon Calgary, Alberta	President, Chief Executive Officer and Director	June 24, 1997	President and Chief Executive Officer of the Corporation	4,317,000 <sup>(2)</sup>
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.	40,810
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	188,410
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	4,586,333	49%

*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 PricewaterhouseCoopers, Chartered Accountants, as auditors for the Corporation for the next ensuing year. PricewaterhouseCoopers, Chartered Accountants, have served as auditors of the Corporation since January 9, 2019.

**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 withheld from voting for the appointment of PricewaterhouseCoopers, 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 2020 annual 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](http://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, 2019 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](mailto:bdhillon@mainst.biz) or [kengel@mainst.biz](mailto:kengel@mainst.biz). All information can also be found on our website at [www.mainst.biz](http://www.mainst.biz) and on SEDAR at [www.sedar.com](http://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.

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