



## **MANAGEMENT PROXY CIRCULAR**

---

**CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST  
ANNUAL MEETING OF UNITHOLDERS**

**MAY 3, 2019**

---

**THIS DOCUMENT CONTAINS:**  
NOTICE OF ANNUAL MEETING OF UNITHOLDERS  
MANAGEMENT PROXY CIRCULAR



March 22, 2019

**Dear Fellow Unitholder,**

On behalf of the Board of Trustees (the "Board") and management of Choice Properties Real Estate Investment Trust ("Choice Properties"), I am pleased to invite you to our Annual Meeting of Unitholders, which will be held on Friday, May 3, 2019, at 11:00 a.m. (Toronto time) at Vantage Venues, Garden Hall, 150 King Street West, 16th Floor, Toronto, Ontario, Canada.

This Management Proxy Circular ("Circular") describes the business to be conducted at the meeting. The Circular contains information on our governance practices and our approach to executive compensation. At the meeting, unitholders will be voting on important matters. I hope that you take the time to review these meeting materials and that you exercise your vote. You may vote either in person at the meeting or by completing and sending in your proxy form. Please read the enclosed materials as they contain relevant information for voting on the business to be conducted at the meeting.

I hope you will be able to join us in person or through our live webcast, which will be available at the Investor Relations section of our website at [www.choicereit.ca](http://www.choicereit.ca). This meeting is an opportunity to meet, listen to and ask questions of the people who are responsible for the performance of Choice Properties. The webcast of the meeting will be archived on our website following the meeting.

I also wanted to take this opportunity to announce that I will be stepping down as Chair following the meeting. The Board's intention is to appoint Galen G. Weston to succeed me. It has been my pleasure to serve as Chair since 2017 and I would like to express appreciation to all my fellow Board members and the dedicated and talented leadership team and employees at Choice Properties. I am delighted that the Board intends to appoint Galen to be Choice Properties' next Chair. Galen is currently the Executive Chairman of Loblaw Companies Limited and Chairman and Chief Executive Officer of George Weston Limited and served as a member of the Board and Chairman of Choice Properties between 2013 and 2017. I am confident that his real estate knowledge and extensive leadership experience in both board and management positions will be invaluable to the future growth of Choice Properties.

Thank you for your continued support of Choice Properties and I look forward to seeing you at the meeting.

Yours very truly,

A handwritten signature in black ink, appearing to read "Anthony R. Graham".

**Anthony R. Graham**  
*Chair*

# MANAGEMENT PROXY CIRCULAR

## TABLE OF CONTENTS

### INVITATION TO UNITHOLDERS

---

### NOTICE OF ANNUAL MEETING OF UNITHOLDERS

---

### VOTING INFORMATION 1

---

About this Circular and Related Proxy Materials	1
Questions and Answers Regarding the Voting Process	1
General Information	4
Unit Capital and Principal Unitholder	4

### BUSINESS TO BE TRANSACTED AT THE MEETING 5

---

Receive the Financial Statements	5
Elect the Board of Trustees	5
Trustee Compensation	14
Appoint the External Auditor	17
Advisory Resolution on Approach to Executive Compensation	17

### COMMITTEE REPORTS 18

---

Audit Committee Report to Unitholders	18
Governance Committee Report to Unitholders	20

### STATEMENT OF GOVERNANCE PRACTICES 24

---

Overview	24
Governance Matters	30

### COMPENSATION DISCUSSION AND ANALYSIS 31

---

Introduction	32
Executive Compensation Philosophy	32
Executive Compensation and Risk Management	33
Role of Management and Compensation Consultants	34
Components of Compensation	36
Components of Executive Compensation for 2018	38
2018 Compensation Decisions Regarding the Named Executive Officers	50
Termination and Change of Control Benefits	52
Compensation Decisions for 2019	55
Performance Graph	57
Summary Compensation Table	58
Incentive Plan Awards	60
Pension Plan and Long Service Executive Arrangements	62
Indebtedness of Trustees, Executive Officers and Employees	63
Interests of Informed Persons in Material Transactions	63

### OTHER INFORMATION 64

---

Trustee and Officer Liability Insurance	64
Non-GAAP Financial Measures	64
Additional Information	64
Contacting the Board of Trustees	64
Board Approval	64

### SCHEDULE A 65

---

### MANDATE OF THE BOARD OF TRUSTEES



## NOTICE OF ANNUAL MEETING OF UNITHOLDERS

The 2019 Annual Meeting of Unitholders (the "Meeting") of Choice Properties Real Estate Investment Trust ("Choice Properties" or the "Trust") will be held at Vantage Venues, Garden Hall, 150 King Street West, 16th Floor, Toronto, Ontario, Canada, on Friday, May 3, 2019 at 11:00 a.m. (Toronto time) for the following purposes:

- A. to receive the audited consolidated financial statements of the Trust for the financial year ended December 31, 2018, and the external auditor's report;
- B. to elect members of the Board of Trustees of Choice Properties (see "Elect the Board of Trustees" in the Management Proxy Circular (the "Circular") for additional details);
- C. to appoint the external auditor and to authorize the trustees to fix the external auditor's remuneration (see "Appoint the External Auditor" in the Circular for additional details);
- D. to vote on the advisory resolution on the approach to executive compensation; and
- E. to transact such other business as may properly be brought before the Meeting or any reconvened meeting.

### Record Date and Voting

Only unitholders of record at the close of business on March 14, 2019 are entitled to vote at the Meeting.

In order to determine how to vote at the Meeting, you should first determine whether you are: (i) a beneficial holder of units of the Trust (the "Trust Units"), as are most of the Trust's unitholders; or (ii) a registered holder of Trust Units.

- You are a beneficial unitholder (also known as a non-registered unitholder) if you own Trust Units indirectly and your Trust Units are registered in the name of a bank, trust company, broker or other intermediary. For example, you are a beneficial unitholder if your Trust Units are held in a brokerage account of any kind.
- You are a registered unitholder if you hold a paper unit certificate or certificates and your name appears directly on the Unit certificate(s).

### Notice and Access

Choice Properties is using the "notice and access" procedure adopted by the Canadian Securities Administrators for the delivery of the Circular. Under the notice and access procedure, you are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote at the Meeting. However, instead of paper copies of the Circular, you are receiving this Notice of Meeting that contains information about how to access the Circular electronically. The principal benefit of the notice and access procedure is that it reduces costs and the environmental impact of producing and distributing paper copies of documents in large quantities. Unitholders who have consented to electronic delivery of materials are receiving this Notice of Meeting in an electronic format.

The Circular and form of proxy (or voting instruction form) for the Trust Units and the special voting units of the Trust issued in connection with the Class B limited partnership units of Choice Properties Limited Partnership (the "Special Voting Units" and, together with the Trust Units, the "Units") provide additional information concerning the matters to be dealt with at the Meeting. **You should access and review all information contained in the Circular before voting.**

Unitholders with questions about the notice and access procedure can call Broadridge Investor Communications Corporation ("Broadridge") toll free at 1-855-887-2244.

### Websites Where the Circular is Posted

The Circular can be viewed online on the Trust's website, [www.choicereit.ca](http://www.choicereit.ca), or under Choice Properties' SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **How to Obtain a Paper Copy of the Circular**

All unitholders may request that paper copies of the Circular be mailed to them at no cost for up to one year from the date that the Circular was filed on SEDAR.

If you are a beneficial unitholder, a request may be made by going to [www.proxyvote.com](http://www.proxyvote.com) and entering the 16-digit control number located on your voting instruction form and following the instructions provided. Alternatively, you may submit a request by calling Broadridge at 1-877-907-7643. A request must be received by April 22, 2019 (i.e., at least seven business days in advance of the date and time specified in your voting instruction form as the voting deadline) if you would like to receive the Circular in advance of the voting deadline and Meeting date.

If you hold a paper unit certificate or certificates and your name appears directly on the unit certificate(s), and, if you would like to receive the Circular: (i) in advance of the voting deadline and meeting date, then a request may be made by calling AST Trust Company (Canada) ("AST") at 1-888-433-6443, or outside Canada and the United States, at 416-682-3801 or by emailing [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com); or (ii) after the meeting date and within one year from the date the Circular was filed on SEDAR, then a request may be made by calling AST at 1-888-433-6443, or outside Canada and the United States, at 416-682-3801 or by emailing [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com). A request must be received by April 22, 2019 (i.e., at least seven business days in advance of the date and time specified in your proxy form as the voting deadline) if you would like to receive the Circular in advance of the voting deadline and Meeting date.

## **Voting**

### ***Beneficial Unitholders***

Beneficial unitholders are entitled to vote through Broadridge or their intermediary, or at the meeting in person. Beneficial unitholders should vote by following the instruction of Broadridge or their intermediary as indicated on their voting instruction form. Voting instruction forms will be provided by Broadridge or your intermediary. Voting instruction forms may be returned as follows:

INTERNET: [www.proxyvote.com](http://www.proxyvote.com)

TELEPHONE: 1-800-474-7493 (English) or 1-800-474-7501 (French)

MAIL: Data Processing Centre, P.O. Box 3700, STN. INDUSTRIAL PARK, Markham, Ontario L3R 9Z9

Broadridge or your intermediary must receive your voting instructions at least one business day in advance of the proxy deposit date noted on your voting instruction form. If a beneficial unitholder wishes to attend and vote at the meeting in person (or have another person attend and vote on such unitholder's behalf), the unitholder must complete the voting instruction form in accordance with the directions provided.

### ***Registered Unitholders***

Registered unitholders are entitled to vote at the meeting either in person or by proxy. Registered unitholders who are unable to be present at the meeting should exercise their right to vote by signing and returning the form of proxy, or voting by telephone, in accordance with the directions on the form. AST must receive completed proxies not later than 5:00 p.m. (Toronto time) on May 1, 2019 or, if the meeting is adjourned or postponed, two business days before the meeting is reconvened.

By Order of the Board of Trustees,



Adam Walsh

Vice President, General Counsel and Secretary

March 22, 2019

Toronto, Ontario

# VOTING INFORMATION

## ABOUT THIS CIRCULAR AND RELATED PROXY MATERIALS

This Management Proxy Circular (the “Circular”) and other materials are being provided in connection with the 2019 Annual Meeting of Unitholders (the “Meeting”) of Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) to be held on Friday, May 3, 2019, at 11:00 a.m. (Toronto time) at Vantage Venues, Garden Hall, 150 King Street West, 16th Floor, Toronto, Ontario, Canada.

This Circular describes the items to be voted on at the Meeting as well as the voting process, and provides information about trustee and executive compensation, governance practices and other relevant matters.

Please see the “Questions and Answers Regarding the Voting Process” section below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

Unless otherwise indicated, the information contained in this Circular is given as at the date of the Circular, being March 22, 2019 and all dollar amounts used are in Canadian dollars.

## NOTICE AND ACCESS

Choice Properties is using the “notice and access” procedure that allows it to furnish proxy materials over the internet instead of mailing paper copies to Unitholders. Under the notice and access procedure, Choice Properties will deliver proxy-related materials by: (i) posting the Circular (and other proxy related materials) on [www.choicereit.ca](http://www.choicereit.ca); and (ii) sending the Notice of Meeting informing holders of units of the Trust (“Trust Units”) and holders of the special voting units of Choice Properties issued in connection with the Class B limited partnership units of Choice Properties Limited Partnership (the “Special Voting Units”, and together, with the Trust Units, the “Units”, and any holder thereof being a “Unitholder”) that the Circular and proxy related materials have been posted on the Trust’s website and explaining how to access them.

On or about April 2, 2019, Choice Properties will send to Unitholders the Notice of Meeting and the relevant voting document (a form of proxy or a voting instruction form). The Notice of Meeting contains basic information about the Meeting and the matters to be voted on, instructions on how to access the proxy materials, and explains how to obtain a paper copy of the Circular.

## QUESTIONS AND ANSWERS REGARDING THE VOTING PROCESS

**Q:** What items of business am I voting on?

---

**A:** You will be voting on:

- the election of trustees;
- the appointment of the external auditor and authorization of the trustees to fix the external auditor’s remuneration; and
- the advisory resolution on the Trust’s approach to executive compensation.

**Q:** Am I entitled to vote?

---

**A:** You are entitled to vote if you were a Unitholder as at the close of business on March 14, 2019, which was the record date of the Meeting. As at March 14, 2019, Choice Properties had 279,305,482 Trust Units outstanding and 389,961,783 Special Voting Units outstanding, each carrying the right to one vote per Trust Unit or Special Voting Unit, as the case may be. Special Voting Units are issued only in connection with Class B limited partnership units of Choice Properties Limited Partnership (“Class B LP Units”) for the purpose of providing voting rights with respect to Choice Properties to the holders of such exchangeable securities. The Class B LP Units are, in all material respects, economically equivalent to the Trust Units on a per Trust Unit basis. All of the outstanding Special Voting Units are held by George Weston Limited (“Weston”).

**Q:** How do I vote?

---

**A:** How you vote depends on whether you are a registered or a beneficial Unitholder. Please read the voting instructions below that are applicable to you.

**Q:** Am I a registered Unitholder?

---

**A:** You are a registered Unitholder if you hold Units in your own name and you hold a unit certificate. As a registered Unitholder, you are identified on the unit register maintained by Choice Properties' registrar and transfer agent, AST Trust Company (Canada) ("AST").

**Q:** Am I a beneficial or non-registered Unitholder?

---

**A:** Most Unitholders are beneficial Unitholders. You are a beneficial Unitholder if your Trust Units are held in an account in the name of an intermediary, such as a bank, broker or trust company. As a beneficial Unitholder, you do not have a unit certificate registered in your name, but your ownership interest in Trust Units is recorded in an electronic system. As such, you are not identified on the unit register maintained by AST as being a Unitholder. Instead, Choice Properties' unit register shows the holder of your Trust Units as being the intermediary or depository through which you own your Trust Units.

The Trust distributes copies of the proxy-related materials in connection with the Meeting to intermediaries so that they may distribute the materials to the beneficial Unitholders. Intermediaries often forward the materials to beneficial Unitholders through a service company (such as Broadridge Investor Communications Corporation). The Trust pays for an intermediary to deliver the proxy-related materials to all beneficial Unitholders.

**Q:** How do I vote if I am a registered Unitholder?

---

**A:** If you are a registered Unitholder, you may vote your Units at the Meeting or by proxy.

**1. Voting at the Meeting**

If you wish to vote your Units in person at the Meeting, do not complete or return the form of proxy sent to you by AST. Your vote will be taken and counted at the Meeting. Please register with AST upon arrival at the Meeting.

**2. Voting by proxy**

You can vote by proxy whether or not you attend the Meeting. To vote by proxy, please complete the form of proxy and return it by mail, courier or hand to AST at the address listed below.

You may authorize the Trust's representatives named in the form of proxy to vote your Units, or you may appoint another person to be your proxyholder. The names already inserted on the form of proxy are Anthony R. Graham, Chair of the board of trustees (the "Board" or "Board of Trustees") of Choice Properties and Adam Walsh, Vice President, General Counsel and Secretary of Choice Properties. Unless you choose another person to be your proxyholder, you are giving these persons the authority to vote your Units at the Meeting.

To appoint another person to be your proxyholder, you must insert the other person's name in the blank space provided. That person must be present at the Meeting to vote your Units. If you do not insert a name in the blank space, the Trust's representatives named above are appointed to act as your proxyholder. You may also use a different form of proxy than the one included with the materials sent to you.

Please note that in order for your vote to be recorded, your proxy must be received by AST at Proxy Department, P.O. Box 721, Agincourt, Ontario M1S 0A1, no later than 5:00 p.m. (Toronto time) on May 1, 2019, or two business days before the convening of any adjourned or postponed Meeting.

**Q:** How do I vote if I am a beneficial Unitholder?

---

**A:** If you are a beneficial Unitholder, you may vote your Trust Units in one of the following ways:

**1. Through your intermediary**

A voting instruction form will be included with the materials sent to you by your intermediary. The purpose of this form is to instruct your intermediary on how to vote on your behalf. Please follow the instructions provided on the voting instruction form.

**2. By attending the Meeting**

If you wish to vote your Trust Units in person at the Meeting, please take the following steps:

- Insert your name in the space provided on the voting instruction form provided by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder.
- Do not otherwise complete the form, as you will be voting at the Meeting.
- Please register with AST upon arrival at the Meeting.

**3. By designating another person to be appointed as your proxyholder**

You can choose another person (including someone who is not a Unitholder) to vote for you as a proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote for you. If you wish to appoint a proxyholder, you should insert that person's name in the space provided on the voting instruction form provided to you by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint that person as proxyholder. Do not otherwise complete the form, as your proxyholder will be voting at the Meeting. When your proxyholder arrives at the Meeting, he or she should register with AST upon arrival at the Meeting.

**Q:** How will my Units be voted?

---

**A:** On the form of proxy, you can indicate how you want your proxyholder to vote your Units or you can let your proxyholder decide for you. If you have specified on the form of proxy how you want your Units to be voted on a particular issue (by marking FOR, WITHHOLD, or AGAINST, as applicable), then your proxyholder must vote your Units accordingly. If you have not specified on the form of proxy how you want your Units to be voted on a particular issue, then your proxyholder can vote your Units as he or she sees fit.

**Unless contrary instructions are provided, Units represented by proxies appointing the Trust's representatives provided as the proxyholder will be voted:**

- **FOR the election of the trustees;**
- **FOR the re-appointment of KPMG LLP as the external auditor of Choice Properties and the authorization of the trustees to fix the external auditor's remuneration; and**
- **FOR the advisory resolution on the approach to executive compensation.**

**Q:** Can I revoke my proxy or voting instruction?

---

**A:** If you are a **beneficial Unitholder**, you should contact your intermediary through which you hold Trust Units and obtain instructions regarding the procedure for the revocation of any voting or proxyholder instructions that you have previously provided to your intermediary.

If you are a **registered Unitholder**, you may revoke your proxy by taking one of the following steps:

- you may submit a new proxy to AST before 5:00 p.m. (Toronto time) on May 1, 2019, or two business days before an adjourned or postponed Meeting is reconvened;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of Choice Properties and deposit it at the registered office of AST at any time up to and including the last business day preceding the day of the Meeting or an adjourned or postponed Meeting, at which the proxy is to be used; or you (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chair of the Meeting on the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used.



**Q:** What if there are amendments or if other matters are brought before the Meeting?

---

**A:** Your proxyholder has discretionary authority to vote in respect of amendments that are made to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting or the date that any adjourned or postponed Meeting is reconvened. As of the date of this Circular, management of the Trust is not aware of any such amendments or other matters to be presented at the Meeting; however, if any such matter is presented, your Units will be voted in accordance with the best judgment of the proxyholder named in the form. If you have not specifically appointed a person as proxyholder, a Trust representative named in the enclosed proxy form will be your proxyholder, and your Units will be voted in accordance with the best judgment of the Trust representative.

#### **GENERAL INFORMATION**

**Q:** How many Units are entitled to be voted?

---

**A:** The Board fixed March 14, 2019 as the record date for the purpose of determining those Unitholders entitled to vote at the Meeting. On March 14, 2019, there were 279,305,482 Trust Units and 389,961,783 Special Voting Units outstanding. Each Trust Unit and Special Voting Unit is entitled to one vote on each matter to be voted upon at the Meeting.

**Q:** Who counts the votes?

---

**A:** Votes cast in advance by way of proxy and, for any matter for which a vote is taken at the Meeting by ballot, the votes cast regarding such matter, will be counted by representatives of AST who will be appointed as scrutineers at the Meeting.

**Q:** Who is soliciting my proxy?

---

**A:** Management of the Trust is soliciting your proxy. Proxies will be solicited primarily by mail, but employees and agents of the Trust may also use electronic means. Intermediaries will be reimbursed for their reasonable charges and expenses in forwarding the proxy materials to beneficial Unitholders. The Trust will bear the cost of all proxy solicitations on behalf of management of the Trust.

**Q:** Can I access the annual disclosure documents electronically?

---

**A:** The Trust's Fourth Quarter Report, which includes its annual financial statements and notes, the Circular and the Annual Information Form, are available on the Trust's website at [www.choicereit.ca](http://www.choicereit.ca) or under the Trust's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Q:** Who do I contact if I have questions?

---

**A:** If you have any questions, you may call AST at 1-800-387-0825, or outside Canada and the United States, at 416-682-3860, for further information.

#### **UNIT CAPITAL AND PRINCIPAL UNITHOLDER**

As of March 14, 2019, the record date for the Meeting, there were 279,305,482 Trust Units outstanding. Weston beneficially owned 46,856,415 Trust Units and 389,961,783 Special Voting Units, representing a 65.27% effective interest in the Trust. In addition, as of March 14, 2019, Mr. W. Galen Weston, the controlling shareholder of Weston, also beneficially owned 75,000 Trust Units, representing a 0.01% effective interest in the Trust.

As of March 14, 2019, Mr. W. Galen Weston beneficially owned, directly and indirectly through companies which he controls, including Wittington Investments, Limited, a total of 81,465,025 Weston common shares, representing approximately 53.1% of Weston's outstanding common shares.

To the knowledge of the Trust, except as set out above, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding Trust Units or Special Voting Units.

# BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the Meeting:

## 1. RECEIVE THE FINANCIAL STATEMENTS

Management will present Choice Properties' annual audited consolidated financial statements at the Meeting and Unitholders and proxyholders will be given an opportunity to discuss the financial results with management.

## 2. ELECT THE BOARD OF TRUSTEES

Ten trustee nominees are proposed for election to the Board. Unitholders and proxyholders will vote on the election of the trustees.

## 3. APPOINT THE EXTERNAL AUDITOR

The Board, on the advice of the Audit Committee, recommends the re-appointment of KPMG LLP as the Trust's external auditor. Unitholders and proxyholders will vote on the re-appointment of the external auditor and the authorization of the Board to fix the external auditor's remuneration.

## 4. VOTING ON THE APPROACH TO EXECUTIVE COMPENSATION

Unitholders or their proxyholders will vote on an advisory resolution on the Trust's approach to executive compensation, as discussed in more detail under the "Advisory Resolution on Approach to Executive Compensation" section in this Circular.

## RECEIVE THE FINANCIAL STATEMENTS

The Trust's annual audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2018, together with the external auditor's report will be placed before the Unitholders at the Meeting. These documents are included in the Trust's 2018 Fourth Quarter Report. Copies of the 2018 Fourth Quarter Report in English or French may be obtained from the Secretary of Choice Properties upon request and will be available at the Meeting. The 2018 Fourth Quarter Report in English or French is also available under the Trust's SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the Trust's website at [www.choicereit.ca](http://www.choicereit.ca).

## ELECT THE BOARD OF TRUSTEES

The Board has determined that ten trustees will be elected at the Meeting. All nominees have established their eligibility and willingness to serve on the Board for the next annual term. Management does not believe that any of the nominees will be unable to serve as a trustee, but if that should occur for any reason prior to the Meeting, a proxyholder may vote for another nominee at the proxyholder's discretion. At the Meeting, the trustee nominees will be voted on individually, and, in accordance with applicable Canadian securities legislation, the voting results for each nominee will be publicly disclosed. Each trustee will be elected to hold office until the next annual meeting of Unitholders or until such office is earlier vacated.

On May 4, 2018, Choice Properties announced the successful completion of the plan of arrangement to combine the Trust with Canadian Real Estate Investment Trust ("CREIT"). This transaction (the "Transaction") is more fully described in the Business Acquisition Report dated July 17, 2018 available on SEDAR at [www.sedar.com](http://www.sedar.com). Following completion of the Transaction, Mr. Daniel Sullivan resigned from the Board. Similar to the Trust, CREIT had an impressive board of trustees with strong real estate experience. To ensure that the consolidated entity continued to benefit from that expertise, three former CREIT trustees were appointed to the Board at the time of closing of the Transaction: Messrs. Stephen E. Johnson and R. Michael Latimer and Ms. Karen Kinsley.

On August 12, 2018, Mr. Michael Kitt resigned from the Board bringing the total number of trustees to nine.

Messrs. Stephen E. Johnson and John R. Morrison will not be standing for re-election at the Meeting. The Board would like to acknowledge Messrs. Johnson and Morrison for their dedicated service and valuable contributions to the Trust. Ms. Nancy H.O. Lockhart and Dale R. Ponder and Mr. Galen G. Weston will be standing for election at the Meeting. If elected, the Board intends to appoint Mr. Weston as Chair following the Meeting.

The trustee nominee profiles, starting on page 8, describe each nominee's experience and other important information to consider, including how much equity he or she owns in the Trust, and any other public company boards on which he or she serves. The trustee nominees have been selected based on their collective ability to address the broad range of issues the Board considers when overseeing the Trust's business and affairs.

## Independence

Eight of the ten nominated trustees are independent and none of these independent trustees has ever served as an executive of the Trust.

## Skills

Each trustee nominee has a wealth of experience in leadership and strategic planning and collectively they possess the skills and expertise that enable the Board to carry out its responsibilities. The skills matrix set out below, which is reviewed annually, is used to assess the Board's overall strengths. The matrix assists in the Board's ongoing renewal process, which balances the need for experience and knowledge of the Trust's business with the benefit of board renewal and diversity. Although the trustees have a breadth of experience in many areas, the skills matrix lists eight important qualifications determined by the Board and highlights five key skills for each trustee. This is not intended to be an exhaustive list of each trustee nominee's skills.

Skills	Adams	Clark	Eadie	Graham	Kinsley	Latimer	Lockhart	Ponder	Weiss	Weston
Real Estate Industry	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Executive Leadership / Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Real Estate Construction, Planning and Development			✓		✓	✓	✓			
Accounting and Financial Reporting	✓	✓	✓		✓			✓	✓	
Risk Management		✓	✓	✓	✓		✓		✓	✓
HR / Compensation	✓	✓				✓	✓	✓		✓
Finance / Capital Markets	✓			✓		✓			✓	
M&A				✓				✓		✓

In addition to the skills set out above, each trustee nominee was selected in large part because of his or her key leadership attributes. The trustee nominees have demonstrated informed judgment, knowledge of important business issues and a commitment to operational excellence. Each trustee is expected to act ethically and with integrity. Trustees must understand the Trust's strategic objectives and reflect its values. Trustees are expected to prepare for and actively participate in Board and committee meetings. They must understand the Trust's governance policies and practices and comply with the Trust's Code of Conduct.

## Trustee Tenure and Gender Diversity

Choice Properties has a Board Tenure Policy with the goal of fostering the ongoing renewal of its Board membership. The Policy provides that the Chair and the Governance, Compensation and Nominating Committee (the "Governance Committee") will undertake an assessment of each trustee's continued participation on the Board following the completion of a five-year term or upon reaching the age of 72, whichever occurs first. In addition, the Trust has established three-year terms for Committee chairs, subject to renewal.

The Governance Committee, in conjunction with its review of the trustees' skills and experience, also reviews each trustee's tenure on the Board as further set out below.

In addition to the Trust's formal Board Tenure Policy, the Governance Committee:

1. undertakes an annual Board effectiveness evaluation that enables the Governance Committee and the Board to solicit feedback regarding contribution, skill set and expertise of individual trustees;
2. maintains a trustee skills matrix to ensure that, in choosing trustee candidates, it focuses appropriately on critical competencies and experience;
3. annually reviews Board and Committee chairs and Committee memberships with a view to balancing the desire for diverse perspectives with the need for experience and subject matter expertise; and
4. annually reviews disclosure for inclusion in the Circular regarding trustee tenure, the evaluation process and applicable turnover with an explanation of how the Trust's approach ensures diversity of skills, experience and background.

In summary, each year, the Governance Committee undertakes a review of the composition and performance of the Board and its mandate and the composition of the committees of the Board. Recommendations for changes, if any, are developed by the Governance Committee and subsequently discussed with the Board. The Board is of the view that this process has

worked well and has resulted in governance that has been both effective and adaptive to the changing nature of the business and the markets in which Choice Properties operates. The leadership of the committees of the Board will also evolve over time, to reflect the changing needs of Choice Properties and the experience and capabilities of the individual trustees.

The Trust's Board Diversity Policy has a target that women comprise at least 30% of the Board's trustees. If the trustee nominees are elected at the Meeting, there will be four women on the Board, representing 40% of the trustees. Further details on the Trust's Board Tenure Policy and Diversity Policy can be found on page 29 of this Circular.

### **Majority Voting**

The Trustees are elected annually by the Unitholders. The Trust has established a Majority Voting Policy. Under the policy, the Governance Committee reviews and considers the voting results for each trustee nominee after the Meeting. Any nominee proposed for election as a trustee in an uncontested election who receives a greater number of votes withheld than votes in favour of their election must promptly tender his or her resignation to the Chair of the Board. In such circumstances, the Governance Committee will expeditiously consider the trustee's offer to resign and make a recommendation to the Board on whether it should be accepted. The Board will have 90 days from the date of the Meeting to make a final decision and will promptly announce that decision (including, if applicable, the reasons for rejecting the resignation) through a news release. Any such resignation will take effect upon acceptance by the Board. Any trustee who tenders his or her resignation will not participate in any meeting of the Board or any committee of the Board at which the resignation is considered. This policy applies only to uncontested elections of trustees where the number of nominees is equal to the number of trustees to be elected.

### **Voting Results from the 2018 Annual and Special Meeting of Unitholders**

In 2018, each trustee who stood for election at the Annual and Special Meeting received votes in favour from at least 99% of the total votes cast by holders of the Units. Below are the voting results for the election of the trustees at the Trust's Annual and Special Meeting of Unitholders held on May 2, 2018:

#### **Trust Units**

<b>Name of Nominee</b>	<b>Votes For</b>		<b>Votes Withheld</b>	
Kerry D. Adams	64,644,080	99.87%	82,344	0.13%
Christie J.B. Clark	64,653,391	99.89%	73,033	0.11%
Graeme M. Eadie	64,666,739	99.91%	59,685	0.09%
Anthony R. Graham	64,643,215	99.87%	83,209	0.13%
Michael P. Kitt <sup>(1)</sup>	64,663,692	99.90%	62,732	0.10%
John R. Morrison <sup>(2)</sup>	64,652,226	99.89%	74,198	0.11%
Daniel F. Sullivan <sup>(1)</sup>	64,659,653	99.90%	66,771	0.10%
Paul R. Weiss	64,668,042	99.91%	58,382	0.09%

#### **Class B Limited Partnership Special Voting Units**

<b>Name of Nominee</b>	<b>Votes For</b>		<b>Votes Withheld</b>	
Kerry D. Adams	319,080,557	100%	Nil	Nil
Christie J.B. Clark	319,080,557	100%	Nil	Nil
Graeme M. Eadie	319,080,557	100%	Nil	Nil
Anthony R. Graham	319,080,557	100%	Nil	Nil
Michael P. Kitt <sup>(1)</sup>	319,080,557	100%	Nil	Nil
John R. Morrison <sup>(2)</sup>	319,080,557	100%	Nil	Nil
Daniel F. Sullivan <sup>(1)</sup>	319,080,557	100%	Nil	Nil
Paul R. Weiss	319,080,557	100%	Nil	Nil

(1) Messrs. Sullivan and Kitt resigned from the Board on May 4, 2018 and August 12, 2018, respectively.

(2) Mr. Morrison is not standing for re-election at the Meeting.


## Trustee Interlock Policy

The Board has established a Trustee Interlock Policy with the aim of ensuring that interlocking trustee relationships will not adversely affect the relevant trustee's independent judgement. The Board determines that a prohibited interlock occurs when more than two Board members are also board members of another public entity. The Trustee Interlock Policy prohibits such an interlock unless otherwise approved by the Governance Committee. The policy does not apply to the Chair of the Board or any management trustees. There are currently no prohibited interlocks.

## Trustee Profiles

The following is a summary of relevant biographical and compensation information of each trustee nominee, including a description of his or her background and experience; year first elected or appointed as a trustee; age; meeting attendance record; other boards on which he or she sits; public board interlocks with other trustee nominees, if applicable; and trustee fees received. The equity holdings of each trustee nominee in the Trust as of March 14, 2019 and March 5, 2018, consisting of Trust Units and Deferred Units ("DUs"), is also indicated. "Total Market Value of Trust Units and DUs" for non-management trustees is calculated for 2019 based on the TSX closing price of the Trust Units on March 14, 2019, which was \$13.48 and for 2018, based on the TSX closing price of the Trust Units on March 5, 2018, which was \$11.98.

The persons designated in the form of proxy (or voting instruction form) intend to vote **FOR** the election of the nominees listed below.



**Kerry D. Adams** FCA, FCPA, 66

Toronto, Ontario, Canada

**Trust Board Details:**

- Trustee since 2013
- Independent

Ms. Adams serves as President of K. Adams & Associates Limited. She is the past Chair of the Scotia Institutional Real Estate Inc. Advisory Committee.

Ms. Adams is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant and holds a B.A. (Honours Economics) from Queen’s University. Ms. Adams is an Institute-certified Director of the Institute of Corporate Directors.

Ms. Adams previously served as a member of Fidelity Investments Canada ULC’s Independent Review Committee. In addition to her public board experience, Ms. Adams has served as a Commissioner and Director of the Ontario Securities Commission, the Chair of its Investor Education Fund, and was a member of the board and governance committee of the Investment Industry Regulatory Organization of Canada. Ms. Adams has also served as Director of Walmart Canada Bank, President of Widcor Limited and Widcor Financial and was a Partner of KPMG Peat Marwick.

Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		8/8		16/16	100%	Year	Amount
Audit Committee		4/4				2018	\$133,000
Governance Committee		4/4				2017	\$133,000
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	25,000	48,754	73,754	\$994,204		\$432,000	Yes
2017	25,000	40,470	65,470	\$784,331			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
—		—		—		—	
Past Public Board Memberships in Last Five Years							
—		—					





### Christie J.B. Clark FCA, FCPA, 65

Toronto, Ontario, Canada

#### Trust Board Details:

- Trustee since 2013
- Independent

Mr. Clark, a corporate director, was the former Chief Executive Officer and a senior partner of PricewaterhouseCoopers LLP from 2005 to 2011. Prior to being elected as its Chief Executive Officer, Mr. Clark was a National Managing Partner and a member of the firm's Executive Committee from 2001 to 2005.

Mr. Clark graduated from Queen's University with a B.Comm. and the University of Toronto with an M.B.A. He is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant.

In addition to his public company board memberships listed below, Mr. Clark is a member of the boards of the Canadian Olympic Committee, Own the Podium and the Sunnybrook Hospital Foundation, and a member of the Advisory Council of the Stephen J.R. Smith School of Business at Queen's University.

Board/Committee Membership			Attendance	Attendance Total		Trustee Fees Received	
Board			8/8	12/12	100%	Year	Amount
Governance Committee			4/4			2018	\$120,000
						2017	\$120,000
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs <sup>(1)</sup>		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	28,413	15,279	43,692	\$1,417,846		\$432,000	Yes
2017	27,959	9,494	37,453	\$1,281,007			
Current Public Board Memberships				Public Board Interlocks <sup>(2)</sup>			
				Trustee		Board	
Loblaw Companies Limited			2011 to present		—	—	
Air Canada			2013 to present				
Past Public Board Memberships in Last Five Years							
Hydro One Limited/Hydro One Inc.			2015 to 2018				
Brookfield Office Properties Inc.			2012 to 2014				
IGM Financial Inc.			2012 to 2014				

- (1) Mr. Clark held 28,413 Trust Units and 15,279 DUs as of March 14, 2019, and held 12,750 Loblaw common shares as at July 5, 2013, the date of Choice Properties' IPO, indirectly through his spouse as permitted under the Trust's Unit Ownership Guidelines. The Guidelines allow trustees to count any Loblaw common shares held as of the date of Choice Properties' IPO towards satisfying the ownership requirements. The value of these holdings was \$1,417,846 based on the March 14, 2019 closing price for the Trust Units on the TSX which was \$13.48 and the closing price of the Loblaw common shares on the TSX which was \$65.01.
- (2) Mr. Galen G. Weston is standing for election at the Meeting and is currently a director of Loblaw. If both Mr. Weston and Mr. Clark are elected at the Meeting, Mr. Clark will be in a Board interlock with Mr. Weston. Please see page 8 for details on the Trustee Interlock Policy.



### Graeme M. Eadie 66

Toronto, Ontario, Canada

#### Trust Board Details:


- Trustee since 2013
- Independent
- Lead Trustee<sup>(1)</sup>

Mr. Eadie is the former Senior Managing Director for the Canada Pension Plan Investment Board ("CPPIB") having retired from the CPPIB on March 31, 2018. Mr. Eadie currently acts as a Senior Advisor on a consulting basis to the CPPIB, participating in their Executive and Private Equity investment committees. Mr. Eadie previously held the position of Senior Managing Director, Global Head of Real Assets for CPPIB. Mr. Eadie is also a director of Neiman Marcus Group and GLP JM Holdings Limited. Prior to joining CPPIB, Mr. Eadie held multiple positions, including Chief Financial Officer, Chief Operating Officer and President of Cadillac Fairview. Mr. Eadie also held senior management positions with a number of entities in the retail and manufacturing areas and formerly was a director of the Ontario Realty Corporation and Aliance Shopping Centres Brazil.


Mr. Eadie graduated from the University of British Columbia with a B.Comm. and Master of Science in Business Administration.

Board/Committee Membership			Attendance	Attendance Total		Trustee Fees Received	
Board			7/8	10/12	83%	Year	Amount
Audit Committee <sup>(1)</sup>			1/2			2018	\$128,735
Governance Committee (Chair) <sup>(1)</sup>			2/2			2017	\$121,000
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	10,000	10,429	20,429	\$275,383		\$432,000	Yes <sup>(2)</sup>
2017	10,000	4,578	14,578	\$174,644			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
Morguard Corporation			2018 to present		—	—	
Morguard Real Estate Investment Trust			2018 to present				
Past Public Board Memberships in Last Five Years							
Aliance Shopping Centers S.A.			2013 to 2017				


- (1) Mr. Eadie was appointed as the Lead Trustee and Chair of the Governance Committee, and stepped down from the Audit Committee, on July 18, 2018.
- (2) Mr. Eadie joined the Board in 2013 and originally had until 2017 to satisfy the Trust's Unit Ownership Guidelines. Effective January 1, 2017, the trustee ownership requirement under the Trust Unit Ownership Guidelines increased. As a result, Mr. Eadie now has until December 31, 2020 to satisfy the Trust's Unit Ownership Guidelines.

	<b>Anthony R. Graham</b> 62 Toronto, Ontario, Canada  <b>Trust Board Details:</b> <ul style="list-style-type: none"><li>• Trustee since 2017</li><li>• Non-Independent</li><li>• Chair of the Board</li></ul>	<p>Mr. Graham is Chair of the Board of the Trust, Vice Chairman and a director of Wittington Investments, Limited and also President and Chief Executive Officer of Sumarria Inc. He is a former Vice Chairman and director of National Bank Financial.</p> <p>In addition to his public company board memberships listed below, Mr. Graham is a director of Graymont Limited, Wittington Properties Limited and Grupo Calidra, S.A. de C.V. Mr. Graham is also a former Chairman and director of President's Choice Bank and a former President and director of Selfridges Group Limited.</p> <p>Mr. Graham was awarded an Honorary Doctor of Laws degree from Brock University.</p> <p>Mr. Graham serves as Chairman of the Ontario Arts Foundation, Charter for Business, Duke of Edinburgh Award Canada and the Shaw Festival Theatre Endowment Foundation. He also serves as Vice Chairman of Business for the Arts, and as a director of the Art Gallery of Ontario, Canadian Institute for Advanced Research, Luminato Festival, St. Michael's Hospital and the Trans Canada Trail Foundation.</p>					
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		8/8		8/8	100%	Year	Amount
						2018	\$138,000
						2017	\$94,530
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	-	19,566	19,566	\$263,750		\$432,000	Yes <sup>(1)</sup>
2017	-	7,178	7,178	\$85,992			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
Power Corporation of Canada			2001 to present		—		—
Power Financial Corporation			2001 to present				
Past Public Board Memberships in Last Five Years							
George Weston Limited			1996 to 2016				
Loblaw Companies Limited			1999 to 2015				


(1) Mr. Graham has until April 2021 to satisfy the Trust's Unit Ownership Guidelines.

 <div><b>Karen Kinsley</b> FCA, FCPA, 62 Ottawa, Ontario, Canada</div> <div><b>Trust Board Details:</b><ul style="list-style-type: none"><li>• Trustee since 2018</li><li>• Independent</li></ul></div>				<p>Ms. Kinsley, a corporate director, previously held the position of President and Chief Executive Officer of the Canada Mortgage and Housing Corporation (“CMHC”) from 2003 to 2013. Prior to being appointed as Chief Executive Officer, Ms. Kinsley held multiple positions at CMHC including Chief Financial Officer, Treasurer and head of its mortgage insurance and securitization businesses.</p> <p>Ms. Kinsley holds a B.Comm from the University of Ottawa.</p> <p>Ms. Kinsley is a fellow of the Chartered Professional Accountants of Ontario and has received the Certified Director designation (ICD.D) from the Institute of Corporate Directors.</p>			
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		3/3		5/5	100%	Year	Amount
Audit Committee		2/2				2018	\$77,195
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	11,711	6,576	18,287	\$246,509		\$432,000	Yes <sup>(1)</sup>
Current Public Board Memberships				Public Board Interlocks			
National Bank of Canada				—		—	
Saputo Inc.							
Past Public Board Memberships in Last Five Years							
Canadian Real Estate Investment Trust			2017 to 2018				

(1) Ms. Kinsley has until May 2022 to satisfy the Trust's Unit Ownership Guidelines.


<div></div> <div><b>R. Michael Latimer</b> 67 Toronto, Ontario, Canada</div> <div><b>Trust Board Details:</b><ul style="list-style-type: none"><li>Trustee since 2018</li><li>Independent</li></ul></div>				<p>Mr. Latimer is the President and Chief Executive Officer of OMERS, a pension plan providing defined pension benefits to local government employees, retirees and beneficiaries in Ontario. Prior to this role, Mr. Latimer was the Chief Investment Officer of OMERS where he oversaw the strategic, operational and financial leadership of the investment activities at OMERS.</p> <p>Prior to joining OMERS, Mr. Latimer was responsible for Oxford Properties Group, a wholly-owned real estate entity of OMERS. Mr. Latimer is a former President and CEO of Primaris Real Estate Investment Trust.</p> <p>Mr. Latimer also serves as the Chief Executive Officer and Chief Information Officer of OMERS Administration Corporation.</p>			
Board/Committee Membership		Attendance	Attendance Total		Trustee Fees Received		
Board		3/3	5/5	100%	Year	Amount	
Governance Committee		2/2			2018	\$76,740	
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs	Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines	
2018	3,872	6,538	10,410	\$140,327	\$432,000	Yes <sup>(1)</sup>	
Current Public Board Memberships				Public Board Interlocks			
—				Trustee	Board		
Past Public Board Memberships in Last Five Years				—			
Canadian Real Estate Investment Trust				2016 to 2018			

(1) Mr. Latimer has until May 2022 to satisfy the Trust's Unit Ownership Guidelines.


<div></div> <div><b>Nancy H.O. Lockhart</b> O.Ont 64 Toronto, Ontario, Canada</div> <div><b>Trust Board Details:</b><ul style="list-style-type: none"><li>Trustee Nominee</li><li>Independent</li></ul></div>				<div>Ms. Lockhart, a corporate director, is the former Chief Administrative Officer of Frum Development Group and a former Vice President of Shoppers Drug Mart Corporation.</div> <div>In addition to her public board memberships below, Ms. Lockhart is a director of The Royal Conservatory of Music and a member of the Sotheby's Canada Advisory Board. Ms. Lockhart is also Chair of the Crow's Theatre Company. She is a former Chair of the Ontario Science Centre, former President of the Canadian Club of Toronto and a former Chair of the Canadian Film Centre. Ms. Lockhart is also a former director of the Canada Deposit Insurance Corporation, the Centre for Addiction and Mental Health Foundation and the Loran Scholars Foundation.</div> <div>Ms. Lockhart has an Institute of Corporate Directors ICD.D certification.</div>			
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
—		—		—	—	Year	Amount
						—	—
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs <sup>(1)</sup>		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	25,000	—	25,000	\$4,560,713		\$432,000	Yes
Current Public Board Memberships				Public Board Interlocks <sup>(2)</sup>			
				Trustee		Board	
Atrium Mortgage Investment Corporation		2013 to present		—		—	
Gluskin Sheff & Associates Inc.		2013 to present					
Loblaw Companies Limited		2005 to present <sup>(3)</sup>					
Past Public Board Memberships in Last Five Years							
Barrick Gold Corporation		2014 to 2018					

- (1) Pursuant to the Trustee Unit Ownership Guidelines, if elected, Ms. Lockhart's Loblaw holdings will count towards her minimum equity ownership in the Trust. Ms. Lockhart held 62,202 Loblaw common shares and deferred share units with a value of \$4,043,752 based on the March 14, 2019 Loblaw common share price of \$65.01. Ms. Lockhart is standing for election at Weston's Annual Meeting of Shareholders on May 7, 2019 and, if elected, her equity ownership in Weston will count towards her minimum equity ownership in the Trust. Ms. Lockhart held 1,961 Weston common shares with a value of \$179,961 based on the March 14, 2019 Weston share price of \$91.77.
- (2) Ms. Lockhart will be standing for election at Weston's Annual Meeting of Shareholders on May 7, 2019. If Ms. Lockhart is elected at both the Meeting and at Weston's Annual Meeting of Shareholders, she will be in a Board interlock with Mr. Weston. Please see page 8 for details on the Trustee Interlock Policy.
- (3) Ms. Lockhart serves as a director of Loblaw and is not standing for re-election at Loblaw's Annual Meeting of Shareholders on May 2, 2019.



	<p><b>Dale R. Ponder</b> 62</p> <p>Toronto, Ontario, Canada</p> <p><b>Trust Board Details:</b></p> <ul style="list-style-type: none"><li>• Trustee Nominee</li><li>• Independent</li></ul>	<p>Ms. Ponder is the Co-Chair of Osler, Hoskin and Harcourt LLP (“Osler LLP”), a law firm, and also serves on the firm’s Partnership Board. She is the former Chief Executive and Managing Partner of Osler LLP. Ms. Ponder’s practice experience as a Partner of Osler LLP focused on mergers and acquisitions, securities regulation and corporate governance. Ms. Ponder has had extensive experience throughout her career leading transactions relating to public and private merger and acquisition matters and advising boards of public companies.</p> <p>Ms. Ponder graduated from the University of Western Ontario with a LL.B.</p> <p>In addition to her public board membership below, Ms. Ponder is a member of the boards of Holland Bloorview Kids Rehabilitation Hospital, the Governors’ Council of St. Michael’s Hospital Foundation and the Caldwell Partners Top 40 Under 40 Advisory Board. She is also Chair of the Canadian Business Growth Fund.</p>					
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
—		—		—	—	Year	Amount
						—	—
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines <sup>(1)</sup>
2018	—	—	—	—		\$432,000	—
Current Public Board Memberships				Public Board Interlocks			
Morneau Shepell Inc.				2016 to present		Trustee	Board
Past Public Board Memberships in Last Five Years						—	—
Canadian Real Estate Investment Trust				2016 to 2018			

(1) If elected, Ms. Ponder will have until May 2023 to satisfy the Trustee Unit Ownership Guidelines.



**Paul R. Weiss** FCA, FCPA, 71  
Niagara-on-the-Lake, Ontario, Canada

**Trust Board Details:**


- Trustee since 2013
- Independent

Mr. Weiss, a corporate director, spent his career with KPMG LLP Canada and prior to his retirement served as a member of the Management Committee and as a member of the International Global Audit Steering Group, and as the Managing Partner for KPMG LLP Canada's Audit Practice. Earlier in his career, Mr. Weiss was responsible for KPMG LLP Canada's Real Estate Practice.

Mr. Weiss graduated from Carleton University with a B.Comm. and is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant.

In addition to his public board memberships listed below, Mr. Weiss is a former director of Bell Aliant Inc., Empire Life Insurance Company and ING Bank of Canada. Mr. Weiss is past Chairman of Souleppier Theatre Company and past Chairman of Toronto Rehab Foundation.

Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		8/8		12/12	100%	Year	Amount
Audit Committee (Chair)		4/4				2018	\$128,000
						2017	\$128,000
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs		Minimum Equity Ownership	In Progress/ Satisfies Unit Ownership Guidelines
2018	5,000	35,608	40,608	\$547,396		\$432,000	Yes
2017	5,000	29,441	34,441	\$412,603			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
Bell Canada				2009 to present		—	—
BCE Inc.				2009 to present			
Torstar Corporation				2009 to present			
Past Public Board Memberships in Last Five Years							
—				—			

				<b>Galen G. Weston</b> 46				Toronto, Ontario, Canada				<b>Trust Board Details:</b> <ul style="list-style-type: none"><li>• Trustee Nominee</li><li>• Non-Independent</li></ul>				Mr. Weston is the Executive Chairman of Loblaw and Chairman and Chief Executive Officer of Weston. He is the former Chairman of the Trust and served as a trustee of the Trust between 2013 and 2017. He previously held several senior executive positions with Loblaw and its subsidiaries, including as President. Prior to joining Loblaw, he was an investment banking analyst for Salomon Brothers in the U.K.			
								Mr. Weston graduated from Harvard University with a B.A. and from Columbia University with an M.B.A.											
								Mr. Weston is Chairman and director of President’s Choice Bank and a director of Weston, Loblaw and Wittington Investments, Limited.											
<b>Board/Committee Membership</b>				<b>Attendance</b>				<b>Attendance Total</b>				<b>Trustee Fees Received</b>							
—				—				—		—		<b>Year</b>		<b>Amount</b>					
												—		—					
<b>Equity Ownership</b>																			
<b>Year</b>	<b>Trust Units</b>	<b>DUs <sup>(1)</sup></b>	<b>Total Trust Units and DUs</b>				<b>Total Market Value of Trust Units and DUs</b>				<b>Minimum Equity Ownership</b>		<b>In Progress/ Satisfies Unit Ownership Guidelines</b>						
2018	50,000	56,151	106,151				\$1,430,915				—		Yes						
<b>Current Public Board Memberships</b>								<b>Public Board Interlocks <sup>(2)</sup></b>											
								<b>Trustee</b>				<b>Board</b>							
Loblaw Companies Limited								2006 to present											
George Weston Limited								2016 to present											
<b>Past Public Board Memberships in Last Five Years</b>																			
Choice Properties Real Estate Investment Trust								2013 to 2017											

(1) Reflects DUs received when Mr. Weston served as a member of the Board from 2013 to 2017.

(2) Mr. Weston is currently a director of Weston and Ms. Nancy H.O. Lockhart will be standing for election at Weston's Annual Meeting of Shareholders on May 7, 2019. If Ms. Lockhart is elected at both the Meeting and at Weston's Annual Meeting of Shareholders, and Mr. Weston is elected at the Meeting and is re-elected at Weston's Annual Meeting of Shareholders, Mr. Weston will be in a Board interlock with Ms. Lockhart. Mr. Weston is standing for election at the Meeting and is currently a director of Loblaw. If both Mr. Weston and Mr. Christie J.B. Clark are elected at the Meeting, Mr. Weston will be in a Board interlock with Mr. Clark. Please see page 8 for details on the Trustee Interlock Policy.

## Meeting Attendance

The following table provides a summary of each trustee's attendance at Board and committee meetings in 2018:

Name	Board (8 meetings)	Audit Committee (4 meetings)	Governance Committee (4 meetings)	Overall Attendance
Kerry D. Adams	8/8	4/4	4/4	16/16 100%
Christie J.B. Clark	8/8	—	4/4	12/12 100%
Graeme M. Eadie	7/8	1/2	2/2	10/12 83%
Michelle Felman <sup>(1)</sup>	4/5	—	1/2	5/7 71%
Anthony R. Graham	8/8	—	—	8/8 100%
Stephen E. Johnson <sup>(2) (3)</sup>	3/3	—	—	3/3 100%
Karen Kinsley <sup>(2)</sup>	3/3	2/2	—	5/5 100%
Michael P. Kitt <sup>(4)</sup>	6/6	3/3	2/2	11/11 100%
R. Michael Latimer <sup>(2)</sup>	3/3	—	2/2	5/5 100%
John R. Morrison <sup>(5)</sup>	8/8	—	—	8/8 100%
Daniel F. Sullivan <sup>(6)</sup>	5/5	—	2/2	7/7 100%
Paul R. Weiss	8/8	4/4	—	12/12 100%
<b>TOTAL</b>	<b>97%</b>	<b>93%</b>	<b>94%</b>	<b>96%</b>

(1) Ms. Felman resigned from the Board on May 2, 2018.

(2) Messrs. Johnson and Latimer and Ms. Kinsley were appointed to the Board on May 4, 2018 following the completion of the Transaction.

(3) Mr. Johnson is not standing for re-election at the Meeting.

(4) Mr. Kitt resigned from the Board on August 12, 2018.

(5) Mr. Morrison is not standing for re-election at the Meeting.

(6) Mr. Sullivan resigned from the Board on May 4, 2018 following the completion of the Transaction.

## TRUSTEE COMPENSATION

Trustee compensation is structured to compensate trustees appropriately for their time, commitment and responsibility as a Board member and to remain competitive with director and trustee compensation practices in Canada. The trustee compensation program is designed to attract and retain committed and qualified trustees and align their compensation with the long-term interests of Unitholders. To achieve these objectives, trustees are required to receive at least \$50,000 of their board retainer in the form of DUs. Trustees who are executives of the Trust do not receive compensation for their service as a trustee.

### *Trustee Deferred Unit Plan*

A DU represents a right to receive one Trust Unit or a cash amount equal to the value of one Trust Unit. Trustees are required to receive at least \$50,000 of their annual retainer in the form of DUs. Trustees have the option to receive up to 100% of all fees that are otherwise payable in cash in the form of DUs pursuant to the Deferred Unit Plan ("DU Plan"). The number of DUs to be awarded to a trustee is equal to the value of the compensation that the trustee elects or is required to receive in the form of DUs divided by the volume-weighted average trading price of a Trust Unit on the TSX for the five trading days prior to the date of the award. Trustees must complete an election form to receive any portion of their fees in the form of DUs by no later than December 31 of the year preceding the applicable grant year. Elections are irrevocable for the year in respect of which they are made. DUs do not entitle a trustee to any voting or other Unitholder rights.

Distribution equivalents in the form of additional DUs that are equal in value to distributions paid on Trust Units are credited to a trustee's account on each distribution payment date based on the number of DUs in such account on the distribution record date. The number of additional DUs credited to a trustee's account are calculated by multiplying the aggregate number of DUs held by such trustee on the relevant distribution record date by the amount of cash distributions paid on each Trust Unit, and dividing the result by the volume-weighted average trading price of a Trust Unit on the TSX for the five trading days prior to such payment date.

The maximum number of Trust Units issuable pursuant to the DU Plan at any time cannot exceed 4,075,000 Trust Units, representing approximately 1.5% of the 278,202,559 issued and outstanding Trust Units as of December 31, 2018 and approximately 1.5% of the 279,305,482 issued and outstanding Trust Units as of March 14, 2019. There were 305,499 DUs outstanding, representing approximately 0.1% of the 279,305,482 issued and outstanding Trust Units as of March 14, 2019 and 289,058 DUs outstanding, representing approximately 0.1% of the 278,202,559 issued and outstanding Trust Units as at December 31, 2018. The Trust had 3,785,942 DUs available for future grant as at December 31, 2018, and 3,769,501 DUs available for future grant as at March 14, 2019 which represents approximately 1.4% of the 278,202,559 issued and outstanding Trust Units as at December 31, 2018 and approximately 1.3% of the 279,305,482 issued and outstanding Trust Units as at March 14, 2019. The aggregate number of Trust Units issued to insiders of the Trust within any 12-month period, or issuable to insiders of the Trust at any time, under the DU Plan and any other security-based compensation arrangement of the Trust, may not exceed 10% of the total number of issued and outstanding Units during such period or at such time, as applicable.

DUs vest immediately on each applicable award date. DUs are non-transferable and non-assignable other than by operation of law. DUs are not paid out until the trustee ceases to serve on the Board, thereby providing an equity stake in the Trust throughout a trustee's term as a Board member. Following cessation of Board service, settlement of DUs will be made either in Trust Units or in cash at the election of the trustee. A trustee may elect to defer this exercise until December 15<sup>th</sup> of the calendar year following the year when he or she ceases to be a trustee. If the trustee (or the trustee's beneficiary) fails to exercise by such date, he or she will be deemed to have elected to receive Trust Units as of that date. In the event of any consolidation, subdivision or reclassification of the Trust Units or any other relevant changes in the capital structure of the Trust, the number of outstanding DUs will be appropriately adjusted by the Governance Committee to ensure that such DUs represent a benefit substantially similar to the benefit they represented before such event.

The Governance Committee reviews and confirms the terms of the DU Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the DU Plan in whole or in part as well as terminate the DU Plan without prior notice as it deems appropriate. Unitholders must approve any amendment to the DU Plan that would: (a) result in any increase in the number of Trust Units issuable under the DU Plan; (b) extend eligibility to participate in the DU Plan to persons other than non-employee trustees of Choice Properties; (c) permit awards other than DUs; (d) extend the term of DUs; (e) increase the insider participation limits; or (f) amend the amendment provision of the DU Plan.

Without limitation, the Governance Committee may, without obtaining the approval of the Unitholders: (a) make amendments of a minor nature; (b) make amendments which are necessary or desirable to remove conflicts or inconsistencies in the DU Plan; (c) make amendments as necessary or desirable as a result of changes in tax laws; and (d) make a change to or the addition of any vesting provisions for DUs. Notwithstanding the foregoing, and subject to the terms of the DU Plan, no amendment may

be made that may adversely affect the DUs previously granted under the DU Plan without the written consent of the affected trustees. The Trust's annual "burn rate" for the DUs, which represents the number of DUs awarded under the DU Plan during a fiscal year divided by the weighted average number of Units outstanding for the applicable fiscal year, was 0.01% in 2018, 0.01% in 2017 and 0.01% in 2016.

### **Unit Ownership Guidelines**

The Board believes that it is important that trustees demonstrate their commitment to the Trust through Trust Unit ownership. In that regard, the Board has established Unit Ownership Guidelines for non-management trustees. Under these Guidelines, non-management trustees are expected to hold Trust Units and/or DUs with a value of not less than four times the amount of the trustees' annual retainer. Based on this multiple of the annual retainer, the ownership requirement was \$432,000 in 2018. For purposes of the Guidelines, securities are valued at their market value and trustees are expected to satisfy the required level of Trust Unit ownership within four years of initially being elected or appointed to the Board.

The market value of the Trust Units and DUs held by each trustee as at March 14, 2019 can be found under "Trustee Profiles" on pages 8 to 13. All trustees either satisfy the required level of unit ownership or are in the process of accumulating securities as required under the Guidelines.

### **Trustee Compensation Review**

The Board, through the Governance Committee, is responsible for reviewing and approving any changes to the trustee's compensation arrangements. The Governance Committee reviewed the compensation paid to trustees in 2018 and determined that no changes were required.

### **2018 Trustee Compensation Amounts**

A summary of the 2018 non-management trustee compensation amounts are set out below:

Type of Fee	Amount (\$)
<b>Annual Fees</b>	
Board Retainer - DUs	50,000
Board Retainer - cash and/or DUs	58,000
Total Board Retainer	108,000
<b>Chair and Committee Fees</b>	
Board Chair	30,000
Governance Committee Chair and Lead Trustee	30,000 <sup>(1)</sup>
Governance Committee member	12,000
Audit Committee Chair	20,000 <sup>(1)</sup>
Audit Committee member	13,000

<sup>(1)</sup> Includes fee received as a committee member.

In 2018, neither of Messrs. Johnson or Morrison received any remuneration for their role as a trustee of the Trust. The details of Messrs. Johnson and Morrison's executive compensation are set out in the "Compensation Discussion and Analysis" section in this Circular.

## 2018 Trustee Compensation Table

The following table sets out the compensation elements and total compensation earned by each non-management trustee in 2018 and the manner in which the compensation was paid:

Name	Fee Breakdown				Allocation of Total Trustee Fees				
	Board Retainer (\$)	Board & Committee Chair Retainers (\$)	Committee Member Retainers (\$)	Total Trustee Fees Earned (\$)	All Other Compensation (\$)	Total Compensation (\$)	Cash (\$)	DUs (\$) <sup>(1)</sup>	Allocation of Fees between Cash and DUs (%)
Kerry D. Adams	108,000	—	25,000	133,000	—	133,000	66,500	66,500	50% DUs
Christie J.B. Clark	108,000	—	12,000	120,000	—	120,000	60,000	60,000	50% DUs
Graeme M. Eadie <sup>(2)</sup>	108,000	13,650	7,085	128,735	—	128,735	64,368	64,367	50% DUs
Michelle Felman <sup>(3)</sup>	36,180	—	4,020	40,200	—	40,200	17,500	22,700	57% DUs
Anthony R. Graham	108,000	30,000	—	138,000	—	138,000	—	138,000	100% DUs
Karen Kinsley <sup>(4)</sup>	71,280	—	5,915	77,195	—	77,195	—	77,195	100% DUs
Michael P. Kitt <sup>(5)</sup>	66,690	—	14,568	81,258	—	81,258	—	81,258	100% DUs
R. Michael Latimer <sup>(4)</sup>	71,280	—	5,460	76,740	—	76,740	—	76,740	100% DUs
Daniel F. Sullivan <sup>(6)</sup>	54,000	15,000	—	69,000	—	69,000	31,500	37,500	54% DUs
Paul R. Weiss	108,000	20,000	—	128,000	—	128,000	78,000	50,000	39% DUs
<b>Total (\$)</b>	<b>839,430</b>	<b>78,650</b>	<b>74,048</b>	<b>992,128</b>	<b>—</b>	<b>992,128</b>	<b>317,868</b>	<b>674,260</b>	

(1) In accordance with the DU Plan, amounts reflect the grant date fair value of DUs based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days prior to the date of the grant. As well, additional DUs were accumulated based on notional equivalents of distributions paid on Trust Units throughout the year. These notional equivalents of distributions are not included in the table.

(2) Mr. Eadie was appointed Lead Trustee and Chair of the Governance Committee on July 18, 2018 following the Transaction. Mr. Eadie also stepped down from the Audit Committee on July 18, 2018.

(3) Ms. Felman resigned from the Board on May 2, 2018.

(4) Ms. Kinsley and Mr. Latimer were appointed to the Board on May 4, 2018 following the completion of the Transaction.

(5) Mr. Kitt resigned from the Board on August 12, 2018.

(6) Mr. Sullivan resigned from the Board on May 4, 2018 following the completion of the Transaction.

## Outstanding Trust Unit-Based Awards

The following table sets forth the value of all Trust Unit-based awards granted in the form of DUs to non-management trustees that were outstanding as at January 2, 2019:

Name	Number of Trust Units That Have Not Vested (#)	Market or Payout Value of Trust Unit-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Trust Unit-Based Awards Not Paid Out or Distributed (\$) <sup>(1)</sup>
Kerry D. Adams	—	—	551,898
Christie J.B. Clark	—	—	173,016
Graeme M. Eadie	—	—	118,118
Anthony R. Graham	—	—	221,639
Karen Kinsley	—	—	74,592
Michael P. Kitt <sup>(2)</sup>	—	—	741,670
R. Michael Latimer	—	—	74,146
Daniel F. Sullivan <sup>(3)</sup>	—	—	415,846
Paul R. Weiss	—	—	403,090

(1) The value of outstanding DUs awarded to the trustees is based on the closing price of the Trust Units on the TSX on January 2, 2019, which was \$11.43 multiplied by the number of outstanding DUs as of that date.

(2) Mr. Kitt resigned from the Board on August 12, 2018.

(3) Mr. Sullivan resigned from the Board on May 4, 2018 following the completion of the Transaction.



## APPOINT THE EXTERNAL AUDITOR

The Auditor of the Trust is KPMG LLP. The Board, on the recommendation of the Audit Committee, recommends that KPMG LLP be re-appointed as the auditor of the Trust to hold office until the next annual meeting of Unitholders and that the trustees be authorized to fix KPMG LLP's remuneration. The persons named in the form of proxy intend to vote **FOR** the appointment of KPMG LLP as the Trust's auditor until the next meeting of Unitholders.

### **Audit and Other Service Fees**

The Audit Committee oversees the fees paid to the independent external auditor, KPMG LLP, for audit and non-audit services. The following table sets forth the consolidated fees billed for professional services rendered by KPMG LLP for the fiscal years 2018 and 2017, respectively:

	2018 \$	2017 \$
Audit fees <sup>(1)</sup>	1,596,850	755,000
Audit-related fees <sup>(2)</sup>	258,150	85,000
Tax fees <sup>(3)</sup>	190,798	—
All other fees	—	—
Total Fees	2,045,798	840,000

(1) Audit fees include fees for services related to the audit of the Trust's consolidated financial statements, review of quarterly financial statements and auditor involvement with prospectus and offering documents. Audit fees in 2018 also include fees related to auditor involvement with the Transaction.

(2) Audit-related fees include fees for French translation services associated with the Trust's financial and regulatory filings.

(3) Tax fees related to the Transaction.

As part of the Trust's governance practices, the Audit Committee prohibits the external auditor from providing non-audit services to the Trust or its subsidiaries unless the services are approved in advance by the Audit Committee. The Audit Committee may delegate to one or more members the authority to pre-approve the retention of the auditors for any non-audit service to the extent permitted by law. The external auditor is required to report directly to the Audit Committee.

## ADVISORY RESOLUTION ON APPROACH TO EXECUTIVE COMPENSATION

At the Meeting, the Unitholders will be asked to consider an advisory resolution (the "Say on Pay Resolution") regarding the Trust's approach to executive compensation, which is described in detail in the section of the Circular titled "Compensation Discussion and Analysis", which commences on page 31.

Pay for performance is a cornerstone of the Trust's compensation philosophy, which is intended to align the interests of the Trust's executives with those of its Unitholders. This compensation philosophy enables the Trust to attract and retain high-performing executives who will be motivated to create value for Unitholders.

The Board and management of the Trust recommend that the Unitholders vote **FOR** the adoption of the advisory Say on Pay Resolution.

The persons named in the accompanying form of proxy intend to vote **FOR** the adoption of the Say on Pay Resolution.

Votes on the Say on Pay Resolution are advisory and will not be binding on the Board. However, the Governance Committee will review and analyze the results of the vote and take them into consideration when reviewing the Trust's executive compensation philosophy.

The form of Say on Pay Resolution to be submitted to the Unitholders at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

**BE IT RESOLVED THAT** on an advisory basis and not to diminish the role and responsibilities of the Board of Trustees, the Unitholders accept the approach to executive compensation disclosed in this Circular, delivered in advance of the 2019 Annual Meeting of the Unitholders of the Trust.

# COMMITTEE REPORTS

## AUDIT COMMITTEE



Paul R. Weiss (Chair)  
Independent



Kerry D. Adams  
Independent



Karen Kinsley  
Independent

The Audit Committee assists the Board in overseeing the integrity of the Trust's financial statements and related public disclosure. The Audit Committee oversees, on behalf of the Board, the Trust's internal controls over financial reporting, disclosure controls and procedures and the internal audit function. The Committee also oversees procedures for the receipt, retention and follow-up of any complaints regarding the Trust's accounting, internal controls and auditing matters. The Audit Committee also assists the Board in its oversight of the Trust's enterprise risk management ("ERM") program.

Each year, the Audit Committee reviews and evaluates the qualifications, performance and independence of the external auditor and recommends the external auditor to the Board for appointment by the Unitholders. The Chair of the Audit Committee is involved in the selection process for the Lead Audit Partner.

All members of the Audit Committee are independent and financially literate as required under applicable Canadian securities legislation.

---

## AUDIT COMMITTEE REPORT TO UNITHOLDERS

### Dear Unitholders:

On behalf of the Board, the Audit Committee is pleased to share with you its report and some of its significant accomplishments in 2018.

### 2018 Highlights

- ✓ Reviewed the integration of financial and accounting systems of CREIT and the Trust following the Transaction
- ✓ Reviewed the financial disclosure and related accounting of the Trust reflecting the Transaction
- ✓ Oversaw the implementation of significant new accounting standards
- ✓ Supervised the Trust's Enterprise Risk Assessment and ERM processes and reviewed risks facing the Trust and how those risks are being managed

### Overview

The Audit Committee meets at least once every quarter. The Audit Committee reviews the ongoing activities of the Trust based on its mandate and work plan. At each meeting, the Audit Committee meets separately *in camera* with each of management, representatives of the internal audit group, and the external auditor. In addition, the Audit Committee holds an *in camera* session without management present at each meeting. The Audit Committee met four times in 2018.

Each year, the Audit Committee reviews its mandate to ensure the Audit Committee's effectiveness in fulfilling its responsibilities. The Audit Committee communicates regularly with management and the internal and external auditors.

The Audit Committee approved its mandate in February 2019 and it is available at [www.choicereit.ca](http://www.choicereit.ca). The Audit Committee is satisfied that it fulfilled its responsibilities in 2018.

### Financial Reporting

The Audit Committee reviewed and discussed with management the Trust's annual and quarterly financial statements and management's discussion and analysis. The Audit Committee also reviewed and discussed the report from the external auditor with management and with the external auditor directly. The purpose of this review is to provide reasonable assurance that the Trust's financial results are complete and fairly presented in all material respects. The Audit Committee also considered whether the accounting principles used to prepare the financial statements are appropriate, in particular, where judgments, estimates and risks are involved. This review also ensures that adequate disclosure of material issues has been provided, specifically in respect of the Transaction. The Audit Committee also assessed the use of non-GAAP financial measures and their presentation within the financial statements, and the implementation of certain new accounting standards. Based on the Audit Committee's review, it recommended to the Board that the Trust's annual audited consolidated financial statements be approved and released on February 13, 2019.

### ***Internal and External Auditor***

Throughout the year, the Chair of the Audit Committee met with the external auditor, representatives of the internal audit group and senior members of the Trust's financial reporting group. In 2018, the Audit Committee reviewed and approved the annual audit plan and received regular reports from the internal audit group, including its annual plan. In addition, the Audit Committee received reports on key audit matters at the Trust from the external auditor.

Following the year-end audit, the Audit Committee conducted an assessment of KPMG LLP's performance and effectiveness in 2018. In conducting this assessment, the Audit Committee considered factors such as the quality of overall audit services and communications to the Audit Committee and KPMG LLP's independence and objectivity. The Audit Committee is satisfied with KPMG LLP's performance and concluded that KPMG LLP is independent from the Trust and management. The Audit Committee proposed that the Board recommend the re-appointment of KPMG LLP as the external auditor of the Trust at the Meeting.

### ***Enterprise Risk Management***

The Board has tasked the Audit Committee with overseeing certain aspects of the Trust's ERM program and key risks facing the Trust. At Audit Committee meetings throughout the year, the Audit Committee requested and received reports from management on the various risks facing the Trust based on significant changes from the prior report, anticipated impacts in future quarters and significant changes in key risk indicators. The Audit Committee carefully reviewed these reports and discussed them with management with a view to addressing the risks facing the Trust.

### ***Legal and Regulatory***

Throughout 2018, the Audit Committee also reviewed updates on key matters relating to the financial statements including reports on compliance related matters, significant legislative and regulatory developments, material litigation, regulatory filings, transactions with related parties and tax matters affecting the Trust. The Audit Committee also discussed legal developments and issues involving the Trust with the Vice President, General Counsel and Secretary.

Respectfully submitted,

#### **Audit Committee**

Paul R. Weiss (Chair)

Kerry D. Adams

Karen Kinsley

For additional information regarding each member of the Audit Committee, please see pages 8 through 13. For additional information regarding the activities of the Audit Committee, see the Trust's Statement of Governance Practices on pages 24 through 30.



## GOVERNANCE COMMITTEE



*Graeme M. Eadie*  
(Chair)  
**Independent**



*Kerry D. Adams*  
**Independent**



*Christie J.B. Clark*  
**Independent**



*R. Michael Latimer*  
**Independent**

The Governance Committee believes that good governance contributes to strong performance. The Trust's governance practices are designed to provide oversight and accountability, ensure trust with stakeholders and promote the long-term interests of Unitholders.

The Governance Committee is responsible for overseeing the Trust's governance practices and developing and implementing governance principles which are consistent with high standards of governance. On an annual basis, the Governance Committee evaluates the practices of the Trust, including a review of the Board's policies and mandates and a review of the composition of the Board committees.

As part of its mandate, the Governance Committee, together with the Chair, identifies and recommends candidates for nomination to the Board as trustees. The Governance Committee recommends to the Board any changes to the trustees' compensation arrangements.

The Governance Committee assists the Board with overseeing the design of the Trust's executive compensation programs, including its incentive programs and the individual compensation of the named executive officers (the "NEOs") identified on page 32. The Governance Committee is also responsible for overseeing talent management and succession planning for the Trust's senior executive positions. All members of the Governance Committee are independent.

In addition, the Governance Committee also oversees the process for assessing the performance of the Board, its committees and individual trustees.

### **Key Skills and Experiences**

The Board believes that the members of the Governance Committee individually and collectively have the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation and general business leadership, to fulfill the Governance Committee's mandate. All members of the Governance Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and as board members of other publicly traded entities, including REITs. The chart below sets out the relevant experience of each member of the Governance Committee:

<b>Name of Member</b>	<b>Experience in Governance and Executive Compensation</b>
<b>Kerry D. Adams</b>	<ul style="list-style-type: none"> <li>Former member of Fidelity Investments Canada ULC's Independent Review Committee</li> <li>Former member of the Bank of Nova Scotia's Master Trust and Pension Investment and Administration Committees</li> <li>Former Chair of Primaris Retail Real Estate Investment Trust's Governance Committee and former member of Investment Industry Regulatory Organization of Canada's Governance Committee</li> <li>Knowledge of governance and executive compensation issues as a former Commissioner and director of the Ontario Securities Commission</li> <li>Obtained the Institute of Corporate Directors ICD.D certificate</li> </ul>
<b>Christie J.B. Clark</b>	<ul style="list-style-type: none"> <li>Member of the Governance and Nominating Committee of Air Canada</li> <li>Former member of the Nominating, Corporate Governance, Public Policy and Regulatory Committee and the Human Resources Committee of Hydro One, Inc.</li> <li>Governance and executive compensation experience as former Chief Executive Officer and senior partner of PricewaterhouseCoopers LLP</li> <li>Governance Committee experience as former Chair of the Governance Committee of Alpine Canada and Chair of the Board of Canadian Partnership Against Cancer Corporation</li> </ul>
<b>Graeme M. Eadie</b>	<ul style="list-style-type: none"> <li>Member of the Compensation Committee of the Neiman Marcus Group</li> <li>Governance and executive compensation experience as former Senior Managing Director of the Canada Pension Plan Investment Board</li> </ul>
<b>R. Michael Latimer</b>	<ul style="list-style-type: none"> <li>Executive experience as Chief Executive Officer of OMERS</li> <li>Governance and executive compensation experience as former member of the Compensation and Governance Committee of CREIT</li> <li>Governance and executive compensation experience as former President and Chief Executive Officer of Primaris Real Estate Investment Trust</li> </ul>

## GOVERNANCE COMMITTEE REPORT TO UNITHOLDERS

### Dear Unitholders:

On behalf of the Board, the Governance Committee is pleased to share with you its philosophy and approach to executive compensation and some of its significant accomplishments in 2018.

### 2018 Highlights

- ✓ Oversaw the transition of the Board and its committee membership from the period prior to the Transaction to their post-Transaction structure, and the proposed new membership of each of the Board's committees and the nominees recommended to be appointed as Trustees in 2019
- ✓ Oversaw the integration of former CREIT management into the Trust's executive management structure and recommended individuals to be appointed officers of the Trust
- ✓ Undertook a comprehensive review of the Trust's and CREIT's executive compensation programs, and oversaw the harmonization of compensation of the combined organization
- ✓ Oversaw the changes to the Trust's 2018 compensation program and design

### EXECUTIVE COMPENSATION PHILOSOPHY

The Trust's compensation philosophy guides every aspect of the Trust's strategy, programs, policies and decisions on executive compensation. The Governance Committee reviews and approves the Trust's compensation philosophy and programs for executives. The Trust's executive compensation philosophy is set out below.

#### 1. Benchmarked Against Peer Companies

Competitive compensation is important as it enables Choice Properties to attract and retain talented and qualified individuals to lead the business. Choice Properties has developed processes to ensure that its compensation programs are competitive with market and industry practices. Choice Properties regularly benchmarks compensation and incentive design relative to other REITs.

#### 2. Pay for Performance

Choice Properties structures its compensation programs to align executive compensation with the financial and strategic performance of the Trust, including the performance of its Trust Units. A significant portion of executive compensation is in the form of at-risk pay, namely short-term incentive plan ("STIP") and long-term incentive plan ("LTIP") compensation. This creates a performance-based culture that rewards individual and team-based contributions to the achievement of the Trust's operational and financial goals and aligns executive compensation with total return to Unitholders. The at-risk components (the STIP and LTIP awards) for the NEOs in 2018 ranged from 44.4% to 94.7% of their total direct target compensation.

#### 3. Aligned with Long-Term Unitholder Value

Choice Properties structures its executive compensation programs to align the interests of its executives with those of its Unitholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner rewards executives for the creation of sustainable, long-term Unitholder value.

#### 4. Tailored to Business Strategy

Choice Properties believes that its executive compensation programs should be tailored to the Trust's business strategy. The Trust's STIP has performance measures and targets that are aligned with annual business and strategic objectives.

#### 5. Consistent with Good Governance Practices

Choice Properties structures its executive compensation programs to reward senior executives for the execution of business strategies while taking an expected and reasonable level of risk. Choice Properties' STIP and LTIP programs use multiple performance measures to reduce the risk of executives putting a disproportionate focus on a single performance measure. The Trust's executive compensation programs demonstrate a commitment to sound business conduct, accountability and responsible decision-making.

### OVERSIGHT OF TALENT MANAGEMENT, SUCCESSION PLANNING, BOARD LEADERSHIP AND GOVERNANCE PRACTICES

#### Talent Management and Succession Planning

The Governance Committee is entrusted with the responsibility of overseeing the Trust's approach to talent management and succession planning for senior executive roles. To that end, the Governance Committee received reports on the development of senior executives, updates on the talent management plans across the organization and reports on performance evaluation processes, which are designed to improve individual leadership and management skills.

The succession planning process includes an annual review of the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer positions and the performance of the incumbent.

Following the Transaction, the Governance Committee oversaw the integration of former CREIT management into the Trust's executive management structure and recommended individuals to be appointed officers of the Trust by the Board, including the appointment of Mr. Stephen E. Johnson as President and Chief Executive Officer, Mr. Mario Barrafato as Chief Financial Officer and Mr. Rael Diamond as Chief Operating Officer.

The Governance Committee oversaw succession planning for the President and Chief Executive Officer role. Upon Mr. Johnson's retirement in May 2019, Mr. Diamond will be appointed as the incoming President and Chief Executive Officer of the Trust.

#### ***Board Composition and Succession***

One of the key areas of responsibility for the Governance Committee is to oversee the identification of individuals qualified to become Board members. The Governance Committee assesses and evaluates the effectiveness of the Board in order to identify gaps or areas where the Board may benefit from trustees with additional skills and experience and with diverse backgrounds. The Governance Committee appreciates the need to maintain a strong, vibrant and engaged Board that understands the Trust's dynamic business needs and the real estate industry generally.

After serving on the Board for approximately five years, Ms. Michelle Felman resigned from the Board on May 2, 2018. Further, following the Transaction, Mr. Daniel Sullivan resigned from the Board after serving for approximately five years. On behalf of the Board, the Governance Committee would like to acknowledge Ms. Felman and Mr. Sullivan for their dedicated service and valuable contributions to the Trust.

In May 2018, following the Transaction, the size of the Board was increased from eight Trustees to ten Trustees with Messrs. Stephen E. Johnson and R. Michael Latimer and Ms. Karen Kinsley joining the Board.

In August 2018, Mr. Michael Kitt resigned from the Board after having served for over five years. On behalf of the Board, the Governance Committee would like to acknowledge Mr. Kitt for his dedicated service and valuable contributions to the Trust.

In addition to the changes in Board composition, the Governance Committee oversaw changes made to the Trust's Board committee membership and recommended that the Board approve the new membership structure of each committee.

#### ***Compensation Harmonization***

In 2018, following the completion of the Transaction, the Governance Committee undertook a comprehensive review of the Trust's and CREIT's executive compensation programs, and oversaw the harmonization of compensation of the combined organization, with a view to providing consistency and stability across the organization.

#### ***Trustee Education and Training Program***

The Governance Committee is responsible for ensuring the provision of continuing education programs for the trustees. The education program includes presentations by internal and external experts on specific topics of interest and importance to the Board and each of its committees and on specialized or complex areas of the Trust's business. These presentations are in addition to regular reporting from senior management and other elements of the Trust's continuing education program.

#### ***Governance Practices***

The Governance Committee is committed to ensuring that the Trust's approach to governance practices satisfies regulatory requirements and aligns with best practices. For example, the Governance Committee continues to work with management to ensure adherence to a robust process for reviewing and approving related party transactions. This is particularly relevant for Choice Properties given that Loblaw is an affiliate of the Trust and the Trust's largest tenant. Management has considered the relevant legal and governance considerations associated with related party transactions and has implemented a sound governance framework to address these transactions.

The Board Diversity Policy includes a target that women will comprise at least 30% of the Trustees. The Governance Committee considers this target and other diversity criteria during the Board candidate selection process.

The Governance Committee is confident that the Trust has strong and practical governance systems in place and well designed and administered executive compensation programs to appropriately incent and reward the Trust's executives for performance while not taking on unacceptable risk. At the same time, the Governance Committee remains committed to the ongoing evaluation of the Trust's practices and monitoring emerging best practices to deliver Unitholder value to you.

Respectfully submitted,

**Governance Committee**

Graeme M. Eadie (Chair)

Kerry D. Adams

Christie J.B. Clark

R. Michael Latimer

For additional information regarding each member of the Governance Committee, please see pages 8 through 13. For additional information regarding the activities of the Governance Committee, see the Trust's Statement of Governance Practices on pages 24 through 30.

# STATEMENT OF GOVERNANCE PRACTICES

## OVERVIEW

The Board and management are dedicated to strong governance practices designed to maintain high standards of oversight, accountability, integrity and ethics while promoting long-term growth and complying with the Canadian Securities Administrators' Corporate Governance Guidelines (the "Governance Guidelines"). The Governance Committee regularly reviews the Trust's governance practices and considers any changes necessary to ensure they reflect evolving best practices in a rapidly changing environment.

The Trust's website, [www.choicereit.ca](http://www.choicereit.ca), includes additional governance information, including the Trust's Code of Conduct, Disclosure Policy, Majority Voting Policy, the position description for the Chair of the Board and mandates of the Board and of its committees.

### ***Board Responsibilities and Duties***

The Board is responsible for the overall stewardship and governance of the Trust. It oversees the management of the business and affairs of the Trust, both directly and through its committees. In addition, the Board has the following responsibilities and duties:

#### *Strategic Planning*

The Board oversees the development, execution and fulfillment of the Trust's strategic plan and assigns responsibility to management for achievement of that strategy. As part of its responsibility for overseeing the strategic direction of the Trust, the Board reviews and approves:

- management's strategic plan;
- material capital expenditures, acquisitions, divestitures and restructurings; and
- investments that are either outside the ordinary course of business or above a certain monetary threshold.

In 2018, the Board oversaw the development of the Trust's post-Transaction strategy. In overseeing the strategic planning of the Trust, the Board has a high level of engagement with management. The Board regularly receives updates from management on the Trust's achievements against its strategic plans. At each meeting, the Board monitors the Trust's performance against both short-term and long-term strategic plans and annual operating objectives.

#### *Oversight of Management*

Although the Board delegates to management the responsibility for managing the day-to-day affairs of the Trust, the Board reviews management's performance and effectiveness on an ongoing basis. The Board's expectations of management are communicated to management directly and through committees of the Board. The Board approves the Trust's business and operating plans and budgets, which take into account the opportunities and risks of the business. The Board also regularly receives reports on the operating and financial results of the Trust. The Board receives reports on non-operational matters, such as pension, tax, treasury and legal matters.

#### *Enterprise Risk Management ("ERM")*

The Board has oversight responsibility for risk management activities associated with the Trust's business. In order to identify and address any material risks, the Board undertakes an annual assessment of the Trust's ERM structure. The annual ERM assessment is carried out through interviews, surveys and/or facilitated workshops with management and the Board. Risks are assessed and evaluated based on the Trust's vulnerability to the risk and the potential impact that the underlying risks would have on the Trust's ability to execute its strategies and achieve its objectives. Following the Transaction, the Trust has undertaken significant work in examining its ERM program to ensure its suitability to its changing business, and such work will continue to evolve as management continues to refine the strategy of the Trust. The types of risk the Trust is exposed to include the inability of the Trust to properly and effectively develop, redevelop and renovate properties; the inability to manage its strategic execution and operational capabilities; the inability to hire, retain and develop leaders and other key personnel or develop adequate succession planning and retention strategies; and disruption of the Trust's IT systems. Management periodically provides an update on the status of the key risks based on significant changes from the prior update, anticipated impacts in future quarters, and significant changes in key risk indicators. In addition, long-term risk levels are assessed to monitor potential long term risk impacts, which may assist in risk mitigation planning activities. Accountability for oversight to the management of each risk is allocated by the Board to a committee of the Board, at the Board's discretion. More information on the Trust's ERM program is included in the Trust's Fourth Quarter Report and the Annual Information Form for the year ended December 31, 2018, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Internal Controls and Financial Reporting*

The Board is responsible for overseeing the Trust's financial reporting and disclosure obligations to ensure compliance with applicable audit, accounting, regulatory and reporting requirements. The Board, through the Audit Committee, assesses and evaluates the integrity and effectiveness of the Trust's internal control over financial reporting and information systems.

### *Talent Management and Succession Planning*

The Board, through the Governance Committee, oversees the Trust's succession planning for senior executive roles. The Governance Committee receives reports on the development of senior executives and on the talent management plans across the organization and reports on performance evaluation processes, which are designed to improve individual leadership and management skills. The succession planning process includes an annual review of each senior executive position and the performance of the incumbents to ensure the Trust has a pipeline of talented leaders.

### *Governance Matters*

The Board is responsible for developing and monitoring the Trust's approach to governance. The Board, through the Audit and Governance Committees, closely monitors any potential conflicts of interest between the Trust and its affiliates and related parties, including Loblaw and Weston, and reviews and approves any material related party transactions. The Governance Committee works with management to ensure that a robust process is followed in reviewing and approving related party transactions. Individual trustees, with the approval of the Lead Trustee, may also retain an outside advisor at the expense of the Trust. This is particularly relevant for Choice Properties as Loblaw, an affiliate of the Trust, is the Trust's largest tenant. Choice Properties has considered the relevant legal and governance considerations associated with related party transactions and has implemented a sound governance framework to address them when they arise.

A copy of the Board mandate is attached as Schedule "A" of this Circular.

### **Board Leadership Structure**

Mr. Anthony R. Graham is currently the Chair of the Board. If elected, the Board intends to appoint Mr. Galen G. Weston as Chair following the Meeting. Recognizing the importance of strong independent board oversight, the Board has appointed an independent trustee, Mr. Graeme M. Eadie, to serve as Lead Trustee. The Lead Trustee ensures that the Board operates independently of management and that the trustees have an independent leadership contact. The Board's view on the effective role of an independent lead trustee has been endorsed by leading corporate governance organizations.

The Board maintains a position description for the Chair that is reviewed annually and approved by the Governance Committee and the Board also maintains a position description for the Lead Trustee. The following is a description of the roles of the Chair and Lead Trustee:



Chair  
Anthony R. Graham

- Directs the operations of the Board
- Chairs each meeting of the Board
- Provides leadership to the Board in all matters
- Ensures that the Board has all the information it needs to discuss the matters brought before the Board
- Ensures that all of the Board's responsibilities, as set out in the Board mandate, are being fulfilled
- Monitors the reports from the committees of the Board to ensure the committees are fulfilling the responsibilities delegated to them by the Board
- Chairs meetings of Unitholders and facilitates the response by management to Unitholder concerns
- Ensures that strategic plans are communicated to and evaluated by the Board
- Works in consultation with members of senior management to, among other things, set the agenda for each Board meeting



Independent Lead Trustee  
Graeme M. Eadie

- Provides leadership to the Board in any situation where the Chair's role may be perceived to be in conflict
- Chairs meetings if and when the Chair is absent
- Chairs independent trustee meetings that follow Board meetings
- Regularly meets with the Chair and serves as liaison between the Chair and the independent trustees
- Works with the Chair on appropriate agenda items
- Oversees the Board's self-assessment and evaluation of its leadership structure
- Meets periodically with the other independent trustees to obtain insight as to areas where the Board and its committees can operate more effectively and to ensure that the Board is able to discharge its responsibilities independent of management



## Trustee Independence

The Board mandate provides that a majority of the Board shall be comprised of independent trustees. The independence of each trustee is assessed by the Governance Committee with reference to the Governance Guidelines and the requirements set by the Canadian Securities Administrators in National Instrument 52-110 – *Audit Committees*. In determining independence, the Governance Committee determines whether a trustee has any material relationship with the Trust or its affiliates that could reasonably be expected to interfere with the exercise of such trustee's independent judgment. Trustees who have a material relationship with the Trust, including management trustees, are not considered independent. This determination is conducted through a due diligence process that includes reviewing the following:

- each trustee's responses to a detailed annual questionnaire about their individual circumstances;
- biographical information;
- internal records and documents on relationships between a trustee and any entity affiliated with such trustee on one hand, and the Trust and its affiliated entities on the other hand; and
- discussions with the trustee as may be required.

When assessing whether there is a material relationship, the Governance Committee considers all relevant factors and circumstances including transactions between the Trust and the trustee directly, immediate family members of the trustee, or organizations with which the trustee is affiliated, and the frequency and dollar amounts associated with any such transactions. The Governance Committee has reviewed each trustee's factual circumstances and relationships with the Trust to determine whether he or she is independent within the meaning of the Governance Guidelines. The Governance Committee determined that eight of the ten trustee nominees are independent. The Governance Committee reviewed its findings with the Board.

The table below describes whether each trustee nominee is independent or non-independent and, in the case where certain trustee nominees are of non-independent status, the reason for such status is provided.

Status of Trustee Nominees			
Name	Independent	Not Independent	Reason for Non-Independent Status
Kerry D. Adams	x		
Christie J.B. Clark	x		
Graeme M. Eadie	x		
Anthony R. Graham		x	Vice Chairman of Wittington Investments, Limited, the controlling shareholder of Weston
Karen Kinsley	x		
R. Michael Latimer	x		
Nancy Lockhart	x		
Dale R. Ponder	x		
Paul R. Weiss	x		
Galen G. Weston		x	Executive Chairman of Loblaw and Chairman and Chief Executive Officer of Weston and a relative of Mr. W. Galen Weston, Weston's controlling shareholder

The Trust has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Trust. The Chair of the Board and of each committee meet separately with the Board or committee members after each meeting without management present. The independent trustees meet separately following each Board and committee meeting and may meet on other occasions as required or desirable without the non-independent trustees or management present.

## Lead Trustee

The Board is confident that the current leadership structure ensures the appropriate level of oversight, independence and responsibility is applied to Board decisions. The Board is of the view that having a Lead Trustee who is independent ensures that any potential conflicts of interest between the Trust and the controlling Unitholder are addressed. The Chair of the Governance Committee serves as the Lead Trustee. The Lead Trustee's role is to ensure that the interests of the Trust and of the minority Unitholders and other relevant stakeholders are protected and the Board is following good governance processes and prioritizing the right matters.

Individual trustees may, with the approval of the Lead Trustee, retain an outside advisor at the expense of the Trust as necessary.

## Board Committees

The Board has two standing committees: the Audit Committee and the Governance Committee. The Chair of each committee reports to the Board on material issues discussed and the actions taken at each committee meeting.

### ***Position Descriptions for the Chair of each Committee***

The Chair of each committee is responsible for the leadership and effective functioning of the committee. Specifically, the Chair is responsible for the following: maintaining a productive and effective relationship between the committee and management of the Trust; holding management accountable for matters delegated to the Committee by the Board; ensuring the proper flow of information from the committee to the Board regarding the matters discussed and decisions taken at each committee meeting; reviewing the agenda for each meeting of the committee to ensure that all appropriate matters are brought forward for discussion; ensuring that the committee meets as frequently as is necessary to fulfill its mandate and ensuring, with the assistance of management, that all proper materials and information are brought before the committee in connection with matters to be discussed at each meeting.

### ***Committee Membership***

At least once a year, the Governance Committee will review the compositions and Chair of each committee and table its recommendations to the Board for approval. All committees may engage outside advisors or consultants as necessary, and have the authority to approve fees for any such engagements.

The Audit and Governance Committees are comprised solely of independent trustees.

### ***Committee Responsibilities***

Each committee has a formal mandate and a position description for its Chair established by the Board. Each committee reviews its mandate and the position description annually to ensure they reflect best practices and address applicable regulatory and other requirements. The results of those reviews are presented to the Board for approval. Copies of the committees' mandates are available on the Trust's website at [www.choicereit.ca](http://www.choicereit.ca).

The following is a summary of the responsibilities of each committee:

#### ***Governance, Compensation and Nominating Committee***

The Governance Committee assists the Board in its oversight responsibilities related to succession planning and compensation for trustees and senior management. The Governance Committee's responsibilities include:

- assessing the effectiveness of the Board, each of its committees and the individual trustees;
- overseeing the recruitment and selection of candidates as trustees of the Trust;
- organizing an orientation and education program for new trustees;
- overseeing the ongoing education for trustees;
- overseeing the protocol for reviewing related party transactions and conflicts of interest;
- considering and approving proposals by the trustees to engage outside advisors on behalf of the Board as a whole or on behalf of the independent trustees;
- reviewing and making recommendations to the Board concerning any change in the composition or in the number of trustees composing the Board;
- considering and advising the Board on questions of management succession;
- administering the Trust Unit Option Plan, the employee unit purchase plan, the DU Plan, the Restricted Unit Plan (the "RU Plan"), the New Restricted Unit Plan (the "New RU Plan") the Performance Unit Plan (the "PU Plan") and any other compensation incentive programs;
- assessing the performance of management of the Trust;
- reviewing and approving the compensation paid by the Trust to the senior executives of the Trust;
- reviewing and making recommendations to the Board concerning the compensation payable to the trustees of the Trust; and
- developing and implementing the Trust's governance practices and guidelines.

The Governance Committee, whose membership currently includes Graeme M. Eadie (Chair), Kerry D. Adams, Christie J.B. Clark and R. Michael Latimer had four meetings in 2018. Further information relating to the Governance Committee's accomplishments in 2018 is set out in "Governance Committee Report to Unitholders" on pages 20 through 23.

#### ***Audit Committee***

The Audit Committee assesses and evaluates the integrity of the Trust's internal controls over financial reporting and information systems. Although the Board oversees the Trust's ERM Program, it delegates the oversight of certain risks to the Audit Committee. The Audit Committee periodically reports to the Board on the oversight of such risks and on management's overall effectiveness in managing the ERM Program. In addition, the Audit Committee assists the Board in its oversight of the following:

- reviewing the Trust's procedures for internal controls over financial reporting with the Trust's Chief Financial Officer and external auditor;



- reviewing and approving the engagement of the external auditor;
- reviewing annual and quarterly consolidated financial statements and all other material continuous disclosure documents, including the Trust's annual information form and management's discussion and analysis;
- assessing the Trust's financial and accounting personnel;
- assessing the Trust's accounting policies;
- reviewing the Trust's risk management procedures;
- reviewing any significant transactions outside the Trust's ordinary course of business, including related party transactions, and any legal matters that may significantly affect the Trust's consolidated financial statements;
- receiving reports and plans from the internal audit group of the Trust;
- overseeing the work and confirming the independence of the external auditor; and
- reviewing, evaluating and approving management's assessment and reporting on the effectiveness of internal controls and procedures and financial disclosure controls and reviewing any proposed corrective actions.

The Audit Committee, whose membership currently includes Paul R. Weiss (Chair), Kerry D. Adams and Karen Kinsley, who had four meetings in 2018. Further information relating to the Audit Committee's accomplishments in 2018 is set out in "Audit Committee Report to Unitholders" on pages 18 through 19.

### ***Ethical Business Conduct***

The Trust's Code of Conduct (the "Code") reflects the Trust's commitment to high standards of ethical conduct and business practices. The Code is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct and includes a strong "tone from the top" message. The Code addresses, among other things, conflicts of interest, several compliance issues including compliance with laws, rules and regulations, confidentiality and fair dealing with the Trust's Unitholders, customers, suppliers and competitors and reporting of illegal or unethical behavior. All trustees, officers and employees of the Trust are required to comply with the Code and must acknowledge their commitment to abide by the Code on an annual basis. The Audit Committee receives periodic reports on any compliance issues. In 2018, there were no material violations of the Code. The Code is available on the Trust's website at [www.choicereit.ca](http://www.choicereit.ca).

Senior management reviews all material breaches of the Code, oversees the implementation of the Code and the education of employees regarding the Code. Senior management also reviews the Code annually to determine if it requires revision.

The Code also deals with conflicts of interest. Should a trustee, officer or employee have a conflict of interest with respect to any matter, that individual is required to bring the conflict to the attention of senior management and, if a trustee has a conflict with respect to any matter, he or she may not participate in any discussion and will abstain from voting on the matter. The Code also addresses such matters as the protection of confidential information and the protection and proper use of the Trust's assets.

The Trust encourages the reporting of violations and potential violations of the Code and has established an Integrity Action Line (or "whistleblower" line), a toll-free number that any employee or trustee may use to report conduct which he or she feels violates the Code or otherwise constitutes fraud or unethical conduct. A fraud reporting protocol has also been implemented to ensure that fraud is reported to senior management in a timely manner. In addition, the Audit Committee has endorsed procedures for the anonymous receipt, retention and handling of complaints regarding accounting, internal controls and auditing matters. Reports are received periodically by the Audit Committee regarding any concerns reported through any of these procedures. These procedures are available at [www.choicereit.ca](http://www.choicereit.ca). The Secretary reports regularly to the Audit Committee regarding complaints received through the whistleblower procedures so that the Audit Committee can ensure that any complaints are handled appropriately.

### ***New Trustee Orientation***

The Governance Committee is responsible for the orientation of new trustees and their education about the business of the Trust, as required. The Governance Committee coordinates an in-depth orientation session for new trustees, which is attended by the Chair, President and CEO and other senior executives and typically includes:

- a review of the Trust's business strategy, financial information and governance processes;
- historical information on the Trust; and
- one-on-one meetings with the Trust's senior executives.

In addition, new trustees are provided with a reference manual in advance of the orientation session describing the Trust's operations, strategy and business plan, the structure and role of the Board and its committees, the Board's mandate, compliance requirements for trustees, corporate policies, as well as agendas and minutes from recent Board and committee meetings.

### ***Trustee Continuing Education***

The Governance Committee is responsible for ensuring that relevant educational sessions are provided to the trustees. From time to time, the trustees are provided with presentations by internal and external experts on specific topics of interest and importance to the Board and each of its committees. These presentations are in addition to regular reporting from senior management.

### ***Assessment of the Board and its Committees***

The Governance Committee periodically reviews the performance and effectiveness of the Board and its committees. This process included a confidential survey completed by each of the trustees on matters, including the operation of the Board and its committees, the adequacy of information provided to trustees, Board structure and an assessment of Board and Committee Chairs. The survey results are reviewed by the Governance Committee and then presented to the full Board by the Lead Trustee.

The Governance Committee reviews committee composition, recommends committee Chairs and takes recommendations to the Board for approval each year.

In addition, each year, the Governance Committee also assesses the performance of the Chair of the Board and the President and Chief Executive Officer.

### ***Board and Committee Tenure Policy***

Choice Properties has a Board Tenure Policy which provides that the Chair and the Governance Committee will undertake an assessment of a trustee's continued participation on the Board following the completion of a five-year term or upon reaching the age of 72, whichever occurs first. In addition, Choice Properties has established three-year terms for Committee chairs, subject to renewal. The Governance Committee, upon the advice and recommendation of the Chair, may extend the term of any individual trustee or a trustee's term as Committee Chair, if it is considered to be in the best interests of Choice Properties.

### ***Nomination of Trustees***

The Governance Committee is responsible for the process of identifying prospective trustee nominees. The Governance Committee reviews the experience and performance of nominees. It also recommends the appointment of trustees to committees.

The Governance Committee meets on an annual basis, or when required, to assess the appropriate size of the Board and whether any vacancies are expected due to retirement or otherwise. As part of this assessment, the Governance Committee reviews the skill-set of current Board members to determine skills and experience to be considered when recruiting new trustee nominees. The members of the Board are canvassed with respect to potential candidates and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could best complement the current Board. The Governance Committee also assesses any concerns relating to potential conflicts, independence, interlocking board memberships, or time commitment that the candidate may present. The Chairman, the Chair of the Governance Committee, as well as other members of the Governance Committee, meet with the potential candidates to determine their interest, availability and suitability. The Governance Committee then presents its list of potential candidates and recommendations to the Board. A continuous list of potential candidates is kept with the records of the Governance Committee.

Messrs. Stephen E. Johnson and John R. Morrison will not be standing for re-election at the Meeting. The Board has identified Meses. Nancy H.O. Lockhart and Dale R. Ponder and Mr. Galen G. Weston, each of whom has the requisite skills, experience and qualifications to be a Board member, as suitable trustee nominees. Meses. Lockhart and Ponder and Mr. Weston will stand for election at the Meeting. If elected, the Board intends to appoint Mr. Weston as Chair following the Meeting.

### ***Board and Management Diversity***

Choice Properties values diversity of views, experience, skill sets, gender and ethnicity and supports the identification and nomination of female trustees and candidates for executive positions. Gender diversity is an important factor that is taken into account in identifying and selecting Board members and in considering the hiring, promotion and appointment of executive officers. The Board believes that diversity is important to ensure that trustees and executives provide a wide range of perspectives, experience and expertise required to achieve effective stewardship of the Trust.

The Board has developed and adopted a written Board Diversity Policy. The Board Diversity Policy sets out guidelines for the Governance Committee to attract the best qualified candidates for Board positions given the needs and circumstances of the Board. The Board Diversity Policy provides that, when identifying suitable candidates for appointment to the Board, the Governance Committee must consider candidates on merit using objective criteria with due regard to the benefits of diversity.

and the needs of the Board and the Trust. The Board Diversity Policy states that, among other qualities, a nominee's gender, age, ethnicity and geographic background may be considered in his or her assessment.

The Board Diversity Policy requires that the Governance Committee measure and report to the Board annually with respect to the Trust's progress in identifying and considering diverse candidates for appointment to the Board. To measure the effectiveness of the Board Diversity Policy, the Committee reviews: (i) the number of women and candidates representing diverse ethnicities considered or brought forward for Board positions; and (ii) the skills, knowledge, experience and character of female candidates and candidates representing diverse ethnicities to ensure that these candidates are being fairly considered relative to other candidates.

In 2017, the Board enhanced the Board Diversity Policy by adding a target that women will comprise at least 30% of the Board's trustees. The Governance Committee takes into consideration this target and other diversity criteria during the Board candidate selection process. The Governance Committee's approach in circumstances where female candidates or candidates representing diverse ethnicities are not selected is to satisfy itself that there are objective reasons to support the selection.

If the trustee nominees are elected at the Meeting, there will be four women on the Board, representing 40% of the trustees. Four of the thirteen vice-president level or higher positions at the Trust, representing approximately 31% of senior management positions, are held by women.

#### ***Composition of the Governance Committee***

Each member of the Governance Committee is an independent trustee. The Board believes that the presence of independent trustees on the Governance Committee and the alignment of interests described above ensure that objective compensation and nominating processes are in the interests of all Unitholders.

### **GOVERNANCE MATTERS**

#### ***Disclosure Policy***

The Board has adopted a Disclosure Policy to deal with the timely dissemination of all material information. The Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how to ensure that all material information is publicly disclosed on a timely basis to avoid selective disclosure. The Board, directly and through its committees, reviews and approves the content of major disclosure documents, including annual and interim consolidated financial statements, the Annual Report, the Annual Information Form, Management's Discussion and Analysis and the Management Proxy Circular. The Trust seeks to communicate with its Unitholders through these documents as well as by means of news releases, its website and investor relations calls and meetings.

#### ***Disclosure Committee***

A Disclosure Committee, comprised of senior management of the Trust, oversees the Trust's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective controls and procedures are in place to allow the Trust to satisfy all of its continuous disclosure obligations, including evaluating events to determine whether they give rise to material information that must be publicly disclosed and reviewing all disclosure documents before they are presented to the Audit Committee and the Board. In addition, the Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Disclosure Policy are in compliance with regulatory requirements.

The Trust's website, [www.choicereit.ca](http://www.choicereit.ca), sets out governance information, including the Code of Conduct, Disclosure Policy and mandates of the Board and its committees.

# COMPENSATION DISCUSSION AND ANALYSIS

## TABLE OF CONTENTS

INTRODUCTION	32
EXECUTIVE COMPENSATION PHILOSOPHY	32
EXECUTIVE COMPENSATION AND RISK MANAGEMENT	33
Risk Mitigation Practices	33
ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS	34
Role of Management in the Compensation and Evaluation Process	34
Comparative Market Data	34
Role of Meridian Compensation Partners	35
Description of Compensation Comparator Group	35
COMPONENTS OF COMPENSATION	36
Summary of the Components of Compensation	36
Overview of Components	37
COMPONENTS OF EXECUTIVE COMPENSATION FOR 2018	38
Introduction	38
Base Salary	38
Short-Term Incentive Plan	39
Long-Term Incentive Plan	40
Retirement and Pension Arrangements	48
Executive Benefit Plans	48
Perquisites	49
Unit Ownership Guidelines	49
2018 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS	50
TERMINATION AND CHANGE OF CONTROL BENEFITS	52
Potential Amounts Paid on Termination	54
COMPENSATION DECISIONS FOR 2019	55
2019 NEO Compensation Changes	55
2019 Short-Term Incentive Plan	55
PUs Granted in 2017 and 2018	56
2019 Long-Term Incentive Plan Design	56
2019 Long-Term Incentive Plan Grants	56
PERFORMANCE GRAPH	57
SUMMARY COMPENSATION TABLE	58
INCENTIVE PLAN AWARDS	60
Incentive Plan Awards – Outstanding Option-Based Awards and Trust Unit-Based Awards	60
Incentive Plan Awards – Value Vested or Earned During the Year	62
PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS	62
Defined Contribution Pension Plans and Supplemental Executive Retirement Plan	62
CREIT Management L.P. Pension Plan	63
INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES	63
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	63

## INTRODUCTION

This Compensation Discussion and Analysis (“CD&A”) describes the executive compensation philosophy and the compensation programs of the NEOs.

For 2018, the NEOs were:

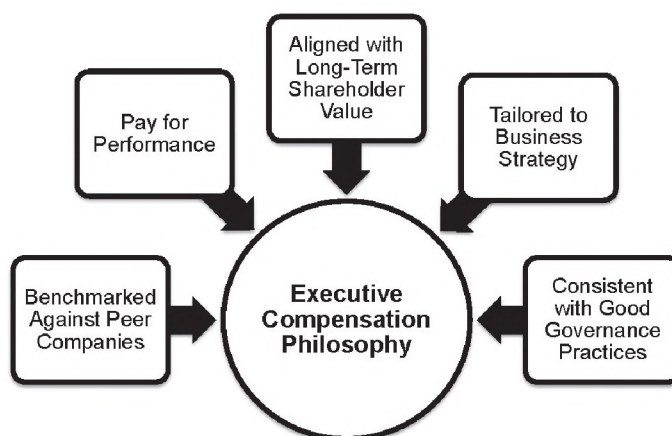
Name	Position
Stephen E. Johnson	President and Chief Executive Officer
Mario Barrafato	Chief Financial Officer
Rael L. Diamond	Chief Operating Officer
Evan Williams	Vice President, Property and Asset Management, Loblaw Portfolio
Robert Yamamoto	Vice President, Development
John R. Morrison	Former President and Chief Executive Officer
Bart Munn	Former Executive Vice President and Chief Financial Officer

On May 4, 2018, Choice Properties completed the Transaction, bringing together two leading Canadian REITs. Upon closing of the Transaction on May 4, 2018, Messrs. Morrison and Munn resigned from their positions as President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, respectively. Messrs. Johnson, Barrafato and Diamond, who were formerly executives at CREIT, were appointed to the positions of President and Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of Choice Properties, respectively.

On February 13, 2019, Choice Properties announced that Mr. Johnson had made the decision to retire from the Trust effective May 1, 2019. Choice Properties also announced that Mr. Diamond would be appointed as President and Chief Executive Officer of the Trust upon Mr. Johnson’s retirement.

## EXECUTIVE COMPENSATION PHILOSOPHY

The Trust’s executive compensation programs are designed to attract, retain and motivate outstanding executives who are committed to improving Choice Properties’ performance and creating value for its Unitholders. Five key principles underlie the Trust’s executive compensation programs as set out below:



### 1. Benchmarked Against Peer Companies

Competitive compensation is important as it enables Choice Properties to attract and retain talented and qualified individuals to lead the business. Choice Properties has developed processes to ensure that its compensation programs are competitive with market and industry practices and support the attraction and retention of high quality executives. Choice Properties regularly benchmarks compensation and incentive design relative to other REITs. The Governance Committee has determined that Choice Properties’ compensation positioning should be targeted within a competitive range at approximately the 50th

percentile of the Trust's comparator group, as set out in more detail under "Role of Management and Compensation Consultants" on page 34.

## **2. Pay for Performance**

Choice Properties structures its compensation programs to align executive compensation with the financial and strategic performance of the Trust, including the performance of its Trust Units. A significant portion of executive compensation is in the form of at-risk pay, namely STIP and LTIP compensation. This creates a performance-based culture that rewards individual and team-based contributions to the achievement of the Trust's operational and financial goals and aligns executive compensation with total return to Unitholders. The at-risk components (the STIP and LTIP awards) for the NEOs in 2018 ranged from 44.4% to 94.7% of their total direct target compensation.

## **3. Aligned with Long-Term Unitholder Value**

Choice Properties structures its executive compensation programs to align the interests of its executives with those of its Unitholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner rewards executives for the creation of sustainable, long-term Unitholder value.

## **4. Tailored to Business Strategy**

Choice Properties believes that its executive compensation programs should be tailored to Choice Properties' business strategy. Choice Properties' STIP is designed to motivate executives to meet the Trust's annual business and strategic objectives.

## **5. Consistent with Good Governance Practices**

Choice Properties structures its executive compensation programs to reward senior executives for the execution of business strategies while taking an expected and reasonable level of risk. Choice Properties' STIP and LTIP programs are comprised of multiple performance measures to reduce the risk of executives putting a disproportionate focus on a single performance measure. Choice Properties' executive compensation programs demonstrate a commitment to sound business conduct, accountability and responsible decision-making.

# **EXECUTIVE COMPENSATION AND RISK MANAGEMENT**

---

## ***RISK MITIGATION PRACTICES***

The Trust has designed its compensation programs to provide an appropriate balance of risk and reward in relation to its overall business strategy. The Governance Committee believes that the compensation programs do not encourage executives to take excessive or inappropriate risks. The Governance Committee believes that, in its review of risk mitigation practices, having a compensation program that comprises a mix of compensation elements, with a significant portion of compensation in the form of long-term equity based awards, acts as a deterrent to executives taking excessive risk. Additionally, the Trust has risk mitigation practices that include designing balanced incentive plans that are not focused on a single financial measure, a clawback policy for short- and long-term compensation, Trust Unit ownership requirements for all executives at the vice president level or higher and trading restrictions and hedging prohibitions, each of which are described in more detail below.

## **1. Incentive Plan Design**

Choice Properties' 2018 STIP was designed on a balanced set of performance measures and weightings, which are determined annually. The 2018 STIP performance measures and weightings include funds from operations ("FFO")\* per Unit, strategic growth, net operating income ("NOI")\*, general and administrative ("G&A") expense management and an individual performance component. Using multiple performance measures requires that the operating results of the Trust must outperform in all key metrics in order for executives to achieve the maximum compensation award. This balanced approach reduces the risk of a disproportionate focus by executives on any single aspect of the business for the sole purpose of increasing their compensation.

Short-term incentives are designed to focus executives on the key drivers of value creation over both the short- and long-term and, as such, minimize the likelihood of inappropriate or excessive risk-taking. The Trust's STIP has a maximum payout level that limits the amount that an executive can be paid in order to limit incentives to take excessive risk. The STIP's performance metrics are stress tested and the results of this analysis are reviewed by the Governance Committee as part of its approval process.

\* Non-GAAP financial measure. See the note in the "Other Information" section of this Circular.



A significant portion of executive compensation is allocated to long-term incentives to focus executives on sustainable value creation. The Trust's objective is to design incentive plans that do not motivate executives to take excessive or inappropriate risks given the potential negative impacts on the long-term equity components of compensation. The LTIP consists of the Trust's performance units ("PUs") which focus executives on a key driver of business performance and reduce the number of Trust Unit options granted; Trust Unit options which provide an incentive to increase Trust Unit price; and restricted units ("RUs") and new restricted units ("New RUs") which provide for alignment with changes in Trust Unit price, participation in distributions and retention value. Equity awards are granted annually and vest over time. This creates overlapping vesting periods which maintain executives' exposure to the consequences of their decision-making through their unvested equity.

The Governance Committee regularly reviews each compensation plan and has the ability to make adjustments to incentive awards and actual payouts, as appropriate.

## **2. Clawback Policy**

The Trust has a clawback policy for the President and Chief Executive Officer and the Chief Financial Officer. Under this policy, the Trust can require these executives to repay STIP and LTIP payouts if: (i) the executive engages in misconduct that results in the need for the correction or restatement of financial results; (ii) the executive receives an award calculated on the achievement of those financial results; and (iii) the award received would have been lower had the financial results been properly reported. The clawback policy also provides that a clawback may be triggered if the executive commits a material breach of the Trust's Code of Conduct. The policy applies to all incentive payments received over the two-year period preceding the triggering event.

## **3. Unit Ownership Requirements**

All executives at the vice-president level or higher are required to maintain a significant equity investment in the Trust. The Trust's Unit Ownership Guidelines are designed to align executives' interests with those of the Unitholders, and to mitigate the likelihood of undue risk taking. The Unit Ownership Guidelines, as further discussed on page 49, establish minimum Unit ownership levels for executives at the vice-president level or higher, which are set at a multiple of base salary based on the position.

## **4. Trading Restrictions and Hedging Prohibitions**

Trustees, employees and certain designated persons are subject to the Trust's Securities Trading Policy. The Trust's Securities Trading Policy prohibits: (i) trading, directly or indirectly in the securities of the Trust, Loblaw or Weston (the "Securities") while in possession of material undisclosed information; (ii) sharing material undisclosed information with unauthorized persons; (iii) recommending or encouraging others to trade in the Securities while in possession of material undisclosed information; (iv) trading of Securities outside prescribed trading windows; and (v) speculating in the Securities, which includes engaging in hedging transactions, short sales, puts or calls.

## **ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS**

---

### ***ROLE OF MANAGEMENT IN THE COMPENSATION AND EVALUATION PROCESS***

The Chair and the President and Chief Executive Officer participate in the compensation design process, evaluate the performance of key senior executives and make recommendations to the Governance Committee with respect to the compensation of the other executives and the specific business goals to be used as performance targets for the various incentive programs. The views of the Chair and the President and Chief Executive Officer are valued because of their ongoing involvement with key senior executives. As a result, they are in the best position to effectively assess the performance of the other executives and how their efforts have contributed to the achievement of the Trust's strategic objectives and operational targets. The Chair makes recommendations to the Governance Committee with respect to the compensation of the President and Chief Executive Officer.

The evaluations of executives are based on the achievement of objectives and targets related to both the Trust and the individual and include an assessment of each executive's leadership capabilities and team development skills. The results of these evaluations are presented to the Governance Committee. The Chief Financial Officer and Chief Operating Officer assist the Chair and the President and Chief Executive Officer in developing and presenting management's recommendations and supporting materials to the Governance Committee regarding the design of the incentive plans.

### ***COMPARATIVE MARKET DATA***

Comparative market data is one factor used in setting the compensation of executives. Other factors considered by the Governance Committee include individual performance and experience, scope of the role, leadership ability, internal pay equity among executives and the operating results of the business or area for which the executive has responsibility. From time to

time, the Governance Committee uses benchmarking or comparisons of compensation programs from a peer group of real estate entities to confirm that the Trust's programs remain competitive.

#### **ROLE OF MERIDIAN COMPENSATION PARTNERS**

In 2017, the Governance Committee retained Meridian to conduct a comprehensive benchmarking analysis of the compensation of certain of the Trust's senior officers and to provide an overview of market practices and design considerations for the Trust's short-term and long-term compensation plans. The key elements of compensation reviewed in this analysis included base salary, STIP and LTIP compensation, referred to as "target direct compensation".

In 2018, the Governance Committee retained Meridian to review the Trust's incentive plans for executives, with a focus on how each element compares to the Trust's peers, general market trends and good governance practices. As part of this review, Meridian reviewed annual incentive plan performance measures and weightings, LTIP mix and weighting, performance plan measures, and vesting periods of equity awards.

In 2018, Meridian also reviewed and opined on recommendations by management on the harmonization of compensation following the Transaction.

In 2018 and 2017, Meridian received \$54,867 and \$42,994, respectively, from the Trust for advisory services to the Trust. No other fees were paid to Meridian in 2018 or 2017. Rather than engaging a consultant on a continuing basis, the Governance Committee has determined that it will retain a compensation advisor on an as-needed basis.

#### **DESCRIPTION OF COMPENSATION COMPARATOR GROUP**

The Governance Committee approved the peer group below for 2018, which is comprised of various Canadian real estate entities, including retail REITs, diversified REITs, office REITs and real estate companies. The selected companies are industry peers. At the time the peer group was approved (pre-Transaction), all of the comparators were within one-half to two times of the Trust's revenue or asset size. Based on pre-Transaction revenue and asset size, the Trust was positioned at the 67th and 82nd percentiles, respectively, of the blended comparator group. Post-Transaction, Choice Properties is the largest entity in the group based on both assets and revenue.

The group of comparator entities is set out below:

Comparator Group		
Allied Properties REIT	Crombie REIT	Morguard Corp.
Artis REIT	Dream Office REIT	RioCan REIT
Canadian REIT	First Capital Realty Inc.	SmartCentres REIT
Cominar REIT	H&R REIT	

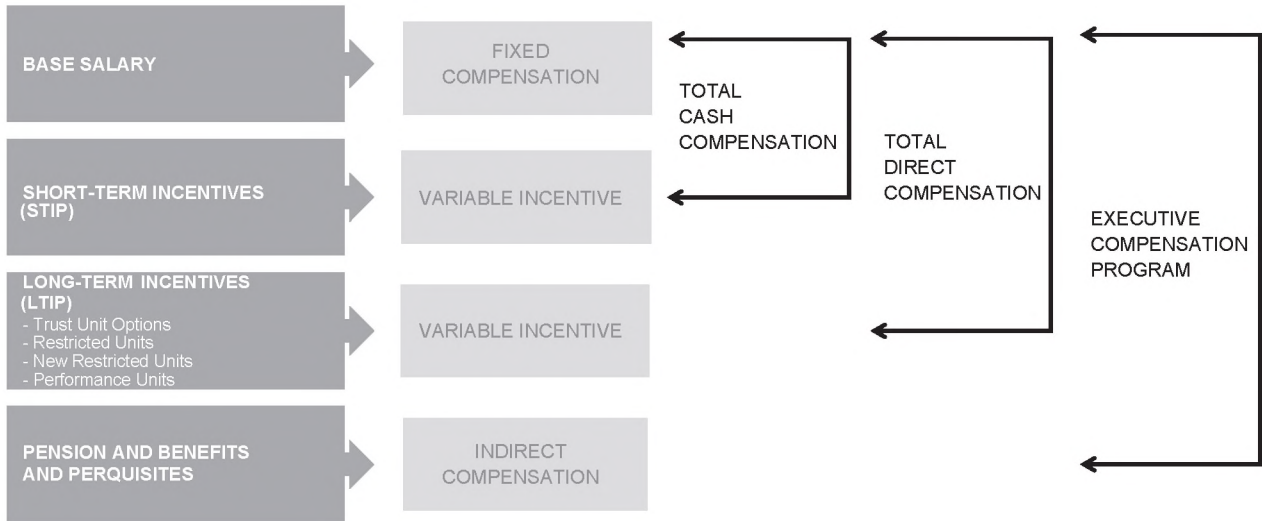
The benchmarking information was used as a point of reference and considered by the Governance Committee in addition to the scope of the roles, internal pay equity, performance, experience in the role and the competitive market for talent when establishing the compensation for executives.



COMPONENTS OF COMPENSATION

SUMMARY OF THE COMPONENTS OF COMPENSATION

The Trust’s executive compensation program is comprised of the elements described in this Compensation Discussion and Analysis, as summarized below:



## OVERVIEW OF COMPONENTS

The 2018 NEO compensation was comprised principally of base salary, short-term cash incentives and long-term incentives (RUs, New RUs, PUs and Trust Unit options) as described in the table below. Benefits, pensions and perquisites generally comprise a small part of an NEO's total annual compensation.

Components		Form	Period	Program Objectives and Details
<b>Fixed Compensation</b>	Base Salary	Cash	Annual	<ul style="list-style-type: none"> <li>Reflects the executive's level of responsibility and experience, market competitiveness, internal equity among executives and the executive's overall performance.</li> </ul>
<b>Variable Compensation</b>	STIP	Cash	Annual	<ul style="list-style-type: none"> <li>Executives have target annual bonuses, expressed as a percentage of base salary.</li> <li>Actual payout is determined by the achievement of predetermined financial and/or operating performance objectives and individual performance objectives.</li> </ul>
	LTIP	Restricted Units	Three year vesting period	<ul style="list-style-type: none"> <li>Motivates and rewards executives for increasing Unitholder value.</li> <li>Serves as a key component in retaining executives.</li> <li>RU grants are generally made once per year.</li> <li>RUs generally comprised 50% of the total value of LTIP grants to those individuals who were executives of the Trust prior to the Transaction ("Pre-Transaction Executives").</li> <li>RUs are settled in cash or Trust Units acquired in the open market at the end of the applicable vesting period.</li> <li>RU Plan provides for the crediting of additional RUs in respect of distributions paid on Trust Units for the period when an RU is outstanding. Distribution RUs vest at the end of the applicable vesting period.</li> </ul>
	LTIP	New Restricted Units	Three year vesting period (33.33% per year), with the exception of Mr. Johnson's New RUs, which vest over three years (33.33% per year), starting on the third anniversary of the grant date	<ul style="list-style-type: none"> <li>Motivates and rewards executives for increasing Unitholder value.</li> <li>Serves as a key component in retaining executives.</li> <li>New RU grants are generally made once per year.</li> <li>New RUs comprised 100% of the total value of LTIP grants to individuals who were executives of CREIT prior to the Transaction.</li> <li>The Trust Units granted under the New RU Plan are purchased in the open market and are held by an independent custodian on behalf of each participant until such time as they have vested and the disposition restrictions have been lifted.</li> <li>The participant has the right to vote the restricted Trust Units and to receive distributions from the date of grant.</li> <li>The participant may not dispose of his or her New RUs until six years following the date of grant, with the exception of Mr. Johnson who may not dispose of his New RUs until seven years from the date of grant.</li> </ul>
	LTIP	Performance Units	Three year performance period	<ul style="list-style-type: none"> <li>Motivates and rewards executives for increasing Unitholder value and used to retain executives.</li> <li>PU grants are generally made once per year.</li> <li>PUs comprised 25% of the total value of LTIP grants to Pre-Transaction Executives.</li> <li>PU vesting is based on the Trust's achievement of FFO per Unit results versus pre-determined targets.</li> <li>PUs are settled in cash or Trust Units acquired in the open market at the end of the applicable vesting period.</li> <li>PU Plan provides for the crediting of additional PUs in respect of distributions paid on Trust Units for the period when a PU is outstanding. Distribution PUs vest at the same time and based on the same performance factor as the PUs.</li> </ul>
	LTIP	Trust Unit Options	Four year vesting period (25% per year); 7 year term	<ul style="list-style-type: none"> <li>Motivates and rewards executives for increasing Trust Unit price.</li> <li>Trust Unit option grants are generally made once per year.</li> <li>Trust Unit options comprised 25% of the total value of LTIP grants to Pre-Transaction Executives.</li> </ul>
<b>Benefits</b>	Group health, dental and insurance benefits		Employment and post-employment	<ul style="list-style-type: none"> <li>Executive benefit plans provide health, dental, disability and insurance coverage.</li> </ul>

Components	Form	Period	Program Objectives and Details
<b>Pensions</b>	Defined Contribution Pension Plans/ Supplemental Executive Retirement Plan	Post-employment	<ul style="list-style-type: none"> <li>Plans are designed to provide a reasonable level of retirement income to executives to reward them for their service to the Trust.</li> <li>Executives participate in the executive defined contribution registered pension plan and in a supplemental executive retirement plan ("SERP") or the Vice President defined contribution pension plan.</li> <li>Certain executives participate in a defined contribution registered pension plan for CREIT.</li> <li>Senior executives of the Trust whose pension benefits exceed the prescribed limits under the applicable tax legislation may be eligible to participate in the SERP on a non-contributory basis. The SERP is an unfunded obligation of the Trust.</li> </ul>
<b>Perquisites</b>	Cash allowance/ reimbursement for professional services	Annual	<ul style="list-style-type: none"> <li>A limited number of benefits are provided, including a car allowance, monthly parking, an annual medical examination, a discretionary health care spending account and the ability to participate in the employee unit purchase plan.</li> </ul>

## COMPONENTS OF EXECUTIVE COMPENSATION FOR 2018

### INTRODUCTION

In 2018, following the completion of the Transaction, the Trust undertook a comprehensive review of the Trust's and CREIT's executive compensation programs with the aim of harmonizing the compensation structure of the combined entity. As a result, the Trust introduced new elements to its compensation design, as further set out in this CD&A. The CD&A also discusses certain elements of CREIT's compensation program in effect prior to the Transaction. As a result of the Transaction, the Trust amended the design and structure of the Trust's STIP and LTIP, as further described in the "Compensation Decisions for 2019" section of the CD&A on pages 55 through 56.

### BASE SALARY

Base salaries for the NEOs are set on an individual basis and not within formalized salary ranges by position. Base salaries are set taking into account an executive's level of responsibility and experience, internal equity among executives and the executive's overall performance. The Governance Committee annually reviews the base salaries of the NEOs. The Governance Committee may make adjustments to an NEO's salary as a result of a change in the NEO's duties and responsibilities, a change in the performance and contribution of the NEO or as a result of competitive factors.

The following table sets out the base salary for 2018 and the increase in base salary from 2017 for each NEO:

Name	2018 Base Salary (\$)	Increase from 2017 (%)
Stephen E. Johnson	269,173 <sup>(1)</sup>	n/a <sup>(1)</sup>
Mario Barrafato	426,600 <sup>(2)</sup>	2.1
Rael L. Diamond	540,000 <sup>(2)</sup>	2.9
Evan Williams	253,543 <sup>(3)</sup>	3.0
Robert Yamamoto	263,938 <sup>(4)</sup>	2.5
John R. Morrison	675,000 <sup>(5)</sup>	Nil
Bart Munn	246,247 <sup>(6)</sup>	Nil

(1) Mr. Johnson's annualized base salary for the period of January 1 to May 3, 2018 was \$780,500. His actual salary received for January 1 to May 3, 2018 was \$269,172. Following the Transaction, Mr. Johnson's new employment agreement stipulated that his base salary for the period from May 4 to December 31, 2018 would be \$1.00. In September 2018, Mr. Johnson was awarded a long-term incentive grant comprised of New RUs under the New RU Plan, with a grant date fair value of \$3,642,158, which represented his compensation, other than certain ancillary amounts and perquisites, for the post-Transaction period of May 4 to December 31, 2018. As Mr. Johnson's post-Transaction compensation was set in the aggregate, with no identified allocation for base salary, calculating the increase in his base salary from 2017 would not provide for an adequate assessment of his percentage increase. Refer to the section titled "2018 Compensation Decisions regarding the Named Executive Officers" for additional detail on Mr. Johnson's base salary for 2018.

(2) This amount reflects the executive's actual base salary for 2018. A portion of this salary was paid by CREIT for the pre-Transaction period of January 1 to May 3, 2018. Effective May 4, 2018, the executive's salary was paid by the Trust.

(3) Mr. Williams received a merit increase effective April 1, 2018. His actual base salary received for 2018 was \$251,697.

(4) Mr. Yamamoto received a merit increase effective April 1, 2018. His actual base salary received for 2018 was \$262,329.

(5) Following completion of the Transaction, Mr. Morrison was employed by the Trust as Vice-Chairman between May 4, 2018 and December 31, 2018. Mr. Morrison's last day of employment with the Trust was December 31, 2018.

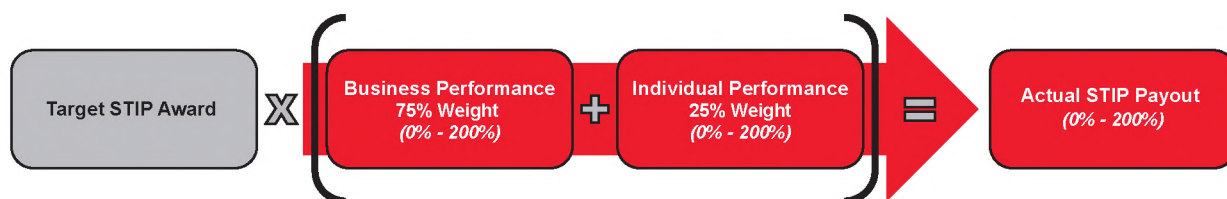
(6) Mr. Munn resigned from the Trust on August 2, 2018.

## SHORT-TERM INCENTIVE PLAN

The Trust's STIP is designed to motivate executives, including the NEOs, to meet the Trust's annual business and strategic objectives. The STIP objectives include financial performance targets and pre-set goals for individual NEOs as determined annually.

In general, executives have STIP award targets that are expressed as a percentage of their base salary, with such targets determined by the executive's position and level within the organization. Depending on actual performance relative to the performance targets, payouts to an executive for each performance target range from zero to a maximum of 200% of target for each of the business and individual components. The STIP award payments are made in cash following approval by the Governance Committee.

Historically, STIP awards have been determined using the following formula:



### Plan Design

The Governance Committee believes that the STIP should be designed to motivate the NEOs to achieve the Trust's annual business plan and strategic objectives. In February of each fiscal year, the Governance Committee establishes the STIP design, including specific business performance measures, weightings and targets, and presents it to the Board for approval. In determining the performance measures, weightings, targets and payout ranges for each fiscal year, the Governance Committee takes into account the key components of the Trust's business plan, budget and strategic objectives. Following year-end, the Governance Committee reviews the financial results of the Trust against the performance targets and considers, in its judgment, whether any adjustments are required to account for unexpected events during the year.

As part of its annual review process, the Governance Committee reviews the results of stress testing conducted on the STIP design that illustrates the payouts under various performance scenarios. The stress testing on performance scenarios is intended to ensure that the performance shoulders (i.e. minimum threshold to target to maximum) are set appropriately, such that performance levels can be achieved with significant effort and without excessive risk-taking.

STIP payouts are determined separately for each performance measure and then aggregated to determine the final amount.

As described in the Trust's 2017 management proxy circular, the performance measures that were anticipated to be used to determine the STIP awards for each NEO for 2018, as approved by the Governance Committee, prior to the Transaction, included funds from operations per unit, strategic growth, net operating income and G&A expense management, along with individual performance objectives.

CREIT had a STIP that differed from the Trust's plan, and in particular included different financial performance measures. Subsequent to the Transaction, the Governance Committee reviewed which measures in the Trust's and pre-Transaction CREIT's STIP remained appropriate for purposes of determining the STIP awards for 2018. Following this review, the Governance Committee determined that the STIP metrics approved at the outset of 2018 were not sufficiently relevant to form a reasonable basis for assessment of the STIP payout for the combined business post-Transaction. The Governance Committee further determined that the inclusion of an individual performance component would not be equitable for 2018 in light of the substantive changes to roles and personal objectives.

With this background, the Governance Committee determined that it would be appropriate to approve STIP awards at a specific percentage, recognizing the solid performance of both Choice Properties and CREIT before the Transaction and the combined business following its completion. The Governance Committee considered the average historical STIP awards paid over the prior four years for Choice Properties employees and former CREIT employees at both the executive and non-executive level and the incremental costs of a payout above target.

The Committee also assessed the hypothetical achievement of the respective STIP results under the former CREIT short-term incentive plan and the Trust's STIP, under several assumptions. In February 2019, following a review of the results of these metrics, the Governance Committee approved a payout amount of 110% of the STIP target for all employees, including executives, with the exception of Mr. Johnson.

Prior to the closing of the Transaction, CREIT's governance committee approved a pro-rata STIP payout at target for Mr. Johnson for the period from January 1 to May 3, 2018. Mr. Johnson elected to receive this bonus in the form of restricted units of CREIT under CREIT's restricted unit plan, which is substantially equivalent to the Trust's New RU Plan. For a full description of the New RU Plan see page 41.

The following table sets forth details regarding the 2018 STIP award for each NEO:

2018 STIP Award					
Name	Base Salary <sup>(1)</sup> (\$)	STIP Target as Percentage of Base Salary (%)	STIP Target (\$)	Maximum STIP Award (\$)	Total (\$)
Stephen E. Johnson <sup>(2)</sup>	269,173	n/a	n/a	n/a	329,620
Mario Barrafato <sup>(3)</sup>	426,600	75	319,950	375,835	351,945
Rael L. Diamond <sup>(3)</sup>	540,000	100	540,000	634,500	594,000
Evan Williams	251,697	45	113,264	226,528	125,504
Robert Yamamoto	262,329	40	104,932	209,864	116,133
John R. Morrison	675,000	100	675,000	1,350,000	742,500
Bart Munn <sup>(4)</sup>	246,247	60	147,748	147,748	147,748

(1) STIP awards were calculated using each NEO's actual base salary received in 2018, as applicable, except for Messrs. Williams and Yamamoto, whose STIP awards were calculated using their respective annualized base salaries for 2018, and for Mr. Johnson, whose STIP award is discussed below.

(2) Under the employment arrangements for Mr. Johnson approved by the Governance Committee in September 2018, Mr. Johnson was not eligible to receive a STIP award for the period from the date of completion of the Transaction through December 31, 2018. Mr. Johnson's 2018 pre-Transaction STIP award was based on Mr. Johnson's annualized base salary on January 1, 2018 of \$780,500 and STIP target at that time of 125% multiplied by a pro-rata factor based on the applicable period, resulting in a target award value of \$331,445. Mr. Johnson elected to receive his STIP payment in the form of CREIT restricted units granted on April 26, 2018. The grant date fair value of the portion of the CREIT restricted unit grant applicable to his STIP payment was \$329,519. Mr. Johnson also received a residual cash amount of \$101 in respect of the STIP payment. See below for a discussion of Mr. Johnson's STIP award for 2018 pre-Transaction as well as the section "Compensation Decisions for 2018".

(3) Actual base salary paid includes amounts paid to Messrs. Barrafato and Diamond as former CREIT executives. No STIP payments were made to the former CREIT executives prior to the closing of the Transaction, therefore the STIP paid for 2018 is based on the salary paid during the entire year.

(4) Mr. Munn resigned from the Trust effective August 2, 2018 and was eligible for a pro-rated STIP award for 2018, subject to a maximum of his STIP target.

## LONG-TERM INCENTIVE PLAN

The Trust's equity-based LTIP is designed to retain and incent executives by allowing them to participate in increased total Unitholder return. Executives eligible for LTIP grants generally receive them on an annual basis. The value of an LTIP grant to a participating executive is generally based on a percentage of the executive's base salary. All grants are reviewed and approved by the Governance Committee as part of its regular review of compensation.

For 2018, the Trust awarded executives long-term incentives in the form of Trust Unit options, New RUs, RUs and PUs under the LTIP, the values of which are directly linked to the market value of the Trust Units. As the LTIP awards for the former CREIT executives were historically awarded following the release of the annual results for a fiscal year, the 2018 LTIP awards for Messrs. Barrafato and Diamond were granted in early 2019 and they were permitted to elect to receive their awards in either New RUs, RUs or a combination thereof. Mr. Barrafato elected to receive his 2018 LTIP in the form of RUs and Mr. Diamond elected to receive his 2018 LTIP in the form of New RUs. For Messrs. Morrison, Munn, Williams and Yamamoto, Trust Unit options and PUs each comprised a quarter of their target annual LTIP award mix and RUs comprised half of the LTIP mix. Messrs. Williams and Yamamoto also received one-time special awards of RUs in 2018.

Annual LTIP awards are granted in the first quarter during the open trading window following the announcement of the Trust's year-end financial results in accordance with the Trust's Securities Trading Policy, except that for Messrs. Johnson, Barrafato and Diamond, whose annual LTIP awards were granted later in 2018 and in early 2019, as further described below. "Off-cycle" grants are made during open trading windows following the release of quarterly financial results.



The Governance Committee approved annual LTIP awards for 2018 for the NEOs as set forth below.

Name	Base Salary (\$)	Annual LTIP Grant as a Percentage of Base Salary (%)	Annual LTIP Grant Date Fair Value (\$)	LTIP Grant
Stephen E. Johnson	n/a <sup>(1)</sup>	n/a	4,301,398 <sup>(2)</sup>	85% New RUs and 15% CREIT restricted units
Mario Barrafato	426,600	87.5	373,287 <sup>(3)</sup>	100% RUs
Rael L. Diamond	540,000	125	677,010 <sup>(4)</sup>	100% New RUs
Evan Williams	253,543	50	126,779 <sup>(5)</sup>	25% Trust Unit options, 50% RUs and 25% PUs
Robert Yamamoto	263,938	40	105,567 <sup>(6)</sup>	25% Trust Unit options, 50% RUs and 25% PUs
John R. Morrison	675,000	150	1,012,501	25% Trust Unit options, 50% RUs and 25% PUs
Bart Munn	420,000	75	315,005	25% Trust Unit options, 50% RUs and 25% PUs

- (1) The details of Mr. Johnson's base salary can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".
- (2) Mr. Johnson received an award of CREIT restricted units with a grant date fair value of \$659,037 under CREIT's restricted unit plan on April 26, 2018, which represented his 2018 LTIP award prorated for the pre-Transaction period from January 1 to May 3, 2018, based on Mr. Johnson's annualized base salary of \$780,500, with a target value of \$662,890 based on a 5-day volume-weighted average price of the CREIT units of \$50.83. Mr. Johnson also received a residual cash payment of \$203 in respect of the LTIP award. On September 28, 2018, Mr. Johnson received a New RU Plan award comprised of 294,673 New RUs with a grant date fair value of \$3,642,158, which represented his total compensation for the 2018 post-Transaction period of May 4 to December 31, 2018. Pursuant to the employment arrangements for Mr. Johnson, the September 28, 2018 grant had a targeted value of approximately \$3,315,000, based on the May 3, 2018 closing price of the Units of \$11.25. The full details of Mr. Johnson's LTIP grants can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".
- (3) Mr. Barrafato received an award of RUs on February 22, 2019 comprised of 27,610 RUs, with an aggregate grant date fair value of \$373,287, representing his 2018 annual LTIP award. Mr. Barrafato also received a special one-time grant of New RUs in connection with his role in the Transaction on September 28, 2018 comprised of 34,347 New RUs with a targeted value of \$426,600 based on a 5-day volume-weighted average price of the Units of \$12.42 at the time of the Governance Committee approval, and a grant date fair value of \$424,529, representing approximately 99.5% of his base salary. The full details of Mr. Barrafato's LTIP grants can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".
- (4) Mr. Diamond received a New RU Plan award on March 5, 2019 comprised of 49,927 New RUs, with an aggregate grant date fair value of \$677,010, representing his 2018 annual LTIP award. Mr. Diamond also received a special one-time New RU Plan award in connection with his role in the Transaction on September 28, 2018 comprised of 43,477 New RUs with a targeted value of \$540,000 based on a 5-day volume-weighted average price of the Units of \$12.42 at the time of the Governance Committee approval, and a grant date fair value of \$537,376, representing approximately 99.5% of his base salary. The full details of Mr. Diamond's LTIP grants can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".
- (5) Mr. Williams received an annual LTIP grant comprised of 43,415 Trust Unit options, 5,318 RUs and 2,659 PUs, with an aggregate grant date fair value of \$126,779, representing approximately 50% of his base salary. Mr. Williams also received a special one-time RU award in connection with his role in the Transaction in February 2018, comprised of 20,721 RUs with a grant date fair value of \$246,994, representing approximately 97.4% of his base salary. The full details of Mr. Williams' LTIP grants can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".
- (6) Mr. Yamamoto received an annual LTIP grant comprised of 36,156 Trust Unit options, 4,428 RUs and 2,214 PUs, with an aggregate grant date fair value of \$105,567, representing approximately 40% of his base salary. Mr. Yamamoto also received a special one-time RU award in connection with his role in the Transaction in February 2018, comprised of 21,560 RUs with a grant date fair value of \$256,995, representing approximately 97.4% of his base salary. The full details of Mr. Yamamoto's LTIP grants can be found in the section titled "2018 Compensation Decisions regarding the Named Executive Officers".

The key features of the the New RU Plan, RU Plan, Trust Unit Option Plan, and PU Plan are described below.

### New RU Plan

Following the completion of the Transaction, the Trust adopted the New RU Plan, designed to achieve the following objectives: (i) foster the long-term retention of employees (through multi-year vesting and disposition restriction provisions); (ii) provide a performance-driven component to an executive's compensation; (iii) align the long-term interest of employees with the interests of Unitholders, through multi-year vesting and the six-year disposition restrictions (seven year restriction for Mr. Johnson); and (iv) add a component to the Trust's compensation package to assist in the recruitment of key personnel.

The New RU Plan provides for the award of New RUs (generally annually, following the release of the financial results for the applicable year) to certain employees of the Trust, subject to approval by the Governance Committee. The Trust Units represented by the New RUs granted under the New RU Plan are purchased in the open market and are held by an independent custodian on behalf of each participant until such time as they have vested and the disposition restrictions have been lifted. The participant has the right to vote the Trust Units represented by the New RUs and to receive distributions from the date of grant.

New RUs have multi-year disposition restriction periods encouraging employees to think and act with a clear focus on long-term value creation. Disposition means selling, pledging or disposing of the New RUs, except as otherwise permitted in the New RU Plan and corresponding instruments of grant.

The most significant difference between the New RUs with longer seven-year disposition restrictions, granted solely to Mr. Johnson, and the New RUs with the standard six-year disposition restriction is the vesting term of the award (the time

period that determines when the New RUs are no longer subject to forfeiture), which is more onerous in the case of Mr. Johnson's awards. For standard New RU grants, 1/3 of the New RUs awarded vest on each of the 1st, 2nd and 3rd anniversaries of the grant date and the awards are subject to a disposition restriction until six years following the grant date. For the longer-term New RU Plan awards granted solely to Mr. Johnson, 1/3 of the New RUs awarded vest on each of the 3rd, 4th and 5th anniversaries of the grant date and the awards are subject to a disposition restriction until seven years following the grant date. Once the New RUs have vested, they are no longer subject to forfeiture.

The New RU Plan contains provisions for various termination events as outlined in the following chart:

Termination Event	Treatment
Resignation	<ul style="list-style-type: none"> <li>All unvested New RUs will be forfeited.</li> <li>The disposition restrictions on vested New RUs continue to apply.</li> </ul>
Without cause	<ul style="list-style-type: none"> <li>All unvested New RUs which would have vested within 24 months from the date of termination will vest and the balance will be forfeited.</li> <li>The disposition restrictions on vested New RUs continue to apply.</li> </ul>
For cause	<ul style="list-style-type: none"> <li>All unvested New RUs will be forfeited.</li> <li>The disposition restrictions on vested New RUs continue to apply.</li> </ul>
Retirement	<ul style="list-style-type: none"> <li>All unvested New RUs will continue to vest per schedule described above.</li> <li>The disposition restrictions on vested New RUs continue to apply.</li> <li>Retirement is defined, in this case, as the resignation by a participant at or after the participant attains 60 years of age and provided the participant does not accept any employment or consulting relationship with a competitor of the Trust and does not accept full-time employment or consulting work with any entity following retirement.</li> </ul>
Death or disability	<ul style="list-style-type: none"> <li>All unvested New RUs will immediately vest.</li> <li>The disposition restrictions on vested New RUs will lapse.</li> </ul>
Without cause upon a change of control	<ul style="list-style-type: none"> <li>All unvested New RUs will immediately vest.</li> <li>The disposition restrictions on vested New RUs will lapse.</li> </ul>

Eligibility for New RU Plan awards is generally based on a participant's performance achievement in the year to which the award applies. Other factors that determine the value of New RU Plan awards include: the aggregate compensation amount for an executive, the target pay mix or target percentage of base salary and the market compensation for similar positions.

The table below sets out the New RUs granted under the New RU Plan to Messrs. Johnson, Barrafato and Diamond in respect of 2018 as well as the restricted units granted to Mr. Johnson on April 26, 2018 by CREIT under its restricted unit plan. The value of the New RUs and awards under CREIT's restricted unit plan, as presented below, are based on the market value of Trust Units or CREIT trust units, as applicable, and does not reflect the fair value of the restricted Trust Units, which is lower than the market value, since the restricted Trust Units are not freely tradeable.

Name	New RUs Granted (#)	Grant Date	Grant Value Per New RU (\$) <sup>(1)</sup>	Grant Date Fair Value (\$) <sup>(2)</sup>	Vesting Schedule	Date no longer subject to disposition restrictions
Stephen E. Johnson	13,037	April 26, 2018	50.55	659,240	1/3 on grant anniversary in each of 2021, 2022 and 2023	April 26, 2025
	294,673	September 28, 2018	12.36	3,642,158	1/3 on grant anniversary in each of 2021, 2022 and 2023	September 28, 2025
Mario Barrafato	34,347	September 28, 2018	12.36	424,529	1/3 on grant anniversary in each of 2019, 2020 and 2021	September 28, 2024
Rael L. Diamond	43,477	September 28, 2018	12.36	537,376	1/3 on grant anniversary in each of 2019, 2020 and 2021	September 28, 2024
	49,927	March 5, 2019	13.56	677,010	1/3 on grant anniversary in each of 2020, 2021 and 2022	March 5, 2025

(1) Grant value per New RU for the New RUs granted to Mr. Johnson on April 26, 2018 reflects the volume weighted average trading price of the CREIT trust units on the TSX for the five trading days immediately preceding the date of the award; the targeted grant value was \$662,890 based on a 5-day volume-weighted average price of the CREIT units of \$50.83. The grant value per New RU for the New RUs granted September 28, 2018 reflects the volume weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the date of the award; pursuant to the employment arrangements for Mr. Johnson, the targeted grant value for Mr. Johnson was \$3,315,000, based on the May 3, 2018 closing price of the Trust Units of \$11.25; and the targeted grant value for Messrs. Barrafato and Diamond was \$426,600 and \$540,000, respectively, based on a 5-day volume-weighted average price of the Trust Units for September 24, 2018 of \$12.42. The grant value per New RU for the New RUs granted March 5, 2019 reflects the volume weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the date of the award; the targeted grant value for Mr. Diamond was \$675,000, based on the volume-weighted average price of the Trust Units of \$13.52, being the Grant Value Per Trust Unit applicable to the awards of RUs granted on February 22, 2019.



- (2) The grant of 19,556 restricted units of CREIT awarded to Mr. Johnson on April 26, 2018 included 13,037 CREIT restricted units representing Mr. Johnson's pre-Transaction pro-rated LTIP award. Mr. Johnson also received a residual cash payment of \$203 in respect of the LTIP award. Not included in the table is an award of 162,000 New RUs granted to Mr. Johnson on December 24, 2018 with a grant date fair value of \$1,908,360 which did not form part of Mr. Johnson's 2018 compensation, but represented a liability assumed by the Trust on the close of the Transaction in respect of a payout of certain benefits accrued by Mr. Johnson prior to the Transaction.

### RU Plan

RUs entitle an executive to receive the value of the RU award in cash or Trust Units at the end of the applicable vesting period, which is usually three years in length. A participant receives either a cash payment or the number of Trust Units (acquired on the open market) equal to the number of RUs granted, with the ultimate award value determined by the Trust Unit price at the end of the applicable vesting period. Under the RU Plan, when distributions are paid on Trust Units for the period when the RU is outstanding, additional RUs equivalent in value to the distributions paid on Trust Units will be credited to the participant's account.

If a participant is either terminated for cause or voluntarily resigns prior to the end of the applicable vesting period, all RUs are cancelled on the date of cessation of employment and no payments are made in respect of such RUs.

If a participant's employment is terminated: (i) due to death; (ii) retirement; or (iii) by the Trust without cause, then the RUs vest on a pro-rata basis for the period of time the participant was actively employed. All other RUs are cancelled. Settlement of vested RUs is made as soon as practicable following the last day of active employment.

For 2018, Messrs. Barrafato, Williams, Yamamoto, Morrison and Munn were awarded RUs as follows:

Name	RUs Granted (#)	Grant Value Per Trust Unit (\$)	Grant Date Fair Value (\$)	Vesting Date
Mario Barrafato	27,610 <sup>(1)</sup>	13.52	373,287	February 22, 2022
Evan Williams	5,318	11.92	63,391	February 22, 2021
	20,721 <sup>(2)</sup>	11.92	246,994	February 22, 2021
Robert Yamamoto	4,428	11.92	52,782	February 22, 2021
	21,560 <sup>(2)</sup>	11.92	256,995	February 22, 2021
John R. Morrison	42,471	11.92	506,254	February 22, 2021
Bart Munn	13,213	11.92	157,499	February 22, 2021

- (1) The 2018 LTIP award for Mr. Barrafato was granted on February 22, 2019.

- (2) Messrs. Williams and Yamamoto received additional one-time grants for retention purposes in recognition of strategic planning in connection with the Transaction.

### Trust Unit Option Plan

Trust Unit options align an executive's interest with Unitholders in Trust Unit price accretion. The size of the annual option award an executive receives is determined as part of the executive's total LTIP award. The Governance Committee administers the Trust Unit Option Plan, approves the participants, makes grants of options and establishes any limitations, restrictions and conditions on any grants, including vesting. Any employee of the Trust or any of its affiliates (including officers, whether or not trustees), as determined by the Governance Committee, may participate in the Trust Unit Option Plan.

The table below provides detail regarding the outstanding options to purchase Trust Units and Trust Units available for future option grants:

	As at December 31, 2018	As at March 14, 2019
<b>Issued and Outstanding Units</b>		
Trust Units Outstanding	278,202,559	279,305,482
Special Voting Units Outstanding	389,961,783	389,961,783
<b>Total Issued and Outstanding Units</b>	<b>668,164,342</b>	<b>669,267,265</b>
<b>Outstanding Options to Purchase Trust Units</b>		
Number Outstanding	3,764,107	2,661,184
Number Outstanding as a Percentage of the Total Issued and Outstanding Units	0.6%	0.4%
<b>Maximum Number of Trust Units Issuable Pursuant to the Trust Unit Option Plan at Any Time</b>		
Number Issuable	19,744,697	19,744,697
Number Issuable as a Percentage of the Issued and Outstanding Trust Units	7.1%	7.1%
<b>Trust Units Available for Future Option Grants</b>		
Number Available	14,829,562	14,829,562
Number Available as a Percentage of the Total Issued and Outstanding Units	2.2%	2.2%

The Trust Unit Option Plan provides that Trust Units issuable pursuant to outstanding options that are cancelled, expired, forfeited or terminated for any reason without having been exercised will again be available for grant under the Trust Unit Option Plan. Options are not transferable or assignable other than by will or by laws of descent and distribution, and during the lifetime of a participant will be exercisable only by him or her.

The exercise price for options may not be less than the fair market value of a Trust Unit, which is defined as the greater of: (i) the volume-weighted average of the trading price of a Trust Unit on the TSX for the five trading days prior to the grant date; or (ii) the volume-weighted average of the trading price of a Trust Unit on the TSX on the trading day immediately preceding the grant date.

Options may not be exercised prior to the first anniversary of the date of the grant. The vesting of options is otherwise determined on the grant of the option. Generally, options vest over a four-year period at a rate of 25% per year and expire at the end of seven years. Under the Trust Unit Option Plan, each option has a term of not less than five and not more than 10 years.

Unvested options immediately expire upon termination of employment. No vested option is exercisable after the earlier of: (i) the date of death or retirement; (ii) the time of notice of resignation or receipt of notice of termination (with or without cause); or (iii) the occurrence of any other cessation of employment event, except as set forth below:

- (a) If a participant is terminated without cause, vested options may be exercised within 30 days following the earlier of the date of termination or the date of the termination notice.
- (b) If a participant retires, vested options may be exercised within 90 days following the date of retirement.
- (c) If a participant dies while employed or during the 30-day or 90-day window in (a) or (b) above, then the participant's beneficiary may exercise vested options within 180 days following the date of death.

Nothing in (a), (b) or (c) above extends the expiry date of any option.

In the event of a change of control or potential change of control (as determined by the Board), the Board has the power to accelerate vesting and make other changes to the terms of options as it considers fair and appropriate in the circumstances, including modifying the terms of options to allow participants to tender into a take-over bid or other transaction leading to a change of control and terminating any unexercised options following the completion of the bid or transaction.

If the expiry date of an option occurs during a blackout period or other period during which an insider is prohibited from trading in securities of the Trust pursuant to the Securities Trading Policy, the expiry date will automatically be extended for ten business days after the blackout period ends.

The aggregate number of Trust Units issued to insiders within any twelve month period, or issuable to insiders at any time, under the Trust Unit Option Plan and any other security based compensation arrangement of the Trust, may not exceed 10% of the total number of issued and outstanding Units during such period of time, as applicable.

In the event of a consolidation, subdivision or reclassification of the Trust Units, or any other relevant changes in the capital structure of the Trust, the Board or the Governance Committee will make appropriate adjustments to the number of Trust Units subject to any options then outstanding and the exercise price thereof. The Trust Unit Option Plan provides that Unitholder approval is not required for any amendments to the Trust Unit Option Plan or an option granted under the Trust Unit Option Plan, except for any amendment or modification that:

1. increases the number of Trust Units that can be issued under the Trust Unit Option Plan;
2. reduces the exercise price of an option (including, without limitation, a cancellation and re-grant of an option, constituting a reduction of the exercise price of such option), except in connection with a change in the number of the Trust's outstanding Trust Units by reason of a consolidation, subdivision or reclassification of Trust Units, or another relevant change in the capital structure of the Trust affecting Trust Units;
3. extends the term of an option beyond its original expiry date, except where the expiry date would have occurred during a blackout period or at any other time when the holder may be prohibited from trading in securities of the Trust pursuant to the Trust's Securities Trading Policy;
4. changes the provisions relating to the transferability of an option other than for normal estate settlement purposes;
5. permits awards, other than options, to be made under the Trust Unit Option Plan;
6. extends eligibility to participate in the Trust Unit Option Plan to a non-employee trustee;
7. requires Unitholder approval under applicable laws, regulations or stock exchange rules; or
8. affects the amending provisions of the Trust Unit Option Plan.

Subject to any required regulatory review or approval, the Board may make all other amendments to the Trust Unit Option Plan without Unitholder approval. These amendments include, but are not limited to: the termination of the Trust Unit Option Plan; amendments designed to comply with applicable laws or regulatory requirements; and "house-keeping" administrative changes (such as correcting an immaterial inconsistency or curing any ambiguity).

The Trust's annual "burn rate" for the Trust Unit Option Plan, which represents the number of Trust Unit Options awarded under the Trust Unit Option Plan during a fiscal year divided by the weighted average number of Units outstanding for the applicable fiscal year, was 0.12% in 2018, 0.11% in 2017 and 0.16% in 2016.

In 2018, Messrs. Williams, Yamamoto, Morrison and Munn received Trust Unit option grants from the Trust as described in the table below:

Name	Options Granted (#)	Exercise Price (\$)	Grant Date Fair Value (\$)	Vesting Schedule	Term of Grant
Evan Williams	43,415	11.92	31,693	25% per year	7 years
Robert Yamamoto	36,156	11.92	26,394	25% per year	7 years
John R. Morrison	346,747	11.92	235,125	25% per year	7 years
Bart Munn	107,877	11.92	78,750	25% per year	7 years

### **Performance Unit Plan**

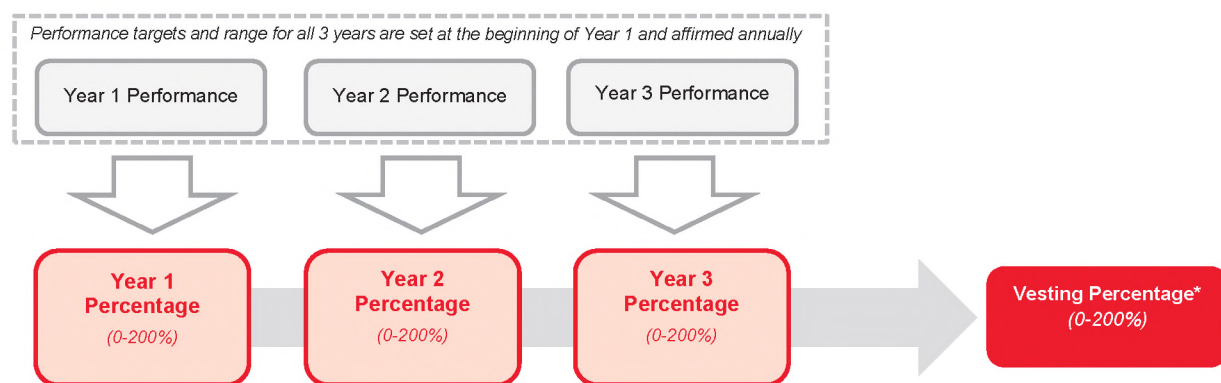
PIs represent a form of at-risk long-term compensation that serves to motivate the recipient to deliver on specific strategic objectives. PIs serve to focus executives on selected key drivers of performance. PIs also serve as a pay-for-performance incentive to reward executives for the achievement of prescribed goals and Trust Unit price appreciation. Like RUs, PIs also entitle an executive to receive the value of the PI award in cash or Trust Units at the end of the applicable vesting period, which is also usually three years in length. A participant receives either a cash payment or the number of Trust Units (acquired on the open market) at the end of the applicable performance period. However, the number of PIs that vest during such period depends on the achievement of certain measures. Under the PI Plan, when distributions are paid on Trust Units for the period when a PI is outstanding, additional PIs equivalent in value to the distributions paid on Trust Units will be credited to the participant's account. The additional PIs vest at the same time as, and based on the achievement of performance measures applicable to, the underlying PIs.

If a participant is either terminated for cause or voluntarily resigns prior to the end of the applicable vesting period, all PIs are cancelled on the date of cessation of employment and no payments are made in respect of such PIs.

If a participant's employment is terminated: (i) due to death; (ii) retirement; or (iii) by the Trust without cause, then the PIs vest at target on a pro-rata basis for the period of time the participant was actively employed. All other PIs are cancelled. Settlement of vested PIs is made as soon as practicable following the last day of active employment.

In early 2018, the Governance Committee anticipated that the Trust's PU performance measure would continue to be FFO per Unit. The FFO per Unit metric aligns with the Trust's strategic objectives and is a driver of increasing Unitholder value, with the underlying objective of the PU plan being to focus executives on the achievement of long-term strategic objectives in addition to meeting short-term business and financial objectives contained in the Trust's annual business plan. However, as previously discussed under the "Short-Term Incentive Plan" section, the Governance Committee subsequently determined that due to the difficulties in assessing the measure post-Transaction, FFO per Unit would no longer be a sufficiently relevant basis for assessment for 2018. Accordingly the Governance Committee determined that for 2018 (and for the 2018 performance year for the PUs granted in 2016 and 2017), no performance targets would be set and the performance measure component would be deemed to be 100% of target.

In general, the number of PUs that vest at the end of the applicable three-year performance period is determined by averaging each of the three year's results against target. The results in each year are determined based upon the level of achievement of each of the performance conditions during that year. The overall number of PUs that vest at the end of a performance period will range from 0% to 200% of the initial grant as illustrated below:



*\*Calculated as a simple average of performance in Years 1, 2, and 3.*

In general, a threshold performance condition for FFO per Unit must be met in order for any PUs to vest and the Trust sets targeted levels of performance for FFO per Unit. If the target performance condition is achieved, the number of PUs that vest will be equal to 100% of PUs initially granted. If the maximum performance condition is achieved during every year of the performance period, 200% of the initial number of PUs granted will vest.

Any performance results between the threshold performance conditions and maximum performance conditions will result in the vesting of PUs determined on a linear basis.

In general, the FFO per Unit performance targets for the PUs relate to a three-year period and are developed taking into account the Trust's confidential business strategies, plans and initiatives and its expectations regarding financial and operational performance. These targets are intended to be challenging – neither impossible nor easy to achieve. These FFO per Unit targets are forward-looking and their disclosure before the end of the performance period would seriously prejudice the Trust's interests. As such, the targets are disclosed at the time of payout of the PUs.

As noted above, for 2018, no performance targets were set and the performance measure component was deemed to be 100% of target. The Governance Committee determined that for purposes of the PUs granted in 2018, the 2018, 2019 and 2020 performance years would be deemed to achieve the targeted performance of 100%. The Governance Committee further determined that for the PUs granted in 2017, the 2018 and 2019 performance years would be deemed to achieve the targeted performance of 100% and, as discussed further below, for the PUs granted in 2016, the 2018 performance year would be deemed to achieve the targeted performance of 100%.

In 2018, Messrs. Williams, Yamamoto, Morrison and Munn were awarded PUs from the Trust for which the grant date fair value assumes vesting at 100% of target, as follows:

Name	PUs Granted (#)	Grant Value Per Trust Unit (\$)	Grant Date Fair Value (\$)	Vesting Date
Evan Williams	2,659	11.92	31,695	February 22, 2021
Robert Yamamoto	2,214	11.92	26,391	February 22, 2021
John R. Morrison	21,235	11.92	253,121	February 22, 2021
Bart Munn	6,607	11.92	78,755	February 22, 2021

### **Performance of 2016 Performance Units**

In 2016, the Trust's NEOs, other than Messrs. Johnson, Barrafato and Diamond, were awarded PUs whose vesting was based on FFO per Unit performance over a three-year period. At the time of the grant, the performance targets relating to the 2016 FFO per Unit metric were forward-looking as they related to the three-year period ending in 2018 and were developed taking into account the Trust's confidential business strategies, plans and initiatives and its expectations regarding financial and operating performance.

Choice Properties' target FFO per Unit is calculated, pursuant to the Real Property Association of Canada's White Paper on Funds from Operations and Adjusted Funds from Operations for IFRS issued in February 2017, as net income in accordance with Canadian GAAP, as adjusted in accordance with the short-term incentive plan.

In early 2019, the Governance Committee reviewed the performance of the 2016 PU grants and determined the following results based on the average of the three year performance:

The FFO per Unit measure achieved a performance result of 200% in the first and second years of the performance period. As previously discussed, the Governance Committee determined that following the Transaction, the FFO per Unit targets for 2018 were not sufficiently relevant to be a reasonable basis for assessment of the PU performance for 2018. The Governance Committee determined that based on the prior years' performance and with the difficulty in evaluating the performance metric, paying out at target was reasonable. Taking a deliberately conservative approach, the Governance Committee assigned a performance result of 100% for the third year of the performance period.

The target and performance for FFO per Unit for the PUs awarded in 2016, which were equally weighted on results from 2016, 2017 and 2018 and paid out in 2019, are set out below:

Component	2016		2017		2018	
	Target	Results	Target	Results	Target	Results
FFO per Unit <sup>(1)</sup>	Max: 3.5% (+ 50bps)		Max: 3.5% (+ 50bps)		-	
	3.0% (\$0.995)	\$1.000	3.0% (\$1.025)	\$1.072	-	n/a
	Min: 2.25% (-75bps)		Min: 2.25% (-75bps)		-	
Performance	200%		200%		100% <sup>(2)</sup>	
Vesting	66.6%		66.6%		33.3%	
Overall Payout	166.7%					

(1) Based on a 3-year compound actual growth rate of 3% growth from 2015 actual results.

(2) Deemed result assigned by the Governance Committee as discussed above.



## 2016 Performance Unit Payout Summary

In 2019, the Governance Committee determined that the 2016 grant of PUs paid out at 166.7% of target. The number of PUs that vested pursuant to these performance results is set out in the table below:

Name	2016 PUs Granted (#)	Total number of PUs vested prior to application of performance factor <sup>(1)</sup>	Total number of PUs vested from FFO/Unit (#)	Actual Settlement Value <sup>(2)</sup> (\$)
Evan Williams	1,988	2,348	3,915	52,940 <sup>(2)</sup>
Robert Yamamoto	2,019	2,385	3,976	53,765 <sup>(2)</sup>
John R. Morrison	19,083	22,547	37,586	508,172 <sup>(2)</sup>
Bart Munn	6,058 <sup>(2)</sup>	5,585	9,304	115,510 <sup>(3)</sup>

- (1) The total number of PUs vested prior to application of performance factor reflects the original number of PUs granted plus the distribution equivalents earned subsequent to the grant date.
- (2) The actual value of the PU payouts was based on the volume-weighted average of the Trust Units on the TSX for the 5 trading days immediately preceding February 24, 2019, being the final day of the performance period, which was \$13.52.
- (3) Mr. Munn resigned from the Trust effective on August 2, 2018. The actual value of his PU payout was based on the volume-weighted average of the Trust Units on the TSX for the 5 trading days immediately preceding August 2, 2018, which was \$12.41. Mr. Munn's contractual arrangements provided that actual results for 2016 and 2017 and results at target for 2018 would be used to calculate his pro-rata payout.

## Long-Term Incentive Plan Clawback

LTIIP grants of Trust Unit options, RUs and PUs include a clawback provision stating that if an executive accepts employment with a competitor of the Trust within six months after leaving the employment of the Trust, the gross dollar value of all Trust Unit options, PU and RU payments received in the twelve months of employment immediately prior to the date of cessation of employment must be repaid to the Trust.

## Securities Authorized for Issuance under Equity Compensation Plans as of December 31, 2018

The following table shows the number of securities authorized for issuance under equity compensation plans of the Trust:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Securityholders			
• Trust Unit Option Plan	3,764,107	11.66	14,829,562
• Deferred Trust Unit Plan	289,058 <sup>(1)</sup>	n/a	3,785,942
Equity Compensation Plans not Approved by Securityholders	n/a	n/a	n/a
<b>Total</b>	<b>4,053,165</b>		<b>18,615,504</b>

- (1) As at January 2, 2019, the Trust had 302,589 DUs outstanding. DUs were granted to trustees on January 2, 2019 in relation to their 2018 fourth quarter fees.

## RETIREMENT AND PENSION ARRANGEMENTS

The Trust's retirement and pension arrangements are designed to provide a reasonable level of retirement income to executives. The Trust is a participating employer in the Loblaw and Weston retirement arrangements and, accordingly, senior executives participate in the Loblaw and Weston executive defined contribution registered pension plan (the "Executive DC Plan") or the Vice President defined contribution pension plan (the "VP DC Plan"). Certain pre-Transaction CREIT executives participate in the defined contribution registered pension plan for CREIT ("RPP"). In addition, certain senior executives of the Trust whose pensionable earnings exceed prescribed levels participate in a non-contributory SERP. All of the costs of the NEOs' participation in the non-contributory Loblaw and Weston plans are paid by the Trust.

## EXECUTIVE BENEFIT PLANS

The Trust, as a participating employer in Weston's executive benefit program, provides the NEOs with health, dental, disability and insurance coverage through executive benefit plans paid for by the Trust.

## PERQUISITES

NEOs receive a limited number of perquisites. These include a car allowance, an annual medical examination, a discretionary health care spending account and the ability to participate in the Trust's employee unit purchase plan. Under Mr. Johnson's contractual arrangements, he is not eligible to participate in the Trust's employee unit purchase plan.

## UNIT OWNERSHIP GUIDELINES

The Trust maintains Unit Ownership Guidelines to align the interests of executives with those of the Unitholders. The Unit Ownership Guidelines establish minimum Trust Unit ownership levels for executives which, based on their executive level, are set at a multiple of their base salary.

Under the Unit Ownership Guidelines, Trust Units (including Trust Units awarded as New RUs, whether vested or unvested) and the in-the-money value of vested Trust Unit options of the Trust are the only eligible holdings included in determining an executive's ownership value. The values of RUs and PUs are not included. The Unit Ownership Guidelines apply to every executive at the vice president level and higher.

Under the Unit Ownership Guidelines, executives are expected to own eligible equity-based holdings with a value equal to a multiple of their base salary as determined by their position:

President and Chief Executive Officer	3x base salary
Chief Financial Officer and Chief Operating Officer	2x base salary
Senior Vice Presidents and Vice Presidents	0.5x base salary

The NEOs are expected to attain the required ownership level within five years of their appointment or promotion to a position subject to the Unit Ownership Guidelines. The value of each NEO's eligible equity-based holdings, based on the market value of the Trust Units on March 14, 2019 of \$13.48, is set forth in the following table:

Name	Ownership Requirement		Value of Eligible Equity-Based Holdings				Value of Ineligible Equity-Based Holdings			
	(\$)	Multiple of Base Salary	Trust Units, Unrestricted (\$)	Trust Units, Restricted <sup>(1)</sup> (\$)	Vested In-The-Money Trust Unit Options (\$)	Total (\$)	RUs (\$)	PUs <sup>(2)</sup> (\$)	Unvested In-The-Money Trust Unit Options (\$)	Ineligible Total (\$)
Stephen E. Johnson	n/a <sup>(3)</sup>	3	34,708,709	9,679,570	—	44,388,279	—	—	—	—
Mario Barrafato	853,200	2	—	2,797,383	—	2,797,383	660,089	95,964	—	756,053
Rael L. Diamond	1,080,000	2	563,895	6,455,330	—	7,019,225	—	171,614	—	171,614
Evan Williams	126,772	0.5	193,627	—	—	193,627	530,880	100,923	59,821	691,624
Robert Yamamoto	131,969	0.5	101,397	—	168,809	270,206	507,580	85,961	51,469	645,010

(1) The Trust Unit values are based on the market value of freely tradeable Trust Units.

(2) The value of PU awards assumes vesting at 100% of target.

(3) As discussed in the section "Base Salary", Mr. Johnson's post-Transaction compensation was set in the aggregate, with no identified allocation for base salary.



## 2018 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS

---

The following outlines the rationale underlying the compensation decisions for each of the NEOs for 2018.

### ***Stephen E. Johnson, President and CEO***

Mr. Johnson's pre-Transaction base salary for 2018 was \$780,500, with STIP and LTIP targets of 125% and 250% of base salary, respectively. On April 26, 2018, Mr. Johnson received an award of restricted units under CREIT's restricted unit plan, which is substantially the same as the New RU Plan, comprised of 19,556 restricted units of CREIT, with an aggregate grant date fair value of \$988,556, of which approximately 1/3 represented a STIP payout at target for the pre-Transaction period from January 1 to May 3, 2018 (based on Mr. Johnson's target STIP and base salary at that time) and approximately 2/3 represented a 2018 LTIP award prorated for the pre-Transaction period from January 1 to May 3, 2018 (based on Mr. Johnson's target LTIP at that time). On close of the Transaction, the 19,556 restricted units of CREIT awarded on April 26, 2018 were exchanged for 83,768 New RUs of the Trust.

The Trust entered into a new employment agreement with Mr. Johnson following the Transaction. In setting Mr. Johnson's remuneration, the Governance Committee considered his compensation package holistically. The Governance Committee thus determined that Mr. Johnson's compensation would be comprised of an aggregate dollar amount, rather than be constituted of separate base salary, STIP and LTIP components. The new contract stipulated that Mr. Johnson's base salary for the period from May 4 to December 31, 2018 would be \$1.00, and that he would not be entitled to participate in the Trust's STIP program for the balance of 2018 or 2019, but would instead receive an award of New RUs representing his compensation package for the 2018 post-Transaction period of May 4 to December 31, 2018. The total compensation was awarded as New RUs to align Mr. Johnson's interests with those of the Unitholders. Mr. Johnson was awarded this long-term incentive grant of 294,673 New RUs in September 2018. In accordance with arrangements put in place prior to the close of the Transaction, the number of New RUs was determined with reference to a targeted grant value of approximately \$3,315,000 as based on the closing trading price of the Trust Units on the TSX on May 3, 2018. The grant date fair value for the September 28, 2018 grant date was \$3,642,158. Mr. Johnson's arrangements also provided that he would be eligible to receive a one-time award with a target value of \$500,000, based on his performance from the Transaction date to December 31, 2018. In early 2019 the Governance Committee evaluated Mr. Johnson's post-Transaction performance and awarded Mr. Johnson a one-time award of \$550,000, representing 110% of the target value of the \$500,000 award. Mr. Johnson elected to take the award in the form of a cash payment.

### ***Mario Barrafato, Chief Financial Officer***

Mr. Barrafato's employment agreement with CREIT was assumed by the Trust on close of the Transaction, with a base salary of \$426,600 and STIP and LTIP targets of 75% and 87.5% of base salary, respectively. In September 2018, the Governance Committee approved a special one-time grant of New RUs to Mr. Barrafato with a grant date fair value of \$424,529 for retention purposes in recognition of the strategically important period following the Transaction, the focus on achieving integration and synergies, and the increase in Mr. Barrafato's responsibilities given the significantly larger post-Transaction entity. As described previously, in early 2019 the Governance Committee awarded Mr. Barrafato \$351,945 for his STIP award, representing 110% of target, and an award of 27,610 RUs with a grant date fair value of \$373,287, representing Mr. Barrafato's 2018 LTIP target of 87.5% of his base salary.

### ***Rael L. Diamond, Chief Operating Officer***

Mr. Diamond's employment agreement with CREIT was assumed by the Trust on close of the Transaction, with a base salary of \$540,000 and STIP and LTIP targets of 100% and 125% of base salary, respectively. In September 2018, the Governance Committee approved a special one-time grant of New RUs to Mr. Diamond with a grant date fair value of \$537,376 for retention purposes in recognition of the strategically important period following the Transaction, the focus on achieving integration and synergies, and the increase in Mr. Diamond's responsibilities given the significantly larger post-Transaction entity. As described previously, in early 2019 the Governance Committee awarded Mr. Diamond \$594,000 for his STIP award, representing 110% of target, and an award of 49,927 New RUs with a grant date fair value of \$677,010, representing Mr. Diamond's target LTIP value of 125% of his base salary.

### ***Evan Williams, Vice President, Property and Asset Management, Loblaw Portfolio***

In 2018, the Governance Committee approved a merit adjustment for Mr. Williams to increase his base salary from \$246,158 to \$253,543. The Governance Committee also approved a special one-time grant of RUs to Mr. Williams with a grant date fair value of \$246,994 for retention purposes as the Trust was entering into a strategically important period in connection with the Transaction and subsequent focus on achieving integration and synergies, and the increase in Mr. Williams' responsibilities.

given the significantly larger post-Transaction entity. As described previously, the Governance Committee awarded Mr. Williams \$125,504 for his STIP award, representing 110% of target.

***Robert Yamamoto, Vice President, Development***

In 2018, the Governance Committee approved a merit adjustment for Mr. Yamamoto to increase his base salary from \$257,500 to \$263,938. The Governance Committee also approved a special one-time grant of RUs to Mr. Yamamoto with a grant date fair value of \$256,995 for retention purposes as the Trust was entering into a strategically important period in connection with the Transaction and subsequent focus on achieving integration and synergies, and in recognition of the increase in Mr. Yamamoto's responsibilities given the significantly larger post-Transaction entity. As described previously, the Governance Committee awarded Mr. Yamamoto \$116,133 for his STIP award, representing 110% of target.

***John R. Morrison, Former President and Chief Executive Officer***

Mr. Morrison stepped down from his role as President and CEO of the Trust effective May 4, 2018, but continued as an employee of the Trust until December 31, 2018, to ensure an effective and collaborative transition with his successor, as contemplated under his contractual arrangements and the Trust's succession planning process. Mr. Morrison's compensation arrangements were amended in 2017 and did not change in 2018. Mr. Morrison received a STIP award of \$742,500 for 2018, representing 110% of target.

***Bart Munn, Former Executive Vice President and Chief Financial Officer***

As Mr. Munn resigned from the Trust on August 2, 2018, his actual base salary for 2018 was \$246,247. Mr. Munn received an annual grant of Trust Unit options, RUs and PUs in the ordinary course. Under his contractual arrangements, Mr. Munn received a prorated STIP award of \$147,748 for 2018, representing payout at target.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The table below summarizes the termination and change of control benefits provided under each plan in situations that result in cessation of employment or change of control. The actual amounts that a NEO would receive upon termination of employment can only be determined at the time he or she leaves the Trust.

Type of Compensation	Separation Event				
	Resignation	Termination without Cause	Termination with Cause	Retirement	Change of Control
<b>Short-Term Incentive Plan</b>	No payment	Bonus for the applicable year is prorated to the termination date	No payment	Bonus for the applicable year is prorated to the retirement date	Governance Committee discretion to grant or adjust bonus
<b>Trust Unit Option Plan</b>	Options forfeited at time of notice of resignation	30 days from notice of termination to exercise vested options	All outstanding options forfeited at time of notice of termination	90 days from date of retirement to exercise vested options	Governance Committee discretion to accelerate vesting of options
<b>Restricted Unit Plan</b>	RUs forfeited upon the last day of active employment	Value of RUs paid out on a prorated basis for RUs granted at least 12 months prior to termination date	All outstanding RUs forfeited upon the last day of active employment	Value of outstanding RUs paid out on a prorated basis to the date of retirement	Governance Committee discretion to adjust grant
<b>New Restricted Unit Plan</b>	Unvested RUs forfeited upon the last day of active employment	Unvested RUs which would have vested within 24 months from date of termination will vest and the balance will be forfeited	Unvested RUs forfeited upon the last day of active employment	Unvested RUs will continue to vest and pay out in the normal course	Unvested RUs will immediately vest
<b>Performance Unit Plan</b>	PUs forfeited upon the last active day of employment	Value of PUs paid out on a prorated basis for PUs granted at least 12 months prior to termination	All outstanding PUs forfeited upon the last day of active employment	Value of outstanding PUs paid out on a prorated basis to the date of retirement	Governance Committee discretion to adjust grant

The Governance Committee has discretion to make adjustments to the general plan provisions for a particular executive if considered appropriate in the circumstances. The following summarizes the termination benefits described above as they relate to the specific arrangements under each NEO's employment agreement as at December 31, 2018.

### ***Stephen E. Johnson, President and Chief Executive Officer***

Mr. Johnson announced his resignation from the Trust in February 2019, effective May 1, 2019. Pursuant to the terms of his retirement agreement, Mr. Johnson's unvested New RUs will continue to vest in the normal course. Upon his retirement, Mr. Johnson would be subject to certain non-competition and confidentiality undertakings.

### ***Mario Barrafato, Chief Financial Officer***

In the event Mr. Barrafato's employment is terminated without just cause or he resigns for "good reason" he would be entitled to receive an amount equal to 1 times, and in the event his employment is terminated without just cause within one year following a "change of control", 1.25 times, the following: (a) annual base salary; (b) maximum eligible annual performance bonus; (c) maximum eligible annual RU award; and (d) annual car allowance. Following any such date of departure, Mr. Barrafato's benefits would continue for 12 months, in the case of a termination without just cause or resignation for "good reason", and 15 months, in the case of a termination without just cause within one year following a "change of control".

For purposes of the foregoing, a resignation for "good reason" means resignation following a reduction in salary, substantial reduction in duties and responsibilities or a significant relocation of primary workplace, and a "change of control" means a transaction that involves any disposition of substantially all of the assets of the Trust. Upon termination or resignation, Mr. Barrafato would be subject to certain confidentiality undertakings.

### ***Rael L. Diamond, Chief Operating Officer***

In the event Mr. Diamond's employment is terminated without just cause or he resigns for "good reason" he would be entitled to receive an amount equal to 1 times, and in the event his employment is terminated without just cause within one year following a "change of control", 1.25 times, the following: (a) annual base salary; (b) maximum eligible annual performance bonus; (c) maximum eligible annual RU award; and (d) annual car allowance. Following any such date of departure, Mr. Diamond's

benefits would continue for 12 months, in the case of a termination without just cause or resignation for “good reason”, and 15 months, in the case of a termination without just cause within one year following a “change of control”.

For purposes of the foregoing, a resignation for “good reason” means resignation following a reduction in salary, substantial reduction in duties and responsibilities or a significant relocation of primary workplace, and a “change of control” means a transaction that involves any disposition of substantially all of the assets of the Trust. Upon termination or resignation, Mr. Diamond would be subject to certain confidentiality undertakings.

***Robert Yamamoto, Vice President, Development***

***Evan Williams, Vice President, Property and Asset Management, Loblaw Portfolio***

Messrs. Yamamoto and Williams are not entitled to contractual severance, termination or change of control payments other than applicable incentives and Trust Unit-based payments as provided for under the terms of the STIP and LTIP. Upon termination, each of Messrs. Yamamoto and Williams would be subject to confidentiality obligations and certain restrictive covenants that will continue to apply following the termination of each of their employment agreements.

***John R. Morrison, Former President and Chief Executive Officer***

Mr. Morrison ceased to be President and Chief Executive Officer effective May 4, 2018 and left Choice Properties on December 31, 2018. Pursuant to the terms of his retirement agreement, his outstanding Trust Unit options, RUs and PUs will continue to vest in the normal course. Based on the closing price of a Trust Unit on December 31, 2018, the value, on exercise or settlement, as applicable, of the incremental unvested Trust Unit options, RUs and PUs that will continue to vest is approximately \$1,258,165. Pursuant to the terms of his retirement agreement, Mr. Morrison is subject to certain non-competition and confidentiality undertakings.

***Bart Munn, Former Executive Vice President and Chief Financial Officer***

Mr. Munn ceased to be Executive Vice President and Chief Financial Officer effective May 4, 2018 and left Choice Properties on August 2, 2018. Pursuant to the terms of his contractual arrangements, he was entitled to: (a) a cash payment in the amount of \$210,000 for his successful transitioning of his role to the incoming Chief Financial Officer; (b) his salary continuance for up to 12 months with a value of \$420,000; (c) a cash payment of up to \$252,000 for his STIP entitlement for the period following his resignation; and (d) his health, drug, dental and car benefits and pension accrual for up to 12 months with a value of \$73,378. Further, his unvested outstanding PU and RU grants will vest pro-rata and be paid out in the normal course. Pursuant to the terms of his agreement, Mr. Munn is subject to certain non-competition and confidentiality undertakings.

## POTENTIAL AMOUNTS PAID ON TERMINATION

The following table sets forth the estimated incremental payments or benefits that the NEOs would have received under their employment agreement upon termination of employment on December 31, 2018 for the various reasons described below.

Amounts Due on Termination										
Contractual Severance										
Long-Term Incentive Plans										
Name	Event	Salary (\$) <sup>(1)</sup>	Annual Bonus (\$) <sup>(1)</sup>	Benefits (\$)	Other (\$)	Unit Options (\$) <sup>(2)</sup>	New RUs (\$)	RUs (\$) <sup>(3)</sup>	PU (\$) <sup>(3)</sup>	Total (\$)
<b>Mario Barrafato</b> Chief Financial Officer	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	\$426,600	\$375,835 <sup>(4)</sup>	\$35,276 <sup>(5)</sup>	\$12,000 <sup>(6)</sup>	—	\$373,275	—	—	\$1,222,986
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	\$533,250	\$469,793 <sup>(4)</sup>	\$44,095 <sup>(5)</sup>	\$15,000 <sup>(6)</sup>	—	\$466,594	—	—	\$1,528,732
<b>Rael L. Diamond</b> Chief Operating Officer	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	\$540,000	\$634,500 <sup>(4)</sup>	\$36,176 <sup>(5)</sup>	\$18,000 <sup>(6)</sup>	—	\$675,000	—	—	\$1,903,676
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	\$675,000	\$793,125 <sup>(4)</sup>	\$45,220 <sup>(5)</sup>	\$22,500 <sup>(6)</sup>	—	\$843,750	—	—	\$2,379,595

(1) The Salary and Annual Bonus figures reflect contractual entitlements and may be paid by salary continuance, subject to mitigation obligations.

(2) The NEOs are entitled to exercise vested options following termination without cause in accordance with the Unit Option Plan.

(3) RUs and PUs are paid out on a prorated basis where the NEO retires or is terminated without cause in accordance with the RU Plan and PU Plan, respectively.

(4) Annual bonus is valued at target level.

(5) Includes benefits and pension accrual for 12 months as per the terms of the employment agreement.

(6) Includes annual car allowance.

## 2019 NEO COMPENSATION CHANGES

### *Stephen E. Johnson, President and Chief Executive Officer*

On February 13, 2019, the Trust announced that Mr. Johnson would retire from the Trust effective May 1, 2019, at which time he would become an advisor to the Trust for a period of twelve months until May 1, 2020. Prior to the announcement, the Governance Committee had approved a target total compensation value for Mr. Johnson for 2019 of \$5,500,000, comprised of New RUs and PUs, in addition to certain other ancillary amounts. In light of the retirement announcement, the Governance Committee determined that Mr. Johnson would be entitled to a pro-rated amount of \$1,834,000 for the period between January 1, 2019 to May 1, 2019, payable in cash or as an award of New RUs, at Mr. Johnson's election. Mr. Johnson elected to receive the amount in the form of a cash payment. The Trust entered into a consulting agreement with Mr. Johnson in February 2019, pursuant to which Mr. Johnson would be entitled to a payment of \$83,334 per month commencing on May 1, 2019, and until the end of Mr. Johnson's term as an advisor.

### *Mario Barrafato, Chief Financial Officer*

For 2019, the Governance Committee approved a base salary increase for Mr. Barrafato from \$426,600 to \$440,000, representing an increase of 3.1%. Mr. Barrafato's STIP and LTIP targets remained unchanged at 75% and 87.5%, respectively.

### *Rael L. Diamond, Chief Operating Officer*

For 2019, the Governance Committee approved a base salary increase for Mr. Diamond from \$540,000 to \$550,800, representing an increase of 2.0%. Mr. Diamond's STIP and LTIP targets remained unchanged at 100% and 125%, respectively. In February 2019 the Trust announced the appointment of Mr. Diamond to the role of Chief Executive Officer, to take effect upon Mr. Johnson's retirement.

### *Evan Williams, Vice President, Property and Asset Management, Loblaw Portfolio*

For 2019, the Governance Committee approved a base salary increase for Mr. Williams from \$253,543 to \$258,600, representing an increase of 2.0%. Mr. Williams' STIP and LTIP targets remained unchanged at 45% and 50%, respectively.

### *Robert Yamamoto, Vice President, Development*

For 2019, the Governance Committee approved a base salary increase for Mr. Yamamoto from \$263,938 to \$269,200, representing an increase of 2.0%. Mr. Yamamoto's STIP and LTIP targets remained unchanged at 40% and 40%, respectively.

## 2019 SHORT-TERM INCENTIVE PLAN

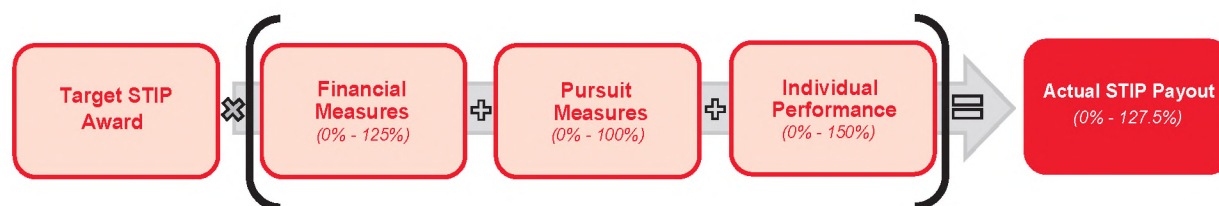
The Trust's STIP is designed to incent executives, including the NEOs, to meet certain annual business and individual performance objectives. In determining the measures and metrics for the 2019 STIP, the Governance Committee considered the Trust's objectives of harmonizing the STIP for the combined business, focusing on the execution of the base business plan while ensuring strong progress on the integration of people, culture, technology and processes, while recognizing that 2019 will continue to be a transition year for the Trust, post-Transaction.

The Governance Committee has approved performance measures and weightings for the 2019 STIP. The 2019 STIP will add pursuit measures while reducing weightings of the business objectives and individual performance objectives components. The 2019 STIP will include the following performance measures and weightings:

Financial Measures 50%	Net Operating Income 20%
	Funds From Operations per Unit 20%
	Adjusted Funds from Operations per Unit 10%
Pursuit Measures 20%	Culture and People 10%
	Technology and Process 10%
Personal 30%	Personal 30%



The 2019 STIP awards will be determined using the following formula:



### PU<sub>s</sub> GRANTED IN 2017 AND 2018

As discussed in the section “Long-Term Incentive Plan” on page 40, post-Transaction, the Governance Committee determined that due to the difficulties in assessing the measure, FFO per Unit was no longer a relevant measure for 2018. Accordingly the Governance Committee determined that no performance targets would be set for the 2018 performance year and the performance measure component would be deemed to be 100%. Accordingly, as noted previously, the Governance Committee determined that for purposes of the PUs granted in 2017, the 2018 and 2019 performance years also would be deemed to achieve the targeted performance of 100%.

### 2019 LONG-TERM INCENTIVE PLAN DESIGN

In February 2019, the Governance Committee approved certain design changes to the 2019 LTIP with objectives of: (i) harmonizing the LTIP program of the combined business; (ii) placing appropriate emphasis on long-term value creation; (iii) attracting and retaining talent, encouraging long-term ownership; and (iv) reflecting best practices for the Canadian REIT industry. The Governance Committee determined that Trust Unit options should be eliminated from the LTIP design, in recognition of the stable underlying dynamics of the Trust’s business and to remain consistent with best practice in the industry.

The Governance Committee determined that PUs continue to be an appropriate component of the Trust’s LTIP design. The Governance Committee further determined that RUs and New RUs would continue to be a component of the LTIP design. For 2019, in order to offer flexibility, given the differences between the RU Plan and the New RU Plan, the Governance Committee determined that recipients would be provided the opportunity to elect the form of restricted unit award, whether as RUs, New RUs, or a combination of the two.

The Governance Committee determined that, in recognition of the transition year, it was appropriate that the ratio of the LTIP awards be 25% PUs and 75% restricted units, either as RUs, New RUs or a combination thereof. Further, the Governance Committee approved a performance measure of total Unitholder return for the PUs.

### 2019 Long-Term Incentive Plan Grants

In February 2019, the Governance Committee approved LTIP grants to the NEOs as set out below. These annual LTIP grants were comprised of PUs and, at the election of the participant, RUs, New RUs or a combination thereof, and were awarded during an open trading window on February 22, 2019, in the case of the PUs and the RUs, and on March 5, 2019, in the case of the New RUs.

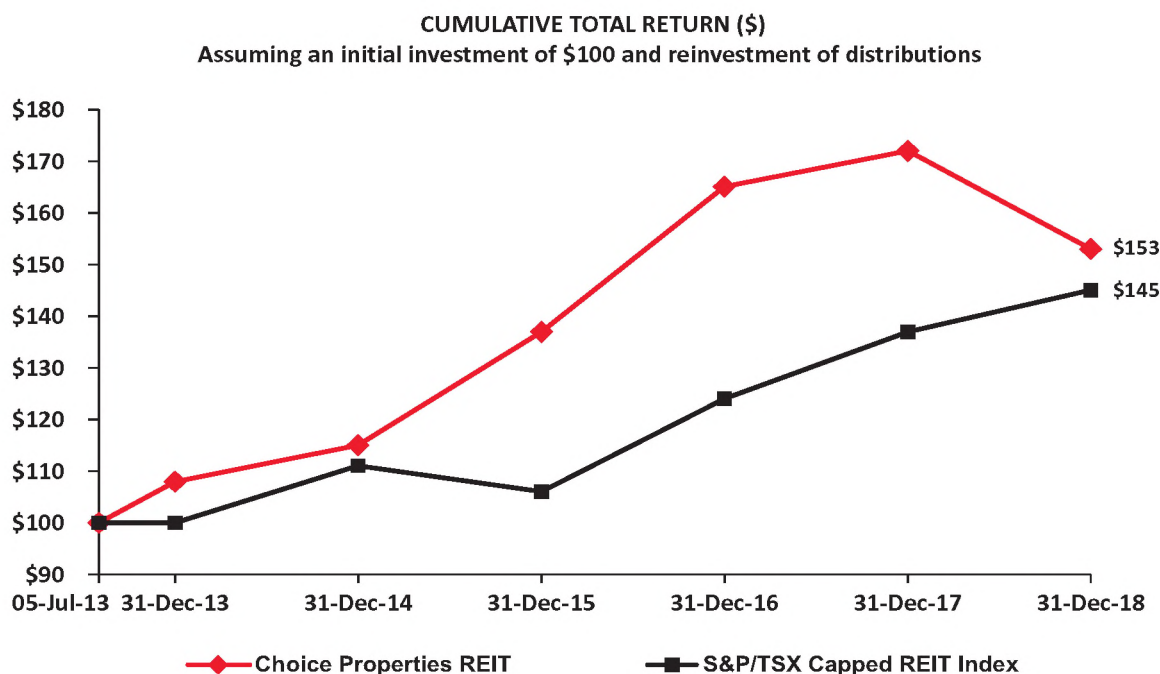
Name	Grant Date Fair Value (\$) <sup>(1)</sup>	New RUs (#)	RUs (#)	PU <sub>s</sub> (#)
<b>Mario Barrafato</b> Chief Financial Officer	385,009 <sup>(2)</sup>	N/A	21,358	7,119
<b>Rael L. Diamond</b> Chief Operating Officer	688,506 <sup>(2)</sup>	38,194	N/A	12,731
<b>Robert Yamamoto</b> Vice President, Development	107,686	N/A	5,974	1,991
<b>Evan Williams</b> Vice President, Property and Asset Management, Loblaw Portfolio	129,305	N/A	7,173	2,391

(1) These amounts reflect the grant date fair value of the PUs, RUs and New RUs when granted. The grant date fair value of PUs and RUs is calculated in the following manner: Number of PUs or RUs granted times the greater of the volume-weighted average Trust Unit price on the TSX for the one or five trading days preceding the grant date, which was \$13.52 as of February 22, 2019. The grant date fair value of the New RUs is calculated in the following manner: The price used for the PU and RU calculation of grant date fair value, being \$13.52, was used to determine the number of New RUs to be awarded and the grant date fair value reflected above. Trust Units were subsequently purchased by the trustee of the New RU Plan in the market over several days to fund the New RU grants.

(2) Commencing with 2019, the annual LTIP awards for Messrs. Barrafato and Diamond were awarded early in 2019 year, in accordance with the Trust’s normal practice. For a discussion of the 2018 LTIP awards for Messrs. Barrafato and Diamond, which were also awarded in February 2019, please see the section “Long-Term Incentive Plan” on page 40.

## PERFORMANCE GRAPH

The graph below compares the cumulative total Unitholder return on \$100 invested in Trust Units on the date of Choice Properties' IPO, being July 5, 2013, with the cumulative total return on the S&P/TSX Capped REIT Index over the same period, assuming the re-investment of all cash distributions of the Trust since July 5, 2013.



	05-Jul-13	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18
Choice Properties	\$100	\$108	\$115	\$137	\$165	\$172	\$153
S&P/TSX Capped REIT Index	\$100	\$100	\$111	\$106	\$124	\$137	\$145

For the period since July 5, 2013, Choice Properties' total Unitholder return out-performed the S&P/TSX Capped REIT Index. The annualized compensation for the NEOs has not significantly increased since the Trust was established in 2013.

NEO compensation is not strongly correlated to Unitholder returns in the short-term, in part because equity-based incentives are calculated at the time of grant using grant date fair values, which do not reflect the actual value of compensation received when such incentives vest or are exercised. In the longer term, NEO compensation is directly impacted by the Trust Unit price performance as Trust Unit options, RU and PU awards directly correlate to the Trust Unit price and are therefore aligned with Unitholder returns.

A substantial portion of NEO pay is at-risk. In addition to the LTIP awards, the Trust's STIP awards are made based on the successful performance of key financial objectives that are tied to the annual business plan. These at-risk components (the STIP and LTIP awards) for the NEOs in 2018 ranged from 44.4% to 94.7% of the NEOs' total direct target compensation.

## SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by the NEOs during 2018, 2017 and 2016.

		Non-Equity Incentive Plan Compensation								
Name and Principal Position	Year	Salary (\$)	Trust Unit-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)	
Stephen E. Johnson	2018	269,173 <sup>(8)</sup>	4,301,398 <sup>(5)</sup>	—	329,620 <sup>(3)</sup>	—	16,200	574,038 <sup>(4)</sup>	5,490,429	
President and Chief Executive Officer	2017	765,000	2,053,495 <sup>(5)</sup>	—	922,500	—	26,200	39,259	3,806,454	
	2016	750,000	1,825,000 <sup>(5)</sup>	—	1,025,000	—	17,340	41,582	3,658,922	
Mario Barrafato	2018	426,600 <sup>(8)</sup>	797,816 <sup>(6)</sup>	—	351,945	—	25,600	21,921 <sup>(4)</sup>	1,623,882	
Chief Financial Officer	2017	418,200	392,941 <sup>(6)</sup>	—	332,000	—	25,100	18,343	1,186,584	
	2016	410,000	358,794 <sup>(6)</sup>	—	345,600	—	16,400	21,462	1,152,256	
Rael L. Diamond	2018	540,000 <sup>(8)</sup>	1,214,386 <sup>(7)</sup>	—	594,000	—	26,500	27,921 <sup>(4)</sup>	2,402,807	
Chief Operating Officer	2017	525,000	704,670 <sup>(7)</sup>	—	555,000	—	26,200	24,343	1,835,213	
	2016	500,000	625,035 <sup>(7)</sup>	—	558,500	—	17,340	22,962	1,723,837	
Evan Williams	2018	251,697	342,080	31,693	125,504	—	20,300	30,637 <sup>(4)</sup>	801,911	
Vice President, Property and Asset Management, Loblaw Portfolio	2017	246,158	86,178	28,719	148,048	—	20,000	26,552	555,655	
	2016	244,250	73,846	24,616	133,946	—	20,000	27,962	524,620	
Robert Yamamoto	2018	262,329	336,168	26,394	116,133	—	24,000	30,863 <sup>(4)</sup>	795,887	
Vice President, Development	2017	255,625	77,246	25,750	138,447	—	20,800	30,145	548,013	
	2016	250,000	74,998	25,000	134,600	—	20,000	28,778	533,376	
John R. Morrison	2018	675,000	759,375	235,125	742,500	—	42,500	1,311,310 <sup>(4)</sup>	3,765,810	
Former President and Chief Executive Officer	2017	660,000	1,755,020	247,501	943,140	—	42,500	53,135	3,701,296	
	2016	630,000	708,743	236,250	895,230	—	42,500	50,604	2,563,327	
Bart Munn	2018	246,247	236,254	78,750	147,748	—	24,918	993,195 <sup>(4)</sup>	1,727,112	
Former Executive Vice President and Chief Financial Officer	2017	415,000	236,256	78,750	352,709	—	42,500	54,555	1,179,770	
	2016	400,000	224,994	75,000	338,040	—	42,500	54,035	1,134,569	

(1) Amounts represent the grant date fair value of PUs, RUs, and New RUs awarded to the NEOs, calculated, in the case of RUs and PUs, as the number of RUs and PUs granted x the greater of the volume weighted average unit price on the TSX either for the one or five trading days preceding the grant date as applicable, and in the case of New RUs (whether granted before or subsequent to the Transaction), as the number of New RUs granted x the volume weighted average unit price (of the CREIT Units or the Trust Units, as applicable) on the TSX for the five trading days preceding or subsequent to the grant date or price on the grant date, except that for the grants listed for 2017 for Messrs. Johnson, Barrafato and Diamond in respect of their 2017 LTIP, calculated as the number of New RUs granted x the volume weighted average unit price of the CREIT Units on the TSX for the month of December 2017. The grant date fair value of a PU or RU award is the same as the accounting fair value of such award on the applicable grant date. The grant date fair value of a PU award assumes vesting at 100% of target. The number of PUs that vest will range between 0% and 200% of the number granted.

(2) These amounts reflect the grant date fair value of the Trust Unit options when granted. The grant date fair value of Trust Unit options is calculated in the following manner: Trust Unit Option Value = Number of Trust Unit Options Granted x Black-Scholes-Merton Value. The Trust has chosen to use Black-Scholes-Merton model as the methodology for calculating the fair value of the options granted as this methodology is commonly used by issuers. To determine the fair value of options granted using the Black-Scholes-Merton model, an expected life of 7 years is used, which is based on the contractual term of the options. The other assumptions used in the model are based on relevant market data on the day of the valuation. The Trust also uses the Black-Scholes-Merton model for accounting purposes. However, the accounting value ascribed at the grant date for the Trust Unit options uses an expected life based on expectations of option holder behaviour (see Notes 2 and 13 to the Trust's annual audited consolidated financial statements for the year ended December 31, 2018, for the other assumptions and estimates used for this calculation). As a result, when using the Black-Scholes-Merton value method, there is a difference between the fair value per option for compensation reporting purposes, and the accounting value per option as follows: For the 2018 grants for Messrs. Williams, Yamamoto, Morrison and Munn, the accounting value per option is lower by \$0.18 (for 2017 and 2016 grants, the accounting value per option is lower by \$0.28 and lower by \$0.11, respectively).

(3) Mr. Johnson elected to receive the value in respect of his STIP for the 2018 pre-Transaction period from January 1 to May 4, 2018 as an award of CREIT restricted units.

- (4) Amounts under 'All Other Compensation' include the value of perquisites and payments made by the Trust under its employee unit ownership plans. The largest single payment received by certain NEOs relates to a car allowance with an annual value of approximately \$21,000. Excluded from "All Other Compensation" for Messrs. Johnson and Diamond are cash payments of \$807,032 and \$88,185, respectively, in each case representing benefits accrued prior to the Trust's acquisition of CREIT and assumed by the Trust on the close of the Transaction. All Other Compensation for Mr. Johnson includes a one-time cash payment of \$550,000 awarded in early 2019, in respect of Mr. Johnson's performance for the 2018 post-Transaction period from May 5 to December 31, 2018. All Other Compensation for Mr. Morrison includes an amount of \$1,258,165 representing the incremental value of options, RUs and PUs that will continue to vest pursuant to the terms of Mr. Morrison's retirement arrangements, based on the closing price of the Trust Units on December 31, 2018. In addition to amounts in respect of the period prior to Mr. Munn's retirement, All Other Compensation for Mr. Munn includes a one-time payment of \$210,000 in connection with post-Transaction transition services prior to his resignation; and, for the salary continuance period, (1) \$420,000 in respect of base salary; (2) \$252,000 in respect of STIP at target; (3) \$42,500 in respect of pension accrual; and (4) \$40,065 in respect of other health, drug, dental and car benefits.
- (5) Mr. Johnson's 2018 Trust Unit-based awards include: (1) a portion of an award of 19,556 CREIT units with a grant date fair value of \$659,037, granted by Mr. Johnson's pre-Transaction employer, CREIT, on April 26, 2018 (\$50.55) in respect of Mr. Johnson's LTIP for the 2018 pre-Transaction period from January 1 to May 4, 2018; (2) an award of 294,673 New RUs with a grant date fair value of \$3,642,158, granted on September 28, 2018 (\$12.36), which represented Mr. Johnson's base salary, STIP and LTIP from May 5, 2018 to December 31, 2018; and (3) a residual cash payment of \$203 in respect of the LTIP award. Excluded from Mr. Johnson's 2018 Trust Unit-Based Awards is an award of 162,000 New RUs with a grant date fair value of \$1,908,360, on December 24, 2018 (\$11.78) representing benefits accrued prior to the Transaction and assumed by the Trust on the close of the Transaction. Mr. Johnson's 2017 Trust Unit-based awards includes an award of 41,468 CREIT restricted units granted by Mr. Johnson's pre-Transaction employer, CREIT, on February 22, 2018 in respect of Mr. Johnson's 2017 LTIP, with a targeted grant value of \$1,912,500 based on a volume-weighted average price of the CREIT units for December 1 to 31, 2017 of \$46.12, and a grant date fair value of \$2,053,495, based on a price of \$49.52 at the date of grant. Mr. Johnson's 2016 awards are as set out in the CREIT management information circular dated March 29, 2017, available at [www.sedar.com](http://www.sedar.com).
- (6) Mr. Barrafato's 2018 Trust Unit-based awards includes: (1) a one-time retention award of 34,347 New RUs with a grant date fair value of \$424,529, granted on September 28, 2018 (\$12.36); (2) an award of 27,610 RUs with a grant date fair value of \$373,287, granted on February 22, 2019, in respect of Mr. Barrafato's 2018 LTIP. Mr. Barrafato's Trust Unit-Based Awards for 2017 includes an award of 7,935 CREIT restricted units granted by Mr. Barrafato's pre-Transaction employer, CREIT, on February 26, 2018 in respect of his 2017 LTIP, with a targeted grant value of \$365,925 based on a volume-weighted average price of the CREIT Units for December 1 to 31, 2017 of \$46.12, and a grant date fair value of \$392,941, based on a price of \$49.52 at the date of grant. Mr. Barrafato's 2016 awards are as set out in the CREIT management information circular dated March 29, 2017, available at [www.sedar.com](http://www.sedar.com).
- (7) Mr. Diamond's 2018 Trust Unit-based awards includes: (1) a one-time retention award of 43,477 New RUs with a grant date fair value of \$537,376, granted on September 28, 2018 (\$12.36); and (2) an award of 43,477 New RUs with a grant date fair value of \$677,010, granted on March 5, 2019, in respect of Mr. Diamond's 2018 LTIP. Mr. Diamond's Trust Unit-based awards for 2017 includes an award of 14,230 CREIT restricted units granted by Mr. Diamond's pre-Transaction employer, CREIT, on February 26, 2018 in respect of his 2017 LTIP, with a targeted grant value of \$656,250 based on a volume-weighted average price of the CREIT Units for December 1 to 31, 2017 of \$46.12, and a grant date fair value of \$704,670, based on a price of \$49.52 at the date of grant. Mr. Diamond's 2016 awards are as set out in the CREIT management information circular dated March 29, 2017, available at [www.sedar.com](http://www.sedar.com).
- (8) This amount reflects the actual base salary for 2018 for Messrs. Johnson, Barrafato and Diamond. A portion of this salary was paid by CREIT for the pre-Transaction period of January 1 to May 3, 2018. Effective May 4, 2018, the executive's salary was paid by the Trust.

## INCENTIVE PLAN AWARDS

### INCENTIVE PLAN AWARDS – OUTSTANDING OPTION-BASED AWARDS AND TRUST UNIT-BASED AWARDS

The following tables set forth the number and value of all unexercised option-based and Trust Unit-based awards granted to NEOs, excluding any New RU awards that are no longer subject to disposition restrictions, that were outstanding at December 31, 2018:

Name	Total Number of Unvested New RUs <sup>(1)</sup>	Value of Unvested New RUs	Date on which Units Vest or are no longer subject to Disposition Restrictions	# of Units that will Vest	# of New RUs that will no longer be subject to Disposition Restrictions
Stephen E. Johnson <sup>(2)</sup>	718,069	8,272,155	February 26, 2021	59,210	—
			March 26, 2021	—	—
			April 26, 2021	27,923	—
			September 28, 2021	98,225	—
			December 24, 2021	54,000	—
			February 26, 2022	59,209	—
			March 26, 2022	—	—
			April 26, 2022	27,923	—
			May 31, 2022	—	—
			September 28, 2022	98,224	—
			December 24, 2022	54,000	—
			February 26, 2023	59,209	—
			February 28, 2023	—	—
			April 26, 2023	27,922	—
			May 31, 2023	—	—
			September 28, 2023	98,224	—
			December 24, 2023	54,000	—
			February 28, 2024	—	—
			February 26, 2025	—	177,628
			April 26, 2025	—	83,768
			September 28, 2025	—	294,673
			December 24, 2025	—	162,000
Mario Barrafato	102,293	1,178,415	February 26, 2019	11,330	—
			February 28, 2019	10,677	—
			May 31, 2019	12,604	—
			September 28, 2019	11,449	—
			February 26, 2020	11,330	—
			February 28, 2020	10,676	—
			September 28, 2020	11,449	—
			February 26, 2021	11,329	—
			April 1, 2021	—	69,340
			September 28, 2021	11,449	—
			May 31, 2022	—	37,814
			February 28, 2023	—	32,031
			February 26, 2024	—	33,989
			September 28, 2024	—	34,347

Name	Total Number of Unvested New RUs <sup>(1)</sup>	Value of Unvested New RUs	Date on which Units Vest or are no longer subject to Disposition Restrictions	# of Units that will Vest	# of New RUs that will no longer be subject to Disposition Restrictions
Rael L. Diamond	161,297	1,858,141	February 26, 2019	20,318	—
			February 28, 2019	18,599	41,832
			May 31, 2019	19,669	—
			September 28, 2019	14,493	—
			February 26, 2020	20,318	—
			February 28, 2020	18,598	—
			March 26, 2020	—	134,543
			September 28, 2020	14,492	—
			February 26, 2021	20,318	—
			March 26, 2021	—	36,975
			September 28, 2021	14,492	—
			May 31, 2022	—	59,013
			February 28, 2023	—	55,800
			February 26, 2024	—	60,954
			September 28, 2024	—	43,477

- (1) On close of the Transaction, the outstanding restricted units under the restricted unit plan of CREIT held by employees of CREIT, including Messrs. Johnson, Barrafat and Diamond, were exchanged for non-cash consideration, being approximately 4.2835 New RUs per restricted unit of CREIT, in accordance with the Plan of Arrangement. The New RU amounts above reflect the adjusted numbers.
- (2) Included in Mr. Johnson's Total Number of Unvested New RUs is an award of 162,000 New RUs with a grant date fair value of \$1,908,360, granted on December 24, 2018 (\$11.78) and representing benefits accrued prior to the Transaction and assumed by the Trust on the close of the Transaction.

Name	Option-Based Awards				Trust Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>(1)</sup>	Number of Trust Unit-Based Awards That Have Not Vested (#)	Market or Payout Value of Trust Unit-Based Awards That Have Not Vested (\$) <sup>(2)</sup>	Market or Payout Value of Vested Trust Unit-Based Awards Not Paid Out or Distributed (\$)
<b>Evan Williams</b>	22,935	11.51	March 4, 2022	229	43,920	505,959	—
Vice President, Property and Asset Management, Loblaw Portfolio	32,821	12.38	February 25, 2023	0			
	21,593	14.21	February 23, 2024	0			
	3,871	13.93	May 2, 2024	0			
	43,415	11.92	February 22, 2025	0			
<b>Robert Yamamoto</b>	6,009	10.72	November 17, 2021	4,807	42,802	493,074	—
Vice President, Development	56,154	11.51	March 4, 2022	562			
	33,333	12.38	February 25, 2023	0			
	22,588	14.21	February 23, 2024	0			
	36,156	11.92	February 22, 2025	0			
<b>John R. Morrison</b>	442,586	10.04	July 12, 2020	655,027	271,845	3,131,653	—
Former President and Chief Executive Officer	536,932	10.81	March 28, 2021	381,222			
	908,654	11.51	March 4, 2022	9,087			
	315,000	12.38	February 25, 2023	0			
	207,237	14.21	February 23, 2024	0			
	10,614	13.93	May 2, 2024	0			
	346,747	11.92	February 22, 2025	0			

- (1) The value of outstanding vested and unvested Trust Unit option-based awards is calculated based on the closing price for the Trust Units on the TSX on December 31, 2018, which was \$11.52.
- (2) The value of PUs and RUs held by the NEOs is based on the closing price of the Trust Units on the TSX on December 31, 2018, which was \$11.52, multiplied by the number of PUs and RUs outstanding as at December 31, 2018. Additional PUs and RUs were accumulated based on notional equivalents of distributions paid on Trust Units throughout the year and have been included in this table. The value of a PU award assumes vesting at 100% of target.



## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth the value of option-based and Trust Unit-based awards of the NEOs that vested during fiscal 2018, as well as the value of non-equity incentive plan compensation that the NEOs earned during 2018. The dollar value of the option-based and Trust Unit-based awards is calculated using the number of units vested/earned multiplied by the closing price of the Trust Units on the TSX on the applicable vesting date.

Name	Option-Based Awards – Value Vested During The Year (\$)	Trust Unit- Based Awards – Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During The Year <sup>(1)</sup> (\$)
<b>Stephen E. Johnson</b> President and Chief Executive Officer	—	\$7,670,240	329,620
<b>Mario Barrafato</b> Chief Financial Officer	—	540,960	351,945
<b>Rael L. Diamond</b> Chief Operating Officer	—	589,193	594,000
<b>Evan Williams</b> Vice President, Property and Asset Management, Loblaw Portfolio	19,988	57,627	125,504
<b>Robert Yamamoto</b> Vice President, Development	21,453	60,393	116,133
<b>John R. Morrison</b> Former President and Chief Executive Officer	222,413	570,724	742,500
<b>Bart Munn</b> Former Executive Vice President, Chief Financial Officer	70,607	591,284	147,748

(1) Payments made in accordance with the Trust's STIP.

## PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS

### DEFINED CONTRIBUTION PENSION PLANS AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Messrs. Morrison and Munn participated on a non-contributory basis in the Executive DC Plan. During 2018, employer contributions were set as a percentage of base salary (maximum of \$250,000) and were capped at \$26,500 per year, as set forth in the following table:

Age + Years of Service	Employer Contributions as a Percentage of Base Salary
< 50	13%
50-60	15%
60 +	17%

Messrs. Yamamoto and Williams participate in the VP DC Plan. During 2018, employer contributions were set as a percentage of base salary (maximum of \$200,000), as set forth in the following table:

Age + Years of Service	Employer Contributions as a Percentage of Base Salary
< 50	8%
50-60	10%
60 +	12%

The Trust has entered into retirement agreements with certain executives who participate in the Executive DC Plan to provide SERP benefits to those executives with allocations for contributions in excess of the annual \$26,500 registered plan limit. The SERP is an unfunded obligation of the Trust and executives who participate in this plan must comply with certain eligibility provisions in order to receive payment, most notably, executives are not eligible to receive SERP payments while employed by a competitor of the Trust.

The following table sets forth details regarding Messrs. Williams, Yamamoto, Morrison and Munn, who participated in the Executive DC Plan and SERP and the VP DC Plan during 2018:

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$)
Evan Williams <sup>(1)</sup>	60,200	20,300	78,900
Robert Yamamoto <sup>(1)</sup>	67,300	24,000	89,400
John R. Morrison <sup>(2)</sup>	239,900	42,500	272,200
Bart Munn <sup>(2)</sup>	229,900	42,500 <sup>(3)</sup>	262,900

(1) Messrs. Williams and Yamamoto participated in the VP DC Plan.

(2) Messrs. Morrison and Munn participated in the Executive DC Plan and the SERP.

(3) The compensatory amount for Mr. Munn attributable to the period prior to his resignation was \$24,918.

### CREIT MANAGEMENT L.P. PENSION PLAN

The following table sets forth details regarding Messrs. Johnson, Barrafato and Diamond, who participated in the RPP during 2018:

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$)
Stephen E. Johnson <sup>(1)</sup>	492,900	16,200	509,200
Mario Barrafato	73,700	25,600	96,400
Rael L. Diamond	155,900	26,500	183,600

(1) On May 4, 2018, following the closing of the Transaction, Mr. Johnson was no longer eligible to participate in any pension plan.

### INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As at March 14 2019, there was no indebtedness (other than “routine indebtedness” under applicable Canadian securities laws) owing to the Trust or any of its subsidiaries by any current or former trustees, executive officers, or employees of the Trust or any of its subsidiaries.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below, management is not aware of any material interest, direct or indirect, in any material transaction of: (i) any trustee or executive officer of the Trust; (ii) any director or executive officer of Loblaw; (iii) any director or executive officer of Weston; or (iv) any person beneficially owning or controlling, directly or indirectly, more than 10% of the Trust’s outstanding Units.

On November 1, 2018, Loblaw and its parent Weston completed a reorganization under which Loblaw distributed its approximate 61.6% effective interest in Choice Properties to Weston on a tax-free basis to Loblaw and its Canadian shareholders. In connection with the reorganization, the holders of common shares of Loblaw, other than Weston and its subsidiaries, received 0.135 of a common share of Weston for each common share of Loblaw held, which was equivalent to the market value of their pro rata interest in Choice Properties as at the date of announcement of the reorganization, and Weston received Loblaw’s approximate 61.6% effective interest in Choice Properties.

Following completion of the reorganization, Loblaw no longer retains its interest in Choice Properties. The reorganization has no significant impact on the ongoing operating relationship between Loblaw and Choice Properties and all current operational agreements and arrangements, including the Strategic Alliance Agreement and leases, remain in place.

As of March 14, 2019, Weston beneficially owned, directly and indirectly, 46,856,415 Trust Units and 389,961,783 Special Voting Units, representing a 65.27% effective interest in the Trust; and Mr. W. Galen Weston, the controlling shareholder of Weston, also beneficially held 75,000 Trust Units, representing a 0.01% effective interest in the Trust. Additional information relating to Choice Properties is available on its website at [www.choicereit.ca](http://www.choicereit.ca) and under Choice Properties’ issuer profile at [www.sedar.com](http://www.sedar.com).

## OTHER INFORMATION

### TRUSTEE AND OFFICER LIABILITY INSURANCE

The Trust maintains insurance for the benefit of its trustees and officers, and the trustees and officers of its subsidiaries, in respect of the performance by them of their duties. The Trust's annualized insurance premium in 2018 was \$149,750. The insurance limit is \$50 million per year on an aggregate basis or per occurrence basis. There is no deductible in the case of trustees and officers and a deductible of up to a maximum of \$250,000 for the Trust.

### NON-GAAP FINANCIAL MEASURES

Certain financial measures discussed in this Circular, such as NOI and FFO per Unit, are non-GAAP financial measures. For reconciliations to the most comparable GAAP measure, please see section 21, "Non-GAAP Financial Measures", included in the management's discussion and analysis of the Trust's Fourth Quarter Report.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded REITs, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

### ADDITIONAL INFORMATION

The Trust is a reporting issuer under the applicable legislation of all of the provinces and territories of Canada and is required to file financial statements and information circulars with the various securities commissions. The Trust has filed its Annual Information Form with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under National Instrument 52-110 – *Audit Committees*.

Financial information is provided in the Trust's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year. Additional information regarding the Trust can also be found at [www.choicereit.ca](http://www.choicereit.ca) and [www.sedar.com](http://www.sedar.com) or by dialing in for regularly scheduled conference calls.

Copies of the Trust's latest Annual Information Form, the Trust's 2018 Fourth Quarter Report and this Circular may be obtained upon request from the Senior Vice President, Administration and Governance of the Trust at 22 St. Clair Avenue East, Suite 500, Toronto, Ontario, M4T 2S5.

### CONTACTING THE BOARD OF TRUSTEES

Unitholders, employees and other interested parties may communicate directly with the Board through the Lead Trustee by writing to:

Lead Trustee  
Choice Properties Real Estate Investment Trust  
22 St. Clair Avenue East, Suite 500  
Toronto, Ontario, M4T 2S5

### BOARD APPROVAL

The contents and sending of this Circular to Unitholders entitled to receive notice of the Meeting, to each trustee, to the external auditor of the Trust and to the appropriate government agencies have been approved by the Board.



Adam Walsh  
Vice President, General Counsel and Secretary

Dated in Toronto, Ontario  
March 22, 2019

# SCHEDULE A

## MANDATE OF THE BOARD OF TRUSTEES

### 1. **ROLE**

The role of the Board of Trustees (the “Board”) is to provide governance and stewardship to Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”). This includes reviewing strategy, assigning responsibility to management for achievement of that strategy, establishing limitations on the authority delegated to management and overseeing performance against approved objectives. In fulfilling this role, the Board regularly reviews management’s strategic plans to ensure that they continue to be responsive to the changing business environment in which Choice Properties operates. The Board oversees Choice Properties’ approach to governance, succession planning, risk management activities, internal control over financial reporting, disclosure controls and procedures, and information systems. Through its oversight, the Board ensures that Choice Properties accurately and fairly reports financial and other information to unitholders, other stakeholders and the public. The Board is required to appoint officers. The Board satisfies itself as to the integrity of senior management, that Choice Properties engages in ethical and legal conduct and that senior management maintains a culture of integrity throughout Choice Properties.

### 2. **RESPONSIBILITIES**

To ensure that it fulfills its role, the Board, or any Committee so delegated by the Board, will:

#### (a) Ensure Compliance with the Declaration of Trust

- Exercise its powers and take whatever actions as may be necessary or desirable in order to carry out the provisions of the Declaration of Trust.
- Ensure that the exercise of such powers or the taking of such actions is not inconsistent with the provisions of the Declaration of Trust.

#### (b) Review Performance and Approve Strategic Goals, Performance Objectives and Operational Policies

Review and, if advisable, approve broad strategic objectives and values against which the performance of Choice Properties will be measured. In this regard, the Board will:

- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set strategic goals and objectives within this context.
- Monitor performance against both strategic goals and objectives of Choice Properties.
- Approve long-term strategies.
- Review and approve management’s strategic and operational plans so that they are consistent with long-term goals.
- Oversee the development, execution and fulfillment of the Trust’s strategic plans and the operational policies within which management will operate.
- Approve significant acquisitions, sales of assets or units, and material financing arrangements.
- Review and approve the Trust’s distribution policy and approve the timing and payment of distributions.
- Set targets and budgets against which to measure executive performance and the performance of Choice Properties.
- Satisfy itself of the appropriateness of all executive and colleague compensation matters and that a portion of executive compensation is linked appropriately to the performance of Choice Properties.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management.

- (c) Delegate Management Authority to the President and Chief Executive Officer
- Delegate to the President and Chief Executive Officer the authority to manage and supervise the business of Choice Properties, including making any decisions regarding Choice Properties' ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority.
  - Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.
- (d) Monitor Financial Disclosure
- Oversee Choice Properties' financial reporting and disclosure obligations in accordance with applicable law.
  - Approve Choice Properties' financial statements, management's discussion and analysis and related releases.
  - Oversee Choice Properties' compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures.
- (e) Monitor Enterprise Risk Management Program
- Approve management's approach to enterprise risk management and its mitigation practices, including the identification, assessment and mitigation of the principal risks with a view to the long-term viability of Choice Properties and achieving a proper balance between the risks incurred and the potential return for unitholders.
  - Satisfy itself as to the effective oversight of risk management of individual risks by the Board or by a Committee delegated by the Board, through the receipt of periodic reports from the Committee Chairs or management, as appropriate.
- (f) Approve Related Party Transactions
- Approve all proposed material related party transactions and any related party transactions that are not dealt with by a "special committee" of independent trustees pursuant to applicable securities legislation.
- (g) Oversee Effective External Communications
- Satisfy itself that there is effective communication between the Board and Choice Properties' unitholders, other stakeholders and the public.
  - At least annually, with the assistance of the Audit Committee, review and approve any material changes to Choice Properties' disclosure policy.
- (h) Monitor Governance of Choice Properties
- Develop, and monitor compliance with, a set of governance principles and guidelines.
  - Appoint a Lead Trustee who is independent to provide leadership to the Board and the independent trustees, including presiding over meetings or sessions of the non-management trustees and consulting with the Chair of the Board on any matters arising out of such sessions.
  - Ensure that independent trustees hold regular meetings without the attendance of management or non-independent trustees.
  - On the recommendation of the Governance, Compensation and Nominating Committee, approve the appointment of trustees or recommend the election of trustee nominees to the Board at the annual general meeting of unitholders.
  - Review the Board's mandate on an annual basis and make appropriate revisions.
  - Develop, adopt and regularly review position descriptions for the Chair of the Board, the Lead Trustee and the chair of each committee of the Board.
  - Assess the effectiveness and performance of the Board and its committees as well as their individual members.
  - Oversee significant compensation decisions for the trustees and for senior executive management.

(i) Monitor Social Responsibility, Integrity and Ethics of Choice Properties

- Oversee actions taken by management to ensure that senior executives maintain a culture of integrity throughout Choice Properties.
- Adopt a written code of conduct which is applicable to employees, officers and trustees, and monitor compliance with the code.
- Receive and monitor periodic reports on policies and practices related to social responsibility of Choice Properties.

3. **COMPOSITION**

The Board shall be comprised of a majority of independent trustees. For this purpose, a trustee is independent if he or she would be independent within the meaning of the applicable Canadian securities laws, as the same may be amended from time to time. The Board is responsible for the composition and organization of the Board, including: the number, qualifications and remuneration of trustees; the number of Board meetings; quorum requirements; and meeting procedures. The Board shall ensure that due notice of meetings is provided as required by applicable law and the Declaration of Trust, subject to any exemptions or relief that may be granted from such requirements.

4. **COMMITTEES**

The Board may establish committees of the Board where required or prudent. The Board may delegate to such committees matters for which the Board is responsible, including the approval of Board and management compensation, the conduct of performance evaluations and oversight of internal controls, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities. The Board has established the following committees:

- the Audit Committee (comprised entirely of independent trustees); and
- the Governance, Compensation and Nominating Committee (comprised entirely of independent trustees).

The Board shall provide a forum for discussion and reporting of all matters considered by the committees. Circumstances may warrant the establishment of new committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees. The authority and responsibilities of each committee are set out in a written mandate approved by the Board. At least annually, each mandate shall be reviewed by the respective committee and submitted to the Board for approval with such amendments as the committee proposes. Each Committee Chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following such Committee's meeting.

5. **ORIENTATION AND CONTINUING EDUCATION**

With the Governance, Compensation and Nominating Committee, the Board shall ensure that all trustees receive a comprehensive orientation program and continuing education in connection with their role, responsibilities, the business of Choice Properties, and the skills they must use in their roles as trustees.

6. **EQUITY OWNERSHIP BY TRUSTEES**

The Board shall oversee trustees' compliance with Choice Properties' Equity Ownership Policy.

7. **RETENTION OF EXPERTS**

The Board may engage any professional advisors including legal, accounting or other experts, at the expense of the Trust, as it considers necessary to perform its duties.



**Choice**  
**Properties** REIT