



STREET CAPITAL GROUP INC.

ANNUAL INFORMATION FORM

For the fiscal year ended
December 31, 2015

March 8, 2016

STREET CAPITAL GROUP INC.
1 Toronto Street, Suite 700, P.O. Box 3
Toronto, Ontario M5C 2V6

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(All dollar amounts are in Canadian dollars unless otherwise noted.)

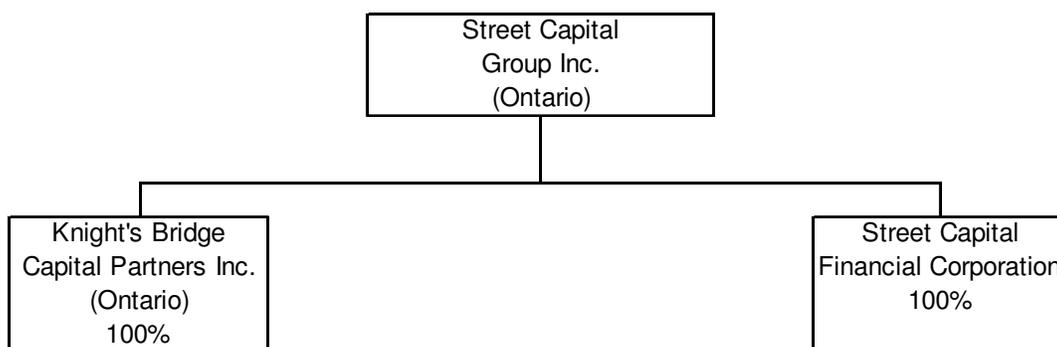
Information in this Annual Information Form (“AIF”) is given as of December 31, 2015, unless otherwise indicated.

CORPORATE STRUCTURE

421367 Ontario Limited, the predecessor to Street Capital Group Inc. (formerly named Counsel Corporation), was incorporated under the *Business Corporations Act* (Ontario) by Articles of Incorporation dated August 2, 1979. It changed its name to Counsel Financial Services Limited by Articles of Amendment, effective October 26, 1979 and changed its name to Counsel Trustco Corporation by Articles of Amendment effective July 15, 1982. The corporation amalgamated with its wholly owned subsidiary, 475848 Ontario Limited (formerly Counsel Management Limited), by Articles of Amalgamation effective December 31, 1984. By Articles of Amendment, effective May 22, 1986, the corporation changed its name to Counsel Corporation. By Articles of Amendment, effective May 5, 1987, the corporation subdivided each of its issued and unissued common shares on a 3 for 2 basis. The corporation amalgamated with its wholly owned subsidiary, Counsel Healthcare Assets Inc., by Articles of Amalgamation effective December 31, 1998. By Articles of Amendment effective June 9, 1999, the corporation simplified its capital structure by replacing its authorized classes and series of preferred shares with one class of an unlimited number of preferred shares, issuable in series, and changing the authorized number of its common shares to an unlimited number. By Articles of Amendment effective December 19, 2003, the corporation was authorized to issue, as a series of preferred shares, 12,000,000 shares designated as Preferred Shares, Series A. The Series A preferred shares were redeemed in full on July 24, 2009. By Articles of Amendment effective July 24, 2009, the corporation was authorized to issue, as a new series of preferred shares, 6,009,616 shares to be designated as Preferred Shares, Series B. On January 25, 2011, all the Series B preferred shares were converted in common shares at \$0.75 per share, which resulted in the issuance of 15,384,617 common shares. The corporation amalgamated with its wholly owned subsidiary, Counsel Capital Corporation, by Articles of Amalgamation effective January 1, 2014. By Articles of Amendment effective June 19, 2015, the corporation changed its name to “Street Capital Group Inc.” (hereinafter referred to as “**Street Capital**” or the “**Corporation**”).

The registered and principal office of the Corporation is located at 1 Toronto Street, Suite 700, P.O. Box 3, Toronto, Ontario, M5C 2V6, and its telephone number is (647) 259-7873.

The following chart indicates the principal subsidiaries of the Corporation, their jurisdiction of incorporation and the percentage of voting securities thereof which are owned directly or indirectly by the Corporation as at December 31, 2015.



GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is a financial services company which operates primarily in the mortgage lending business. Over the past three years, the following major events influenced the development of the Corporation's business.

At the end of May 2011, the Corporation acquired Street Capital Financial Corporation ("**Street Capital Financial**"), a Canadian residential mortgage lender that offers a wide spectrum of insurable high ratio and conventional mortgages at competitive interest rates. Since commencing business in 2008, Street Capital Financial has successfully built a broad network of brokers and established stringent underwriting and due diligence processes, while maintaining a focus on customer service.

In September 2012, Street Capital Financial announced its intention to apply to Canada's Minister of Finance for approval to operate as a federally regulated Schedule I bank with its banking business primarily focused on residential mortgage lending as well as consumer lending and related services. The application was filed in December 2012. Street Capital Financial is presently in the pre-commencement review phase of its application, which is one of the last stages of the process. If approved, the bank will carry on business in Canada under the name of "Street Capital Bank of Canada" in English and "Street Capital Banque du Canada" in French with its head office being located in Toronto.

In May 2013, Street Capital Financial received approvals from the Canada Mortgage and Housing Corporation ("**CMHC**") to be an approved issuer of *National Housing Act* mortgage backed securities ("**NHA MBS**") and an approved seller under the Canada Mortgage Bonds ("**CMB**") program. This enables the company's mortgages to be pooled into securities designated for sale to Canada Housing Trust under the CMB program. This ability to securitize mortgages, on a limited scale, provides Street Capital Financial with a secondary source of funding and one that can be more profitable than selling mortgages to investors.

The Corporation's Private Equity business is carried on through a wholly-owned subsidiary, Knight's Bridge Capital Partners Inc. ("**Knight's Bridge**"). In March 2008, Knight's Bridge closed Knight's Bridge Capital Partners Fund I ("**KBCP Fund I**") with capital commitments in excess of \$62 million, including \$10 million of capital committed by the Corporation and approximately \$5 million of capital committed by senior management with the KBCP Fund I having a term of 10 years. For the first five years of the KBCP Fund I, Knight's Bridge's mandate was to source new investment opportunities. That five-year period expired in Q1 2013 and Knight's Bridge can only invest remaining committed capital into existing investee companies of the KBCP Fund I.

On February 9, 2015, the Corporation announced that Knight's Bridge had successfully divested most of the core holdings in the KBCP Fund I. The monetization of the KBCP Fund I portfolio has occurred on or ahead of schedule and has generated positive returns for the Corporation's shareholders and third party investors in the KBCP

Fund I. Significant holdings which have been sold include Authentic Brands Group LLC, which Knight's Bridge exited in August 2014; Polaroid Corp., which was exited in December 2014; and TubeMogul, which was exited in January and February 2015. The remaining significant holding in the KBCP Fund I at December 31, 2015 was its interest in Robert Graham Designs, LLC ("**Robert Graham**"), an apparel retailer and manufacturer of high quality men's and women's clothing. In Q3 2015, the management of Robert Graham had entered into purchase and sale agreements (the "**Agreements**") that would result in a merger with a publicly traded company, Joe's Jeans Inc., with the merged company subsequently operating as Differential Brands Group Inc. ("**DBGI**"). The Agreements received shareholder approval in January 2016, and Knight's Bridge received cash and DBGI shares in exchange for its interest in Robert Graham. The cash was distributed in February 2016. Knight's Bridge management will monitor the investment and determine an advantageous time to sell DBGI shares and distribute the proceeds.

In the first quarter of 2013, the Corporation's board of directors approved of a plan to dispose of the Corporation's non-core operating business segments (i.e. Case Goods, through Fleetwood Fine Furniture LP, Asset Liquidation, through Heritage Global Inc., and Real Estate). The preferred disposition for each of the businesses was based on maximizing their value for the benefit of the Corporation's shareholders. The decision reflected and accelerated the Corporation's strategy, undertaken in recent years, to focus on financial services. The Corporation's board of directors explored alternatives and concluded that this plan provided the best option to unlock shareholder value while enabling management to focus and build on the unique opportunity for growth and profitability provided by its residential mortgage lending business, Street Capital Financial. The Case Goods business and Real Estate properties were sold to third parties while the shares of the Asset Liquidation business were distributed to the Corporation's shareholders.

In June 2015, the Corporation's shareholders approved an organizational realignment of the Corporation which was part of the Corporation's transition to a focused financial services company. As part of the reorganization: (i) the name of the corporation was changed to "Street Capital Group Inc.", (ii) the management teams and boards of the Corporation and Street Capital Financial were combined and streamlined, and (iii) all of the Class C non-voting shares of Street Capital Financial, which were held primarily by certain members of Street Capital Financial's management team, were exchanged for 20 million common shares of the Corporation and approximately \$3 million cash.

The following table sets out the Corporation's consolidated results of operations for the three years ended December 31, 2013, 2014 and 2015.

(in thousands of \$ except where defined)

	2013	2014	2015
	\$	\$	\$
Revenue			
Net gain on sale of mortgages	51,080	56,484	76,068
Net interest and other income (loss)	181	5,788	(1,052)
Total revenue	51,261	62,272	75,016
Expenses and fair value adjustments			
Operating expenses	33,359	37,792	42,789
Restructuring expenses	-	-	50,240
Fair value (appreciation) depreciation	(9,740)	(26,983)	11,892
Income (loss) before income taxes, discontinued operations and non-controlling interest	27,642	51,463	(29,905)
Income taxes	5,728	7,045	6,835
Income (loss) from continuing operations	21,914	44,418	(36,740)
Income (loss) from discontinued operations	(8,649)	(11,594)	17
Net (income) loss attributable to non-controlling interest	(3,799)	(19,895)	6,688
Net income (loss) attributable to shareholders	9,466	12,929	(30,035)
Basic and diluted net income (loss) per share			
Continuing operations	0.16	0.25	(0.27)
Discontinued operations	(0.06)	(0.12)	0.00
Basic and diluted net income (loss) per share	0.10	0.13	(0.27)
Adjusted net income	12,174	17,435	23,773
Adjusted net income per share	0.12	0.17	0.21
Return on equity	9.4%	12.4%	(25.9%)
Adjusted return on equity	12.1%	16.7%	20.5%
Net gain on sale as a % of mortgages sold	0.66%	0.73%	0.84%
Assets under administration (in billions of \$)	17.52	21.59	24.75
Mortgage sales (in billions of \$)	7.71	7.75	9.04
Renewal volumes	5.6%	11.5%	19.6%
Dividends declared	-	(i)	-

(i) Dividends in 2014 were \$0.167/share. They consisted of a dividend-in-kind comprised of the shares in Heritage Global Inc. that were held by the Company prior to its exit from the Asset Liquidation business in the first quarter of 2014.

DESCRIPTION OF THE BUSINESS OF THE CORPORATION

The Corporation currently has active business operations in the mortgage lending sector, through its subsidiary, Street Capital Financial, one of the largest non-bank mortgage lenders in Canada. In the first quarter of 2013, the Corporation's board of directors approved of a plan to dispose of the Corporation's non-core operating business segments. The decision reflected the Corporation's strategy, undertaken in recent years, to focus on financial services. The disposition plan involved the Asset Liquidation, Case Goods and Real Estate segments. As a result, these entities' assets and liabilities were classified separately as held for sale and their operating results were classified separately as discontinued operations. As part of the Corporation's transition to a focused financial services company, the Corporation realigned its organizational structure in June 2015. As part of the realignment, the management teams and boards of the Corporation and Street Capital Financial were combined and streamlined. The Corporation is also winding down its Private Equity business. A description of the Corporation's business is included in its Management's Discussion and Analysis of Results of Operations and Financial Condition for the year ended December 31, 2015 ("**MD&A**"), which is incorporated herein by reference. The Corporation's MD&A and audited financial statements are available on www.sedar.com.

Street Capital Financial originates residential mortgage loans, primarily through its network of high quality independent mortgage brokers, in all provinces of Canada, with the current exception of Quebec. The majority of the mortgages that it underwrites are sold on a whole loan basis to top-tier regulated financial institutions. The remaining mortgages are either securitized or held directly.

By selling the majority of its originated mortgages, Street Capital Financial transfers substantially all of the risks of ownership to the purchaser and/or party insuring the mortgage. However, when selling mortgages, the Street Capital Financial makes a variety of customary representations and warranties regarding itself, its mortgage origination activities, and the mortgages that are sold. These representations and warranties survive for the life of the mortgages and relate to, among other things, compliance with laws, mortgage underwriting and origination practices and standards, the accuracy and completeness of information in the mortgage documents and mortgage files, and the characteristics and enforceability of the mortgages. Street Capital Financial therefore maintains stringent underwriting and robust quality assurance processes, in order to provide a high level of assurance that the mortgages it originates comply with all underwriting requirements and do not contain misrepresentations. It also continuously monitors market conditions through frequent evaluation of macro, regional and localized economic indicators, and the credit performance of its existing portfolio, and adjusts lending criteria as required. These factors have combined to result in a high quality portfolio of mortgages under administration ("**MUA**") and to maintain a strong wholesale demand from institutional purchasers for Street Capital Financial's mortgages.

Although Street Capital Financial's market share and its gains on sale of mortgages have increased overall, year over year, its quarterly operating results tend to fluctuate due to the seasonal nature of its core business. Mortgage originations tend to follow seasonal housing market trends, where the spring and summer markets outperform the fall and winter ones, generally leading to relatively higher gains on sale in Q2 and Q3 compared to Q4 and Q1.

When selling the mortgages that it originates, Street Capital Financial deals with a limited number of institutional purchasers. It is therefore subject to concentration risk. In 2015, Street Capital Financial placed 85% of newly originated mortgages with two institutional investors who are a Canadian and US financial institution. If either institutional investor were to terminate its relationship with Street Capital Financial, or materially reduce its purchases of mortgages, and Street Capital Financial was unable to either replace the investor with another investor or sell the mortgages through securitization markets at similar prices, this could have a material adverse effect on the Corporation's financial results.

The Corporation is also subject to competitive risk, since the mortgage products that Street Capital Financial offers compete with similar products of banks, insurance companies and other lenders. Some of these competitors have more scale, greater resources and better access to capital than Street Capital Financial. If price competition increases, Street Capital Financial may not always be able to compete by raising or lowering the rates it charges its borrowers. This has the potential to reduce the level of mortgage originations or renewals, or to reduce

the value of the mortgages that Street Capital Financial sells to investors or securitizes. This may reduce profits and negatively impact the Corporation's financial results.

The Private Equity business is carried on through Knight's Bridge. Knight's Bridge is responsible for sourcing and managing the Corporation's portfolio investment opportunities. Knight's Bridge is an opportunistic and diversified financial services provider with a focus on building portfolio companies into market leaders. As noted above under *General Development of the Business*, Knight's Bridge has divested, or is in the final stages of divesting, the majority of its investments. The Corporation therefore expects to conclude its involvement in the Private Equity business during 2016 or 2017.

Employees

As at December 31, 2015, the Corporation and its subsidiaries employed approximately **213** employees, of which approximately **97%** were employed in the Mortgage Lending business, and **3%** in Private Equity and the Corporation's corporate head office.

Risk Management and Risk Factors

An investment in the Corporation's securities involves a number of risks. The Corporation is exposed to various types of risks owing to the nature of its business activities. These risks include strategic, credit, liquidity, interest rate, investment, operational, reputational and regulatory and legislative risk. The Corporation has established policies, processes and frameworks to measure and monitor the risks. The policies are reviewed and approved by the board at least annually. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently considers immaterial, may also have a material adverse effect on the Corporation's business, financial condition, or results of operations.

In addition to the other information contained in this AIF and the Corporation's other publicly filed disclosure documents, investors should give careful consideration to the types of risks cited above and the way in which the Corporation manages these risks can be found in the 2015 Management's Discussion and Analysis (MD&A), which is incorporated herein by reference and is available on SEDAR at www.sedar.com. The Corporation cautions that the discussion of risks is not exhaustive. When considering whether to purchase common shares of the Corporation, investors and others should carefully consider these factors as well as other uncertainties, potential events, and industry- and Corporation-specific factors that may impact the Corporations's future results.

Litigation

The Corporation, from time to time, is involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Corporation is not aware of any pending or threatened proceedings that would have, or during 2015 could have had, a material adverse effect on the consolidated financial condition or future results of the Corporation.

SECURITIES OF THE CORPORATION

Capital Structure

The authorized capital stock of the Corporation consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series.

Common Shares

The Corporation is authorized to issue an unlimited number of common shares. As of December 31, 2015, the Corporation had 121,226,448 common shares issued and outstanding. Holders of common shares are entitled to one vote per share at meetings of shareholders of the Corporation, to receive dividends if and when declared by the board of directors of the Corporation, subject to the prior rights of holders of any preferred shares and any other shares ranking in priority to the common shares and to receive the remaining property and assets of the Corporation upon its dissolution or winding-up, subject to the rights of shares having priority over the common shares.

Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares, issuable in series, 12,000,000 preferred shares, series A and an unlimited number of preferred shares, series B, none of which are outstanding. If issued, each series of preferred shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the board of directors of the Corporation prior to the issuance thereof. In addition to any voting rights the holders of series A shares may have under applicable law, on all matters submitted to a vote of holders of common shares, a holder of series A shares will be entitled to the number of votes equal to the number of common shares into which the series A shares are convertible on the record date for such vote. In addition to any voting rights the holders of series B shares may have under applicable law, on all matters submitted to a vote of holders of common shares, a holder of series B shares will be entitled to one vote per series B share. With respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the preferred shares are entitled to preference over the common shares.

Market for Securities

The Corporation's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "SCB" (formerly "CXS").

The Corporation's common share trading price and volume for 2015 on a monthly basis on the Toronto Stock Exchange, in Canadian dollars, was as follows:

<u>Month</u>	<u>High</u> <u>\$</u>	<u>Low</u> <u>\$</u>	<u>Trading Volume</u> <u>(shares)</u>
January	1.92	1.75	1,393,380
February	2.10	1.79	1,922,484
March	2.29	1.99	3,480,160
April	2.78	2.11	2,682,281
May	2.44	2.03	1,622,803
June	2.45	2.26	1,592,289
July	2.45	1.75	1,701,660
August	2.16	1.63	1,071,169
September	1.93	1.63	423,866
October	1.81	1.52	582,451
November	1.65	1.26	1,550,583
December	1.35	1.25	1,001,299

Dividends

There is no restriction on the Corporation's ability to declare dividends, except as described below. The declaration and payment of dividends is decided by the Corporation's board of directors from time to time based upon and subject to the Corporation's earnings, financial requirements and other conditions prevailing at the time. The Corporation's wholly owned subsidiary, Street Capital Financial, has certain financial covenants associated with its credit facilities that need to be met before dividends can be declared and paid. Additionally, if Street Capital Financial were to receive approval to operate a Schedule I Bank its ability to declare and pay dividends would be subject to meeting the regulatory capital requirements as stipulated by the Office of the Superintendent of Financial Institutions (OSFI).

A special dividend-in-kind was declared on March 20, 2014 and paid on April 30, 2014, to the Corporation's shareholders of record as at April 1, 2014, in the amount of approximately 0.2084 shares of Heritage Global Inc. for each Street Capital Group Inc. share owned on the record date. The dividend comprised all 20,644,481 shares of Heritage Global Inc. owned by the Corporation.

Securities Subject to Contractual Restriction on Transfer

Designation of class	Number of securities that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	20,000,000 (1)	16.5%

Note:

- (1) Pursuant to a share purchase agreement dated May 13, 2015 which can be found on SEDAR at www.sedar.com (the "**Share Purchase Agreement**"), subject to certain exceptions as set out in the Share Purchase Agreement, the shares listed above are held by members of the Corporation's management, and may only be transferred or sold as follows: (i) 25% of the shares may be transferred on or after June 1, 2017; (ii) 50% of the shares may be transferred on or after June 1, 2018; and (iii) 100% of the shares may be transferred on or after June 1, 2019.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth under Securities Subject to Contractual Restriction on Transfer, to the best of management's knowledge, there are no proposed transactions, nor have there been any transactions within the last three fiscal years, which in either case have materially affected or will materially affect the Corporation in which any of the Corporation's officers or directors or their affiliates had or has any material interest, direct or indirect.

TRANSFER AGENT & REGISTRAR

The transfer agent and registrar for the Corporation's common shares is Computershare Investor Services Inc., located in Toronto, Ontario, Canada.

DIRECTORS AND OFFICERS

All directors' terms of office will expire at the next annual meeting of shareholders unless re-elected. The information regarding the Corporation's directors, including principal occupation or employment at present and within the past five years is as follows:

Allan Silber, Ontario, Canada – Chairman of the Board; former President and Chief Executive Officer of the Corporation until June 17, 2015; Director of the Corporation since August 2, 1979.

W. Ed Gettings, Ontario, Canada – Director and Chief Executive Officer of the Corporation since June 18, 2015; Chief Executive Officer of Street Capital Financial since May 30, 2007.

Paul Vessey, Ontario, Canada – Director of the Corporation since June 21, 2011; recently retired as TD Bank Group’s Executive Vice President, US Product Management, Personal and Commercial Banking. Prior to TD, he was Chief Operating Officer of Visa USA Inc. He also served in senior executive positions at CIBC as well as at American Express Canada. Chair of the Compensation Committee and Governance Committee and member of the Audit Committee.

Morris Perlis, Ontario, Canada – Director of the Corporation since June 18, 2015; former Executive Vice Chairman of the Corporation. Member of the Compensation Committee and Governance Committee.

Ronald Appleby, Ontario, Canada – Director of the Corporation since June 19, 2007; employed as a partner of Robins Appleby LLP since 1973. Member of the Audit Committee, Compensation Committee and the Governance Committee.

Lea Ray, Ontario, Canada – Director of the Corporation since June 18, 2015; Chartered Professional Accountant and former executive, Vice-President Corporate Finance, of Warner Bros. Entertainment Canada Inc. Chair of the Audit Committee and member of the Enterprise Risk Management Committee.

Ron Lalonde, Ontario, Canada – Director of the Corporation since June 18, 2015; former Senior Executive Vice-President, Technology and Operations at CIBC. Chair of the Enterprise Risk Management Committee.

Tom Bermingham, Ontario, Canada – Director of the Corporation since June 18, 2015; Chartered Professional Accountant; formerly Vice-President Finance and Treasurer, Bank of Montreal; formerly Chief Risk Officer, Continental Bank of Canada; Consultant. Member of the Enterprise Risk Management Committee.

Information regarding the Corporation’s executive officers who are not directors, including their principal occupation or employment at present and within the past five years is as follows:

Lazaro DaRocha, Ontario, Canada President of the Corporation since June 18, 2015; President of Street Capital Financial; formerly the Chief Finance and Risk Officer of Street Capital Financial.

Marissa Lauder, Ontario, Canada – Chief Financial Officer of the Corporation and Street Capital Financial since June, 15, 2015; previously was Senior Vice-President, Finance at Home Capital Group.

Adam Levy, Ontario, Canada – Executive Vice-President and Chief Compliance Officer of the Corporation; and Executive Vice-President and Chief Compliance Officer of Street Capital Financial since March 1, 2012, formerly the Senior Vice-President Business Development and Corporate Counsel for the Corporation

Gary Taylor, Ontario, Canada – Chief Risk Officer of Street Capital Financial since June 18, 2015; formerly the Vice-President, Risk Management of Street Capital Financial since June 2013 and prior the Vice-President, Asset Management for the Corporation

Alfonso Casciato, Ontario, Canada – Senior Vice President – Sales of Street Capital Financial since May 1, 2015, formerly the Vice President - Credit Operations of Street Capital Financial.

Martin Frenette, Ontario, Canada – Senior Vice-President in Treasury for Street Capital Financial since October 21, 2013; previously was responsible for management of key capital market functions at Bank of America Merrill Lynch.

Stephen Kissuk, Ontario, Canada - Vice President of Mortgage Credit of Street Capital Financial since June 15, 2015; previously was Sr. Credit Manager overseeing Western Canada Operations of Street Capital Financial.

Chris Reid, Ontario, Canada – Senior Vice-President of Business Development of Street Capital Financial since August 12, 2013, previously was Vice-President of credit cards at Toronto Dominion Bank.

Janne Farias, Ontario, Canada – Chief Internal Auditor of Street Capital Financial since May 4, 2015; previously Assistant Vice-President responsible for leading the execution of internal audits at a number of key business functions at Home Capital Group; and Director of Internal Audit and ERM for AGF Management Limited.

As of December 31, 2015, the directors and executive officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 28,399,086 common shares, representing approximately 23.4% of the outstanding common shares of the Corporation.

INTERESTS OF EXPERTS

Ernst & Young LLP, Chartered Accountants, are the auditors of the Corporation. Ernst & Young LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

The current members of the Audit Committee are Lea Ray (Chair), Ronald Appleby and Paul Vessey. The Corporation has determined that each member of the Audit Committee is independent and all are financially literate. Ms. Ray is a Chartered Professional Accountant and is a member of the Institute of Corporate Directors. Mr. Appleby has been a partner of Robins Appleby LLP since 1973, specialising in taxation and estate planning. Mr. Vessey is a retired senior executive in the financial services industry.

Audit Committee Charter

A copy of the Corporation’s Audit Committee Mandate is attached as Exhibit A.

External Audit Fees

The following table sets forth external auditor service fees by category for the years ended December 31, 2015 and 2014 (\$000s):

	2015	2014
	\$	\$
Audit fees	300	259
Audit – related fees	36	-
Tax fees	-	98
All other fees	9	88
	346	445

Audit-related fees include a review for specified audit procedures related to Street Capital Financial’s securitization activities. Tax fees include services rendered for tax advice and planning. All other fees relate to CPAB fees and services rendered in connection with Street Capital Financial’s bank license application.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's financial statements and MD&A for its most recently completed fiscal year. A copy of such documents may be obtained from the Secretary of the Corporation, upon written request. They may also be accessed via the Corporation's website at *www.streetcapitalgroup.ca*. In addition, such documents and additional filings made by the Corporation can be found on SEDAR at *www.sedar.com*.

As well, additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's information circular for its June 18, 2015 annual and special shareholders' meeting and will be contained in the information circular which will be filed in connection with its annual meeting scheduled for June 15, 2016.

EXHIBIT A**Purpose**

To establish the authority, role and accountability of the Audit Committee (the “Audit Committee”) of Street Capital Group Inc. (“Street Capital”).

The Audit Committee has the overall responsibility for performing the duties set out in the *Business Corporations Act* (Ontario) (the “OBCA”) and the *Securities Act* (Ontario) (the “Act”) and in this mandate to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities in relation to:

- The integrity of Street Capital’s financial statements and financial reporting process
- The integrity of Street Capital’s systems of internal accounting and financial controls
- The internal and external auditing, including the qualifications and independence of the outside auditor and the performance of Street Capital’s internal audit services function
- Legal and regulatory compliance
- Fraud management
- The performance of the other Committee functions set forth in this mandate

Membership and Organization**Membership**

The composition and organization of the Audit Committee, including the number, qualifications and remuneration of committee members, the number of meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings as are established by applicable legislation and the by-laws of Street Capital.

The Audit Committee will consist of at least three independent directors appointed by the Board. The Board may at any time remove or replace any member of the Audit Committee at its discretion. A member of the Audit Committee ceases to be a member upon either his/her resignation or removal from the Audit Committee or upon ceasing to be a director of the Board.

The Board will appoint a member of the Audit Committee as its Chair annually. The Audit Committee will appoint one of its members as Secretary.

Members of the Audit Committee will be financially literate and will have relevant financial industry and risk management expertise to enable them to fully understand the risks undertaken by Street Capital. At least one member of the Committee will have financial and accounting expertise consistent with criteria established by the Board. In making such determination of expertise, the Board will review the individual’s executive, professional, educational, or regulatory experience in financial, auditing, accounting, or banking matters.

Independence

“Independence” is a core principle of Street Capital’s governance policies and procedures. In the context of its governance policies and procedures, with a small Board and management structure, Street Capital understands “demonstrable independence” as a quality that is demonstrated through practices and behaviours, and not necessarily defined by employment relationships or affiliations. Where independence requirements are defined by

statute or rule, such as in respect of Board composition, the statutory requirement is observed.

Meetings, Attendance and Preparation

The Audit Committee will meet no less than four times during each financial year. A quorum of the Audit Committee shall consist of a majority of the Directors, and a majority of Directors participating in any meeting shall be resident Canadians. Members of the Audit Committee are expected to attend meetings of the committee and to review related meeting materials in advance.

Responsibilities and Duties

Financial Reports

The Audit Committee is responsible for reviewing the integrity of Street Capital's financial statements and disclosures. In this regard, the Audit Committee will:

1. review the quarterly unaudited and annual audited financial statements of Street Capital, the external auditor's report thereon (in the case of audited reports) and the related management's discussion and analysis of Street Capital's financial condition and operations, to determine whether they fairly reflect, in all material respects and in accordance with Canadian generally accepted accounting principles, the financial condition, operations and cash flows of Street Capital
2. upon completion of the review in item (1) above, recommend for Board approval the interim unaudited and annual consolidated audited financial statements
3. review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management
4. meet periodically with management, with the Chief Internal Auditor and the external auditor in separate executive sessions to review the financial statements and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate
5. review any audit report and the external auditor's report
6. review such investments and transactions that could adversely affect the well-being of Street Capital as the auditor or auditors or any officer of Street Capital may bring to the attention of the Audit Committee
7. review management's report on the effectiveness of internal control over financial reporting
8. oversee the credit risk provisioning program by reviewing and monitoring the reports generated and actions taken and/or recommended by the Chief Financial Officer
9. report on the financial performance against plan, and Street Capital's performance against key performance indicators to the Board on a quarterly basis
10. keep abreast of recent developments in financial reporting and regulatory actions
11. engage independent counsel or other advisors, as necessary, and set the compensation for any advisors
12. examine and consider such other matters related to the above duties as directed by the Board or as the Audit Committee, in its discretion, determine to be desirable

External Auditor

The Audit Committee will be responsible for overseeing the work of the external auditor, which will report directly to the Audit Committee. In this regard, the Audit Committee will:

1. recommend the appointment, reappointment, removal and remuneration of Street Capital's external auditor, subject to approval of the Board and shareholders
2. review and agree to the scope and terms of the external auditor's engagement and approve the engagement letter prior to it being signed
3. at least annually, report to the Board on the effectiveness of the external auditor, which review will evaluate the external auditor's qualifications, performance, fees and independence, including a review and evaluation of the lead audit partner
4. obtain from the external auditor a formal written declaration of all relationships between the external auditor and Street Capital, which will include confirmation that the external auditor is independent within the meaning of the Rules of Professional Conduct/Code of Ethics of the provincial institute or order of chartered accountants to which the external auditor belongs; if necessary, a governance framework will be implemented to address any concerns raised by interested persons about the independence of the external auditor
5. review the annual audit plan for an appropriate, risk-based approach that addresses major areas of concern to Street Capital, and discuss with the external auditor any material changes to the scope of the plan
6. establish criteria for the types of non-audit services that the external auditor may provide and pre-approve any retainer relating to such non-audit services
7. at least annually, obtain and review a report by the external auditor describing its internal quality-control procedures and any material issues raised by its most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding three years respecting one or more independent audits carried on by the external auditor and any steps taken to deal with any of these issues
8. receive all material correspondence between the external auditor and management relating to audit findings and understands any concerns and responsibilities by the external auditor for generally accepted auditing standards
9. review with the external auditor the quality of the financial statements, as appropriate, to be satisfied that the financial statements represent fairly the financial position, operations and cash flow of Street Capital and extent to which accounting practices being used are conservative and appropriate
10. discuss with Senior Management and the external auditor the results of the audit, the annual and quarterly financial statements and related documents, the audit report and any related concerns the external auditor may have. This should include, but is not limited to:
 - Key areas of risk for material misstatement of the financial statements, including critical accounting estimates or areas of measurement uncertainty
 - Areas of significant auditor judgment, including accounting policies, accounting estimates and financial statement disclosures
 - Whether the external auditor considers estimates/models to be "aggressive" or "conservative" within an acceptable range and, specifically, where there are options, the rationale for the final

- valuation decision and if the option is consistent with industry practice, significant or unusual transactions (e.g. restatements)
- Difficult or contentious matters noted during the audit or other audit matters that would typically be discussed with an engagement quality control reviewer
 - Changes in the audit scope or strategy
 - Internal control deficiencies identified during the course of the audit
 - Areas of financial statement disclosures that could be improved
 - The role of other audit firms (e.g. with respect to the audit of any Street Capital subsidiaries)
11. hold regular in camera meetings with the external auditor and the Chief Internal Auditor to understand all relevant issues, including issues that may have arisen between the external auditor and management
 12. resolve any disputes between the external auditor and management
 13. oversee the usage of audit services
 14. review the Basel Committee on Banking Supervision guidance on external audits and ensure Street Capital's practices meet this guidance to ensure quality audits¹
 15. discuss systemic audit quality issues raised in Canadian Public Accountability Board ("CPAB") public reports with external auditors and to enquire whether the audit file of Street Capital has been selected by the CPAB and whether there have been any significant inspection findings specific to Street Capital's audit
 16. review guidance resources issued by Chartered Professional Accountants of Canada ("CPA Canada") and utilize this guidance and tools as part of the overall assessment of the external auditor.²

Internal Audit Function

The Audit Committee will be responsible for monitoring internal audits and reviewing Street Capital's internal controls over financial reporting and to validate that auditing resources are acquired economically and used efficiently. In this regard, the Audit Committee will:

1. review and, if advisable, concur with the appointment and replacement of the Chief Internal Auditor
2. review and discuss with Street Capital's Chief Internal Auditor the responsibilities and overall scope of the internal audit department, including approval of the annual audit plan, as well as other factors that may impact the effectiveness and timeliness of audit reviews
3. review and discuss with the Chief Internal Auditor the results of significant audit reviews, including company-wide audits where the scope includes Street Capital or the reviews otherwise contain findings that are significant to Street Capital's compliance program or internal controls, and reports by management regarding their action plans to implement Internal Audit's recommendations
4. review and discuss with the Chief Internal Auditor the department's reporting structures that optimize auditors' independence, experience and qualifications of senior audit staff on an annual basis
5. review and discuss with the Chief Internal Auditor the department's own quality control procedures and any external review of the internal auditing function which has been conducted for compliance with the Institute of Internal Auditors' International Standards for Professional Practice of Internal Auditing
6. review and discuss with the Chief Internal Auditor the operation of Street Capital's Whistleblower Code as

¹ BCBS *External audits of banks* (April 2014) and *Core Principles for Effective Banking Supervision* (September 2012).

² CPA Canada, CPAB and the Institute of Corporate Directors have collaborated to publish guidance and tools for audit committees in January 2014: *Oversight of the External Auditor*; *Annual Assessment of the External Auditor*; and *Periodic Comprehensive Review of the External Auditor*.

well as complaints relating to Street Capital made under that policy

7. review and evaluate the coordination of the audit effort between internal and external audit to assure completion of coverage, reduction of redundancies, and the effective use of audit resources

Internal Controls

In overseeing Street Capital's internal control procedures and management's reporting obligations in respect thereof, the Audit Committee will:

1. require management to implement and maintain appropriate internal control policies, including but not limited to internal control over financial reporting and disclosure, and review, on a regular and ongoing basis, these internal control policies
2. at least annually, review the implementation of material outsourcing arrangements in accordance with Street Capital's outsourcing risk management policies and processes, and the internal controls relating to each such arrangement
3. at least annually, obtain and review a report from management with respect to those internal control policies processes, including any material issues relating to those policies and processes
4. periodically, and in any event at least annually, meet with the Chief Risk Officer and management to discuss the effectiveness of Street Capital's internal control policies and processes
5. periodically, and in any event at least annually, meet with the Chief Compliance Officer and management to discuss compliance with established policies and processes and regulatory requirements applicable to Street Capital
6. monitor remediation action plans for significant control issues

Legal and Regulatory Compliance

The Audit Committee will:

1. review with the President an annual report on all material litigation matters that affect Street Capital's financial statements
2. confirm the appointment and the replacement of the Chief Compliance Officer
3. review the Legislative Compliance Framework annually
4. review with the Chief Compliance Officer the adequacy of Street Capital's policies and processes for compliance with legal and regulatory requirements
5. review with the Chief Compliance Officer all regulatory reports and their disposition

Whistleblowing Procedures

The Audit Committee will review and approve the procedures for the receipt, retention and treatment of complaints received by Street Capital from employees or others, confidentially and anonymously, as outlined in Street Capital's Whistleblower Code.

Fraud Risk Management

The Audit Committee will:

1. Establish procedures relating to fraud
2. Review fraud reports and initiating, conducting and/or assigning investigations as required

3. Approve steps and actions in response to systemic fraud issues identified in relation to material identified breaches
4. Request internal and/or external assistance from specialists, as required
5. Review and monitor fraud investigations and make decisions on action plans
6. Report to the full Board in accordance with its mandate

Reports

The Audit Committee will report the proceedings of each meeting and all recommendations made by the Audit Committee at such meeting at the next meeting of the Board following the meeting of the Audit Committee. In urgent matters, where time is of the essence, the Audit Committee's report should be communicated to the directors by the close of the following business day.

The Audit Committee will keep all other committees of the Board apprised of all matters relevant to the mandate of each such committees of the Board.

Annual Review and Assessment

The Audit Committee will conduct an annual review on the effectiveness of the external auditor and self-assessment of the performance of the Audit Committee and each of its members and the adequacy of this mandate and will make recommendations to the Board after consulting with Senior Management, internal and external auditors, if appropriate, on changes necessary to improve its overall effectiveness.

The following activities should take place as part of the annual assessment process:

1. question the Board about its satisfaction with the Audit Committee's performance
2. perform a benchmark comparison of the Audit Committee's activities to leading practices
3. compare the Audit Committee's activities to the mandate and any other objectives set by the Board
4. assess the Audit Committee's work against its objectives and plans and present its findings to the Board

Mandate Review

This mandate will be reviewed and approved by the Board at least annually.