



**TIER ONE CAPITAL LIMITED PARTNERSHIP
DISTRIBUTION REINVESTMENT AND
UNIT PURCHASE PLAN**

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DEFINED TERMS USED IN THE PLAN

In the Plan, the following terms shall have the following meanings:

“Authorization Form” means the Plan Authorization Form;

“Plan” means this Distribution Reinvestment and Unit Purchase Plan established for Unitholders;

“Plan Agent” means Equity Financial Trust Company;

“Plan Participant” means a Unitholder eligible to participate in the Plan where permitted by applicable laws, a Unitholder who is a resident of Canada for the purposes of the Tax Act and elects to become a participant in the Plan by notifying the Plan Agent, and a Unitholder who has not elected to be removed from participation in the Plan by notifying the Plan Agent. **“Tier One Capital ”** means Tier One Capital Limited Partnership, a limited partnership under the laws of the Province of Ontario;

“CDS” means CDS Clearing and Depository Services Inc.;

“CDS Participants” refers to brokers, investment dealers, financial institutions or other nominees as participants in CDS;

“CSE” means the Canadian Stock Exchange;

“Distribution Payment Date” means the date following the applicable Distribution Record Date on which Tier One Capital pays a Distribution to Unitholders;

“Distribution Record Date” means the date for determination of Unitholders entitled to receive distributions as designated by Tier One Capital;

“Unitholders” means the holders of one or more Units, as shown on the register of such holders maintained by or on behalf of Tier One Capital; and

“Units” means limited partnership units of interest in Tier One Capital designated as “Units” and having the rights and attributes set out in the Limited Partner Agreement of Tier One Capital dated February 21, 2014, as it may be amended, supplemented and/or restated from time to time.

All references to “\$” in the Plan are to Canadian dollars.

THE PURPOSE OF THE PLAN

The purpose of this Plan is to provide Unitholders with a convenient way of investing in additional Units without incurring transaction costs under the Plan such as commissions, service charges or brokerage fees. By participating in the Plan, Unitholders may invest in additional Units in two ways:

- Distribution Reinvestment. Unitholders will have cash distributions from Tier One Capital reinvested in additional Units as and when cash distributions are made.
- Cash Purchase. Unitholders may invest in additional Units by making cash purchases.

ADVANTAGES OF ENROLLING IN THE DISTRIBUTION REINVESTMENT PLAN

- Quarterly cash distributions from Tier One Capital are automatically reinvested in additional Units – increasing your ownership interest in Tier One Capital on an ongoing basis.
- With each reinvestment, you will purchase Units at a 4% discount to the average trading price of the Units.
- The purchase price of Units will be 96% of the volume weighted average trading price of the Units on the CSE for the twenty trading days immediately preceding the relevant Distribution Payment Date. Acquiring Units through the distribution reinvestment feature of the Plan will allow you to take advantage of dollar cost averaging.
- Although fractional Units will not be distributed, your entitlement to a fraction of a Unit will accumulate with each distribution payment.
- Unitholders who participate in the Plan will not pay any commissions, service charges or brokerage fees under the Plan.

ADVANTAGES OF ENROLLING IN THE CASH PURCHASE PLAN

- Unitholders may purchase additional Units without paying any commissions, service charges or brokerage fees under the Plan.
- The purchase price of Units will be the volume weighted average trading price of the Units on the CSE for the twenty trading days immediately preceding the relevant Distribution Payment Date. Acquiring Units through the cash purchase feature of the Plan will allow you to take advantage of dollar cost averaging.

PLAN AGENT

The Plan Agent acts as the agent for Unitholders who participate in the Plan and administers the Plan for Tier One Capital. Among other things, the Plan Agent arranges for the reinvestment of cash distributions by Tier One Capital in additional Units and the purchase of additional Units for participants pursuant to the cash purchase feature of the Plan.

PARTICIPATING IN THE PLAN

Unitholders Eligible to Participate in the Plan

All registered and non-registered Unitholders are eligible to participate in the Plan where permitted by applicable laws. Persons who appear to be, or who Tier One Capital or the Plan Agent has reason to believe are non-residents of Canada will not be permitted to participate in the Plan.

A registered Unitholder needs to hold at least one Unit in order to participate in the Plan.

A registered Unitholder is a Unitholder whose Units are registered in his, her or its own name. If a Unitholder holds Units through a dealer, bank, trust company or other intermediary (which is likely

the case if the Unitholder receives an account statement which shows the number of Units held), that Unitholder is most likely a non-registered Unitholder.

Many of the instructions in the Plan apply specifically to registered Unitholders. Many Unitholders who will participate in the Plan, however, are non-registered Unitholders. In general, non-registered Unitholders should contact their dealer, bank, trust company or other intermediary through which they hold Units in order to participate in the Plan and provide instructions regarding their investment in Units.

How to Participate in the Plan

In order to participate in the Plan, a registered Unitholder must complete the Authorization Form by downloading and duly completing a Reinvestment Enrollment – Participant Declaration form from <http://tmxequitytransferservices.com/resources/investor-centre/> and delivering it to the Plan Agent. This form is used by a registered Unitholder to enrol in the distribution reinvestment Plan. Once a registered Unitholder is a participant of the reinvestment feature of the Plan, the Unitholder may participate in the Optional Cash Purchase feature of the Plan by duly completing an Optional Cash Purchase (OCP) - Participant Declaration form and sending it to the Plan Agent along with a cheque.

Unitholders whose Units are not registered in their own name must contact their dealer or other intermediary in order to participate in the Plan. That dealer or intermediary will then make the necessary arrangements to allow the non-registered Unitholder to participate in the Plan by enrolling in the Plan on behalf of the non-registered Unitholder. Where eligible Beneficial Owners wish to enroll in the Plan through their CDS Participants, CDS Participants must, on behalf of such Beneficial Owners, elect online via CDSX prior to 5:00 p.m. (Toronto time) on the Distribution Record Date on which the Beneficial Owners intend to start participating in the Plan (or such other deadline as CDS may set from time to time).

Please note that certain dealers and intermediaries may not have the administrative ability to facilitate participation in the Plan by their clients. In some cases, certain dealers and intermediaries may be able to facilitate participation by their clients in the distribution reinvestment feature of the Plan, but not in the cash purchase feature of the Plan. In these circumstances, in order to participate in the Plan, or in the cash purchase feature of the Plan, Unitholders would be required to establish an account with a dealer or other intermediary that has the necessary administrative ability. Alternatively, Unitholders whose Units are not registered in their own name may also participate in the Plan by requesting that their dealer or intermediary transfer some or all of those Units directly into the name of the Unitholder. That Unitholder will then become a registered Unitholder.

When Participation Begins

For the purposes of having cash distributions reinvested in additional Units, a registered Unitholder will begin participating in the Plan as of the first Record Date for a cash distribution by Tier One Capital after the Plan Agent has received that Unitholder's duly completed Authorization Form, provided that this properly completed form is received by the Plan Agent no later than 5:00 p.m. (Toronto time) on the fifth business day prior to that Record Date. If the duly completed Authorization Form is not received by the Plan Agent prior to this deadline, the Unitholder will begin participating in the Plan as of the next Distribution Record Date for a cash distribution by Tier One Capital. The Distribution Record Date for cash distributions made by Tier One Capital is generally the 20th day of the month following the end of

the calendar quarter, while the Distribution Payment Date for Tier One Capital is generally on or about the 30th of the month following the end of the calendar quarter.

A registered Unitholder will be eligible to participate in the cash purchase feature of the Plan once the Plan Agent has received the Unitholder's properly completed Authorization Form enrolling the Unitholder in the Plan.

Non-registered Unitholders should contact their dealer or other intermediary through which they hold Units well in advance of the deadline referred to above in order to give the dealer or other intermediary enough time to make arrangements to enrol the non-registered Unitholder in the Plan before the deadline.

DISTRIBUTION REINVESTMENT FEATURE

As a participant in the Plan, Unitholders will have cash distributions from Tier One Capital reinvested in additional Units as and when cash distributions are made. Cash that would otherwise be distributed to that Unitholder by Tier One Capital on any given Distribution Payment Date will be applied towards the purchase of Units from Tier One Capital for that Unitholder. With each reinvestment of Units, Plan Participants will receive Units at a 4% discount to the average trading price on the market.

Purchases of Units by Plan Agent

The Plan Agent will act on behalf of participants in the Plan for the purposes of reinvesting cash distributions from Tier One Capital in additional Units. Fractional Units will be rounded to four decimal places for the fractional portion of the Plan. The Plan Agent will purchase Units from Tier One Capital for participants in the Plan at a specified price per Unit. This price will be determined by Tier One Capital and communicated to the Plan Agent, and will be equal to 96% of the volume weighted average trading price of Units on the CSE for the twenty trading days immediately preceding the relevant Distribution Payment Date (a Distribution Payment Date for Tier One Capital is generally on or about the 30th of the month following the end of the calendar quarter).

Although fractional Units will not be distributed, a participant's entitlement to a fraction of a Unit will accumulate with each distribution payment until the participant is entitled to a whole Unit.

Partial Participation

A participant in the Plan may choose to have all or only a particular number of Units held by that Unitholder participate in the distribution reinvestment feature of the Plan which, among other things, will permit a Unitholder whose Units are held together with the Units of other holders in a single account with a dealer or financial institution to participate in the Plan.

Changing the Number of Units Subject to Distribution Reinvestment

If a participant wishes to change the number of Units participating in the distribution reinvestment feature of the Plan, the participant, if a registered Unitholder, should duly complete a new Authorization Form indicating the new number of Units that the participant wishes to have subject to distribution reinvestment, and send this form to the Plan Agent. In order for these new instructions to be effective for a particular distribution, the participant's duly completed Authorization Form must be

received by the Plan Agent no later than 5:00 p.m. (Toronto time) on the fifth business day prior to the Distribution Record Date relating to that distribution. Otherwise, these instructions will be effective for the next distribution.

CASH PURCHASE FEATURE

As a participant in the Plan, Unitholders may purchase additional Units under the cash purchase feature of the Plan without paying any commissions, service charges or brokerage fees under the Plan.

Participation in the cash purchase feature of the Plan is optional. This means that Unitholders who choose to participate in the distribution reinvestment feature of the Plan are not required to participate in the cash purchase feature of the Plan. Even if Unitholders choose to participate in the cash purchase feature of the Plan, Unitholders are not obligated at any time to purchase additional Units.

Unlike the distribution reinvestment feature of the Plan, participants will not receive any discount to the average market price in connection with any Units acquired through the cash purchase feature of the Plan.

Number of Units that May be Purchased

A Unitholder must invest a minimum amount of \$1,000 with each purchase request. Each Unitholder may purchase up to a maximum of \$250,000 of additional Units in each calendar year under the cash purchase feature of the Plan. However, applicable law imposes an additional limit on the number of Units that Tier One Capital may issue in any given financial year pursuant to the cash purchase feature of the Plan. This limit is currently 2% of the aggregate number of Units outstanding at the beginning of Tier One Capital's financial year (currently January 1). In order to ensure that this limit is not exceeded, Tier One Capital may impose additional restrictions on the maximum number of additional Units that may be acquired by Unitholders pursuant to the cash purchase feature of the Plan. In these circumstances, if purchase requests are received that would result in this limit being exceeded, cash purchases will be pro-rated among all participants in the Plan according to the number of Units that each participant has requested to be purchased. After this time, no cash purchase requests will be accepted from participants in the Plan until the beginning of the next financial year.

Purchases of Units by Plan Agent

The Plan Agent will act on behalf of participants in the Plan for the purposes of acquiring additional Units pursuant to the cash purchase feature of the Plan. The Plan Agent will purchase Units from Tier One Capital for participants in the Plan at a specified price per Unit. This price will be communicated by Tier One Capital to the Plan Agent, but is expected to be equal to the volume weighted average trading price of Units on the CSE for the twenty trading days immediately preceding the relevant Distribution Payment Date. However, the means of determining the price at which the Plan Agent will purchase Units may be changed by Tier One Capital in its discretion.

How to Participate

A registered Unitholder will be eligible to participate in the cash purchase feature of the Plan once the Plan Agent has received the Unitholder's duly completed Authorization Form enrolling the Unitholder in the Plan. In order to purchase additional Units at the time of enrolment, registered Unitholders must

submit a duly completed Optional Cash Purchase (OCP) - Participant Declaration form along with a personal or a certified cheque or money order in Canadian dollars payable to "Equity Financial Trust Company". Once a registered Unitholder is enrolled in the Plan, requests for cash purchases of additional Units may be made at any time by delivering to the Plan Agent a duly completed Optional Cash Purchase (OCP) – Participant Declaration form, together with payment in the same form described above.

Non-registered Unitholders should contact their dealer or other intermediary through which they hold Units regarding how to participate in the cash purchase feature of the Plan. Nonregistered Unitholders should be aware that not all dealers and intermediaries will facilitate participation in the cash purchase feature of the Plan by their clients.

Although purchase requests may be made by participants at any time, cash purchases will only be made by the Plan Agent on a Distribution Payment Date. In order for purchases to be made on a particular Distribution Payment Date, the Plan Agent must be in actual receipt of funds from participants to purchase additional Units by no later than 5:00 p.m. (Toronto time) on the fifth business day prior to the Distribution Record Date relating to that Distribution Payment Date. Funds received after this deadline will be applied to purchase additional Units on the following Distribution Payment Date. Cheques will be cashed as soon as practicable following receipt by the Plan Agent. No interest will be paid on any amounts held pending investment by the Plan Agent.

Registered Unitholders, Certain Dealers and Other Intermediaries

Registered Unitholders, as well as certain dealers and other intermediaries who are participants of CDS Clearing and Depository Services Inc. ("CDS participants"), may be able to make cash purchase requests under the Plan on behalf of one or more beneficial Unitholders. In order to do so, those registered Unitholders, dealers or intermediaries must declare that both the minimum investment amount of \$1,000 has been met and the maximum investment amount of \$250,000 has not been exceeded for each beneficial Unitholder on whose behalf the registered Unitholder holds Units, or for each beneficial Unitholder holding Units through the dealer or intermediary, as the case may be. For dealers or intermediaries that are CDS participants, this declaration is made on an authorization form to be completed by CDS participants only (which differs from the authorization form used for contribution of the cash purchase feature for enrolled registered Unitholders in the Plan).

STATEMENTS OF ACCOUNT SHOWING INVESTMENTS IN UNITS

Accounts under the Plan are maintained by the Plan Agent in the name in which Units are registered at the time of enrolling in the Plan.

A registered Unitholder participating in the Plan will receive by mail statements of account showing the purchases of Units made on the participant's behalf under the Plan. These statements will be mailed annually and will set out for the relevant period the total amount of Units purchased under the plan and the balance of Units held by the participant at the end of the period.

For Unitholders who participate in the Plan through their dealer or other intermediary through which they hold Units, information regarding Units acquired pursuant to the Plan will be provided on the account statements sent to them by their dealer or intermediary.

As these statements will be a participant's continuing record of the cost of purchases of Units made under the Plan, they should be kept for tax purposes. In addition, each participant in the Plan will receive annually an income tax information form and other information necessary for Canadian income tax reporting purposes.

CERTAIN RESTRICTIONS

Neither the right of a Unitholder to participate in the Plan nor a Unitholder's entitlement to any Units under the Plan may be transferred. In addition, Units held by the Plan Agent for a participant pursuant to the Plan may not be pledged, sold or otherwise disposed of by the participant.

WITHDRAWING UNITS FROM THE PLAN

Participants may at any time withdraw whole Units held under the Plan by duly completing the withdrawal portion of the voucher on the reverse of the statement of account and mailing it to the Plan Agent. Certificates will be registered in the participant's name.

Participants who are non-registered Unitholders should contact their dealer or other intermediary through which they hold Units in order to withdraw Units held for them.

Any Units (including fractional Units) not withdrawn from the Plan will continue to be held by the Plan Agent for the participant's account under the Plan.

A request for withdrawal will not affect the participation of the Units withdrawn after a Distribution Record Date and prior to a Distribution Payment Date, nor will it affect the participation of the remaining Units held under the Plan.

NO COMMISSIONS OR OTHER CHARGES

Unitholders who participate in the Plan will not pay any commissions, service charges or brokerage fees in connection with any additional Units acquired pursuant to the Plan. In addition, all administrative costs of operating the Plan, including the fees and expenses of the Plan Agent, will be borne by Tier One Capital.

However, non-registered Unitholders who enrol in the Plan through a dealer, bank, trust company or other intermediary may nevertheless be subject to the fees imposed under the terms governing their relationship with that dealer, bank, trust company or intermediary.

INCOME TAX TREATMENT

Distributions that are reinvested in additional Units do not relieve participants in the Plan of any liability for taxes that may be payable on those distributions. Accordingly, to the extent that all or a portion of a cash distribution from Tier One Capital would be included in the income of Unitholders for the purposes of the Income Tax Act (Canada), this amount will still be included in the income of participants even if they choose to have their distributions reinvested in additional Units. Participants will be allocated the same amount of income for income tax purposes on a per Unit basis as non-participants. The amount reinvested by participants will be added to the adjusted cost base ("tax cost") of the Units for the

purpose of computing any subsequent gain or loss on those Units. Participants will generally be required to determine the tax cost of individual Units on an averaged basis.

The foregoing is only a very general summary of certain Canadian federal income tax matters relating to the Plan. **Unitholders should consult their own tax advisors about the tax implications of being a participant in the Plan.**

TERMINATING PARTICIPATION IN THE PLAN

A registered Unitholder will continue to be a participant in the Plan until the Unitholder terminates its participation by duly completing the Termination Request Form or the Withdrawal Request Form (included with the Authorization Form) and sending it to the Plan Agent in accordance with the procedures set out below. A Unitholder's participation in the Plan will automatically terminate if the Plan is terminated by Tier One Capital, and will terminate as soon as practicable if the Plan Agent receives a written notice of the death of the Unitholder. In addition, Tier One Capital may terminate the right of a Unitholder to participate in the Plan if the Unitholder has failed to comply with the terms of the Plan, if the participation of that Unitholder becomes unlawful under the laws applicable to Tier One Capital or if, in the reasonable opinion of the trustees of Tier One Capital, the Unitholder has abused the Plan to the detriment of Tier One Capital or its Unitholders.

In order for a registered Unitholder to terminate participation in the Plan and resume receiving cash distributions in respect of Units on a particular Distribution Payment Date, the Unitholder must duly complete either the Termination Request Form or the Withdrawal Request Form (included with the Authorization Form) and send it to the Plan Agent no later than 5:00 p.m. (Toronto time) on the fifth business day prior to the related Distribution Record Date. If a termination request is not received by the Plan Agent at least five business days prior to a Distribution Record Date termination of the Participant's account will not occur until after the corresponding Distribution Payment Date.

Any uninvested funds for cash purchases will be returned to the registered Unitholder following the receipt of a termination request. However, this may not be possible if a termination request is received after the deadline referred to above.

If a termination request is not received by the deadline referred to above, termination and settlement of the participant's account will take place as soon as practicable after the applicable Distribution Payment Date.

When the participation of a registered Unitholder is terminated, a certificate for whole Units held will be issued in the Participant's name and a cheque will be issued for any fractional Units. Payment for a fractional Unit will be based on the closing price of the Units on the CSE for the trading day immediately preceding the termination date being the date that the termination request is received by the Plan Agent.

Where the Plan Agent has received notice of the death of a Participant, a certificate for the Participant's Units held by the Plan Agent under the Plan, as well as a cheque representing payment for any fractional Unit held in his/her account will be issued in the name of the deceased participant or in the name of the estate of the deceased participant, as requested. The certificate will be sent to the estate of the deceased Participant.

A participant whose Units are held through a dealer or other intermediary should contact that dealer or intermediary in order to make arrangements for the termination of that Unitholder's participation in the Plan.

RIGHTS OFFERINGS AND UNIT SPLITS

In the event that Tier One Capital makes available to its Unitholders rights to subscribe for additional Units of Tier One Capital or other securities, rights certificates will be issued by Tier One Capital to each Plan Participant's account on the Distribution Record Date for the rights issue.

If Units are distributed pursuant to a split of units of Tier One Capital, those Units received by the Plan Agent for participants will be retained by the Plan Agent and credited by the Plan Agent proportionately to the accounts of the participants.

VOTING

Units held for a participant's account under the Plan on the record date for a vote of Unitholders will be voted in accordance with the instructions of the participant given on a form to be furnished to the participant in connection with the particular vote. Units for which instructions are not received will not be voted. Only whole Units held by a Unitholder are eligible to be voted at a Unitholder meeting.

LIMITATION OF LIABILITY

Neither Tier One Capital nor the Plan Agent will be liable for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of failure to terminate a participant's account upon such participant's death prior to receipt of notice in writing of such death;
- (b) with respect to the prices at which Units are purchased for the participant's account and the times such purchases are made;
- (c) arising in connection with income taxes (together with any applicable interest and/or penalties) payable by participants in connection with their participation in the Plan; and
- (d) with respect to rejecting any request regarding enrolment in the Plan, withdrawal from the Plan, termination of the Plan or cash purchases under the Plan, if such request is not received in proper form.

Any such request will be deemed to be invalid until any irregularities have been resolved to the satisfaction of Tier One Capital and/or the Plan Agent. Tier One Capital and/or the Plan Agent will use reasonable efforts to notify Unitholders of any irregularities in any requests received, however, neither Tier One Capital nor the Plan Agent are under any obligation to do so.

Participants should recognize that neither Tier One Capital nor the Plan Agent can assure a profit or protect them against a loss on the Units purchased under the Plan.

NO PERSONAL LIABILITY

No Unitholder or annuitant will have any personal liability and no resort will be had to, nor recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability

whatsoever to any person in connection with the property of Tier One Capital or its affairs, including for satisfaction of any obligations or claims arising out of or in connection with the Plan. Rather, the assets of Tier One Capital only are intended to be liable and subject to levy or execution for satisfaction of any obligations or claims.

AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN BY TIER ONE CAPITAL

Tier One Capital reserves the right to amend, suspend or terminate the Plan at any time. Such action will have no retroactive effect that would prejudice the interests of the participants, subject to the other provisions of the Plan and to any amendments required by securities regulatory authorities or necessary in order to comply with applicable laws. Any amendment to the Plan which materially affects the rights of the participants will be subject to the prior approval of the CSE. All participants will be sent written notice of any such amendment, suspension or termination at least 10 business days prior to the effective date of such amendment, suspension or termination.

In the event of suspension of the Plan by Tier One Capital, no investment will be made by the Plan Agent on the applicable Distribution Payment Date immediately following the effective date of the suspension. Any distributions or funds for cash purchases which are not invested as of the effective date of the suspension and any cash distributions to be reinvested pursuant to the Plan which are paid after the effective date of the suspension will be returned by the Plan Agent to the participants.

NOTICES

All notices required to be given under the Plan will be mailed to participants at the address shown on the records of the Plan Agent or at the most recent address furnished by the participants.

Notices or Inquiries to the Plan Agent are to be sent to:

Equity Financial Trust Company
200 University Avenue, Suite 300
Toronto, ON M5H 4H1

ATTN: David Graham, Controller
Nathalie Liu, Manager Cash Management

Notices to Tier One Capital are to be sent to:

Tier One Capital Limited Partnership
15 Toronto Street
Toronto, ON M5C2E3

ATTN: John Richardson

EFFECTIVE DATE OF THE PLAN

The Plan is effective commencing with the Distribution Record Date of October 20, 2015, subject to the receipt of all necessary regulatory and stock exchange approvals.