



MANAGEMENT PROXY CIRCULAR

**CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST
ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
APRIL 30, 2021**

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



March 19, 2021

Dear Fellow Unitholder,

On behalf of the Board and management of Choice Properties Real Estate Investment Trust ("Choice Properties"), I am pleased to invite you to our Annual and Special Meeting of Unitholders which will be held on Friday, April 30, 2021 at 11:00 a.m. (Eastern Daylight Time). Due to the ongoing COVID-19 pandemic, and to mitigate risks to the health and safety of our unitholders, colleagues and other stakeholders, the meeting will be held in a virtual format only, by way of a live webcast. Unitholders will be able to listen, participate and vote at the meeting in real time through a web-based platform.

The Notice of Annual and Special Meeting of Unitholders and related materials are enclosed.

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

We hope you will be able to join us at our meeting, which will occur by live webcast at <https://web.lumiagm.com/463063746>. This meeting is an opportunity to listen to and ask questions of the people who are responsible for the performance of Choice Properties. Additional information on how to attend the virtual meeting is enclosed and a webcast will be archived on our website afterward.

I also want to take this opportunity to announce that I will be stepping down as a Trustee and Chair of the Board at the Annual and Special Meeting of Unitholders. The Board's intention is to appoint Gordon A.M. Currie to succeed me. It has been my pleasure to serve as Chair since 2019, and before that from 2013 to 2017, and I would like to express my sincere appreciation to my fellow Trustees and the dedicated leadership team at Choice Properties. I am delighted that the Board intends to appoint Gordon Currie to be Choice Properties' next Chair. Gordon is the Executive Vice President and Chief Legal Officer of George Weston Limited and Loblaw Companies Limited. He has worked closely with our Group of Companies for over fifteen years and I am confident that his strategic, governance and extensive leadership experience will contribute to the long-term success of Choice Properties.

Thank you for your continued support of Choice Properties and we look forward to your attendance at this year's meeting.

Yours truly,

A handwritten signature in black ink, appearing to read "G. Weston", with a stylized flourish at the end.

Galen G. Weston
Chair

MANAGEMENT PROXY CIRCULAR

TABLE OF CONTENTS

INVITATION TO UNITHOLDERS

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

VOTING INFORMATION 1

About this Circular and Related Proxy Materials	1
Notice and Access	1
Questions and Answers Regarding the Virtual Meeting	1
Questions and Answers Regarding the Voting Process	2
General Information	5
Unit Capital and Principal Unitholder	6

BUSINESS TO BE TRANSACTED AT THE MEETING 6

Receive the Financial Statements	6
Elect the Board of Trustees	6
Meeting Attendance	14
Trustee Compensation	14
Appoint the External Auditor	18
Advisory Resolution on Approach to Executive Compensation	18
Amendments to the Declaration of Trust	19

COMMITTEE REPORTS 21

Audit Committee Report to Unitholders	21
Governance Committee Report to Unitholders	24

STATEMENT OF GOVERNANCE PRACTICES 29

Statement of Governance Practices	29
Governance Matters	39

COMPENSATION DISCUSSION AND ANALYSIS 42

Introduction	43
Executive Compensation Philosophy	43
Executive Compensation and Risk Management	44
Role of Management and Compensation Consultants	45
Components of Compensation	47
Components of Executive Compensation for 2020	49
2020 Compensation Decisions Regarding the Named Executive Officers	63
Termination and Change of Control Benefits	64
Compensation Decisions for 2021	68
Performance Graph	70
Summary Compensation Table	71
Incentive Plan Awards	72
Pension Plan and Long Service Executive Arrangements	74
Indebtedness of Trustees, Executive Officers and Employees	75
Interests of Informed Persons in Material Transactions	75

OTHER INFORMATION	76
Trustee and Officer Liability Insurance	76
Normal Course Issuer Bid	76
Non-GAAP Financial Measures	76
Additional Information	76
Contacting the Board of Trustees	76
Board Approval	77
SCHEDULE A	78
MANDATE OF THE BOARD OF TRUSTEES	78
SCHEDULE B	82
RESOLUTION - AMENDMENTS TO THE DECLARATION OF TRUST RE: INVESTMENT GUIDELINES	82
SCHEDULE C	83
RESOLUTION - AMENDMENTS TO THE DECLARATION OF TRUST RE: OPERATING POLICIES	83
SCHEDULE D	84
RESOLUTION - AMENDMENTS TO THE DECLARATION OF TRUST RE: DECLARATION OF NON-CASH DISTRIBUTIONS AND CONSOLIDATION OF TRUST UNITS	84
SCHEDULE E	85
RESOLUTION - AMENDMENTS TO THE DECLARATION OF TRUST RE: MEETINGS OF THE UNITHOLDERS	85
SCHEDULE F	86
RESOLUTION - AMENDMENTS TO THE DECLARATION OF TRUST RE: GENERAL AMENDMENTS	86
SCHEDULE G	87
CONSOLIDATED BLACKLINE REFLECTING PROPOSED AMENDMENTS TO THE DECLARATION OF TRUST	87



NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

The 2021 Annual and Special Meeting of Unitholders (the “Meeting”) of Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) will be held on Friday, April 30, 2021 at 11:00 a.m. (Eastern Daylight Time) for the following purposes:

- A. to receive the audited consolidated financial statements of the Trust for the financial year ended December 31, 2020, 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;
- E. to consider and, if thought advisable, to pass various resolutions authorizing and approving certain amendments to the Trust’s Amended and Restated Declaration of Trust dated as of May 2, 2018 (see “Amendments to the Declaration of Trust” in the Circular for additional details); and
- F. 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 15, 2021 are entitled to vote at the Meeting.

Due to the ongoing COVID-19 pandemic and in consideration of the health and safety of our unitholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only. Unitholders will be able to listen to, participate in and vote at the Meeting in real time through a web-based platform instead of attending the Meeting in person.

You can attend the Meeting by joining the live webcast online at <https://web.lumiagm.com/463063746>. You will need the latest version of Chrome, Safari, Microsoft Edge or Firefox. **Please do not use Internet Explorer as it is not a supported browser for the Meeting.** You should allow ample time to join the Meeting to check compatibility and complete the related procedures. See “How do I attend and participate at the virtual Meeting?” in the Circular for detailed instructions on how to attend and 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 and the annual consolidated financial statements and management’s discussion and analysis for the year ended December 31, 2020 (the “Annual Report” and together with the Circular, the “Meeting Materials”). 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 Meeting Materials, you are receiving this Notice of Meeting that contains information about how to access the Meeting Materials 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 Meeting Materials are Posted

The Meeting Materials can be viewed online on the Trust's website, www.choicereit.ca, or under the Trust's SEDAR profile at www.sedar.com.

How to Obtain a Paper Copy of the Meeting Materials

All unitholders may request that paper copies of the Circular and/or the Annual Report 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 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, or outside Canada and the United States, at 303-562-9305 (English) or 303-562-9306 (French). A request must be received by April 20, 2021 (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 and/or the Annual Report 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 and/or the Annual Report: (i) in advance of the voting deadline and Meeting date; or (ii) after the Meeting date and within one year from the date that the Circular was filed on SEDAR, 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. A request must be received by April 20, 2021 (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 and/or the Annual Report in advance of the voting deadline and Meeting date.

Voting

Beneficial Unitholders

Beneficial unitholders are entitled to vote through Broadridge or their intermediary, or during the Meeting by online ballot through the live webcast platform. 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

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 you are a beneficial unitholder and you wish to attend and vote at the Meeting (or have another person attend and vote on your behalf), you must complete the voting instruction form in accordance with the instructions provided. These instructions include the additional step of registering the person you have designated to attend the Meeting (either yourself or the person you designated to attend on your behalf) with our transfer agent, AST, after submitting the form of proxy or voting instruction form. Failure to register the proxyholder you have designated to attend the Meeting with AST will result in such proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest. Guests will be able to listen to the Meeting but will not be able to ask questions or vote.

Registered Unitholders

Registered unitholders are entitled to vote by proxy or during the Meeting by online ballot through the live webcast platform. Registered unitholders who are unable to attend the Meeting should exercise their right to vote by signing and returning the form of proxy, or voting in advance by telephone, in accordance with the directions on the form. AST must receive completed proxies no later than 5:00 p.m. (Eastern Daylight Time) on April 28, 2021 or, if the Meeting is adjourned or postponed, two business days before the Meeting is reconvened.

By Order of the Board of Trustees,



Doris L. Baughan
Senior Vice President, General Counsel and Secretary
March 19, 2021
Toronto, Ontario

VOTING INFORMATION

ABOUT THIS CIRCULAR AND RELATED PROXY MATERIALS

This Management Proxy Circular (this “Circular”) and other materials are being provided in connection with the 2021 Annual and Special Meeting of Unitholders (the “Meeting”) of Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) to be held on Friday, April 30, 2021, at 11:00 a.m. (Eastern Daylight Time). Due to the ongoing COVID-19 pandemic, the Meeting will be held in a virtual meeting format only, by way of a live webcast. Unitholders will be able to listen, participate and vote at the meeting in real time through a web-based platform.

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 of March 15, 2021 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, which includes the annual consolidated financial statements and management’s discussion and analysis for the year ended December 31, 2020 (the “2020 Annual Report”), 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, the 2020 Annual Report (and other proxy related materials) on 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, 2020 Annual Report and proxy-related materials have been posted on the Trust’s website and explaining how to access them.

On or about March 30, 2021, 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 and/or the 2020 Annual Report.

QUESTIONS AND ANSWERS REGARDING THE VIRTUAL MEETING

Q: Why will the Meeting be completely virtual?

A: Due to the ongoing COVID-19 pandemic and in consideration of the health and safety of our Unitholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only, by way of a live webcast. Unitholders will be able to listen, participate and vote at the meeting in real time through a web-based platform instead of attending the meeting in person.

Q: Who can attend and vote at the virtual Meeting?

A: Registered Unitholders and duly appointed proxyholders who log in to the Meeting online will be able to listen, ask questions and securely vote through a web-based platform, provided that they are connected to the internet and follow the instructions set out in this Circular. Unitholders who wish to appoint a proxyholder to represent them at the Meeting (including non-registered Unitholders who wish to appoint themselves as proxyholder to attend, participate and vote at the Meeting) must submit their duly completed proxy or voting instruction form AND register the proxyholder with Choice Properties’ registrar and transfer agent, AST Trust Company (Canada) (“AST”) as described below. Failure to register the proxyholder (the person you have designated to attend the Meeting, who could be yourself or another person) with AST will result in that proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.

Beneficial Unitholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, provided that they are connected to the internet. Guests will be able to listen to the Meeting but will not be able to ask questions or vote.

Q: How do I attend and participate in the virtual Meeting?

A: In order to attend the Meeting, registered Unitholders, duly appointed proxyholders (including beneficial Unitholders who have duly appointed themselves as proxyholder) and guests (including beneficial Unitholders who have not duly appointed themselves as proxyholder) must log in online as set out below.

- Step 1: Log in online at <https://web.lumiagm.com/463063746>. You will need the latest version of Chrome, Safari, Microsoft Edge or Firefox. **Please do not use Internet Explorer as it is not a supported browser for the Meeting.** You should allow ample time to join the Meeting to check compatibility and complete the related procedures.

- Step 2: Follow the instructions below:

Registered Unitholders: Click “Login” and then enter your control number and password “**choice2021**” (case sensitive). The control number located on the form of proxy or in the email notification you received from AST is your control number. If you use your control number to log in to the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote at the Meeting.

Duly appointed proxyholders: Click “Login” and then enter your control number and password “**choice2021**” (case sensitive). Proxyholders who have been duly appointed and registered with AST as described in this Circular will receive a control number by email from AST after the proxy voting deadline has passed.

Guests: Click “Guest” and then complete the online form.

Registered Unitholders and duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

Beneficial Unitholders who have not duly appointed themselves as proxyholders may listen to the Meeting as guests. Guests will not be permitted to ask questions or vote at the Meeting.

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;
- the advisory resolution on the Trust’s approach to executive compensation; and
- various resolutions authorizing and approving certain amendments to the Trust’s Amended and Restated Declaration of Trust dated as of May 2, 2018 (the “Declaration of Trust”) which are described in the section “Amendments to the Declaration of Trust” of this Circular.

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 15, 2021, which was the record date of the Meeting. As at March 15, 2021, Choice Properties had 326,941,663 Trust Units outstanding and 395,786,525 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, either directly or indirectly, 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 AST, as being a Unitholder.

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 by proxy or during the Meeting by online ballot through the live webcast platform.

1. Voting at the Meeting

If you wish to vote your Units 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 through the live webcast platform.

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 Galen G. Weston, Chair of the board of trustees (the "Board" or "Board of Trustees") of Choice Properties and Doris L. Baughan, Senior 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 attend the Meeting to vote your Units by online ballot through the live webcast platform. 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.

If you wish to appoint another person or company to be your proxyholder, you must complete the additional step of registering such proxyholder with AST at 1-866-751-6315, or outside Canada and United States, at 1-212-235-5754 or online at <https://lp.astfinancial.com/control-number-request-en.html>, after submitting your form of proxy. Failure to register the proxyholder with AST will result in the proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.

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. (Eastern Daylight Time) on April 28, 2021, 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 during the Meeting by online ballot through the live webcast platform, you should take these steps:

- Step 1: 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.
- Step 2: Register yourself as a proxyholder with AST by phone at 1-866-751-6315, or outside Canada and United States, at 1-212-235-5754 or online at <https://lp.astfinancial.com/control-number-request-en.html>, by no later than 5:00 p.m. (Eastern Daylight Time) on April 28, 2021, or two business days before reconvening any adjourned or postponed Meeting. Failure to register yourself as proxyholder with AST will result in you not receiving a control number to participate in the Meeting and you would only be able to attend the Meeting as a guest.

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 attend 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. You must also register your proxyholder with AST at 1-866-751-6315, or outside Canada and United States, at 1-212-235-5754, or online at <https://lp.astfinancial.com/control-number-request-en.html>, by no later than 5:00 p.m. (Eastern Daylight Time) on April 28, 2021, or two business days before reconvening any adjourned or postponed Meeting. Failure to register the proxyholder you have designated to attend the Meeting on your behalf with AST will result in the proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.

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;**
- **FOR the advisory resolution on the approach to executive compensation; and**
- **FOR the various resolutions authorizing and approving certain amendments to the Declaration of Trust.**

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. (Eastern Daylight Time) on April 28, 2021, 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; or
- you may vote during the Meeting by submitting an online ballot through the live webcast platform, which will revoke your previous proxy.

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 15, 2021 as the record date for the purpose of determining those Unitholders entitled to vote at the Meeting. On March 15, 2021, there were 326,941,663 Trust Units and 395,786,525 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 votes cast at the Meeting through the live webcast platform 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 2020 Annual 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 or under the Trust's SEDAR profile at 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 15, 2021, the record date for the Meeting, there were 326,941,663 Trust Units outstanding. Weston beneficially owned, directly and indirectly, 50,661,415 Trust Units and 395,786,525 Special Voting Units, representing a 61.77% effective interest in the Trust. In addition, as of March 15, 2021, Mr. Galen G. Weston, the controlling shareholder of Weston, also beneficially owned 50,000 Trust Units, representing a 0.01% effective interest in the Trust.

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 the Trust's 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

Nine 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 its 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 and proxyholders will vote on an advisory resolution on the Trust's approach to executive compensation, as discussed in more detail in the "Advisory Resolution on Approach to Executive Compensation" section of this Circular.

5. AMEND THE DECLARATION OF TRUST

Unitholders and proxyholders will vote on various resolutions authorizing and approving certain amendments to the Declaration of Trust, as discussed in more detail in the "Amendments to the Declaration of Trust" section of 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, 2020, together with the external auditor's report will be placed before the Unitholders at the Meeting. These documents are included in the Trust's 2020 Annual Report. Copies of the 2020 Annual Report in English or French may be obtained from the Secretary of Choice Properties upon request. The 2020 Annual Report in English or French is also available under the Trust's SEDAR profile at www.sedar.com and on the Trust's website at www.choicereit.ca.

ELECT THE BOARD OF TRUSTEES

The Trust's Declaration of Trust provides for a minimum of five and a maximum of 12 Trustees. The Board has determined that nine 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.

In September 2020, the Board identified Mr. L. Jay Cross, an individual who has the requisite skills, experience and qualifications to be a suitable Trustee. Mr. Cross has significant experience in Canada and the United States relevant to the Trust's business and strategy. On September 24, 2020, on recommendation of the Governance, Compensation and

Nominating Committee (the “Governance Committee”), the number of Trustees was increased from eight to nine and Mr. Cross was appointed to the Board to fill the vacancy. Mr. Cross is standing for election at the Meeting.

Mr. Galen G. Weston will not be standing for re-election at the Meeting. The Board would like to thank Mr. Weston for his strategic direction and oversight during his tenure. If elected, the Board intends to appoint Mr. Gordon Currie as Chair following the Meeting. Mr. Currie’s business, governance and extensive leadership experience will bring strategic value to the Trust.

The Trustee nominee profiles, starting on page 10, 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 nine 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, governance 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 nominee. This is not intended to be an exhaustive list of each Trustee nominee’s skills.

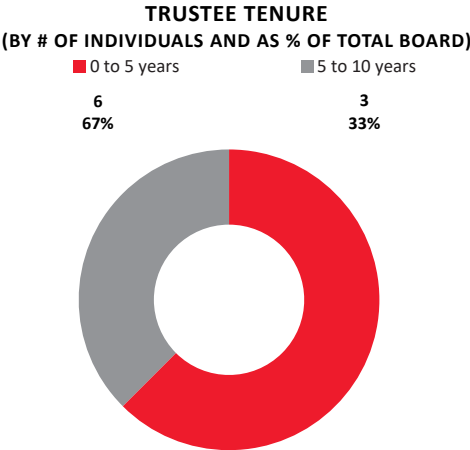
Skills	Adams	Clark	Cross	Currie	Eadie	Kinsley	Latimer	Lockhart	Ponder
Real Estate Industry	✓	✓	✓		✓	✓	✓	✓	✓
Executive Leadership / Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Real Estate Construction, Planning and Development			✓		✓	✓	✓	✓	
Accounting and Financial Reporting	✓	✓	✓			✓			✓
Risk Management		✓		✓	✓	✓		✓	
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

The Board has a Diversity Policy and Tenure Guidelines. The Tenure Guidelines aim to foster the ongoing renewal of the Board’s membership. The Tenure Guidelines provide that the Chair of the Board and the Governance Committee will undertake an assessment of each Trustee’s continued participation on the Board upon reaching the age of 75, and annually thereafter, or upon a change in principal occupation. The average tenure of the Trustee nominees is 3.7 years.

The following diagram shows Trustee tenure broken down by the applicable time periods set out below:



The Trust does not have term limits for Trustees because the Board believes that its existing renewal process is working effectively, as demonstrated by the tenure statistics above and the high caliber of Trustee nominees who are standing for election for the first time or who have joined the Board in the past several years.

In addition to the Trust’s formal Board Tenure Guidelines, 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 Diversity Policy has a target that people who identify as women comprise at least 30% of the Board’s Trustees and that, by 2024, people who identify as women and people who identify as visible minorities will comprise at least 40% and 20% of the Board’s Trustees, respectively. This year, four of the nine Trustee nominees are women, representing approximately 44% of the Board’s composition. Further details on the Trust’s Board Tenure Guidelines and Diversity Policy can be found on page 37 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 2020 Annual Meeting of Unitholders

In 2020, each Trustee who stood for election at the Annual Meeting of Unitholders held on April 24, 2020, received votes in favour from at least 95% of the total votes cast by holders of the Trust Units and 100% of the total votes cast by holders of the Special Voting Units. Below are the voting results for the election of the Trustees at the Trust's Annual Meeting of Unitholders held on April 24, 2020:

Trust Units

Name of Nominee	Votes For		Votes Withheld	
Kerry D. Adams	220,305,948	99.29%	1,579,640	0.71%
Christie J.B. Clark	220,491,823	99.37%	1,393,765	0.63%
Graeme M. Eadie	212,116,584	95.60%	9,769,004	4.40%
Karen Kinsley	221,383,567	99.77%	502,021	0.23%
R. Michael Latimer	220,280,532	99.28%	1,605,056	0.72%
Nancy H.O. Lockhart	219,942,968	99.12%	1,942,620	0.88%
Dale R. Ponder	221,390,851	99.78%	494,737	0.22%
Galen G. Weston ⁽¹⁾	212,848,697	95.93%	9,036,891	4.07%

Class B Limited Partnership Special Voting Units

Name of Nominee	Votes For		Votes Withheld	
Kerry D. Adams	389,961,783	100%	Nil	Nil
Christie J.B. Clark	389,961,783	100%	Nil	Nil
Graeme M. Eadie	389,961,783	100%	Nil	Nil
Karen Kinsley	389,961,783	100%	Nil	Nil
R. Michael Latimer	389,961,783	100%	Nil	Nil
Nancy H.O. Lockhart	389,961,783	100%	Nil	Nil
Dale R. Ponder	389,961,783	100%	Nil	Nil
Galen G. Weston ⁽¹⁾	389,961,783	100%	Nil	Nil

(1) Mr. Weston 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 Trustees' 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 Governance Committee reviews each interlock and determines if the interlock adversely affects the ability of the relevant Trustees to exercise their independent judgment. 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, 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 15, 2021 and March 9, 2020, 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 2021 based on the Toronto Stock Exchange ("TSX") closing price of the Trust Units on March 15, 2021, which was \$13.30 and for 2020, based on the TSX closing price of the Trust Units on March 9, 2020, which was \$13.46.

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

<div></div> <div>Kerry D. Adams FCA, FCPA, 68 Toronto, Ontario, Canada Trust Board Details:<ul style="list-style-type: none">Trustee since 2013Independent</div>				<div>Ms. Adams serves as President of K. Adams & Associates Limited. 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.</div> <div>Ms. Adams previously served as a trustee of Primaris Real Estate Investment Trust, chair of the advisory committee of Scotia Institutional Real Estate Inc., a member of Fidelity Investments Canada ULC’s Independent Review Committee, a director of Indigo Books & Music Inc. and a director of Walmart Canada Bank. In addition, Ms. Adams has served as a commissioner and director of the Ontario Securities Commission, the chair of its Investor Education Fund, and was a director of the Investment Industry Regulatory Organization of Canada.</div>			
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		8/8		14/14	100%	Year	Amount
Governance Committee		6/6				2020	\$120,000
						2019	\$124,388
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 Equity Ownership Policy
2020	25,000	64,441	89,441	\$1,189,565		\$432,000	Yes
2019	25,000	55,468	80,468	\$1,083,099			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
—		—		—		—	
Past Public Board Memberships in Last Five Years							
—		—					



Christie J.B. Clark

FCA, FCPA, 67

Toronto, Ontario, Canada

Trust Board Details:

- Trustee since 2013
- Independent


Mr. Clark, a corporate director, previously held a variety of positions at PricewaterhouseCoopers LLP including that of Chief Executive Officer 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, Canadian Olympic Foundation, 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
Audit Committee		4/4				2020	\$121,000
						2019	\$120,663
Equity Ownership							
Year	Trust Units	DUs	Total Trust Units and DUs	Total Market Value of Trust Units and DUs ⁽¹⁾		Minimum Equity Ownership	In Progress/Satisfies Equity Ownership Policy
2020	28,413	26,789	55,202	\$1,577,727		\$432,000	Yes
2019	28,413	20,333	48,746	\$1,511,774			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
Loblaw Companies Limited			2011 to present		—		—
Air Canada			2013 to present				
SNC-Lavalin Group Inc.			2020 to present				
Past Public Board Memberships in Last Five Years							
Hydro One Limited/Hydro One Inc.			2015 to 2018				

(1) Mr. Clark held 12,750 Loblaw Companies Limited ("Loblaw") common shares as at July 5, 2013, the date of Choice Properties' IPO, indirectly through his spouse as permitted under the Trust's Equity Ownership Policy. The Policy allows 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 \$855,653 based on the March 9, 2020 closing price of the Loblaw common shares on the TSX which was \$67.11, and was \$843,540 based on the March 15, 2021 closing price of the Loblaw common shares on the TSX which was \$66.16.



L. Jay Cross 68

New York, United States

Trust Board Details:

- Trustee since 2020
- Independent

Mr. Cross is the President of The Howard Hughes Corporation. He previously held the position of President of Related Hudson Yards from 2008 to 2020 leading the Related Companies’ development efforts of the Hudson Yards site in New York City. Mr. Cross has over 30 years of diversified real estate and corporate business experience, including serving as the President of the New York Jets LLC and President of Business Operations of the Miami Heat NBA Basketball Club.


Mr. Cross holds a Bachelor’s degree in Nuclear Engineering from the University of Toronto and a Master’s degree in Architectural Technology from Columbia University.

Mr. Cross is a former Board member of Great Oaks Charter schools, YMCA New York and Gary Klinsky Children’s Centers.

Board/Committee Membership ⁽¹⁾		Attendance		Attendance Total		Trustee Fees Received	
Board		1/1		2/2	100%	Year	Amount
Audit Committee		1/1				2020	\$32,390
						2019	—
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 Equity Ownership Policy
2020	—	2,515	2,515	\$33,450		\$432,000	Yes ⁽²⁾
2019	—	—	—	—			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
—				—		—	
Past Public Board Memberships in Last Five Years							
—							

(1) Mr. Cross was appointed to the Board and the Audit Committee on September 24, 2020.

(2) If elected, Mr. Cross will have until September 2025 to satisfy the Trust's Equity Ownership Policy.

				Gordon A.M. Currie 62 Toronto, Ontario, Canada Trust Board Details: <ul style="list-style-type: none">• Trustee Nominee• Non-Independent				Mr. Currie is the Executive Vice President and Chief Legal Officer of Weston and Executive Vice President, Chief Legal Officer and Secretary of Loblaw. He was formerly Senior Vice President and General Counsel of Direct Energy. Prior to that, Mr. Currie was a corporate law partner at the law firm of Blake, Cassels & Graydon, LLP. Mr. Currie previously served as a director of Loblaw from 2006 to 2014. Mr. Currie graduated from the University of Western Ontario with a B.A. and from the University of Toronto with an LL.B. In addition, Mr. Currie currently serves as the chair of the Independent Review Committee of Quadravest Capital Management Inc. and the chair of Pro Bono Ontario.			
Board/Committee Membership				Attendance		Attendance Total		Trustee Fees Received			
—				—		—	—	Year	Amount		
								2020	—		
Equity Ownership											
Year	Trust Units	DUs	Total Trust Units and DUs		Total Market Value of Trust Units and DUs ⁽¹⁾		Minimum Equity Ownership	In Progress/ Satisfies Equity Ownership Policy			
2020	40,789	—	40,789		\$4,902,203		\$432,000	Yes			
Current Public Board Memberships					Public Board Interlocks						
					Trustee		Board				
—			—		—		—				
Past Public Board Memberships in Last Five Years											
—			—								

(1) Pursuant to the Trust's Equity Ownership Policy, if elected, Mr. Currie's equity holdings in Loblaw and Weston, as at the date of his election to the Board will count towards his minimum equity ownership in the Trust. Mr. Currie held 39,239 Weston common shares and executive deferred share units with a value of \$3,945,481 based on the March 15, 2021 Weston common share price of \$100.55 and 6,261 Loblaw common shares with a value of \$414,228 based on the March 15, 2021 Loblaw common share price of \$66.16.



Graeme M. Eadie 68

Toronto, Ontario, Canada

Trust Board Details:

- Trustee since 2013
- Independent
- Lead Trustee

Mr. Eadie is a former Senior Managing Director of the Canada Pension Plan Investment Board ("CPPIB") having retired from CPPIB in 2018. Mr. Eadie currently acts as a Consultant and Senior Advisor to CPPIB. Mr. Eadie previously held the position of Senior Managing Director, Global Head of Real Assets of CPPIB. 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.

Mr. Eadie has served as a board member of numerous public and non-public organizations including, Morguard Real Estate Investment Trust, Neiman Marcus Group, 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 Governance Committee (Chair)			8/8	14/14	100%	Year	Amount
			6/6			2020	\$138,000
						2019	\$138,000
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 Equity Ownership Policy
2020	10,000	33,743	43,743	\$581,782		\$432,000	Yes
2019	10,000	20,875	30,875	\$415,578			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
Morguard Corporation			2018 to present		—		
Past Public Board Memberships in Last Five Years							
Morguard Real Estate Investment Trust			2018 to 2020				
Aliance Shopping Centers S.A.			2013 to 2017				



Karen Kinsley FCA, FCPA, 64

Ottawa, Ontario, Canada


Trust Board Details:

- Trustee since 2018
- Independent


Ms. Kinsley, a corporate director, previously held a variety of positions throughout her 25-year career with Canada Mortgage Housing Corporation ("CMHC") including that of President and Chief Executive Officer from 2003 to 2013. Ms. Kinsley serves as the chair of the Audit Committee of the National Bank of Canada and as a member of the Audit Committee of Saputo Inc.

Ms. Kinsley holds a B.Comm from the University of Ottawa. She 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.


Board/Committee Membership			Attendance	Attendance Total		Trustee Fees Received	
Board Audit Committee (Chair)			8/8	12/12	100%	Year	Amount
			4/4			2020	\$125,813
						2019	\$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 Equity Ownership Policy
2020	15,711	27,094	42,805	\$569,307		\$432,000	Yes
2019	15,711	15,619	31,330	\$421,702			
Current Public Board Memberships				Public Board Interlocks			
				Trustee		Board	
National Bank of Canada			2014 to present		—	—	
Saputo Inc.			2015 to present				
Past Public Board Memberships in Last Five Years							
Canadian Real Estate Investment Trust			2017 to 2018				

<div></div> <div>R. Michael Latimer 69</div> <div>Toronto, Ontario, Canada</div> <div>Trust Board Details:<ul style="list-style-type: none">Trustee since 2018Independent</div>				<div>Mr. Latimer, a corporate director, previously held the position of Chief Executive Officer of OMERS from 2014 to 2020. 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. Mr. Latimer also served as the Chief Executive Officer of OMERS Administration Corporation.</div> <div>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. In addition, Mr. Latimer is also a director of Trillium Health Partners and a member of the advisory committee of AGF Management Limited.</div>			
Board/Committee Membership		Attendance		Attendance Total		Trustee Fees Received	
Board		8/8		14/14	100%	Year	Amount
Governance Committee		6/6				2020	\$120,000
						2019	\$120,000
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 Equity Ownership Policy
2020	3,872	26,504	30,376	\$404,001		\$432,000	Yes ⁽¹⁾
2019	3,872	15,506	19,378	\$260,828			
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 Equity Ownership Policy.

				Nancy H.O. Lockhart O.Ont 66 Toronto, Ontario, Canada Trust Board Details: <ul style="list-style-type: none">Trustee since 2019Independent				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. 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 Emeritus of the Crow's Theatre Company and Chair of the Board of Alignvest Student Housing. 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. Ms. Lockhart has an Institute of Corporate Directors ICD.D certification.			
Board/Committee Membership				Attendance		Attendance Total		Trustee Fees Received			
Board				8/8		14/14100%		Year	Amount		
Governance Committee				6/6				2020	\$120,000		
								2019	\$79,500		
Equity Ownership											
Year	Trust Units	DUs	Total Trust Units and DUs		Total Market Value of Trust Units and DUs ⁽¹⁾			Minimum Equity Ownership	In Progress/ Satisfies Equity Ownership Policy		
2020	25,000	15,979	40,979		\$4,739,367			\$432,000	Yes		
2019	25,000	5,696	30,696		\$4,667,741						
Current Public Board Memberships					Public Board Interlocks						
Atrium Mortgage Investment Corporation			2013 to present		—			—			
George Weston Limited			2019 to present								
Past Public Board Memberships in Last Five Years											
Loblaw Companies Limited			2005 to 2019								
Gluskin Sheff & Associates Inc.			2013 to 2019								
Barrick Gold Corporation			2014 to 2018								

(1) Pursuant to the Trust's Equity Ownership Policy, Ms. Lockhart's Loblaw holdings, as at the date of her election to the Board of the Trust on May 3, 2019, count towards her minimum equity ownership in the Trust. Ms. Lockhart held 63,397 Loblaw common shares and deferred share units with a value of \$4,254,573 based on the March 9, 2020 closing price of the Loblaw common shares on the TSX of \$67.11 and with a value of \$4,194,346 based on the March 15, 2021 closing price of the Loblaw common shares on the TSX of \$66.16.

				Dale R. Ponder ⁶⁴ Toronto, Ontario, Canada Trust Board Details: <ul style="list-style-type: none">• Trustee since 2019• Independent				<p>Ms. Ponder is the National Co-Chair of Osler, Hoskin and Harcourt LLP (“Osler LLP”) and also serves on the firm’s Partnership Board. She previously served as the National Managing Partner and Chief Executive Officer of Osler LLP from 2009 to 2017. 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>In addition to her public board membership below, Ms. Ponder is a member of the board of Holland Bloorview Kids Rehabilitation Hospital and a member of the Audit Committee of the Canadian Business Growth Fund.</p> <p>Ms. Ponder graduated from the University of Western Ontario with a LL.B.</p>			
Board/Committee Membership				Attendance		Attendance Total		Trustee Fees Received			
Board				8/8		12/12	100%	Year	Amount		
Audit Committee				4/4				2020	\$121,000		
								2019	\$80,163		
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 Equity Ownership Policy			
2020	2,327	16,112	18,439		\$245,239		\$432,000	Yes ⁽¹⁾			
2019	2,327	5,743	8,070		\$108,622						
Current Public Board Memberships					Public Board Interlocks						
					Trustee		Board				
Morneau Shepell Inc.			2016 to present		—		—				
Past Public Board Memberships in Last Five Years											
Canadian Real Estate Investment Trust			2016 to 2018								

(1) Ms. Ponder has until May 2024 to satisfy the Trust’s Equity Ownership Policy.

Meeting Attendance

The following table provides a summary of each Trustee’s attendance at Board and committee meetings in 2020:

Name	Board (8 meetings)	Audit Committee (4 meetings)	Governance Committee (6 meetings)	Overall Attendance	
				(#)	(%)
Kerry D. Adams	8/8	—	6/6	14/14	100%
Christie J.B. Clark	8/8	4/4	—	12/12	100%
L. Jay Cross ⁽¹⁾	1/1	1/1	—	2/2	100%
Graeme M. Eadie	8/8	—	6/6	14/14	100%
Anthony R. Graham ⁽²⁾	2/2	—	—	2/2	100%
Karen Kinsley	8/8	4/4	—	12/12	100%
R. Michael Latimer	8/8	—	6/6	14/14	100%
Nancy H. O. Lockhart	8/8	—	6/6	14/14	100%
Dale R. Ponder	8/8	4/4	—	12/12	100%
Paul R. Weiss ⁽³⁾	2/2	2/2	—	4/4	100%
Galen G. Weston	8/8	—	—	8/8	100%
TOTAL	100%	100%	100%	100%	100%

(1) Mr. Cross was appointed to the Board and the Audit Committee on September 24, 2020. Mr. Cross is standing for election at the Meeting.

(2) Mr. Graham did not stand for re-election at the Annual Meeting of Unitholders held on April 24, 2020.

(3) Mr. Weiss did not stand for re-election at the Annual Meeting of Unitholders held on April 24, 2020.

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, pursuant to the Deferred Unit Plan (“DU Plan”), Trustees are required to take 100% of their board retainer and committee fees in DUs until they satisfy the Equity Ownership Policy, after which a Trustee has the option to receive up to 50% of all fees in cash, with the balance taken in 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. 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. 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.

A summary of the outstanding Trust Units and Deferred Units and the number of Deferred Units available for future grants as at December 31, 2020 and March 15, 2021 are set out below:

	As at December 31, 2020	As at March 15, 2021
Issued and Outstanding Trust Units		
Trust Units Outstanding	326,941,663	326,941,663
Maximum Number of Trust Units Issuable Pursuant to the DU Plan		
Number Issuable	4,075,000	4,075,000
Number Issuable as a Percentage of the Issued and Outstanding Trust Units	1.2%	1.2%
Outstanding Deferred Units		
Number Outstanding	349,621	328,569
Number Outstanding as a Percentage of the Total Issued and Outstanding Trust Units	0.1%	0.1%
Deferred Units Available for Future Grants		
Number Available	3,725,379	3,746,431
Number Available as a Percentage of the Total Issued and Outstanding Trust Units	1.1%	1.1%

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 15th 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 2020, 0.01% in 2019 and 0.01% in 2018.

Equity Ownership Policy

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 Equity Ownership Policy for non-management Trustees. Under the Policy, 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 2020. For purposes of the Policy, securities are valued at their market value and Trustees are expected to meet the required level of Trust Unit ownership within five years of initially being elected or appointed to the Board. Trustees elected or appointed to the Board, who are or were previously directors of either Weston and/or Loblaw, are permitted under the Policy to count their holdings in Weston and/or Loblaw towards their target ownership at the time of their election or appointment to the Board. All Trustees either satisfy the required level of unit ownership or are in the process of accumulating securities as required under the Policy. For the status of each Trustee nominee under the Trust's Equity Ownership Policy, see their profiles on pages 10 to 14 of the Circular.

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 2020 and determined that no changes were required.

2020 Trustee Compensation Amounts

A summary of the 2020 non-management Trustee compensation amounts are set out below:

Type of Fee	Amount (\$)
Annual Fees	
Total Board Retainer	108,000
Chair and Committee Fees	
Board Chair	30,000
Governance Committee Chair and Lead Trustee	30,000 ⁽¹⁾
Governance Committee member	12,000
Audit Committee Chair	20,000 ⁽¹⁾
Audit Committee member	13,000

(1) Includes fee received as a committee member.

2020 Trustee Compensation Table

The following table sets out the compensation elements and total compensation earned by each non-management Trustee in 2020 and the manner in which the compensation was paid:

Name	Fee Breakdown			Total Trustee Fees Earned (\$)	All Other Compensation (\$)	Allocation of Total Trustee Fees			
	Board Retainer (\$) ⁽¹⁾	Board & Committee Chair Retainers (\$)	Committee Member Retainers (\$)			Total Compensation (\$)	Cash (\$)	DUs (\$) ⁽²⁾	Allocation of Fees between Cash and DUs (%)
Kerry D. Adams	108,000	—	12,000	120,000	—	120,000	60,000	60,000	50% DUs
Christie J.B. Clark	108,000	—	13,000	121,000	—	121,000	60,500	60,500	50% DUs
L. Jay Cross ⁽³⁾	28,890	—	3,500	32,390	—	32,390	—	32,390	100% DUs
Graeme M. Eadie	108,000	30,000 ⁽⁶⁾	—	138,000	—	138,000	—	138,000	100% DUs
Anthony R. Graham ⁽⁴⁾	33,750	—	—	33,750	—	33,750	—	33,750	100% DUs
Karen Kinsley	108,000	13,750	4,063	125,813	—	125,813	—	125,813	100% DUs
R. Michael Latimer	108,000	—	12,000	120,000	—	120,000	—	120,000	100% DUs
Nancy H.O. Lockhart	108,000	—	12,000	120,000	—	120,000	—	120,000	100% DUs
Dale R. Ponder	108,000	—	13,000	121,000	—	121,000	—	121,000	100% DUs
Paul R. Weiss ⁽⁵⁾	33,750	6,250	—	40,000	—	40,000	20,000	20,000	50% DUs
Galen G. Weston	108,000	30,000	—	138,000	—	138,000	—	138,000	100% DUs
Total (\$)	960,390	80,000	69,563	1,109,953	—	1,109,953	140,500	969,453	

- (1) Trustees are required to take 100% of their board retainer and committee fees in DUs until they satisfy the Equity Ownership Policy, after which a trustee has the option to receive up to 50% of all fees in cash.
- (2) 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.
- (3) Mr. Cross was appointed to the Board and the Audit Committee on September 24, 2020. Mr. Cross is standing for election at the Meeting.
- (4) Mr. Graham did not stand for re-election at the Annual Meeting of Unitholders held on April 24, 2020.
- (5) Mr. Weiss did not stand for re-election at the Annual Meeting of Unitholders held on April 24, 2020.
- (6) Includes Lead Trustee fee.

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 4, 2021:

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 (\$) ⁽¹⁾
Kerry D. Adams	—	—	814,557
Christie J.B. Clark	—	—	338,666
L. Jay Cross	—	—	31,922
Graeme M. Eadie	—	—	426,650
Anthony R. Graham	—	—	430,137
Karen Kinsley	—	—	342,589
R. Michael Latimer	—	—	335,128
Nancy H.O. Lockhart	—	—	202,107
Dale R. Ponder	—	—	203,787
Paul R. Weiss	—	—	575,631
Galen G. Weston	—	—	1,028,433

- (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 4, 2021, which was \$12.82 multiplied by the number of outstanding DUs as of that date.

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 2020 and 2019, respectively:

	2020 (\$)	2019 (\$)
Audit fees ⁽¹⁾	1,385,404	1,177,000
Audit-related fees ⁽²⁾	139,100	132,000
Tax fees	—	—
All other fees	—	5,000
Total Fees ⁽³⁾	1,524,504	1,314,000

(1) Audit fees include fees for services related to the audit of the Trust's consolidated financial statements, review of quarterly financial statements, prospectus and offering documents.

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

(3) Fees for 2020 include administrative fees and out-of-pocket expenses

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, 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 42. In 2020, Unitholders were asked to consider an advisory resolution regarding the Trust's approach to executive compensation, which received the approval of 88.92% of Unitholders.

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 purpose of a "Say on Pay" advisory vote is to provide Unitholders with the opportunity to indicate their acceptance of the Board's overall approach to executive compensation at the Trust.

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 2021 Annual and Special Meeting of the Unitholders of the Trust.

AMENDMENTS TO THE DECLARATION OF TRUST

Unitholders are being asked to consider, and if thought advisable, to pass five separate resolutions authorizing and approving certain amendments to the Declaration of Trust. A blackline reflecting the proposed amendments is set out in Schedule G of this Circular.

On February 10, 2021, the Board unanimously approved all of the proposed amendments to the Declaration of Trust described below. The persons named in the applicable form of proxy (or voting instruction form) intend to vote **FOR** the resolutions set out in Schedules B to F of this Circular authorizing and approving the proposed amendments to the Declaration of Trust.

It is proposed that the Declaration of Trust be amended to reflect the following proposed amendments, as summarized below.

Investment Guidelines

The Declaration of Trust sets out certain investment guidelines and restrictions on the Trust's ability to make investments. In light of the Trust's evolving business operations since its formation, the Trustees have reviewed the Trust's investment guidelines and are of the view that amending the investment guidelines would bring them up to date and in line with the Trust's evolving business.

As such, it is proposed that Section 4.1(a) of the Declaration of Trust be amended to clarify the Trust's ability to participate in a broad range of real estate-related investment activities. Pursuant to the Declaration of Trust, the foregoing proposed amendment, will require the approval of at least two-thirds of the votes cast at a meeting of Unitholders. Accordingly, Unitholders will be asked to pass a special resolution in the form set out in Schedule B of this Circular, to authorize and approve the foregoing amendment to the Declaration of Trust. The approval by Unitholders of this special resolution will also constitute Unitholders' approval of the Trustees making the corresponding amendment to the investment guidelines set forth in the limited partnership agreement of Choice Properties Limited Partnership.

Operating Policies

The Declaration of Trust provides that the operations and affairs of the Trust must be conducted in accordance with certain operating policies. In light of the large size of the Trust's business and changes in market practice since the formation of the Trust, the Board has reviewed the Trust's operating policies and has compared them to the operating policies of other comparable real estate investment trusts. The Board is of the view that certain minor amendments should be made to the Trust's operating policies to bring them up to date and in line with evolving market practice.

It is proposed that Section 4.2 of the Declaration of Trust be amended to remove the requirement that the Trust obtain an appraisal and engineering report for each property that it intends to acquire. In addition, it is proposed that Section 4.2(k) be amended to remove the inflexible time frame during which the Trust may rely on an existing Phase I environmental site assessment in respect of a property to be acquired by it. Pursuant to the Declaration of Trust, the foregoing proposed amendments will require the approval of at least two-thirds of the votes cast at a meeting of Unitholders. Accordingly, Unitholders will be asked to pass a special resolution in the form set out in Schedule C of this Circular, to authorize and approve the foregoing amendments to the Declaration of Trust. The approval by Unitholders of this special resolution will also constitute Unitholders' approval of the Trustees making the corresponding amendments to the operating policies set forth in the limited partnership agreement of Choice Properties Limited Partnership.

Declaration of Non-Cash Distributions and Consolidation of Trust Units

The Trustees review the terms of the Declaration of Trust on a regular basis and, where appropriate, propose amendments to the Declaration of Trust. The amendment with respect to the declaration of non-cash distributions payable by the issuance of Trust Units and the automatic consolidation of Trust Units immediately after any pro rata distribution of Trust Units to all holders of the Trust Units aims to bring the Declaration of Trust in line with the broader discretion afforded to trustees in the declaration of trusts of certain of the Trust's competitors. More specifically, it is proposed that Section 3.11(a) of the Declaration of Trust be amended to provide the Trustees with the discretion to immediately consolidate the number of outstanding Trust Units following any pro rata distribution of Trust Units to all holders of Trust Units such that each such holder will hold after the consolidation the same number of Trust Units as before the distribution of Trust Units. In addition, it is proposed that Section 5.3(a) of the Declaration of Trust be amended to allow the Trustees, in their discretion, to determine that any non-cash distributions be paid wholly or partially in cash or Trust Units or any combination of cash and Trust Units. It is also proposed that Section 5.6(b) of the Declaration of Trust be amended to provide the Trustees with broader discretion to declare a non-cash distribution. The effect of the proposed amendments is to afford Trustees the discretion to declare a non-cash distribution and utilize the automatic consolidation feature of the Declaration

of Trust following such non-cash distribution of Trust Units without first having to determine that the Trust does not have available cash.

Pursuant to section 12.1 of the Declaration of Trust, the foregoing proposed amendments require the approval of a majority of the votes cast at a meeting of Unitholders. Accordingly, Unitholders will be asked to pass an ordinary resolution in the form set out in Schedule D of this Circular to authorize and approve the foregoing amendment to the Declaration of Trust.

Meetings of the Unitholders

The Trustees propose to amend Article 13 of the Declaration to clarify, for greater certainty, that a meeting of Unitholders may be held partially or entirely by means of a telephonic, electronic or other communication facility.

Unitholders will be asked to pass an ordinary resolution in the form set out in Schedule E of this Circular requiring the approval of a majority of the votes cast at a meeting of Unitholders, to authorize and approve the foregoing amendment to the Declaration of Trust.

General Amendments

The above is a summary of the more noteworthy amendments being proposed to the Declaration of Trust. In addition, the Trustees are also proposing certain “housekeeping” related amendments to the Declaration of Trust. On November 1, 2018, Loblaw and Weston completed a reorganization pursuant to which Loblaw spun out its effective interest in the Trust to Weston. As a result of the reorganization, certain of the rights previously exercised by Loblaw pursuant to the Declaration of Trust are now exercised by Weston. The proposed “housekeeping” amendments to the Declaration of Trust are principally intended to clarify Weston’s rights under the Declaration of Trust and avoid any potentially confusing legacy references to Loblaw contained therein.

Other “housekeeping” amendments relate to matters such as eliminating certain dated “initial public offering” related references, updating the Trust’s head office address and allowing the Trust to defer the calling of an annual meeting of Unitholders if agreed to by a majority of the Trustees and if in compliance with applicable securities laws and stock exchange rules.

The Trustees have decided to include these proposed “housekeeping” amendments in a distinct resolution to be submitted to Unitholders for approval. Accordingly, Unitholders will be asked to pass an ordinary resolution in the form set out in Schedule F of this Circular requiring the approval of a majority of the votes cast at a meeting of Unitholders, to authorize and approve the foregoing amendments to the Declaration of Trust.

The above descriptions are only a summary of the proposed amendments to the Declaration of Trust. A consolidated blackline of the amended and restated Declaration of Trust showing each of the proposed amendments is attached as Schedule G to this Circular. Unitholders should carefully review Schedule G of this Circular in its entirety.

The complete text of each of the proposed resolutions to amend the Declaration of Trust that Unitholders will be asked to consider and vote on at the Meeting are set forth in Schedules B to F of this Circular.

COMMITTEE REPORTS

AUDIT COMMITTEE



Karen Kinsley (Chair)
Independent



Christie J.B. Clark
Independent

The Audit Committee, on behalf of the Board, oversees the integrity of the Trust's financial statements and related public disclosure. In doing so, the Audit Committee oversees the Trust's internal controls over financial reporting, disclosure controls and procedures and the internal audit and compliance functions. 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 and the Trust's policies, systems and performance with respect to various key risk areas.



L. Jay Cross
Independent



Dale R. Ponder
Independent

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 2020.

2020 Highlights

- ✓ Reviewed the financial impacts of the COVID-19 pandemic including the estimates and judgements made by management and the impacts on controls and related disclosure
- ✓ Oversaw the Trust's response to the risks related to the COVID-19 pandemic
- ✓ Oversaw management's monitoring and mitigation of information security risks
- ✓ Supervised the Trust's internal control compliance program and ERM program and reviewed risks facing the Trust and how those risks are being managed
- ✓ Oversaw the implementation of an enhanced compliance program
- ✓ Monitored the Trust's liquidity position through the onset of the COVID-19 pandemic, including through the redemption of \$900 million of unsecured debt maturities, issuance of \$1 billion of unsecured debentures and increase to the Trust's weighted average term of debt

Overview

The Audit Committee meets at least once every quarter. The Audit Committee's specific duties and responsibilities are based on its mandate and work plan. At each meeting, the Audit Committee meets separately *in camera* with each of the President and Chief Executive Officer, Chief Financial Officer, 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 2020.

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 2020 and it is available at www.choicereit.ca. The Audit Committee is satisfied that it fulfilled its responsibilities in 2020.

Financial Reporting

The Audit Committee reviewed and discussed with management the Trust's annual and interim financial statements and management's discussion and analysis for the year ended December 31, 2020 and the interim quarters, including the impact of the COVID-19 pandemic and related disclosure. The Audit Committee also reviewed the external auditor's reports thereon and heard directly from the external auditor on key issues. The purpose of this review is to provide reasonable assurance that the Trust's financial reporting is complete and fairly presented in all material respects, and that

the accounting principles used to prepare the financial statements are appropriate, in particular, where judgments, estimates and risks are involved. This review is also designed to provide assurance that adequate disclosure of material issues has been provided. The Audit Committee also assessed the use of non-GAAP financial measures and their presentation within the financial statements. 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 10, 2021.

Review of Other Financial Information

Throughout 2020 and the onset and evolution of the COVID-19 pandemic, the Audit Committee oversaw the Trust's liquidity position, reviewing the issuance of the (i) \$400 million aggregate principal amount of 2.981% Series N senior unsecured debentures due March 4, 2030, (ii) \$100 million aggregate principal amount of 3.827% Series O senior unsecured debentures due March 4, 2050, and (iii) \$500 million aggregate principal amount of 2.848% Series P senior unsecured debentures due May 21, 2027, and recommended each of the issuances to the Board for approval.

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 2020, the Audit Committee reviewed and approved the annual audit plan of the internal audit group and the external auditor and received regular reports from the internal audit group. In addition, the Audit Committee received reports on key audit matters from the external auditor.

Following the year end audit cycle, the Audit Committee conducted an assessment of KPMG LLP's performance and effectiveness in 2020. 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 was 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.

Internal Control Compliance

Throughout 2020, the Audit Committee reviewed management's administration of the Trust's Internal Control Compliance ("ICC") program, including by reviewing the 2020 ICC Scoping and Risk Assessment Plan and periodic progress thereon.

Enterprise Risk Management

The Board has tasked the Audit Committee with overseeing the design and structure of the Trust's ERM program and key risks facing the Trust. The Audit Committee also oversees certain risks delegated to it by the Board and is responsible for satisfying itself that management has taken appropriate actions to ensure the effective management of such risks.

At Audit Committee meetings throughout the year, the Audit Committee received reports from management on the various key risks facing the Trust and how they were being mitigated. Management provides quarterly reports to the Audit Committee on the status of certain key risks, anticipated impacts in future quarters, and significant changes in key risk indicators.

The Audit Committee also reviews management's oversight of risks relating to information technology affecting the Trust and the Trust's information technology systems, including cyber-security. The Audit Committee receives regular reports from management with respect to the Trust's systems, policies, controls and procedures that management has implemented to identify, manage and mitigate risks related to information technology and the Trust's information technology systems, including cyber-security.

COVID-19 Risk Response

In 2020, the Board, and particularly the Audit Committee, was actively engaged with the Trust's response to the risks posed by the COVID-19 pandemic. The Audit Committee reviewed the crisis management framework that enabled the Trust to respond quickly and effectively across the business. The Audit Committee also reviewed the unique risks of COVID-19 to the business, including in respect of rent collectability, temporary or long-term stoppages of development projects, labour shortages or disruptions and liquidity, and considered the corresponding mitigating activities. The Audit Committee continues to oversee the Trust's COVID-19 response.

Legal, Regulatory, Related Party Transactions and Tax

Throughout 2020, 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, litigation, regulatory filings, transactions with related parties and tax matters affecting the Trust. The Audit Committee continues to work with

management to ensure adherence to a robust process for reviewing and approving significant related party transactions. This is particularly relevant given that Loblaw is the Trust's largest tenant and an affiliate. The Audit Committee is confident that management has considered the relevant legal and governance considerations associated with related party transactions and has implemented a sound governance framework to address significant related party transactions when they arise. The Audit Committee also discussed legal developments and issues involving the Trust with the Senior Vice President, General Counsel and Secretary of the Trust.

Respectfully submitted,

Audit Committee

Karen Kinsley (Chair)

Christie J.B. Clark

L. Jay Cross

Dale R. Ponder

For additional information regarding each member of the Audit Committee, please see pages 10 to 14. For additional information regarding the activities of the Audit Committee, see the Trust's Statement of Governance Practices on pages 29 to 41.

GOVERNANCE COMMITTEE



*Graeme M. Eadie
(Chair)
Independent*



*Kerry D. Adams
Independent*



*R. Michael Latimer
Independent*



*Nancy H.O. Lockhart
Independent*

The Governance Committee believes that good governance is essential 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 of governance principles which are consistent with high standards of governance. On an annual basis, the Governance Committee evaluates the performance and practices of the Board, including a review of Board 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. In addition, the Governance Committee monitors the orientation program for new Trustees and continuing education for all Trustees, and oversees the process for assessing the performance of the Board, its committees and individual Trustees.

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 43. The Governance Committee is also responsible for overseeing talent management and succession planning for the Trust's senior executive positions.

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 real estate investment trusts ("REITs"). The chart below sets out the relevant experience of each member of the Governance Committee:

Name of Member	Experience in Governance and Executive Compensation
Kerry D. Adams	<ul style="list-style-type: none"> Former member of Fidelity Investments Canada ULC's Independent Review Committee Former member of the Bank of Nova Scotia's Master Trust and Pension Investment and Administration Committees 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 Knowledge of governance and executive compensation issues as a former Commissioner and director of the Ontario Securities Commission Obtained the Institute of Corporate Directors ICD.D certificate
Graeme M. Eadie	<ul style="list-style-type: none"> Member of the Human Resources, Compensation and Pension Committee of Morguard Corporation Former director and member of the Compensation Committee of the Neiman Marcus Group Former trustee and member of the Human Resources and Governance Committee of Morguard Real Estate Investment Trust Governance and executive compensation experience as former Senior Managing Director of the Canada Pension Plan Investment Board
R. Michael Latimer	<ul style="list-style-type: none"> Former member of the Compensation and Governance Committee of Canadian Real Estate Investment Trust ("CREIT") Governance and executive compensation experience as former Chief Executive Officer of OMERS Executive experience as former President and Chief Executive Officer of Primaris Real Estate Investment Trust
Nancy H.O. Lockhart	<ul style="list-style-type: none"> Director and Chair of Atrium Mortgage Investment Corporation's Governance Committee Director and member of the Governance, Human Resources, Nominating and Compensation Committee of Weston Former director and member of Loblaw's Governance, Employee Development, Nominating and Compensation Committee Former Board Chair and member of the Corporate Governance & Nominating Committee for Gluskin Sheff & Associates Inc. Former director and member of Barrick Gold Corporation's Governance Committee

Board Succession Planning and Nomination Process

The Board regularly reviews potential vacancies on the Board. The Governance Committee assists the Board by reviewing an evergreen list of potential candidates and identifying individuals for the Board's consideration at the appropriate time. The Trust has in place Board Tenure Guidelines, which provides that the Chair of the Board and the Governance Committee will undertake an assessment of a Trustee's continued participation on the Board upon reaching the age of 75, and annually thereafter, or upon a change in principal occupation. The Board Tenure Guidelines do not apply to the Chair of the Board or any management Trustees.

In addition to the formal Board Tenure Guidelines, the Governance Committee:

1. undertakes an annual Board effectiveness evaluation that enables the Governance Committee and the Board to solicit feedback regarding trustee contribution, skill set and expertise;
2. maintains a Trustee skills matrix to ensure that, in choosing Trustee candidates, it focuses appropriately on critical competencies and experience;
3. monitors Trustee turnover through the evaluation process and, to the extent appropriate, from time to time requests trustees who are long serving and who have a readily replaceable skill set or experience not to stand for re-election;
4. annually reviews Board committee chairs and memberships with a view to balancing the desire for diverse perspectives with the need for experience and subject matter expertise; and
5. provides disclosure in this Circular in respect of Trustee tenure, the Trustee evaluation process and Trustee turnover with an explanation of how the Trust's approach ensures diversity of skills, experience and background on the Board and an appropriate level of Trustee turnover.

In summary, each year the Governance Committee undertakes a review of the composition of the Board, the performance of the individual Trustees and the mandate and 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 these processes have worked well and have resulted in governance that has been both effective and adaptive to the changing nature of the businesses and the markets in which the Trust operates.

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 ensures that the Trust implements objective compensation and nominating processes that are in the interests of all Unitholders.

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 2020.

2020 Highlights

- ✓ Oversaw the design of the Trust's 2021 Short-Term Incentive Plan and Long-Term Incentive Plan
- ✓ Oversaw the Board's succession plan and the nomination and selection of Messrs. Currie and Cross as members of the Board
- ✓ Reviewed the impact of the COVID-19 pandemic on the Trust's compensation plans
- ✓ Oversaw the continued development of the Trust's environmental, social and governance ("ESG") program
- ✓ Oversaw the adoption of formal targets for representation of women and visible minorities on the Board and executive and management positions

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

Executive Talent Management and Succession Planning

One of the key responsibilities of the Governance Committee is to provide guidance and oversight on succession management processes for the President and Chief Executive Officer and other senior executive roles at the Trust. To that end, the Governance Committee receives 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 President and Chief Executive Officer and Chief Financial Officer positions and the performance of the incumbent. In addition, the Governance Committee meets periodically with the President and Chief Executive Officer to review succession priorities which include identifying potential succession candidates for senior management positions and highlighting relevant qualifications and experiences required for each such candidate to be fully prepared to take on such a senior management position. The Trust believes in integrating talent and succession management with the business strategy and overall strategic priorities for the organization.

Board Composition and Succession

The Governance Committee's focus is to maintain a strong, vibrant and engaged Board that understands the Trust's dynamic business needs and the real estate industry generally. One of the key areas of responsibility for the Governance Committee is the succession planning for the Board. The Governance Committee assesses and evaluates the effectiveness of the Board and identifies areas where the Board may benefit from trustees with additional skills and experience and with diverse backgrounds. In early 2021, the Board, upon the recommendation of the Governance Committee, agreed to update the Board's Diversity Policy to reflect a target that, by 2024, people who identify as women will comprise at least 40% of the Trustees, increased from 30%. The Board also adopted a new target that, by 2024, people who identify as visible minorities will comprise at least 20% of the Trustees. The list of nominees for the upcoming Meeting includes four nominees who identify as women, representing approximately 44% of the Board's composition. Nine trustees have been proposed for election to the Board at the Meeting. The Board considers this to be an appropriate size given the nature of the Trust's business and operations.

This year, the Governance Committee has again included in this Circular a skills matrix that the Governance Committee used as a tool in managing Board succession. This matrix was used to identify the skills, experience and expertise required on the Board.

The Governance Committee is responsible for the process of identifying prospective trustee nominees. The Governance Committee assesses the appropriate size of the Board and whether any vacancies are expected and reviews the skills matrix of current Board members to determine criteria and qualifications to be considered when recruiting new Trustee nominees. 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. Before being put forward as a Trustee nominee, a candidate must meet the Chair of the Governance Committee, the Chair of the Board and other Board members to discuss the Board's expectations in regards to contribution and commitment obligations.

The Governance Committee has identified Messrs. Gordon Currie and L. Jay Cross as having the requisite skills, experience and qualifications to be Board members, as suitable Trustee nominees. Messrs. Currie and Cross will stand for election at the Meeting.

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, to assist Trustees in carrying out their responsibilities. These presentations are in addition to regular reporting from senior management and other elements of the Trust's continuing education program.

ESG

The Governance Committee oversees the Trust's ESG program and reviews the Trust's ESG Report on an annual basis. The Governance Committee also receives periodic reports on the ESG program and performance against ESG targets from management, and advises the Board on the status of the ESG program. In 2020, the Governance Committee oversaw the continued development of the Trust's ESG program and the setting of diversity targets for both the Board and management.

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.

Benchmarked Against Peer Companies

The Trust believes that its compensation structure must be designed to attract, motivate and retain the best candidates for the challenging roles that the Trust's executive officers fulfill. To this end, the Trust strives for executive compensation programs that are competitive with market and industry practices to enable the Trust to attract and retain talented and qualified individuals to lead the business. The Trust regularly benchmarks compensation and incentive design relative to other REITs.

Pay for Performance

Pay for performance is a cornerstone of the Trust's compensation philosophy. 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 2020 ranged from 52.5% to 74.1% of their total direct target compensation.

Aligned with Long-Term Unitholder Value

The Trust 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. The Trust also expects executives at the Vice President level and higher to meet the minimum Trust Unit ownership under the Trust's Equity Ownership Policy to reinforce alignment between executive compensation and long-term Unitholder interests.

Tailored to Business Strategy and Objectives

Choice Properties believes that its executive compensation programs should be tailored to the Trust's business strategy and objectives. The performance measures under the STIP program are designed to focus executives on achieving annual business and strategic objectives.

Consistent with Good Governance Practices

The Trust structures its executive compensation programs to reward senior executives for the execution of business strategies while taking an expected and reasonable level of risk. The Trust's 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.

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. 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 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.

Respectfully submitted,

Governance Committee

Graeme M. Eadie (Chair)

Kerry D. Adams

R. Michael Latimer

Nancy H.O. Lockhart

For additional information regarding each member of the Governance Committee, please see pages 10 to 14. For additional information regarding the activities of the Governance Committee, see the Trust's Statement of Governance Practices on pages 29 to 41.

STATEMENT OF GOVERNANCE PRACTICES

STATEMENT OF GOVERNANCE PRACTICES

The Trust's 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 Trust's strong governance practices are reflected in its approach and application of policies and practices, some of which are highlighted in the chart below.

GOVERNANCE			
Approach	Reference	Application	Highlights
Majority Voting Policy	See page 8 of the Circular for additional detail See Policy on: www.choicereit.ca/governance	<ul style="list-style-type: none"> Annual election of Trustees by Unitholders Trustee who receives greater number of votes withheld than votes in favour must tender resignation Governance Committee reviews resignation and makes recommendation to the Board 	<ul style="list-style-type: none"> At least 95% of total votes cast at the 2020 Annual Meeting of Unitholders were cast in favour of each of the Trustees
Independence Statement	See page 33 of the Circular for additional detail	<ul style="list-style-type: none"> Majority of the Board to be comprised of independent Trustees 	<ul style="list-style-type: none"> 89% of Trustee nominees are independent 100% of Audit Committee members are Independent 100% of Governance Committee members are Independent
Board Effectiveness	See page 36 of the Circular for additional detail	<ul style="list-style-type: none"> Ensure that the Board and its Committees are functioning at optimal levels 	<ul style="list-style-type: none"> Annual assessment of the performance and effectiveness of the Board and its Committees, and Committee Chairs Lead Independent Trustee in place to drive strong independent Board oversight
Equity Ownership Policy	See pages 16 and 61 of the Circular for additional detail	<ul style="list-style-type: none"> Aligns the interests of Trustees and executives with those of Unitholders Applies to each Trustee and executive at the Vice President level and higher 	<ul style="list-style-type: none"> All Trustees either satisfy the required level of Trust Unit ownership or are in the process of accumulating the securities as required under the Policy All executives either satisfy the required level of Trust Unit ownership or are in the process of accumulating the securities as required under the Policy
Continuing Education	See page 36 of the Circular for additional detail	<ul style="list-style-type: none"> Ensuring relevant continuing education sessions are provided to Trustees 	<ul style="list-style-type: none"> 13 continuing education sessions provided to a Committee or the Board
Trustee Tenure Guidelines	See pages 7 and 37 of the Circular for additional detail	<ul style="list-style-type: none"> Foster ongoing renewal of the Board's membership Chair of the Board and Governance Committee Chair assess Trustees' continued participation on the Board upon reaching the age of 75 or a change in principal occupation, and annually thereafter 	<ul style="list-style-type: none"> 67% of Trustee nominees have tenure of 0 to 5 years 33% of Trustee nominees have tenure of 5 to 10 years Average tenure of 3.7 years
Trustee Interlock Policy	See page 9 of the Circular for additional detail	<ul style="list-style-type: none"> Ensure that interlocking Trustee relationships will not adversely affect independent judgement Prohibited interlock occurs when more than two Trustees, other than the Chair of the Board, sit on the Board of another public entity Governance Committee reviews interlocking Trustees 	<ul style="list-style-type: none"> 0 interlocks among independent Trustees
Related Party Transactions	See page 32 of the Circular for additional details	<ul style="list-style-type: none"> Oversight of related party transactions with the Audit Committee The Board, through the Audit Committee, reviews and approves significant related party transactions of the Trust 	<ul style="list-style-type: none"> Quarterly reports on related party transactions provided to the Audit Committee Audit Committee oversaw significant related party transactions in 2020
Corporate Opportunities Principles	See page 32 of the Circular for additional detail	<ul style="list-style-type: none"> Framework established to facilitate decision-making process to deal with corporate opportunities which could be of interest to more than one entity in the Weston Group of Companies 	<ul style="list-style-type: none"> Annual review of strategic focus areas for each of the core businesses in the Weston Group of Companies Annual review of corporate opportunity principles against entity strategies

Advisory Vote on Executive Compensation (Say On Pay)	See page 18 of the Circular for additional detail	<ul style="list-style-type: none"> Providing Unitholders with an opportunity to cast an advisory vote on the Trust's approach to executive compensation 	<ul style="list-style-type: none"> 88.92% of votes cast at the 2020 Annual Meeting of Unitholders were cast in favour of the Trust's approach to executive compensation
Executive Clawback Policy	See page 45 of the Circular for additional detail	<ul style="list-style-type: none"> Deterrent to executives taking excessive risk 	<ul style="list-style-type: none"> Part of overall executive compensation program designed to align interests of Unitholders with the Trust
COMPLIANCE AND ETHICS			
Approach	Reference	Application	Highlights
Code of Conduct	See page 39 of the Circular for additional detail See Code of Conduct on: www.choicereit.ca/governance	<ul style="list-style-type: none"> Reflects the Trust's commitment to high standards of ethical conduct and business practices Addresses conflicts of interest, compliance with laws, rules and regulations, confidentiality and fair dealing 	<ul style="list-style-type: none"> Annual review and approval of the Code of Conduct by the Board Annual acknowledgment by the Trust's employees and Trustees of their commitment to abide by the Code of Conduct
Ethical Conduct Program	See page 39 of the Circular for additional detail	<ul style="list-style-type: none"> Integrity Action Line – Toll-free number that any employee or Trustee can use to report conduct thought to violate the Code of Conduct Anti-Fraud Policy – Fraud reporting protocols established to ensure fraud reporting to senior management and the Audit Committee Accounting, Auditing and Internal Controls Procedures - Outlines the procedures for receipt and treatment of complaints received in connection with accounting, internal controls, disclosure controls or auditing matters Compliance Mandate which defines the framework for the compliance and ethics program 	<ul style="list-style-type: none"> Quarterly review of integrity action line comments with the Audit Committee Annual review of the Anti-Fraud Policy and the Accounting, Auditing and Internal Controls Complaints by the Audit Committee Quarterly compliance reporting to the Audit Committee
Disclosure Policy	See page 41 of the Circular for additional detail See Disclosure Policy on: www.choicereit.ca/governance	<ul style="list-style-type: none"> Ensures the timely dissemination of material information Establishes consistent guidance for determining what information is material and avoiding selective disclosure 	<ul style="list-style-type: none"> Quarterly review of disclosure documents, including the interim management's discussion and analysis, interim financial statements and news releases Quarterly review and reporting on the application of non-GAAP measures Annual review of the management proxy circular and annual information form File all continuous disclosure documents within the required timelines, including earnings releases, annual and interim reports, annual information form and management proxy circular
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)			
Approach	Reference	Application	Highlights
Mandate of the Governance Committee	See mandate on: www.choicereit.ca/governance	<ul style="list-style-type: none"> Oversight of the ESG program Provides guidance to the Trust on its ESG program 	<ul style="list-style-type: none"> Governance Committee receives regular reports on ESG initiatives with annual reporting to the Board Governance Committee reviews the Trust's ESG Report on an annual basis
ESG Reporting	See page 39 of the Circular for additional detail See Environmental, Social & Governance Report on: www.choicereit.ca/sustainability	<ul style="list-style-type: none"> The Board is responsible for risk management oversight and ensures business is conducted to meet high standards of environmental and social responsibility President and CEO is the executive sponsor of the ESG program ESG Steering Committee and Standing Sub-committees, responsible for setting priorities, tracking metrics and championing program initiatives across the Trust Two full-time resources who are tasked with the day-to-day management of initiatives related to the ESG program 	<ul style="list-style-type: none"> Release of 2019 ESG Report Developed a long-term ESG strategy 1st year incorporating SASB metrics into the ESG report 2nd submission to GRESB benchmarking survey, resulting in a 16 point increase over the previous year's score (on a 100-point scale)
Board Diversity Policy	See page 37 of the Circular for additional detail	<ul style="list-style-type: none"> 30% target for female representation on the Board Consideration of age, ethnicity, gender and other diverse backgrounds Annual self-identification on designated group membership 	<ul style="list-style-type: none"> 44% of Trustee nominees identify as women Revised target from 30% to 40% of the Board to be comprised of people who identify as women by 2024 Establishment of new target that 20% of the Board be comprised of people who identify as visible minorities by 2024 Annual assessment of Board composition

Management Diversity and Inclusion Programs	See page 38 of the Circular for additional detail	<ul style="list-style-type: none"> Talent initiatives focused on mentoring and recruiting practices based on inclusion strategies Drives the Trust's diversity priorities by creating resource groups, generating awareness and implementing activities that embed diversity principles into culture of the organization Consider diversity at the talent development and succession planning process at various senior levels Annual self-identification on designated group membership 	<ul style="list-style-type: none"> Adoption of formal targets in respect of women and visible minorities in management positions Creation of goal that by 2024, 45% of Vice President or higher positions be held by people who identify as women and 30% of such positions be held by people who identify as visible minorities Creation of goal that by 2024, 50% of Senior Manager to Associate Vice President positions be held by people who identify as women and 25% of such positions be held by people who identify as visible minorities Training sessions held on diversity and inclusion
ENTERPRISE RISK MANAGEMENT			
Approach	Reference	Application	Highlights
Mandate of the Audit Committee	<p>See pages 22 and 31 of the Circular for additional detail on the Board and Audit Committee oversight of the Trust's ERM program</p> <p>See page 62 of the Trust's Annual Information Form for the year ended December 31, 2020 for additional details on the Trust's ERM program</p>	<ul style="list-style-type: none"> Audit Committee assists the Board in its oversight of enterprise risk management policies and procedures to ensure that relevant risks are identified and mitigation plans are put into place Audit Committee oversees risks related to information technology and systems 	<ul style="list-style-type: none"> Annual review and recommendation to the Board for approval of the Trust's ERM Plan and Risk Appetite Statement Oversaw monitoring and mitigation of risks related to the COVID-19 pandemic Management delivers regular reports on information and cyber security to the Audit Committee

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 Oversight

The Board oversees the development, execution and fulfillment of the Trust's strategic plans 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 plans;
- 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 overseeing the strategic planning of the Trust, the Board has a high level of engagement with management. In addition to an annual meeting dedicated to strategic planning, 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 and on matters such as the Trust's COVID-19 response, ESG, pension, tax, treasury and legal matters.

Enterprise Risk Management (ERM)

The Board has oversight responsibility for ERM 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 program. The annual ERM assessment is carried out through interviews, surveys and/or facilitated workshops between management and the Board. Risks are identified and then 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. To assist with the ERM process, the Trust has adopted a risk appetite statement that takes into consideration important aspects of the Trust's business and values. The risk appetite statement articulates key aspects of the Trust's business and provides directional guidance on risk taking. The types of risks the Trust is exposed to include: strategic, financial, operational,

information security, regulatory risks, and reputational risks. On a quarterly basis, management 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 of each risk is allocated by the Board either to the full Board or to a committee of the Board. In 2020, the Board also provided oversight of the Trust's response to the risks posed by the COVID-19 pandemic. For more information on the Trust's ERM program and the types of risks the Trust is exposed to, refer to the Trust's 2020 Annual Report and the Annual Information Form for the year ended December 31, 2020, which are available on SEDAR at 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 and Audit Committees ensure that a robust process is followed in reviewing and approving any significant 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.

The Trust, Weston and Loblaw, are part of a common control group (the "Weston Group"). Although the entities making up the Weston Group each have their own strategies and, for the most part, focus on different businesses, the entities acknowledge that from time to time new corporate opportunities may arise that potentially could be of interest to more than one entity of the Weston Group. Accordingly, the entities making up the Weston Group have adopted a framework that facilitates the decision making process to deal with any such opportunities in a manner that is consistent with good governance, taking into account existing businesses and other considerations.



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

Board Leadership Structure

Mr. Weston is currently the Chair of the Board. He will not be standing for re-election at the Meeting. Mr. Currie will be standing for election at the Meeting. If elected, the Board intends to appoint Mr. Currie as Chair following the Meeting.

The Chair of the Board is responsible for the management, development and effective performance of the Board, and for providing leadership to the trustees in carrying out their collective responsibilities to provide a Board oversight role regarding the management of the business and affairs of the Trust. Recognizing the importance of strong independent board oversight, the Board has appointed an independent trustee, Mr. 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:

 <p>Chair Galen G. Weston</p>	 <p>Independent Lead Trustee Graeme M. Eadie</p>
<ul style="list-style-type: none"> • 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 • Ensures that strategic plans are communicated to and evaluated by the Board 	<ul style="list-style-type: none"> • Provides leadership to the Board in any situation where the Chair’s role may be perceived to be in conflict • Ensures that the Board operates independently of management and that Trustees have an independent leadership contact • Chairs meetings if and when the Chair is absent and chairs meetings of the independent Trustee following each Board meeting and on other occasions, as required or desirable • Regularly meets with the Chair and serves as liaison between the Chair and the independent trustees • Works with the Chair on appropriate agenda items • 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 • Oversees the Board’s self-assessment and evaluation of its leadership structure

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 his or her 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 nine 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. Mr. Gordon Currie, an executive officer of Weston and Loblaw, was determined not to be independent because he had a material relationship with the Trust.

Status of Trustee Nominees

Name	Independent	Not Independent	Reason for Non-Independent Status
Kerry D. Adams	x		
Christie J.B. Clark	x		
L. Jay Cross	x		
Gordon A.M. Currie		x	Executive Vice President and Chief Legal Officer of Weston (the controlling Unitholder of the Trust) and Executive Vice President, Chief Legal Officer and Secretary of Loblaw
Graeme M. Eadie	x		
Karen Kinsley	x		
R. Michael Latimer	x		
Nancy H.O. Lockhart	x		
Dale R. Ponder	x		

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 Chair 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. Additional information relating to the Trustees standing for election, including other public company boards on which they serve as well as their attendance record for all Board and committee meetings during fiscal 2020, can be found on pages 10 to 14 of this Circular.

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 composition 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, both of which are established by the Board. On an annual basis, each committee reviews its mandate and the position description 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.

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 and reporting to the Board on the performance and effectiveness of the Board and its committees;
- developing criteria and qualifications for selecting Trustee candidates and identifying and recommending candidates for membership on the Board;
- assisting in the orientation and education program for new Trustees;
- ensuring that the Trust provides appropriate continuing education opportunities for the 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 Unit-Settled Restricted Unit Plan (the "URU 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
- developing and implementing the Trust's governance practices and guidelines; and
- overseeing the Trust's ESG program.

The Governance Committee, whose membership currently includes Graeme M. Eadie (Chair), Kerry D. Adams, R. Michael Latimer and Nancy H.O. Lockhart had six meetings in 2020. Further information relating to the Governance Committee's accomplishments in 2020 is set out in "Governance Committee Report to Unitholders" on pages 26 to 28.

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:

- recommending the appointment of the auditor;
- reviewing and approving the annual audit plan for the auditor;
- reviewing the independence of the auditor;
- reviewing and approving the audit fees paid to the auditor and pre-approval of non-audit related fees to the auditor;
- considering and evaluating with management the design and effectiveness of internal controls over financial reporting and financial disclosure controls and reviewing any proposed corrective actions;
- overseeing procedures for the receipt, retention and follow-up of complaints regarding the Trust's accounting, internal controls and auditing matters and for the confidential anonymous submission by employees of concerns regarding such matters;
- reviewing annual and quarterly consolidated financial statements and management's discussion and analysis and all other material continuous disclosure documents, including the Trust's annual information form;
- reviewing any significant transactions outside the Trust's ordinary course of business, including material related party transactions, and any legal matters that may significantly affect the Trust's consolidated financial statements;
- reviewing and approving the Trust's internal audit plan and receiving regular reports from management thereon;
- assessing the performance of the Trust's internal audit function;
- receiving and reviewing reports from management on various key risks affecting the Trust and how they are being managed;
- reviewing regular reports by management relating to information technology and the Trust's information technology systems, including cyber-security; and
- overseeing the Trust's compliance program and receiving regular reports from management thereon.

The Audit Committee, whose membership currently includes Karen Kinsley (Chair), Christie J.B. Clark, L. Jay Cross and Dale R. Ponder, had four meetings in 2020. Further information relating to the Audit Committee's accomplishments in 2020 is set out in "Audit Committee Report to Unitholders" on pages 21 to 23.

New Trustee Orientation

Trustee orientation is a priority to ensure new Trustees are fully aligned with the Trust's strategy and business priorities at the earliest opportunity. The Governance Committee is responsible for the orientation of new Trustees and their education about the business of the Trust. The Governance Committee coordinates an in-depth orientation session for all new Trustees, which is attended by the Chair, the President and Chief Executive Officer 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 Trust's Declaration of Trust, Code of Conduct, Board mandate, compliance requirements for trustees and corporate policies.

Trustee Continuing Education

The Governance Committee is also responsible for ensuring that relevant educational sessions are provided to the Trustees. The Trustees are regularly provided with presentations by internal and external experts on specific topics of interest and importance to the Board and each of its committees to enhance their understanding of the Trust's business, as well as developments and trends affecting the real estate industry and corporate governance. These presentations are in addition to regular reporting from senior management. Choice Properties believes that it is imperative that its Trustees visit and have firsthand knowledge of the properties that the Trust owns and manages. As such, as part of the trustee continuing education program, the Trustees are provided tours of the Trust's properties from time to time.

In 2020, the Board and its committees received targeted training on the following topics as part of the Trust's Trustee continuing education program:

Continuing Education Sessions	Date	Participants
Accounting Standards and Auditor Reporting Update	February 11, 2020	Audit Committee
Capital Markets Update	May 25, 2020	Board
Flexible Work Arrangements	May 25, 2020	Board
Updates on acquisitions, dispositions and developments in the REIT industry	June 22, 2020	Board
Real Estate Trends	July 20, 2020	Board
Governance Insights	July 20, 2020	Governance Committee
Tax Update	September 24, 2020	Board
ESG Program and Strategy	October 15, 2020	Governance Committee
Information Security and Risk Update	November 4, 2020	Audit Committee
Property Valuations	November 4, 2020	Board
Diversity and Inclusion	November 4, 2020	Governance Committee
Governance Insights	November 4, 2020	Governance Committee
Impact of COVID-19 and Trends in Executive Compensation	November 4, 2020	Governance Committee

Assessment of the Board and its Committees

Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its committees. This process includes 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 results of the survey are provided on an anonymous basis to the Lead Trustee and a summary of the results are considered by the Governance Committee and then presented to the full Board by the Lead Trustee.

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

In addition to the assessment that the Governance Committee performs in connection with compensation matters, each year, the Governance Committee also assesses the performance of the Chair of the Board and the President and Chief Executive Officer and other senior executives. The Lead Trustee also routinely meets with Trustees who may provide suggestions on the performance and effectiveness of the Board and its committees.

Board and Committee Tenure Guidelines

The Trust has established Board Tenure Guidelines which provides that the Chair of the Board and the Governance Committee will undertake an assessment of a trustee's continued participation on the Board upon reaching the age of 75, and annually thereafter, or upon a change in principal occupation. 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 the Trust. The average tenure of the Trustee nominees is 3.7 years.

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 the 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 Chair of the Board, 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 maintained by the Governance Committee.

Before being put forward as a Trustee nominee, candidates must meet the Chairs of the Board and Governance Committee and other Board members to discuss the Board's expectations with respect to contribution and commitment obligations.

Mr. Galen G. Weston will not be standing for re-election at the Meeting. The Board has identified Mr. Gordon Currie, who has the requisite skills, experience and qualifications to be a Board member, as a suitable successor. Mr. Gordon Currie will stand for election at the Meeting. If elected, the Board intends to appoint Mr. Gordon Currie as Chair following the Meeting.

The Board has also identified Mr. L. Jay Cross who has the requisite skills, experience and qualifications to be a Board member and therefore is a suitable Trustee nominee. Mr. Cross was appointed to the Board on September 24, 2020. Mr. Cross will stand for election at the Meeting.

Diversity and Inclusion

The Trust values diversity of views, thought, experience, skill sets, gender and ethnicity and supports the identification and nomination of diverse Trustees and candidates for senior management positions. 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 senior management. The Board believes that diversity is important to ensure that Trustees and senior management provide a wide range of thoughts, perspectives, experience and expertise required to achieve effective stewardship of the Trust.

Board

The Trust has developed and adopted a written Board Diversity Policy. The Board Diversity Policy sets out guidelines for the Governance Committee to find the best qualified candidates for Board positions given the needs and circumstances of the Board and the Trust. The Board Diversity Policy provides that when identifying suitable candidates for appointment to the Board, the 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 also 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 Policy, the Governance Committee reviews: (i) the number of candidates representing various diversity categories

considered or brought forward for Board positions; and (ii) the skills, knowledge, experience and character of candidates representing various diverse categories to ensure that these candidates are being fairly considered relative to other candidates. The results of the Governance Committee's review is taken into account when identifying and nominating candidates for election or re-election to the Board. The Governance Committee's approach in circumstances where diverse candidates are not selected for Board positions is to satisfy itself that there are justifiable reasons to support the selection.

The Board Diversity Policy includes a target that people who identify as women will comprise at least 30% of the Trustees. Having exceeded this target, in early 2021, the Board revised its target to 40% of the Trustees. This year, four of the nine Trustee nominees are women, representing approximately 44% of the Board's composition. In early 2021, the Board further enhanced the Board Diversity Policy by adding a target that people who identify as visible minorities comprise at least 20% of the Trustees by 2024. The Board Diversity Policy does not currently specifically address, or include formal targets for, board representation of aboriginal persons (being Indian, Inuit, Métis) and persons with disabilities⁽¹⁾ (together with women and visible minorities, the "designated groups" as defined under Article 3 of the *Employment Equity Act* (Canada)), as diversity is already an important factor that is considered in the trustee identification process, and ultimately it is the skills, experience, expertise, character and behavioral qualities of an individual that are most important in determining the value that an individual could bring to the Board. The Trust will continue to monitor its level of board diversity and consider whether it would be appropriate to include specific reference to, or formal targets for, the representation of certain other diversity categories, including the designated groups, in the future.

⁽¹⁾ "Persons with disabilities" means persons who have a long term or recurring physical, mental, sensory, psychiatric or learning impairment and who: (i) consider themselves to be disadvantaged in employment by reason of that impairment; or (ii) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment. This definition also includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

Management

The Trust is committed to an inclusive and diverse workplace and recognizes that diversity is an important consideration in creating and maintaining an effective management team. The Trust believes the most effective way to realize its goal of increasing the representation of diverse groups at the management level is to continue to grow the pipeline and create a diverse and inclusive culture. The Trust has established a number of talent initiatives to support this objective, including mentoring and recruiting practices based on inclusion strategies and principles and maintaining active diversity and inclusion initiatives within the workplace. These programs were established to ensure that the Trust's rich and diverse talent pool is supported and provided opportunities to grow their careers to the highest levels within the organization.

In early 2021, the Trust adopted formal targets to improve gender and ethnic diversity in management positions. Specifically, the Trust has set a target that, by 2024, at least 45% of executive positions (Vice President or higher) be held by people who identify as women and at least 30% of such positions be held by people who identify as visible minorities. In addition, the Trust set a target that, by 2024, at least 50% of management positions (Senior Manager to Associate Vice President) be held by people who identify as women and at least 25% of such positions be held by people who identify as visible minorities. The Trust has not adopted targets in respect of other designated groups, as diversity is already an important factor that is considered in hiring and promoting management, and ultimately it is the skills, experience, expertise, character and behavioral qualities of an individual that are most important in determining the value that an individual could bring to the Trust as a member of management. The Trust will continue to monitor its level of diversity in management positions and consider whether it would be appropriate to adopt formal targets for the representation of certain other diversity categories, including the designated groups, in the future. The Trust's approach in circumstances where diverse candidates are not selected for management positions is to satisfy itself that there are justifiable reasons to support the selection.

Diversity Survey Results

In early 2021, the Trust surveyed the Board and senior management to determine the number and proportion of individuals that self-identified as belonging to one or more of the designated groups. Participation in the survey was voluntary and, as such, the results represent only those individuals who elected to participate and may not be entirely representative of the designated groups at the Board and senior management level.

The Trust has four Trustee nominees that have identified as women, representing approximately 44% of the Board's composition. No Trustee nominees have identified as being a visible minority, an aboriginal person or a person with disabilities.

The Trust's senior management, which is comprised of sixteen Vice President level or higher positions, includes: six individuals who have identified as women, representing approximately 38% of senior management; and three individuals

who have identified as visible minorities, representing approximately 19% of senior management. No member of senior management has identified as an aboriginal person or as a person with disabilities.

The Trust is committed to ensuring that it attracts and retains the most highly qualified and experienced trustees and senior management and recognizes that diversity is an important consideration in creating and maintaining an effective Board and senior management team.

GOVERNANCE MATTERS

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 2020, there were no material violations of the Code. The Code is available on the Trust's website at 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. Management 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.

Environmental, Social and Governance (ESG)

ESG considerations are an integral component of the Trust's corporate strategy. The Trust is committed to conducting business in a manner that is respectful of the environment and the communities in which it operates. The Trust believes that its tenants, investors, employees and other stakeholders care deeply about the Trust's commitment to being a force for positive environmental and social change and to demonstrating robust governance practices. By integrating consideration of environmental and social risks and good governance practices into its day-to-day business activities, implementing robust compliance and ethics programs, focusing on employee equity and wellness and undertaking impactful charitable activities, the Trust strives to be an ESG leader in the North American real estate industry. To achieve this goal, the Trust intends to focus on three areas where it can have significant impact on social and environmental sustainability: Climate Action, Sustainable Developments, and Employee Equity and Wellness. The ESG program is comprised of a series of initiatives and programs across the Trust and is overseen by the Governance Committee.

ESG practices strongly align with the Trust's strategy, which seeks to maximize long term value by taking a disciplined and sustainable approach to property operations and financial management, and by unlocking value through development activities. The Trust continues to integrate sustainable and resilient business practices to deliver value both for today and for future generations.

The Trust's ESG scope includes but is not limited to the following initiatives:

Environmental

The Trust aims to continue reducing the environmental impact of its operations and has developed the following targets focused on energy, water, waste, greenhouse gases and building certifications to be reached by 2023:

- reducing same-asset office energy use by 10% relative to a 2018 baseline;
- reducing same-asset office water use by 5% relative to a 2018 baseline;
- diverting 70% of annual office waste from landfills;
- converting 75% of retail and industrial parking lot lighting to high efficiency fixtures;
- reducing same-asset and absolute greenhouse gas (GHG) emissions by 10% relative to a 2018 baseline; and
- certifying 65% of Choice Properties' portfolio under LEED or BOMA BEST, two market-leading green building certification programs.

The Trust has either achieved or has made good progress towards achieving these targets by the 2023 target date.

Supporting Colleagues and Communities

The Trust aims to make a positive difference in the communities it serves, including by focusing on advancing diversity, equity and inclusion through its operations, promoting health and wellness and corporate philanthropy. The Trust has a long-standing commitment to diversity, equity and inclusion. The Trust has founded various colleague resource groups to both guide and deliver on this commitment. Colleagues are required to complete various training sessions on bias, discrimination and inclusive behaviours. Self-identification data on gender identity, race and ethnicity, sexual orientation, age, and disability is collected on a voluntary basis from colleagues to understand where gaps exist and to monitor progress on diversity initiatives.

In 2019, the Trust launched *Choice Cares*, a colleague led program, focused on empowering colleagues to give back to the communities in which the Trust operates. In 2020, through *Choice Cares*, the Trust donated approximately \$350,000 and volunteered over 1,330 hours in support of charities across the country, with a focus on making a positive impact on those who have been negatively affected by the COVID-19 pandemic.

Reporting and Disclosure

The Trust remains focused on the environmental and social issues that matter most to its stakeholders and plans to continue refining its governance practices, and integrating industry leading ESG reporting frameworks to more transparently disclose its progress in these areas, as appropriate.

In 2019, the Trust made its first submission to the Global Real Estate Sustainability Benchmark ("GRESB"), a global assessment that benchmarks ESG performance of real estate entities, and received a GRESB Green Star rating. In 2020, the Trust achieved a 16 point increase over its 2019 GRESB score (on a 100-point scale). The Trust has a focused plan in place to achieve continued performance improvements in key GRESB categories.

To further enhance its ESG program, in 2019, the Trust incorporated the reporting principles of the Sustainability Accounting Standards Board ("SASB") Real Estate Standard into its ESG Report. SASB is an independent nonprofit organization that sets industry-specific and metric-focused standards to assist companies in disclosing financially material sustainability information. The Trust expects that the SASB standards will provide a well-designed and consistent means of identifying and quantifying its ESG risks and will allow the Trust to benchmark its performance against peers.

In addition, the Trust is supportive of combating climate change and providing robust climate-related disclosure to its investors and other stakeholders. The Trust has initiated an assessment of its practices on the basis of the Financial Stability Board's Task Force on Climate-related Financial Disclosure ("TCFD") and intends to align with the recommendations of the TCFD. In 2020, the Trust completed a physical climate change risk screening of its entire portfolio. The Trust partnered with a global market-leading data provider to gather data on physical risks including heat stress, flooding, high winds and other extreme weather challenges. This analysis considered several climate change scenarios across multiple timeframes, in line with the recommendations of the TCFD.

ESG Governance

The Trust understands that good governance is critical to sustainable business operations. The Board, primarily through the Governance Committee, oversees the Trust's ESG program. The Trust's President and Chief Executive Officer acts as the executive sponsor for the ESG program and oversees the integration of ESG strategy into the Trust's business operations. The Trust has also established an ESG Steering Committee, a cross-functional group comprised of senior management and executives across the business. The ESG Steering Committee meets regularly throughout the year to review progress on key initiatives, to budget and monitor expenses related to the ESG program, and to prioritize new activities based on their importance to the Trust's stakeholders, including employees, tenants, communities and investors. In addition, the Trust has a dedicated ESG team to manage day-to-day ESG strategy implementation.

As part of the Trust's continued efforts to enhance communication with its stakeholder community, it publishes an ESG Report, which is updated annually and available on the Trust's website at www.choicereit.ca. The ESG Report is reviewed annually by the Governance Committee.

In addition to the initiatives noted above, the Trust has a robust governance framework in place, elements of which are discussed in this Circular, including the section titled "Statement of Governance Practices."

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, 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	43
EXECUTIVE COMPENSATION PHILOSOPHY	43
EXECUTIVE COMPENSATION AND RISK MANAGEMENT	44
Risk Mitigation Practices	44
ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS	45
Role of Management in the Compensation and Evaluation Process	45
Comparative Market Data	45
Role of Meridian Compensation Partners	46
Description of Compensation Comparator Group	46
COMPONENTS OF COMPENSATION	47
Summary of the Components of Compensation	47
Overview of Components	47
COMPONENTS OF EXECUTIVE COMPENSATION FOR 2020	49
Introduction	49
Base Salary	49
Short-Term Incentive Plan	49
Long-Term Incentive Plan	54
Retirement and Pension Arrangements	60
Executive Benefit Plans	61
Perquisites	61
Equity Ownership Policy	61
2020 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS	63
TERMINATION AND CHANGE OF CONTROL BENEFITS	64
Potential Amounts Paid on Termination	66
COMPENSATION DECISIONS FOR 2021	68
2021 NEO Compensation Changes	68
2021 Short-Term Incentive Plan	68
2021 Long-Term Incentive Plan Design	69
2021 Long-Term Incentive Plan Grants	69
PERFORMANCE GRAPH	70
SUMMARY COMPENSATION TABLE	71
INCENTIVE PLAN AWARDS	72
Incentive Plan Awards – Outstanding Option-Based Awards and Trust Unit-Based Awards	72
Incentive Plan Awards – Value Vested or Earned During the Year	73
PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS	74
DB Component of the Executive Pension Plan	74
DC Component of the Executive Pension Plan and Supplemental Executive Retirement Plan	74
CREIT Management L.P. Pension Plan	75
INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES	75
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	75

INTRODUCTION

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

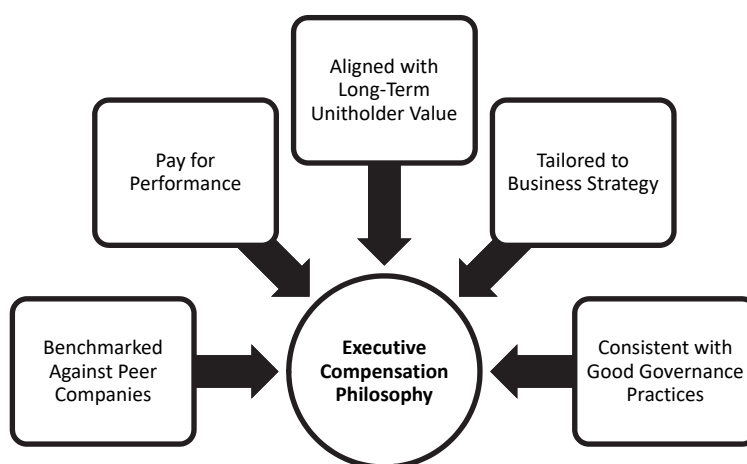
For 2020, the NEOs were:

Name	Position
Rael L. Diamond	President and Chief Executive Officer
Mario Barrafato	Chief Financial Officer
Ana Radic	Executive Vice President, Leasing and Operations
Doris L. Baughan	Senior Vice President, General Counsel and Secretary
Mario Fatica	Senior Vice President, Construction and Development

Ms. Baughan and Mr. Fatica joined the Trust on March 1, 2020 and February 10, 2020, respectively. Ms. Baughan and Mr. Fatica were each previously employed by Loblaw and the Trust recognizes their original service dates with Loblaw.

EXECUTIVE COMPENSATION PHILOSOPHY

The Trust’s executive compensation programs are designed to attract, retain and motivate outstanding executives who are committed to improving the Trust’s 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 45.

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 2020 ranged from 52.5% to 74.1% 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

The Trust's 2020 STIP was designed on a balanced set of performance measures and weightings, which are determined annually. The 2020 STIP performance measures and weightings include funds from operations ("FFO")* per Unit, net operating income ("NOI")*, adjusted funds from operations ("AFFO")* per Unit, pursuit measures related to process improvement, culture & people and information security, and an individual performance factor. 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.

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

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 caps the amount that an executive can be paid in order to limit incentives to take excessive risk.

As part of its annual review process, the Governance Committee reviews stress testing of the STIP design to illustrate the payouts under various scenarios. The testing is intended to ensure that the performance shoulders (i.e. threshold to target to maximum) are set appropriately, such that performance levels are achievable with significant effort but without taking excessive risk.

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 PUs, which focus executives on a key driver of business performance, and RUs and URUs which provide for alignment with changes in Trust Unit price, participation in distributions and retention value. Further details regarding the PUs, RUs and URUs can be found on page 48 of this Circular. 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. In February 2019, the Governance Committee determined that Trust Unit

options would 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 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 STIP and LTIP payments for senior executives, including the President and Chief Executive Officer, the Chief Financial Officer and the Executive Vice President. Under the clawback policy, the Trust can require an executive to repay STIP and LTIP payouts if the executive engages in misconduct that results in the need for the restatement of financial results. The clawback policy also provides that the Governance Committee may, in its discretion, claw back an executive's STIP and LTIP payouts if the executive engages in misconduct that would justify the executive's termination for just cause. The policy applies to all incentive payments received by the executive over the two most recently completed financial years.

3. Equity 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 Equity Ownership Policy is designed to align executives' interests with those of the Unitholders, and to mitigate the likelihood of undue risk taking. The Equity Ownership Policy, as further discussed on page 61, establishes 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 executive's position, with the multiple increasing to reflect the level and responsibility of an executive.

4. Trading Restrictions and Hedging Prohibitions

Trustees, executives, employees and certain other designated persons are subject to the Trust's Securities Trading Policy, which 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.

The Trust has regularly scheduled quarterly closed trading windows which include the period during each fiscal quarter when the Trust's financial results are being compiled but not released to the public. Trustees and executives must not trade in the Securities outside prescribed open trading windows.

ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS

ROLE OF MANAGEMENT IN THE COMPENSATION AND EVALUATION PROCESS

In 2020, the Chair of the Board, together with the President and Chief Executive Officer, participated in the compensation design process, evaluated the performance of key senior executives and made 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 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 NEOs, and how each NEO's efforts have contributed to the achievement of the Trust's strategic objectives and operational targets. The Chair of the Board makes recommendations to the Governance Committee with respect to the compensation of the President and Chief Executive Officer.

These evaluations 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 assists 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 each NEO. Other factors considered by the Governance Committee include individual performance and experience, the 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 2019, in order to set Mr. Diamond's compensation as President and Chief Executive Officer and Mr. Barrafato's compensation as Chief Financial Officer, the Governance Committee engaged Meridian Compensation Partners ("Meridian") to benchmark the Trust's compensation plans relative to a peer group of competitor REITs. The results of the review suggested that a total compensation increase was required in order to set Mr. Diamond's compensation at market median when compared to the total compensation of individuals in chief executive officer roles within the comparator group. In addition, the Governance Committee determined that a modest base salary increase, together with an increase in target LTIP, was merited for the Chief Financial Officer role.

In 2020, Meridian was retained to assist in evaluating the competitiveness of the Trust's STIP and LTIP against its peers and industry standards, as well as a review of COVID-19 related trends in executive compensation.

In 2020 and 2019, Meridian received \$21,968 and \$60,602, respectively, from the Trust for advisory services to the Trust. No other fees were paid to Meridian in 2020 or 2019. 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

In addition to its periodic review of individual executive compensation, in 2018, in order to address the change in assets and revenue following the acquisition of CREIT (the "Transaction"), the Governance Committee reviewed the comparator group against which to benchmark the Trust's executive compensation. The Governance Committee approved the peer group below for 2019 and maintained the same peer group in 2020, which is comprised of various Canadian real estate entities, including retail REITs, diversified REITs and office REITs, and which were identified as size-appropriate based on market capitalization and as most directly comparable to the Trust.

The group of comparator entities is set out below:

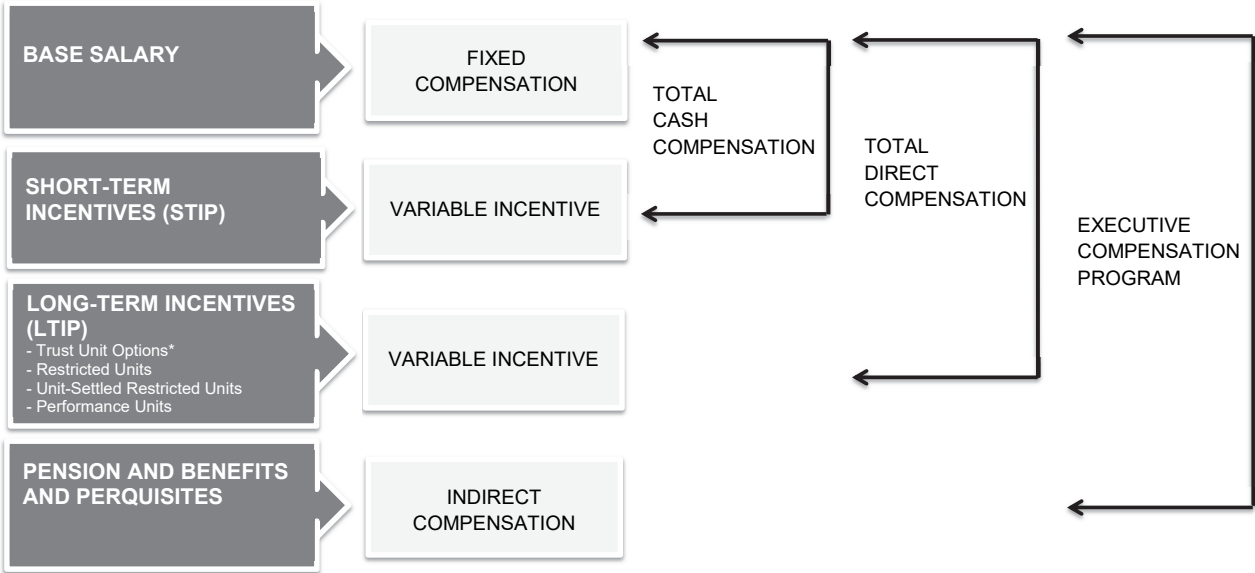
Comparator Group	
Allied Properties REIT	First Capital REIT
Canadian Apartment Properties REIT	H&R REIT
Cominar REIT	RioCan REIT
CT REIT	SmartCentres REIT

The benchmarking information is 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:



* In February 2019, the Governance Committee determined that Trust Unit options would be eliminated from the LTIP design.

OVERVIEW OF COMPONENTS

In 2020, NEO compensation was comprised principally of base salary, short-term cash incentives and long-term incentives (RUs, URUs and PUs) as described in the table below. Benefits, pensions and perquisites generally comprise a small part of an NEO's total annual compensation.

Base Salary		Short-Term Incentives		Long-Term Incentives		Pension and Benefits		Perquisites	
Compensate executives for fulfilling their day- to-day responsibilities		Reward executives for meeting annual financial and/or operating performance targets		Motivate and reward executives for increasing Unitholder value and serve to retain executives		Assist executives in providing for their health and retirement planning		Provide additional benefits to executives that are competitive with market practice	
Components		Form		Period		Program Objectives and Details			
Fixed Compensation	Base Salary	Cash	Annual	<ul style="list-style-type: none">Reflects the executive’s level of responsibility and experience, market competitiveness, internal equity among executives and the executive’s overall performance.					
	STIP	Cash	Annual	<ul style="list-style-type: none">Executives have target annual bonuses, expressed as a percentage of base salary.Actual payout is determined by the achievement of predetermined financial and/or operating performance objectives and individual performance objectives.					
Variable Compensation	LTIP	Restricted Units	Three year vesting period (cliff vest)	<ul style="list-style-type: none">Motivates and rewards executives for increasing Unitholder value.Serves as a key component in retaining executives.RU grants are generally made once per year.RUs and/or URUs typically comprise 75% of the total value of annual LTIP grants to executives.RUs are settled in cash or Trust Units acquired in the open market at the end of the applicable vesting period.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.					
	LTIP	Unit-Settled Restricted Units	Three year vesting period (33.33% per year)	<ul style="list-style-type: none">Motivates and rewards executives for increasing Unitholder value.Serves as a key component in retaining executives.URU grants are generally made once per year.RUs and/or URUs typically comprise 75% of the total value of annual LTIP grants to executives.The Trust Units granted under the URU 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 restricted Trust Units and to receive distributions from the date of grant.The participant may not dispose of his or her URUs until six years following the date of grant.					
	LTIP	Performance Units	Three year performance period (cliff vest)	<ul style="list-style-type: none">Motivates and rewards executives for increasing Unitholder value.PU grants are generally made once per year.PUs typically comprise 25% of the total value of annual LTIP grants to executives.PU vesting prior to 2019 was based on the Trust’s achievement of FFO per Unit results versus pre-determined targets; PU vesting for 2019 and 2020 was based on the Trust’s achievement of total Unitholder return versus pre-determined targets.PUs are settled in cash or Trust Units acquired in the open market at the end of the applicable vesting period.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.					
	LTIP	Trust Unit Options	Four year vesting period (25% per year); 7 year term	<ul style="list-style-type: none">Trust Unit options are no longer part of the value of annual LTIP grants to the Trust’s executives; prior to 2019 Trust Unit options comprised 25% of an executive’s LTIP.Motivates and rewards executives for increasing Trust Unit price.					
	Benefits	Group health, dental and insurance benefits		Employment and post-employment		<ul style="list-style-type: none">Executive benefit plans provide health, dental, disability and insurance coverage.			
Pensions	Executive Defined Benefit Plan / Executive Defined Contribution Plan / Supplemental Executive Retirement Plan		Post-employment		<ul style="list-style-type: none">The Weston Group Consolidated Executive Pension Plan (the “Executive Pension Plan”) includes defined benefit (“DB”) and defined contribution (“DC”) components which are designed to provide a reasonable level of retirement income to executives to reward them for their service to the Trust.Certain executives of the Trust participate in the DC component of the Executive Pension Plan and in a corresponding supplemental executive retirement plan (“SERP”)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.				
Perquisites	Cash allowance/ reimbursement for professional services		Annual		<ul style="list-style-type: none">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.				

INTRODUCTION

In 2018, following 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 for 2019, with the same structure remaining in place for 2020, as further described in this section.

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, market competitiveness, 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 2020 and the increase in base salary from 2019 for each NEO:

Name	2020 Base Salary (\$)	Increase from 2019 (%)
Rael L. Diamond	750,000	Nil
Mario Barrafato	459,000	2.0
Ana Radic	411,000	2.8
Doris L. Baughan	351,692	n/a ⁽¹⁾
Mario Fatica	300,000	n/a ⁽²⁾

(1) Ms. Baughan joined the Trust on March 1, 2020. Her actual base salary received for 2020 was \$293,077.

(2) Mr. Fatica joined the Trust on February 10, 2020. His actual base salary received for 2020 was \$264,231.

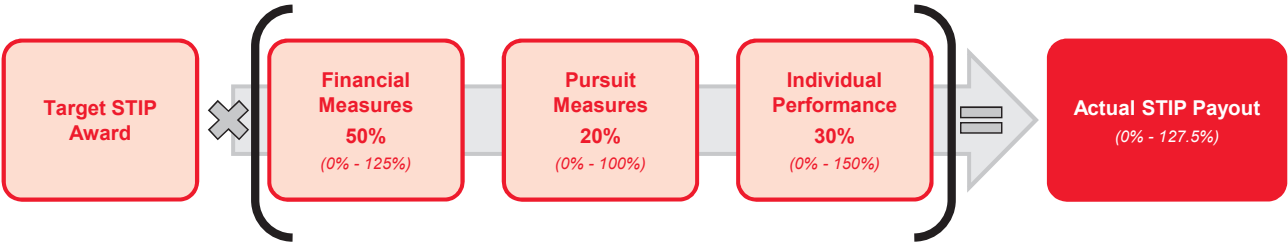
SHORT-TERM INCENTIVE PLAN

For 2020, the STIP was designed to motivate executives, including the NEOs, to meet certain annual business and strategic objectives. The STIP objectives include financial performance targets and pre-set goals for individual NEOs as determined annually. Each fiscal year, the performance of the executives is measured by the achievement of specific financial and operational goals, which may vary from year to year. The Governance Committee believes that the STIP program is balanced as it is comprised of various performance measures that are designed to focus executives on the key drivers of the business and value creation over both the short and long term and, therefore, reduce the risk of inappropriate or excessive risk-taking behaviour by executives.

The Governance Committee is responsible for approving the plan design and awards made by the Trust pursuant to the STIP. The Governance Committee receives periodic reports on the performance of the STIP metrics, including performance against targets.

All participating 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 maximums of 125%, 100% and 150% of target for each of the financial measures, the pursuit measures and the individual component, respectively. The STIP award payments are made in cash following approval by the Governance Committee.

For 2020, STIP awards were determined using the following formula:



Plan Design

The STIP is 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 financial and pursuit measures, weightings and targets. 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.

The 2020 STIP included new pursuit measures, while retaining the same overall weightings between the financial measures, pursuit measures and individual performance components as in 2019. The 2020 STIP incorporated the following performance measures and weightings: 20% based on NOI*, 20% based on FFO per Unit*, 10% based on AFFO per Unit*, 20% based on pursuit measures and 30% based on the achievement of individual performance objectives. STIP payouts are determined separately for each performance measure and then aggregated to determine the final amount.

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

2020 STIP Performance Measures

The following table sets forth the performance measures and weightings that were used in determining the STIP awards for each NEO for 2020:

Financial Measures 50%	NOI* 20%
	FFO per Unit* 20%
	AFFO per Unit* 10%
Pursuit Measures 20%	Process Improvement 12%
	Culture & People 5%
	Information Security 3%
Individual Performance 30%	Individual Performance 30%

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

In February 2021, the Governance Committee approved an adjustment to the financial measure component of the STIP to eliminate approximately 50% of the impact from both the Trust’s early redemption of debt in 2020 and the accounting impact of the credit loss from foreclosing on a mortgage receivable that was originally advanced in 2013. Both these actions were proactive measures taken by management in the best interests of the Trust over the long term, despite the impact on results over the short term. The Governance Committee approved an adjusted business performance factor of 76.7%. For an executive receiving an individual performance rating of 100%, the combined individual and business performance factors resulted in an aggregate STIP payout factor of 83.7%.

The following describes each performance measure and summarizes each performance measure’s target, performance range and payout factors:

Net Operating Income

The Trust’s target NOI* consists of rental revenue from properties less property operating expenses as set forth in the Trust’s consolidated results. The NOI component excludes certain expenses included in the determination of net income such as general and administrative expenses, fair value adjustments and amortization.

	Threshold		Target		Maximum
Performance Range	\$841.9M	Each additional \$3.4M	\$859.1M	Each additional \$3.4M	\$876.3M or more
Payout Factor (% of Target)	75%	+5%	100%	+5%	125%

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

FFO per Unit

The Trust’s target FFO per Unit* is calculated pursuant to the Real Property Association of Canada’s white paper titled “White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS” issued in February 2019. In February 2021, the Governance Committee approved an adjustment to the FFO measure to address the negative impact from the Trust’s early redemption of debt in 2020 and the accounting impact of a credit loss from foreclosing on a mortgage receivable in 2020.

	Threshold		Target		Maximum
Performance Range	\$0.931	Each additional \$0.0048	\$0.955	Each additional \$0.0048	\$0.979 or more
Payout Factor (% of Target)	75%	+5%	100%	+5%	125%

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

AFFO per Unit

Choice Properties' target AFFO per Unit* is calculated pursuant to the Real Property Association of Canada's white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" issued in February 2019. In February 2021, the Governance Committee approved an adjustment to the AFFO measure to address the negative impact from the Trust's early redemption of debt in 2020 and the accounting impact of a credit loss from foreclosing on a mortgage receivable in 2020.

	Threshold		Target		Maximum
Performance Range	\$0.787	Each additional \$0.0040	\$0.808	Each additional \$0.0040	\$0.828 or more
Payout Factor (% of Target)	75%	+5%	100%	+5%	125%

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

Pursuit Measures

For 2020, the Trust's STIP included three pursuit measures, being Process Improvement, Information Security, and Culture & People.

The Process Improvement target for 2020 was designed to focus executives on achieving efficiencies and enhancing controls through the standardization of documentation and processes. Success of the Process Improvement metric was determined based on achieving certain standardization objectives related to lease documentation, lease administration, and accounting and property management during 2020.

The Information Security target for 2020 was designed to focus executives on the Trust's information security maturity journey. Achievement of the Information Security metric was determined based on achieving an information security maturity score of 1.70 by December 31, 2020 and roll-out of colleague information security training during 2020.

The Culture & People target for 2020 was designed to focus executives on the Trust's ongoing commitment to employee engagement, organizational culture and sustainability. Achievement of the Culture & People metric was determined based on establishing a Culture Committee, building out the culture framework and supporting employee engagement, as well as achieving certain sustainability measures related to LED lighting and waste diversion targets.

In February 2021, the Governance Committee determined that the Trust had successfully completed 95% of the Pursuit Measure metrics for 2020.

Initiative	Target
Process Improvement	Established targets
Information Security	Established targets
Culture & People	Yes/No achievement

2020 Business Objective Components of STIP

In February 2021, the Governance Committee reviewed the Trust's 2020 financial results and approved an adjustment increasing the the aggregate business payout factor to 76.7% of target, as a result of FFO* and AFFO* performance being impacted due to proactive measures taken by management as noted above.

The Governance Committee determined the Trust's 2020 STIP payout with respect to the business objectives as follows:

Performance Objective	Weighting	Target	Result	Adjusted Payout Factor (% of Target)
NOI	20%	\$859.1M	\$844.1M	n/a
FFO Per Unit	20%	\$0.955	\$0.921 per Unit	n/a
AFFO Per Unit	10%	\$0.808	\$0.800 per Unit	n/a
Financial Measures	50%	n/a	n/a	69.4%
Pursuit Measures	20%	Established targets	Targets met	95.0%
Overall STIP Payout Based on Business Objectives				76.7%

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

2020 Individual Performance Component of STIP

The Governance Committee considered the overall performance of each NEO to determine the individual performance component of the executive's STIP award. The individual performance component of the Trust's STIP was weighted at 30% of the total STIP target amount and the payout for this component was capped at 150% of each NEO's targeted amount.

Rael L. Diamond, President and Chief Executive Officer

The 2020 STIP award for Mr. Diamond reflected Mr. Diamond's role as President and Chief Executive Officer during the year and included an individual performance component weighted at 30% of his overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Diamond's performance in achieving the Trust's strategic objectives and his role in the overall achievement of the Trust's 2020 business plan. The Governance Committee also considered qualitative factors, such as Mr. Diamond's management of the impact of the COVID-19 pandemic on the Trust, his leadership qualities and his role in driving culture and engagement objectives. Based on these criteria, the Governance Committee awarded Mr. Diamond \$247,500 for the individual performance component of his STIP award, representing 110% of target.

Mario Barrafato, Chief Financial Officer

The 2020 STIP award for Mr. Barrafato reflected Mr. Barrafato's role as Chief Financial Officer during the year and included an individual performance component weighted at 30% of his overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Barrafato's role in supporting and advancing the Trust's strategic initiatives, executing the Trust's financial plan and delivering the Trust's information technology solutions. The Governance Committee also considered qualitative factors, such as Mr. Barrafato's management of the impact of the COVID-19 pandemic on the Trust and Mr. Barrafato's leadership qualities. Based on these criteria, the Governance Committee awarded Mr. Barrafato \$121,176 for the individual performance component of his STIP award, representing 110% of target.

Ana Radic, Executive Vice President, Leasing and Operations

The 2020 STIP award for Ms. Radic reflected her progression in her role following her promotion to Executive Vice President, Leasing and Operations in late 2019 and included an individual performance component weighed at 30% of her overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors, including Ms. Radic's role in the overall achievement of the Trust's strategic initiatives and operating objectives. The Governance Committee also considered qualitative factors, such as Ms. Radic's leadership qualities. Based on these criteria, the Governance Committee awarded Ms. Radic \$92,475 for the individual performance component of her STIP award, representing 125% of target.

Doris L. Baughan, Senior Vice President, General Counsel and Secretary

The 2020 STIP award for Ms. Baughan reflected her role as Senior Vice President, General Counsel and Secretary and included an individual performance component comprising 30% of her STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors, including Ms. Baughan's role in the overall achievement of the Trust's strategic initiatives. The Governance Committee also took into account qualitative factors, such as Ms. Baughan's leadership qualities. Based on these criteria, the Governance Committee awarded Ms. Baughan \$52,927 for the individual performance component of her STIP award, representing 100% of target.

Mario Fatica, Senior Vice President, Construction and Development

The 2020 STIP award for Mr. Fatica reflected his role as Senior Vice President, Construction and Development and included an individual performance component comprising 30% of his STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors, including Mr. Fatica's role in the achievement of the Trust's operating objectives. The Governance Committee also took into account qualitative factors, such as Mr. Fatica's leadership qualities. Based on these criteria, Mr. Fatica was awarded \$40,082 for the individual performance component of his STIP award, representing 100% of target.

2020 Total STIP Award

The following table sets forth details regarding the 2020 STIP target, maximum aggregate STIP award and 2020 total award for each NEO:

Name	Actual Base Salary (\$)	STIP Target as Percentage of Base Salary (%)	STIP Target ⁽¹⁾ (\$)	Maximum STIP Award ⁽¹⁾ (\$)	2020 STIP Award ⁽¹⁾			
					Aggregate Adjusted Financial Measures ⁽²⁾ (\$)	Pursuit Measures Component (\$)	Individual Component (\$)	Total (\$)
Rael L. Diamond	750,000	100	750,000	956,250	260,250	142,500	247,500	650,250
Mario Barrafato	459,000	80	367,200	468,180	127,418	69,768	121,176	318,362
Ana Radic	411,000	60	246,600	314,415	85,570	46,854	92,475	224,899
Doris L. Baughan	293,077	60	176,423	224,939	61,219	33,520	52,927	147,666
Mario Fatica	264,231	50	133,607	170,348	46,362	25,385	40,082	111,829

(1) STIP awards were calculated using each NEO's STIP-eligible salary for 2020, as applicable. The STIP-eligible salaries for Messrs. Diamond and Barrafato and Ms. Radic were the same as their actual base salaries. Ms. Baughan and Mr. Fatica joined the Trust on March 1, 2020 and February 10, 2020, respectively. The STIP-eligible salaries for Ms. Baughan and Mr. Fatica were \$294,038 and \$267,213, respectively.

(2) In February 2021, the Governance Committee approved an aggregate adjustment to the Financial Measures component of the STIP, as described above.

LONG-TERM INCENTIVE PLAN

The Trust's equity-based LTIP is designed to retain executives and align their interests with long-term Unitholder value creation by providing them equity-based awards that vest over time. 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 2020, the Trust awarded executives long-term incentives in the form of URUs, RUs and PUs under the LTIP, the values of which are directly linked to the market value of the Trust Units, with PUs comprising 25% of the target annual LTIP award mix and RUs, URUs or a combination thereof, at the executive's election, comprising 75% of the mix.

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. "Off-cycle" grants are made during open trading windows following the release of quarterly financial results.

The Governance Committee approved annual LTIP awards for 2020 for the NEOs as set forth below.

Name	Base Salary (\$)	Annual LTIP Grant as a Percentage of Base Salary (%)	Targeted Annual LTIP Grant Date Value ⁽¹⁾ (\$)	LTIP Grant ⁽²⁾
Rael L. Diamond	750,000	200.0	1,500,008	75% URUs and 25% PUs
Mario Barrafato	459,000	100.0	459,010	75% URUs and 25% PUs
Ana Radic	411,000	60.0	246,600	75% URUs and 25% PUs
Doris L. Baughan	351,692	75.0 ⁽³⁾	263,777	75% URUs and 25% PUs
Mario Fatica	300,000	60.0 ⁽⁴⁾	180,013	75% URUs and 25% PUs

- (1) The aggregate targeted annual LTIP grant date value was based on the volume-weighted average price of the Trust Units of \$14.95, being the Grant Value Per Trust Unit applicable to the awards of RUs and PUs granted on February 21, 2020. The grant date fair value of the RUs and PUs was based on the volume-weighted average price of the Trust Units of \$14.95, being the Grant Value Per Trust Unit applicable to the awards of RUs and PUs granted on February 21, 2020 and the grant value per URU for the URUs granted on February 28, 2020 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, which was \$14.72.
- (2) The grant date fair value of a PU award assumes vesting at 100% of target.
- (3) Ms. Baughan's targeted grant value was based on her annualized base salary.
- (4) Mr. Fatica's targeted grant value was based on his annualized base salary.

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

URU Plan

The URU Plan is designed to achieve the following objectives: (i) foster the long-term retention of executives (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 executives with the interests of Unitholders, through multi-year vesting and the six-year disposition restrictions; and (iv) assist in the recruitment of key personnel.

The URU Plan provides for the award of URUs to certain employees of the Trust, subject to approval by the Governance Committee. The Trust Units represented by the URUs granted under the URU 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 URUs and to receive distributions from the date of grant.

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

URUs vest over a three-year period at a rate of 1/3 per year, 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. Once the URUs have vested, they are no longer subject to forfeiture.

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

Termination Event	Treatment
Resignation	<ul style="list-style-type: none"> All unvested URUs will be forfeited. The disposition restrictions on vested URUs continue to apply.
Without cause	<ul style="list-style-type: none"> All unvested URUs which would have vested within 24 months from the date of termination will vest and the balance will be forfeited. The disposition restrictions on vested URUs continue to apply.
For cause	<ul style="list-style-type: none"> All unvested URUs will be forfeited. The disposition restrictions on vested URUs continue to apply.
Retirement	<ul style="list-style-type: none"> All unvested URUs will continue to vest and pay out in the normal course. The disposition restrictions on vested URUs continue to apply. 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.
Death or disability	<ul style="list-style-type: none"> All unvested URUs will immediately vest. The disposition restrictions on vested URUs will lapse.
Without cause upon a change of control	<ul style="list-style-type: none"> All unvested URUs will immediately vest. The disposition restrictions on vested URUs will lapse.

The table below sets out the URUs granted under the URU Plan to Ms. Baughan and Messrs. Diamond, Barrafato and Fatica in respect of 2020. Ms. Radic did not elect to receive URUs in 2020. The value of the URUs is based on the market value of Trust Units 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	URUs Granted (#)	Grant Date	Grant Value Per URU (\$) ⁽¹⁾	Grant Date Fair Value (\$)	Vesting Schedule	Date no longer subject to disposition restrictions
Rael L. Diamond	75,251	February 28, 2020	14.72	1,107,695	1/3 on grant anniversary in each of 2021, 2022 and 2023	February 28, 2026
Mario Barrafato	23,027	February 28, 2020	14.72	338,957	1/3 on grant anniversary in each of 2021, 2022 and 2023	February 28, 2026
Doris L. Baughan	13,233	February 28, 2020 ⁽²⁾	14.72	194,790	1/3 on grant anniversary in each of 2021, 2022 and 2023	February 28, 2026
Mario Fatica	9,030	February 28, 2020	14.72	132,922	1/3 on grant anniversary in each of 2021, 2022 and 2023	February 28, 2026

(1) The grant value per URU for the URUs granted on February 28, 2020 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 values for the URU allocations of the 2020 LTIP grants for Mr. Diamond, Mr. Barrafato, Ms. Baughan and Mr. Fatica were \$1,125,002, \$344,254, \$197,833 and \$134,999, respectively, based on the volume-weighted average price of the Trust Units of \$14.95, being the Grant Value Per Trust Unit applicable to the awards of RUs and PUs granted on February 21, 2020.

(2) For administrative purposes, Ms. Baughan's URU grant was awarded on February 28, 2020, consistent with the other URU participants, contingent on her transition from Loblaw to the Trust. Ms. Baughan joined the Trust effective March 1, 2020.

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 2020, Ms. Radic was awarded RUs as set forth below.

Name	RUs Granted (#)	Grant Value Per Trust Unit (\$)	Grant Date Fair Value ⁽¹⁾ (\$)	Vesting Date
Ana Radic	12,371	14.95	184,946	February 21, 2023

(1) The grant date fair value of the RUs is calculated as the number of RUs granted multiplied by the greater of the volume weighted average Trust Unit price on the TSX for the one or five trading days preceding the grant date as applicable.

Trust Unit Option Plan

Prior to 2019, Trust Unit options were used to align an executive's interest with Unitholders in Trust Unit price accretion, and the size of the annual option award an executive received was determined as part of the executive's total LTIP award. In February 2019, the Governance Committee determined that Trust Unit options would 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 continues to administer the Trust Unit Option Plan and is authorized to approve participants, make grants of options and establish 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, 2020 and March 15, 2021:

	December 31, 2020	March 15, 2021
Issued and Outstanding Units		
Trust Units Outstanding	326,941,663	326,941,663
Special Voting Units Outstanding	395,786,525	395,786,525
Total Issued and Outstanding Units	722,728,188	722,728,188
Outstanding Options to Purchase Trust Units		
Number Outstanding	1,082,640	1,082,640
Number Outstanding as a Percentage of the Total Issued and Outstanding Units	0.15 %	0.15 %
Maximum Number of Trust Units Issuable Pursuant to the Trust Unit Option Plan at Any Time		
Number Issuable	19,744,697	19,744,697
Number Issuable as a Percentage of the Issued and Outstanding Trust Units	6.04 %	6.04 %
Trust Units Available for Future Option Grants		
Number Available	15,314,175	15,314,175
Number Available as a Percentage of the Total Issued and Outstanding Units	2.12 %	2.12 %

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 such participant.

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).

There were no amendments to the Trust Unit Option Plan in 2020.

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% in 2020, 0% in 2019 and 0.12% in 2018.

In 2020, no Trust Unit options were granted to any executives.

Performance Unit Plan

PU's represent a form of at-risk long-term compensation that serves to motivate the recipient to deliver on objectives set forth in the Trust's strategic plan. PU's serve to focus executives on selected key drivers of performance. PU's also serve as a pay-for-performance incentive to reward executives for the achievement of prescribed goals and Trust Unit price appreciation. PU's also entitle an executive to receive the value of the PU 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 PU's that vest during such period depends on the achievement of certain measures. Under the PU Plan, when distributions are paid on Trust Units for the period when a PU is outstanding, additional PU's equivalent in value to the distributions paid on Trust Units will be credited to the participant's account. The additional PU's vest at the same time as, and based on the achievement of performance measures applicable to, the underlying PU's.

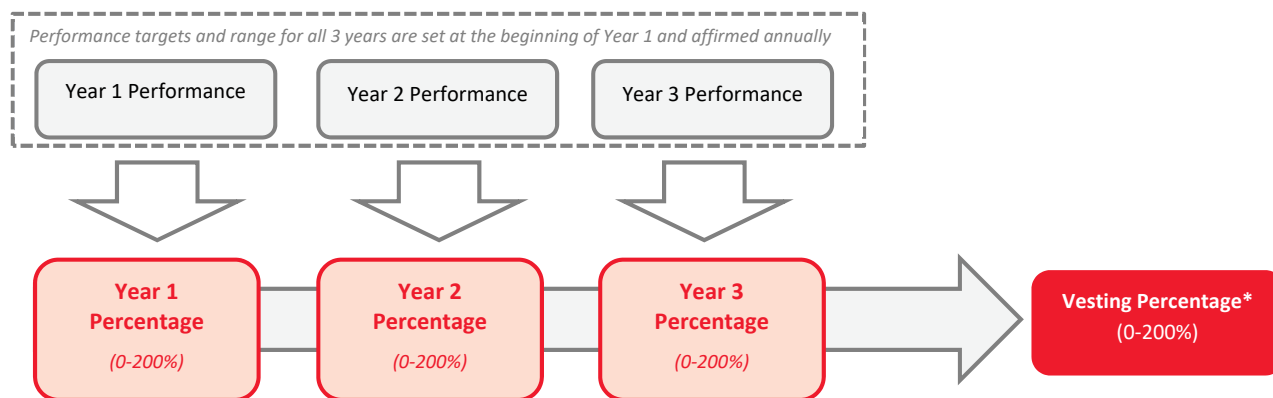
If a participant is either terminated for cause or voluntarily resigns prior to the end of the applicable vesting period, all PU's are cancelled on the date of cessation of employment and no payments are made in respect of such PU's.

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

In early 2020, the Governance Committee approved that the Trust's PU performance measure for 2020 would be total Unitholder return. The total Unitholder return metric aligns with the Trust's strategic objectives, 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.

The number of PU's 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.

A threshold performance condition for total Unitholder return must be met in order for any PUs to vest and the Trust sets targeted levels of performance for total Unitholder return. 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.

The total Unitholder return performance targets for the PUs granted in 2020 relate to a three-year period ending December 31, 2022 and were 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 total Unitholder return 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.

In 2020, the NEOs 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 ⁽¹⁾ (\$)	Vesting Date
Rael L. Diamond	25,084	14.95	375,006	February 21, 2023
Mario Barrafato	7,676	14.95	114,756	February 21, 2023
Ana Radic	4,124	14.95	61,654	February 21, 2023
Doris L. Baughan	4,411	14.95	65,944	February 21, 2023 ⁽²⁾
Mario Fatica	3,011	14.95	45,014	February 21, 2023

(1) The grant date fair value of the RUs is calculated as the number of RUs granted multiplied by the greater of the volume weighted average Trust Unit price on the TSX for the one or five trading days preceding the grant date as applicable.

(2) For administrative purposes, Ms. Baughan's PU grant was awarded on February 21, 2020, consistent with the other PU participants, contingent on her transition from Loblaw to the Trust. Ms. Baughan joined the Trust effective March 1, 2020.

Performance of 2018 Performance Units

None of the NEOs was employed by Choice Properties at the time that the PUs were granted in 2018.

In the ordinary course, the Trust's target FFO per Unit* is calculated pursuant to the Real Property Association of Canada's white paper titled "White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS" issued in February 2019, as adjusted in accordance with the short-term incentive plan.

Historically, the vesting of the PUs was based on the Trust's FFO per Unit* performance and the performance targets were forward-looking as they related to a three-year performance period and were developed taking into account the Trust's confidential business strategies, plans and initiatives and its expectations regarding financial and operating performance. As discussed in the Trust's Management Proxy Circular dated May 3, 2019, available at www.sedar.com, following the Transaction, the Governance Committee determined that due to the difficulties in assessing FFO per Unit* post-Transaction, FFO per Unit* would no longer be a sufficiently relevant basis for assessment for the PUs granted in 2018. With the difficulty in evaluating the performance metric, and taking a deliberately conservative approach, the Governance Committee assigned a performance result of 100% for the first, second and third years of the performance period for the 2018 PUs.

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

In early 2021, the Governance Committee confirmed the performance of the 2018 PU grants based on the deemed results based on the average of the three year performance. The deemed performance for the PUs awarded in 2018, which was equally weighted on the deemed results from 2018, 2019 and 2020 and paid out in 2021, is set out below:

Component	2018		2019		2020	
	Target	Results	Target	Results	Target	Results
No measure set	-	n/a	-	n/a	-	n/a
	-		-		-	
	-		-		-	
Performance	100% ⁽¹⁾		100% ⁽¹⁾		100% ⁽¹⁾	
Vesting	33.3%		33.3%		33.3%	
Overall Payout			100.0%			

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

2018 Performance Unit Payout Summary

In 2021, the Governance Committee confirmed that the 2018 grant of PUs paid out at 100% of target. As noted above, none of the NEOs was granted PUs in 2018. The actual value of the PU payout earned by executives who were granted PUs in 2018 was based on the volume-weighted average of the Trust Units on the TSX for the 5 trading days immediately preceding February 21, 2021, being the final day of the performance period, which was \$12.79.

Long-Term Incentive Plan Clawback

LTIP 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, 2020

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	1,082,640	12.54	15,314,175
• Deferred Trust Unit Plan	349,621 ⁽¹⁾	n/a	3,725,379
Equity Compensation Plans not Approved by Securityholders	n/a	n/a	n/a
Total	1,432,261		19,039,554

(1) As at January 4, 2021, the Trust had 368,931 DUs outstanding. DUs were granted to trustees on January 4, 2021 in relation to their 2020 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 Executive Pension Plan. Executives participate in either the DB or DC components of the Executive Pension Plan. Certain pre-Transaction CREIT executives continue to participate in the defined contribution registered pension plan for CREIT (“RPP”). In addition, 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 plan is paid by the Trust.

The details of these retirement and pension arrangements are set out in the section “Pension Plan and Long Service Executive Arrangements” on page 74.

EXECUTIVE BENEFIT PLANS

The Trust 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.

EQUITY OWNERSHIP POLICY

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

Under the Equity Ownership Policy, Trust Units (including Trust Units awarded as URUs, 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 Equity Ownership Policy applies to every executive at the vice president level and higher. Senior executives of the Trust who also serve or formerly served as an executive of Weston or Loblaw may also include certain eligible holdings of Weston or Loblaw, as applicable, to satisfy the Policy.

Under the Equity Ownership Policy, 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 Executive Vice Presidents	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 Equity Ownership Policy. The President and Chief Executive Officer is subject to a post-employment hold period which requires him to maintain his equity ownership level for one year following the end of his employment.

The value of each NEO's eligible equity-based holdings, based on the market value of the Trust Units on March 15, 2021 of \$13.30, 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	Unrestricted Trust Units and Loblaw Common Shares and EDSUs ⁽¹⁾ (\$)	Trust Units, Restricted ⁽²⁾ (\$)	Vested In-The-Money Trust Unit and Stock Options ⁽¹⁾ (\$)	Total (\$)	RUs/RSUs ⁽¹⁾ (\$)	PUs/PSUs ^{(1),(3)} (\$)	Unvested In-The-Money Trust Unit and Stock Options ⁽¹⁾ (\$)	Ineligible Total (\$)
Rael L. Diamond	2,250,000	3	2,393,508	6,749,497	—	9,143,005	445,903	1,083,064	—	1,528,967
Mario Barrafato	918,000	2	—	3,440,351	—	3,440,351	750,461	346,144	—	1,096,605
Ana Radic	822,000	2	59,890	538,677	—	598,567 ⁽⁴⁾	969,524	188,559	—	1,158,083
Doris L. Baughan	175,846	0.5	2,311,632	385,660	516,071	3,213,363	90,288	222,584	64,328	377,200
Mario Fatica	150,000	0.5	1,049,624	267,383	239,819	1,556,826	140,501	132,735	27,318	300,554

(1) Pursuant to the Equity Ownership Policy, the eligible Loblaw holdings of Ms. Baughan and Mr. Fatica count towards their minimum equity ownership in the Trust. Ms. Baughan and Mr. Fatica each hold executive deferred share units ("EDSUs"), restricted share units ("RSUs"), performance share units ("PSUs") and stock options ("Stock Options") previously awarded under Loblaw's compensation programs. The value of PSU awards assumes vesting at 100% of target. Their Loblaw equity-based holdings are included in the table based on their value on March 15, 2021 at \$66.16, being the price on the TSX of a Loblaw common share on that date.

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

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

(4) Ms. Radic's ownership multiple was increased upon her appointment as Executive Vice President, Leasing and Operations effective October 1, 2019 and she received a further base salary adjustment effective January 1, 2020. Pursuant to the Equity Ownership Policy, Ms. Radic has until January 1, 2025 to attain her current ownership requirement.

2020 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS

The following outlines the rationale underlying the compensation decisions for each of the NEOs for 2020.

Rael L. Diamond, President and Chief Executive Officer

Mr. Diamond's compensation arrangements became effective May 1, 2019, upon his appointment to the role of President and Chief Executive Officer, with a base salary of \$750,000 and STIP and LTIP targets of 100% and 200% of base salary, respectively. Mr. Diamond's compensation arrangements did not change in 2020. As described previously, in early 2021 the Governance Committee awarded Mr. Diamond \$650,250 for his 2020 STIP award. For 2020, Mr. Diamond received an LTIP grant comprised of 75,251 URUs and 25,084 PUs, with an aggregate grant fair value of \$1,500,008.

Mario Barrafato, Chief Financial Officer

For 2020, the Governance Committee approved a base salary increase for Mr. Barrafato from \$450,000 to \$459,000, representing an increase of 2.0%. Mr. Barrafato's STIP and LTIP targets remained unchanged at 80% and 100% of base salary, respectively. As described previously, in early 2021 the Governance Committee awarded Mr. Barrafato \$318,362 for his 2020 STIP award. For 2020, Mr. Barrafato received an LTIP grant comprised of 23,027 URUs and 7,676 PUs, with an aggregate grant fair value of \$459,010.

Ana Radic, Executive Vice President, Leasing and Operations

For 2020, the Governance Committee approved a base salary increase for Ms. Radic from \$400,000 to \$411,000, representing an increase of 2.8%. Ms. Radic's STIP and LTIP targets remained unchanged at 60% and 60% of base salary, respectively. As described previously, in early 2021 the Governance Committee awarded Ms. Radic \$224,899 for her 2020 STIP award. For 2020, Ms. Radic received an LTIP grant comprised of 12,371 RUs and 4,124 PUs, with an aggregate grant fair value of \$246,600.

Doris L. Baughan, Senior Vice President, General Counsel and Secretary

Effective March 1, 2020, Ms. Baughan was appointed as Senior Vice President, General Counsel and Secretary, with a base salary of \$351,692 and STIP and LTIP targets of 60% and 75% of base salary, respectively. As described previously, the Governance Committee awarded Ms. Baughan \$147,666 for her 2020 STIP award. For 2020, Ms. Baughan received an LTIP grant comprised of 13,233 URUs and 4,411 PUs, with an aggregate grant fair value of \$263,777. Prior to joining the Trust, Ms. Baughan was employed by Loblaw, an affiliate of the Trust. The Trust recognizes Ms. Baughan's original service date with Loblaw.

Mario Fatica, Senior Vice President, Construction and Development

Effective February 10, 2020, Mr. Fatica was appointed as Senior Vice President, Construction and Development, with a base salary of \$300,000 and STIP and LTIP targets of 50% and 60% of base salary, respectively. As described previously, the Governance Committee awarded Mr. Fatica \$111,829 for his 2020 STIP award. For 2020, Mr. Fatica received an LTIP grant comprised of 9,030 URUs and 3,011 PUs, with an aggregate grant fair value of \$180,013. Prior to joining the Trust, Mr. Fatica was employed by Loblaw, an affiliate of the Trust. The Trust recognizes Mr. Fatica's original service date with Loblaw.

TERMINATION AND CHANGE OF CONTROL BENEFITS

None of the NEOs' employment agreements provide for change of control benefits; however, the Trust's compensation plans have termination and change of control provisions. 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 the NEO leaves the Trust.

Type of Compensation	Separation Event				
	Resignation	Termination without Cause	Termination with Cause	Retirement	Change of Control
Short-Term Incentive Plan	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
Trust Unit Option Plan	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
Restricted Unit Plan	All outstanding RUs forfeited upon the last day of active employment	Value of outstanding RUs paid out on a prorated basis	All outstanding RUs forfeited upon the last day of active employment	Value of outstanding RUs paid out on a prorated basis	Governance Committee discretion to adjust grant
Unit-Settled Restricted Unit Plan	Unvested URUs forfeited upon the last day of active employment	Unvested URUs which would have vested within 24 months from date of termination will vest and the balance will be forfeited	Unvested URUs forfeited upon the last day of active employment	Unvested URUs will continue to vest and pay out in the normal course	Unvested URUs will immediately vest
Performance Unit Plan	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 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, 2020.

Rael L. Diamond, President and Chief Executive Officer

If Mr. Diamond's employment is terminated without cause, he would be entitled to receive for a period of 18 months plus one additional month for every completed year of service after ten years of continuous service up to a maximum of 24 months: (a) his base salary and car allowance, (b) his target STIP bonus, and (c) his health care and dental benefits, participation in the employee/family assistance program and pension accrual. Mr. Diamond would also be entitled to certain incentive and unit based payments applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Mr. Diamond would be subject to certain non-competition and confidentiality undertakings.

Mario Barrafato, Chief Financial Officer

If Mr. Barrafato's employment is terminated without cause, he would be entitled to receive for a period of 18 months plus one additional month for every completed year of service after ten years of continuous service up to a maximum of 24 months: (a) his base salary and car allowance, (b) his target STIP bonus, and (c) his health care and dental benefits, participation in the employee/family assistance program and pension accrual. Mr. Barrafato would also be entitled to certain incentive and unit based payments applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Mr. Barrafato would be subject to certain non-competition and confidentiality undertakings.

Ana Radic, Executive Vice President, Leasing and Operations

If Ms. Radic's employment is terminated without cause, she would be entitled to receive for a period of 18 months plus one additional month for every completed year of service after ten years of continuous service up to a maximum of 24 months: (a) her base salary and car allowance, (b) her target STIP bonus, and (c) her health care and dental benefits, participation in the employee/family assistance program and pension accrual. Ms. Radic would also be entitled to certain incentive and unit

based payments applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Ms. Radic would be subject to certain non-competition and confidentiality undertakings.

Doris L. Baughan, Senior Vice President, General Counsel and Secretary

If Ms. Baughan's employment is terminated without cause, she would be entitled to receive for a period of 24 months: (a) her base salary and car allowance, (b) her target STIP bonus, and (c) her health care and dental benefits, participation in the employee/family assistance program and pension accrual. Ms. Baughan would also be entitled to certain incentive and unit based payments applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Ms. Baughan would be subject to certain non-competition and confidentiality undertakings.

Mario Fatica, Senior Vice President, Construction and Development

If Mr. Fatica's employment is terminated without cause, he would be entitled to receive for a period of 24 months: (a) his base salary and car allowance, (b) his target STIP bonus, and (c) his health care and dental benefits, participation in the employee/family assistance program and pension accrual. Mr. Fatica would also be entitled to certain incentive and unit based payments applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Mr. Fatica would be 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 agreements upon termination of employment on December 31, 2020 for the various reasons described below.

Amounts Due on Termination										
Contractual Severance										
Long-Term Incentive Plans										
Name	Event	Salary (\$) ⁽¹⁾	Annual Bonus (\$) ⁽¹⁾	Benefits (\$) ⁽²⁾	Other (\$) ⁽³⁾	Unit Options (\$) ⁽⁴⁾	URUs (\$) ⁽⁵⁾	RUs (\$) ⁽⁶⁾	PU (\$) ⁽⁶⁾	Total (\$)
Rael L. Diamond President and Chief Executive Officer	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	1,125,000	1,125,000	83,822	31,500	—	1,869,849	—	—	4,235,171
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—	—
Mario Barrafato Chief Financial Officer	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	688,500	550,800	88,172	27,000	—	496,071	—	—	1,850,543
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—	—
Ana Radic Executive Vice President, Leasing and Operations	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	616,500	369,900	85,841	27,000	—	—	—	—	1,099,241
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—	—
Doris L. Baughan Senior Vice President, General Counsel and Secretary	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	703,384	422,030	166,334	25,000	—	114,774	—	—	1,431,522
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—	—
Mario Fatica Senior Vice President, Construction and Development	Termination with cause	—	—	—	—	—	—	—	—	—
	Termination without cause	600,000	300,000	112,642	26,250	—	78,320	—	—	1,117,212
	Resignation	—	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—	—

- (1) *The Salary and Annual Bonus figures reflect contractual entitlements and may be paid by salary continuance, subject to mitigation obligations. Annual bonus figures are valued at target level.*
- (2) *Includes benefits and pension accrual per the terms of the applicable employment agreement.*
- (3) *Includes annual car allowance.*
- (4) *The NEOs are entitled to exercise vested options following termination without cause in accordance with the Trust Unit Option Plan. Ms. Baughan and Mr. Fatica are entitled to exercise vested Loblaw Stock Options following termination without cause and are entitled to continued vesting and payout of Loblaw Stock Options in the normal course upon retirement at age 55 with 10 years of service, in accordance with Loblaw's compensation plans.*
- (5) *Following termination without cause, in accordance with the URU Plan, the unvested URUs that would have vested within 24 months of the termination date will vest immediately.*
- (6) *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. In the case of Ms. Baughan and Mr. Fatica, RSUs and PSUs are paid out on a prorated basis where the NEO retires or is terminated without cause, and the NEO is entitled to continued vesting and payout of RSUs and PSUs upon retirement at age 55 with 10 years of service, in accordance with Loblaw's compensation plans.*

COMPENSATION DECISIONS FOR 2021

2021 NEO COMPENSATION CHANGES

Mario Barrafato, Chief Financial Officer

For 2021, the Governance Committee approved a base salary increase for Mr. Barrafato from \$459,000 to \$480,000, representing an increase of approximately 4.6%. Mr. Barrafato's STIP target increased from 80% to 100% and his LTIP target remained unchanged at 100%.

Ana Radic, Executive Vice President, Leasing and Operations

For 2021, the Governance Committee approved a base salary increase for Ms. Radic from \$411,000 to \$440,000, representing an increase of approximately 7.1%. Ms. Radic's STIP target increased from 60% to 75% and her LTIP target increased from 60% to 75%.

Doris L. Baughan, Senior Vice President, General Counsel and Secretary

For 2021, the Governance Committee approved a base salary increase for Ms. Baughan from \$351,692 to \$358,725, representing an increase of approximately 2.0%. Ms. Baughan's STIP and LTIP targets remained unchanged at 60% and 75%, respectively.

Mario Fatica, Senior Vice President, Construction and Development

For 2021, the Governance Committee approved a base salary increase for Mr. Fatica from \$300,000 to \$315,000, representing an increase of approximately 5.0%. Mr. Fatica's STIP target increased from 50% to 55% and his LTIP target remained unchanged at 60%.

2021 SHORT-TERM INCENTIVE PLAN

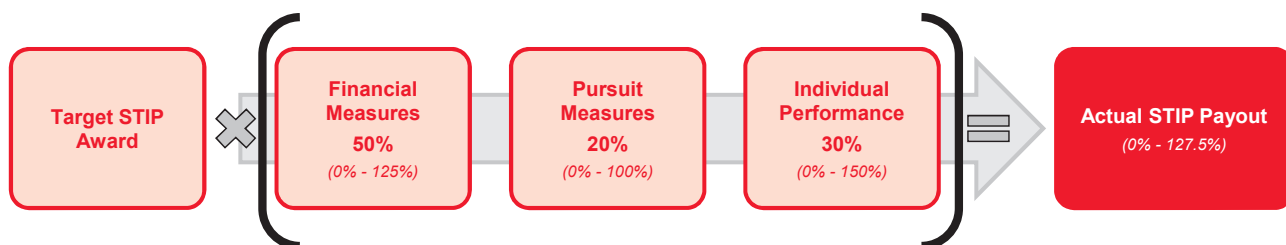
The Trust's STIP is designed to incent executives, including the NEOs, to meet certain annual business and individual performance objectives. In determining the measures and metrics for the 2021 STIP, the Governance Committee considered the Trust's objectives of focusing on the execution of the business plan, implementing process improvements, enhancing compliance and ensuring continued progress on the integration of people and culture.

The Governance Committee has approved performance measures and weightings for the 2021 STIP as set out below. The 2021 STIP will continue to be based on the financial measures and weightings as in 2020. The pursuit measures will include measures addressing process improvement, compliance and culture & people. The 2021 STIP will include the following performance measures and weightings:

Financial Measures 50%	NOI* 20%
	FFO per Unit* 20%
	AFFO per Unit* 10%
Pursuit Measures 20%	Process Improvement 10%
	Compliance 5%
	Culture & People 5%
Individual Performance 30%	Individual Performance 30%

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

The 2021 STIP awards will be determined using the following formula:



2021 LONG-TERM INCENTIVE PLAN DESIGN

In February 2021, the Governance Committee determined that the LTIP design in place for 2020 would continue for 2021, with LTIP awards being comprised of 25% PUs and 75% restricted units, with the restricted units being awarded as RUs, URUs or a combination thereof, at the election of the participant. Further, the Governance Committee approved the continued use of total Unitholder return as the performance measure for the 2021 awards of PUs.

2021 LONG-TERM INCENTIVE PLAN GRANTS

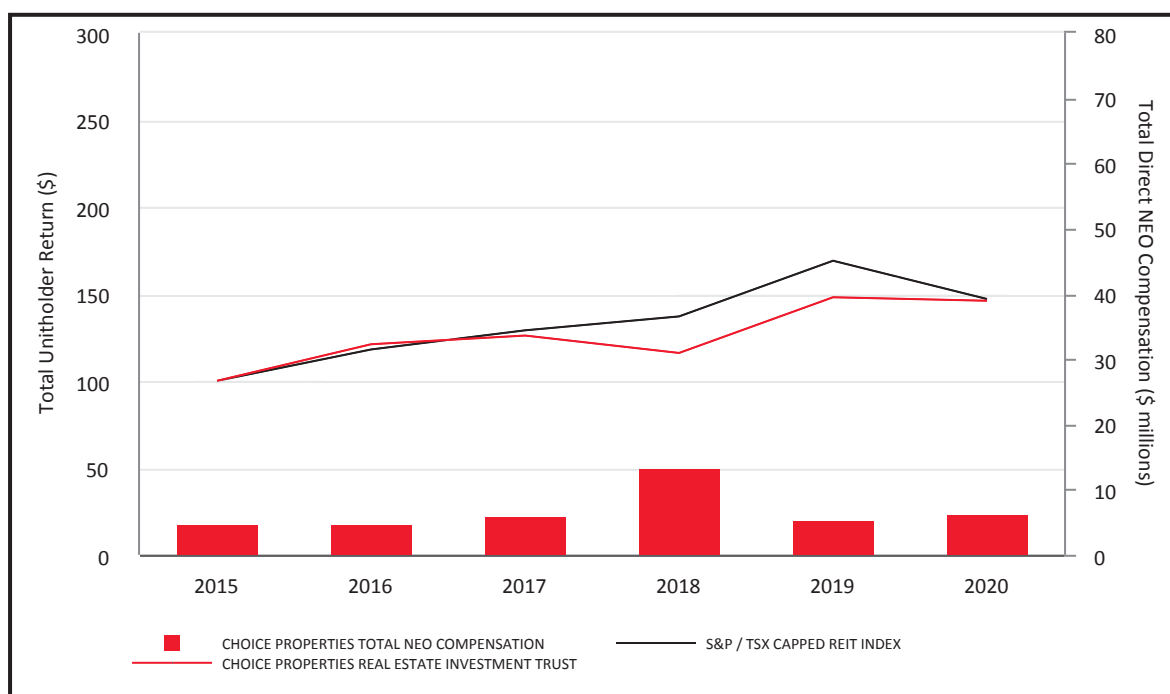
In February 2021, the Governance Committee approved LTIP grants to the NEOs as set out below. These annual LTIP grants were comprised of PUs and, at the election of the participant, RUs, URUs or a combination thereof, and were awarded during an open trading window on February 19, 2021, in the case of the PUs and the RUs, and on February 25, 2021, in the case of the URUs.

Name	Grant Date Fair Value (\$) ⁽¹⁾	URUs (#)	RUs (#)	PUs (#)
Rael L. Diamond President and Chief Executive Officer	1,500,007	87,891		29,297
Mario Barrafato Chief Financial Officer	480,000	28,125		9,375
Ana Radic Executive Vice President, Leasing and Operations	330,010		19,336	6,446
Doris L. Baughan Senior Vice President, General Counsel and Secretary	269,043	15,764		5,255
Mario Fatica Senior Vice President, Construction and Development	189,005	11,074		3,692

(1) These amounts reflect the grant date fair value of the PUs, RUs and URUs 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 \$12.80 as of February 19, 2021. The grant date fair value of the URUs is calculated in the following manner: The price used for the PU and RU calculation of grant date fair value, being \$12.80, was used to determine the number of URUs to be awarded and the grant date fair value reflected above. Trust Units were subsequently purchased by the trustee of the URU Plan in the market over several days to fund the URU grants.

PERFORMANCE GRAPH

The graph below compares the cumulative total Unitholder return on \$100 invested in Trust Units on December 31, 2015, with the cumulative annual 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 December 31, 2015.



Five-Year Cumulative Total Unitholder Return on \$100 Investment

	2015	2016	2017	2018	2019	2020
Choice Properties	\$100	\$121	\$126	\$116	\$148	\$146
S&P/TSX Capped REIT Index	\$100	\$118	\$129	\$137	\$169	\$147

Total Direct NEO Compensation						
	2015	2016	2017	2018	2019	2020
Total Direct NEO Compensation (\$ millions)	\$4.8	\$4.8	\$6.2	\$13.4	\$5.5	\$6.3

During the five-year period ended December 31, 2020, Choice Properties' total Unitholder return was aligned with the S&P/TSX Capped REIT Index until the 2017 year end, at which time the S&P/TSX Capped REIT Index out-performed Choice Properties until December 31, 2020. As at Choice Properties' 2020 year end, the S&P/TSX Capped REIT Index marginally out-performed Choice Properties over the five-year period by \$1. During the five-year period ended December 31, 2020, the total cumulative Unitholder return for \$100 invested in Trust Units was \$146 with the S&P/TSX Capped REIT Index achieving a return of \$147 as at December 31, 2020.

The Trust's total Unitholder return remained steady until the 2018 year end, after which it trended upwards. Similarly, total direct compensation of the Trust's NEOs remained relatively steady for the same period, other than for the 2018 year, in which the Transaction was completed. The increase in total direct compensation for 2018 is primarily attributable to one-time payments for incoming and departing NEOs.

The NEO compensation disclosed in the Summary Compensation Table 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, URU 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 business plan. These at-risk components (the STIP and LTIP awards) for the NEOs in 2020, ranged from 52.5% to 74.1% of the NEOs' total direct target compensation.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by the NEOs during 2020, 2019 and 2018.

Name and Principal Position	Year	Salary (\$)	Trust Unit-Based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation			Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Option-Based Awards (\$)	Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Rael L. Diamond	2020	750,000	1,500,008	—	650,250	—	37,500	67,710 ⁽²⁾	3,005,468
President and Chief Executive Officer	2019	683,600 ⁽³⁾	1,230,176	—	754,329	—	34,200	61,388	2,763,693
	2018	540,000 ⁽⁴⁾	1,214,386 ⁽⁵⁾	—	594,000	—	26,500	27,921	2,402,807
Mario Barrafato	2020	459,000	459,010	—	318,362	—	42,500	49,592 ⁽²⁾	1,328,464
Chief Financial Officer	2019	444,165	412,097	—	356,953	—	27,500	49,619	1,290,334
	2018	426,600 ⁽⁴⁾	797,816 ⁽⁵⁾	—	351,945	—	25,600	21,921	1,623,882
Ana Radic	2020	411,000	246,600	—	224,899	—	37,500	57,253 ⁽²⁾	977,252
Executive Vice President, Leasing and Operations	2019	298,048	527,958	—	178,107	—	25,800	191,739	1,221,652
	2018	293,333 ⁽⁴⁾	—	—	— ⁽⁷⁾	—	11,700	18,389	323,422
Doris L. Baughan	2020 ⁽⁸⁾	293,077	263,777	—	147,666	—	75,000	35,371 ⁽²⁾	814,891
Senior Vice President, General Counsel and Secretary									
Mario Fatica	2020 ⁽⁸⁾	264,231	180,013	—	111,829	—	46,000	33,422 ⁽²⁾	635,495
Senior Vice President, Construction and Development									

- (1) Amounts represent the grant date fair value of PUs, RUs, and URUs awarded to the NEOs, calculated, in the case of RUs and PUs, as the number of RUs and PUs granted multiplied by the greater of the volume weighted average Trust Unit price on the TSX either for the one or five trading days preceding the grant date as applicable, and in the case of URUs (whether granted before or subsequent to the Transaction), as the number of URUs granted multiplied by 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. The accounting fair value of a URU award is based on the market value of a Trust Unit, less a discount to account for the vesting and holding period restrictions placed on the URUs. 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) 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.
- (3) This amount reflects the actual base salary for 2019 for Mr. Diamond. A portion of this salary includes Mr. Diamond's compensation prior to his appointment as President and Chief Executive Officer on May 1, 2019.
- (4) This amount reflects the actual base salary for 2018 for Ms. Radic and Messrs. Diamond and Barrafato. 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.
- (5) Mr. Diamond's 2018 Trust Unit-based awards include: (1) a one-time retention award of 43,477 URUs with a grant date fair value of \$537,376, granted on September 28, 2018 (\$12.36); and (2) an award of 43,477 URUs with a grant date fair value of \$677,010, granted on March 5, 2019, in respect of Mr. Diamond's 2018 LTIP.
- (6) Mr. Barrafato's 2018 Trust Unit-based awards include: (1) a one-time retention award of 34,347 URUs with a grant date fair value of \$424,529, granted on September 28, 2018 (\$12.36); and (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.
- (7) Ms. Radic resigned from the Trust in November 2018 and rejoined in February 2019. Ms. Radic was not eligible for a STIP award for 2018.
- (8) Ms. Baughan and Mr. Fatica joined the Trust on March 1, 2020 and February 10, 2020, respectively.

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 URU awards that are no longer subject to disposition restrictions, that were outstanding at December 31, 2020:

Name	Total Number of Unvested URUs	Value of Unvested URUs ⁽¹⁾	Date on which Units Vest or are no longer subject to Disposition Restrictions	# of Units that will Vest	# of URUs that will no longer be subject to Disposition Restrictions
Rael L. Diamond	168,807	2,196,179	February 26, 2021	20,318	—
			February 28, 2021	25,084	—
			March 5, 2021	29,373	—
			March 26, 2021	—	36,975
			September 28, 2021	14,492	—
			February 28, 2022	25,084	—
			March 5, 2022	29,373	—
			May 31, 2022	—	59,013
			February 28, 2023	25,083	55,800
			February 26, 2024	—	60,954
			September 28, 2024	—	43,477
			March 5, 2025	—	88,120
Mario Barrafato	45,805	595,923	February 28, 2026	—	75,251
			February 26, 2021	11,329	—
			February 28, 2021	7,676	—
			April 1, 2021	—	69,340
			September 28, 2021	11,449	—
			February 28, 2022	7,676	—
			May 31, 2022	—	37,814
			February 28, 2023	7,675	32,031
			February 26, 2024	—	33,989
			September 28, 2024	—	34,347
Ana Radic	—	—	February 28, 2026	—	23,027
			June 5, 2021	—	25,117
			May 31, 2022	—	10,806
Doris L. Baughan	13,233	172,161	February 28, 2023	—	4,579
			February 28, 2021	4,411	—
			February 28, 2022	4,411	—
			February 28, 2023	4,411	—
			February 28, 2026	—	13,233
Mario Fatica	9,030	117,480	February 28, 2021	3,010	—
			February 28, 2022	3,010	—
			February 28, 2023	3,010	—
			February 28, 2026	—	9,030

(1) On close of the Transaction, the outstanding restricted units under the restricted unit plan of CREIT held by employees of CREIT, including Messrs. Barrafato and Diamond and Ms. Radic, were exchanged for non-cash consideration, being approximately 4.2835 URUs per restricted unit of CREIT, in accordance with the plan of arrangement for the Transaction. The URU amounts above reflect the adjusted numbers. The value of the unvested URUs is calculated based on the closing price for the Trust Units on the TSX on December 31, 2020, which was \$13.01.

Option-Based Awards					Trust Unit-Based Awards (RUs and PUs)		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of Trust Unit-Based Awards That Have Not Vested (#)	Market or Payout Value of Trust Unit-Based Awards That Have Not Vested (\$) ⁽¹⁾	Market or Payout Value of Vested Trust Unit-Based Awards Not Paid Out or Distributed (\$)
Rael L. Diamond President and Chief Executive Officer	—	—	—	—	84,455	1,098,762	—
Mario Barrafato Chief Financial Officer	—	—	—	—	72,046	937,322	—
Ana Radic Executive Vice President, Leasing and Operations	—	—	—	—	60,428	786,166	—
Doris L. Baughan Senior Vice President, General Counsel and Secretary	—	—	—	—	4,626	60,183	—
Mario Fatica Senior Vice President, Construction and Development	—	—	—	—	3,158	41,082	—

(1) The value of PUs and RUs held by the NEOs is based on the closing price for the Trust Units on the TSX on December 31, 2020, which was \$13.01, multiplied by the number of PUs and RUs outstanding as at December 31, 2020. 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 2020, as well as the value of non-equity incentive plan compensation that the NEOs earned during 2020. 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 ⁽¹⁾ (\$)
Rael L. Diamond President and Chief Executive Officer	—	1,148,423	650,250
Mario Barrafato Chief Financial Officer	—	453,439	318,362
Ana Radic Executive Vice President, Leasing and Operations	—	—	224,899
Doris L. Baughan Senior Vice President, General Counsel and Secretary	—	—	147,666
Mario Fatica Senior Vice President, Construction and Development	—	—	111,829

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

PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS

The Trust's retirement programs are designed to facilitate the retirement of executives who have served over the long-term. The NEOs participate in the same retirement programs as other executives and receive no additional enhancements in determining their pension benefits. Messrs. Diamond and Barrafato and Ms. Radic participate in the DC component of the Executive Pension Plan and Ms. Baughan and Mr. Fatica participate in the DB component of the Executive Pension Plan. All newly hired or newly appointed executives join the DC component of the Executive Pension Plan.

DB COMPONENT OF THE EXECUTIVE PENSION PLAN

The DB component of the Executive Pension Plan provides a reasonable level of retirement income to executives to reward them for their service. Pension entitlements for an executive who participates in the DB component of the Executive Pension Plan is based on length of service and eligible salary, with annual benefits capped at \$125,000 per year. The following table sets forth details regarding Ms. Baughan and Mr. Fatica, who participate in the DB component of the Executive Pension Plan:

Name	Number of Years Credited Service (#)	Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$) ⁽¹⁾	Compensatory Change (\$)	Non-Compensatory Change (\$)	Closing Present Value of Defined Benefit Obligation (\$) ⁽²⁾
		At Year End	At Age 65				
Doris L. Baughan	21	101,200	112,800	1,516,000	75,000	241,000	1,832,000
Mario Fatica	25	99,200	125,000	1,087,000	46,000	437,000	1,570,000

(1) Discount rate is 3.25%.

(2) Discount rate is 2.50%.

DC COMPONENT OF THE EXECUTIVE PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Certain senior executives of the Trust participate on a non-contributory basis in the DC component of the Executive Pension Plan. During 2020, employer contributions were set as a percentage of base salary (maximum of \$250,000) and were capped at \$27,830 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%

The Trust has entered into retirement agreements with certain executives who participate in the DC component of the Executive Pension Plan to provide SERP benefits to those executives with allocations for contributions in excess of the annual \$27,830 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. Diamond and Barrafato and Ms. Radic, who participated in the DC component of the Executive Pension Plan and the SERP during 2020:

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$) ⁽¹⁾
Rael L. Diamond	20,300	37,500	68,200
Mario Barrafato	3,100	42,500	52,600
Ana Radic	26,600	37,500	71,700

(1) The accumulated value includes interest (investment returns) earned by each member during the financial year ended December 31, 2020.

CREIT MANAGEMENT L.P. PENSION PLAN

The following table sets forth details regarding Messrs. Diamond and Barrafato, who participated in the RPP during 2020.

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$) ⁽¹⁾
Rael L. Diamond ⁽¹⁾	200,200	0	221,900
Mario Barrafato ⁽¹⁾	136,200	0	147,100

(1) The accumulated value includes interest (investment returns) earned by each member during the financial year ended December 31, 2020.

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As at March 15, 2021, 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.

As of March 15, 2021, Weston beneficially owned, directly and indirectly, 50,661,415 Trust Units and 395,786,525 Special Voting Units, representing a 61.77% effective interest in the Trust; and Mr. Galen G. Weston, the controlling shareholder of Weston, also beneficially held 50,000 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 and under Choice Properties’ issuer profile at 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 2020 was \$182,380. 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.

NORMAL COURSE ISSUER BID

The Trust has a Normal Course Issuer Bid (the "NCIB") on the TSX which allows for the purchase and cancellation of Trust Units at market prices. A copy of the Choice Properties Notice of Intention to Make a Normal Course Issuer Bid filed with the TSX can be obtained by Unitholders, without charge, by contacting the Trust.

On November 13, 2020, the Trust received approval from the TSX to purchase up to 25,846,904 Trust Units during the twelve-month period from November 19, 2020 to November 18, 2021, by way of a NCIB over the facilities of the TSX or through alternative trading systems. During the year ended December 31, 2020, in connection with Trust Units granted under the URU Plan, the Trust acquired 159,083 Trust Units through open market purchases on the TSX at a weighted average price of \$14.74 per Trust Unit, which were then granted to certain executives and are subject to vesting conditions and disposition restrictions.

NON-GAAP FINANCIAL MEASURES

Certain financial measures discussed in this Circular, such as NOI, FFO per Unit and AFFO per Unit are non-GAAP financial measures. Please refer to section 14, "Non-GAAP Financial Measures", included in the management's discussion and analysis of the Trust's 2020 Annual Report, for a list of defined non-GAAP financial measures and reconciliations thereof.

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 and www.sedar.com or by dialing in for regularly scheduled conference calls.

Copies of the Trust's latest Annual Information Form, the Trust's 2020 Annual Report and this Circular may be obtained upon request from the Senior Vice President, General Counsel and Secretary of the Trust at 22 St. Clair Avenue East, Suite 700, 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 700

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.

A handwritten signature in black ink, appearing to read 'D. Baughan', with a stylized flourish at the end.

Doris L. Baughan
Senior Vice President, General Counsel and Secretary

Dated in Toronto, Ontario
March 19, 2021

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, capital structure and finance matters, risk management activities, ethics and compliance matters, 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 oversee the following:

a. 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. Strategic Goals 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 and evaluate 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 acquisitions, sales of assets or units, and financing arrangements in accordance with the Commitment Authority Policy.
- Review and approve the Trust’s distribution policy and approve the timing and payment of distributions.

- c. Performance Objectives, Executive Compensation and Succession Planning
- 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.
- d. Delegation of 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, subject to any limitations under the Declaration of Trust or Choice Properties' Commitment Authority Policy.
 - Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.
- e. 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.
- f. Enterprise Risk Management Program
- Oversee Choice Properties' enterprise risk management program, including its design and structure and assessment of its effectiveness.
 - Approve Choice Properties' risk management policy, the risk appetite statement, and 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.
 - Delegate, as appropriate, the oversight of the enterprise risk management design and structure, and assessment of its effectiveness to the Audit Committee and oversight of the principal risks to the appropriate Committee.
- g. Related Party Transactions
- Review 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.
- h. 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.

i. Corporate Governance

- Develop, and review 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.

j. Environmental, Social and Governance ("ESG"), Ethics and Compliance

- Oversee and monitor Choice Properties' approach, policies and practices related to ESG matters.
- Oversee actions taken by management to ensure that senior executives maintain a culture of integrity throughout Choice Properties.
- Review and approve a written code of conduct which is applicable to employees, officers and trustees, and monitor compliance with the code.

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.

SCHEDULE B

RESOLUTION OF THE UNITHOLDERS OF CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE DECLARATION OF TRUST RE: INVESTMENT GUIDELINES

BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust of Choice Properties Real Estate Investment Trust (the “Trust”) dated as of May 2, 2018 (the “Declaration of Trust”) in respect of its investment guidelines, substantially as described in the management proxy circular of the Trust dated March 19, 2021 (the “Circular”) under “Business to be Transacted at the Meeting – Amendments to the Declaration of Trust – Investment Guidelines” and reflected in Schedule G of the Circular, and any ancillary amendments to the Declaration of Trust that the trustees of the Trust (the “Trustees”) reasonably determine to be necessary or desirable to give proper effect to this resolution, be and are hereby authorized and approved;
2. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Trust an amended and restated Declaration of Trust reflecting the foregoing amendments; and
3. Any Trustee or officer of the Trust, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments (including causing the Trust to make the corresponding amendments to the investment guidelines set forth in the limited partnership agreement of Choice Properties Limited Partnership) and do or cause to be done all such acts and things as that Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C

RESOLUTION OF THE UNITHOLDERS OF CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE DECLARATION OF TRUST RE: OPERATING POLICIES

BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust of Choice Properties Real Estate Investment Trust (the “Trust”) dated as of May 2, 2018 (the “Declaration of Trust”) in respect of its operating policies, substantially as described in the management proxy circular of the Trust dated March 19, 2021 (the “Circular”) under “Business to be Transacted at the Meeting – Amendments to the Declaration of Trust – Operating Policies” and reflected in Schedule G of the Circular, and any ancillary amendments to the Declaration of Trust that the trustees of the Trust (the “Trustees”) reasonably determine to be necessary or desirable to give proper effect to this resolution, be and are hereby authorized and approved;
2. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Trust an amended and restated Declaration of Trust reflecting the foregoing amendments; and
3. Any Trustee or officer of the Trust, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments (including causing the Trust to make the corresponding amendments to the operating policies set forth in the limited partnership agreement of Choice Properties Limited Partnership) and do or cause to be done all such acts and things as that Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE D

RESOLUTION OF THE UNITHOLDERS OF CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE DECLARATION OF TRUST RE: DECLARATION OF NON-CASH DISTRIBUTIONS AND CONSOLIDATION OF TRUST UNITS

BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust of Choice Properties Real Estate Investment Trust (the “Trust”) dated as of May 2, 2018 (the “Declaration of Trust”) in respect of the declaration of non-cash distributions and automatic consolidation of trust units immediately after any pro rata distribution of trust units to all holders of trust units, substantially as described in the management proxy circular of the Trust dated March 19, 2021 (the “Circular”) under “Business to be Transacted at the Meeting – Amendments to the Declaration of Trust – Declaration of Non-Cash Distributions and Consolidation of Trust Units” and reflected in Schedule G of the Circular, and any ancillary amendments to the Declaration of Trust that the trustees of the Trust (the “Trustees”) reasonably determine to be necessary or desirable to give proper effect to this resolution, be and are hereby authorized and approved;
2. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Trust an amended and restated Declaration of Trust reflecting the foregoing amendments; and
3. Any Trustee or officer of the Trust, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as that Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE E

RESOLUTION OF THE UNITHOLDERS OF CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE DECLARATION OF TRUST RE: MEETINGS OF THE UNITHOLDERS

BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust of Choice Properties Real Estate Investment Trust (the “Trust”) dated as of May 2, 2018 (the “Declaration of Trust”) in respect of meetings of the Unitholders, substantially as described in the management proxy circular of the Trust dated March 19, 2021 (the “Circular”) under “Business to be Transacted at the Meeting – Amendments to the Declaration of Trust – Meetings of the Unitholders” and reflected in Schedule G of the Circular, and any ancillary amendments to the Declaration of Trust that the trustees of the Trust (the “Trustees”) reasonably determine to be necessary or desirable to give proper effect to this resolution, be and are hereby authorized and approved;
2. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Trust an amended and restated Declaration of Trust reflecting the foregoing amendments; and
3. Any Trustee or officer of the Trust, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as that Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE F

RESOLUTION OF THE UNITHOLDERS OF CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDMENTS TO THE DECLARATION OF TRUST RE: GENERAL AMENDMENTS

BE IT RESOLVED THAT:

1. The amendments to the amended and restated declaration of trust of Choice Properties Real Estate Trust (the “Trust”) dated as of May 2, 2018 (the “Declaration of Trust”) in respect of certain “housekeeping” related amendments, substantially as described in the management proxy circular of the Trust dated March 19, 2021 (the “Circular”) under “Business to be Transacted at the Meeting – Amendments to the Declaration of Trust – General Amendments” and reflected in Schedule G of the Circular, and any ancillary amendments to the Declaration of Trust that the trustees of the Trust (the “Trustees”) reasonably determine to be necessary or desirable to give proper effect to this resolution, be and are hereby authorized and approved;
2. The Trustees are hereby authorized and directed to execute or cause to be executed on behalf of the Trust an amended and restated Declaration of Trust reflecting the foregoing amendments; and
3. Any Trustee or officer of the Trust, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as that Trustee or officer shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE G

CONSOLIDATED BLACKLINE REFLECTING PROPOSED AMENDMENTS TO THE DECLARATION OF TRUST

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

~~May 2, 2018~~

April 30, 2021

TORYS

LLP

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	2
1.1 Definitions	2
1.2 Construction	9
1.3 Accounting Principles	11 10
1.4 Tax Act	11
1.5 Applications to Court	11
ARTICLE 2 THE TRUST	11
2.1 Establishment of Trust	11
2.2 Name of the Trust	11
2.3 Use of Name	12 11
2.4 Head Office	12
2.5 Nature of the Trust	12
2.6 Legal Ownership of Trust Property	12
ARTICLE 3 UNITS	13
3.1 Units	13
3.2 Ranking of Units	13
3.3 Preferred Units	14
3.4 Allotment and Issue	15
3.5 Rights, Warrants, Options, Convertible Indebtedness and Other Securities	15
3.6 Consideration for Trust Units	16
3.7 Commissions and Discounts	16
3.8 Pre-Emptive Rights	16
3.9 Fractional Units	16
3.10 Repurchase of Trust Units	17
3.11 Consolidation of Units	17
3.12 Unclaimed Distributions	17
3.13 Transferability	18
3.14 Non-Resident Ownership Constraint	18
3.15 Certificates	19
3.16 Non-Certificated Inventory System	19
3.17 Certificate Fee	21
3.18 Form of Certificate	21
3.19 Lost Certificates	21
3.20 Redemption of Trust Units	21
3.21 Register	26 25
3.22 Entry on Register	26
3.23 Successors in Interest to the Unitholders	26
3.24 Units Held Jointly or in Fiduciary Capacity	26
3.25 Performance of Trusts	27 26

TABLE OF CONTENTS

3.26 Death of Unitholders	27
3.27 Take-Over Bids	27
3.28 Offers	31
ARTICLE 4 INVESTMENT GUIDELINES AND OPERATING POLICIES OF THE TRUST	31
4.1 Investment Guidelines	31
4.2 Operating Policies	33
4.3 Calculation of Indebtedness	35
4.4 Application of Investment Guidelines and Operating Policies	37 36
4.5 Amendments to Investment Guidelines and Operating Policies	37
4.6 Tax Election	37
4.7 Regulatory Matters	37
ARTICLE 5 DISTRIBUTIONS	38 37
5.1 Computation of Income and Net Realized Capital Gains	38 37
5.2 Distributions	38
5.3 Other Distributions	38
5.4 Enforceability of Right to Receive Distributions	39
5.5 Allocation	39
5.6 Method of Payment of Distributions	40 39
5.7 Withholding Taxes	41
5.8 Income Tax Matters	41
5.9 Character of Distributions and Designations	41
ARTICLE 6 TRUSTEES AND OFFICERS	41
6.1 Number of Trustees	41
6.2 Term of Office	42
6.3 Qualifications of Trustees	42
6.4 Election of Trustees	42
6.5 Resignations, Removal and Death of Trustees	42
6.6 Vacancies	43
6.7 Nomination Rights of LCL <u>GWL</u>	43
6.8 Nominations of Trustees	44
6.9 Successor and Additional Trustees	45
6.10 Remuneration and Expenses	46
6.11 Officers of the Trust	46
6.12 Validity of Acts	46
ARTICLE 7 TRUSTEES' POWERS AND DUTIES	46
7.1 General Powers	46
7.2 Specific Powers and Authorities	47

TABLE OF CONTENTS

7.3 Further Powers of the Trustees	51
7.4 Standard of Care	51
7.5 Reliance Upon Trustees	52
7.6 Determinations of Trustees Binding	52
7.7 Conflicts of Interest	52
7.8 Independent Trustee Matters	54
 ARTICLE 8 MEETINGS OF THE TRUSTEES	 55
8.1 Trustees May Act Without Meeting	55
8.2 Notice of Meeting	55
8.3 Quorum	56
8.4 Voting at Meetings	56
8.5 Meeting by Telephone	56
8.6 Meetings of Independent Trustees	56
8.7 Chair	56
 ARTICLE 9 DELEGATION OF POWERS	 57
9.1 General	57
9.2 Audit Committee	57
9.3 Governance, Compensation and Nominating Committee	57
9.4 Committees and Procedure	58
9.5 Management of the Trust	58
 ARTICLE 10 UNITHOLDER REMEDIES	 58
10.1 Dissent and Appraisal Rights	58
10.2 Oppression Remedy	62
 ARTICLE 11 FEES AND EXPENSES	 64
11.1 Expenses	64
 ARTICLE 12 AMENDMENTS TO THE DECLARATION OF TRUST	 65 <u>64</u>
12.1 Amendments by the Trustees	65 <u>64</u>
12.2 Matters Requiring Approval by Special Resolution	66
12.3 Supplemental Declaration of Trust	67 <u>66</u>
12.4 No Termination	67
12.5 Restriction on Amendments Affecting Certain Rights of LCL <u>GWL</u>	67
 ARTICLE 13 MEETINGS OF THE UNITHOLDERS	 67
13.1 Annual Meeting	67
13.2 Special Meetings	67
13.3 Notice of Meeting of the Unitholders	68

TABLE OF CONTENTS

13.4 Unitholder Proposals	69
13.5 Quorum	71
13.6 Voting	72
13.7 Matters on which Unitholders may Vote	72
13.8 Resolutions Binding on Trustees	73 72
13.9 No Breach	73
13.10 Class Approval	73
13.11 Meaning of “Outstanding”	73
13.12 Record Dates	74
13.13 Proxies	74
13.14 Personal Representatives	75
13.15 Attendance by Others	75
13.16 Conduct of Meetings of Unitholders	75
13.17 Binding Effect of Resolutions on Unitholders	76
13.18 Resolution in Lieu of Meeting	76
<u>13.19 Meetings by Telephone, Electronic or Other Communications Facility</u>	<u>76</u>
ARTICLE 14 TERMINATION OF TRUST	76
14.1 Duration of the Trust	76
14.2 Termination with the Approval of the Unitholders	76
14.3 Effect of Termination	76
14.4 Procedure Upon Termination	77
14.5 Powers of Trustees Upon Termination	77
14.6 Further Notice to Unitholders	77
14.7 Responsibility of the Trustees after Sale and Conversion	77
ARTICLE 15 LIABILITIES OF THE TRUSTEES AND OTHERS	77
15.1 Liability and Indemnification of the Trustees	77
15.2 Liability of the Trustees	78
15.3 Reliance Upon Advice	78
15.4 Liability of the Unitholders and Others	78
ARTICLE 16 GENERAL	79
16.1 Execution of Instruments	79
16.2 Manner of Giving Notice	79
16.3 Failure to Give Notice	80
16.4 Trust Auditors	80
16.5 Change of Auditors	80
16.6 Fiscal Year	80
16.7 Reports to the Unitholders	80
16.8 Trust Property to be Kept Separate	80
16.9 Trustees May Hold Units	80

TABLE OF CONTENTS

16.10 Trust Records	80 <u>81</u>
16.11 Right to Inspect Documents	81
16.12 Taxation Information	81
16.13 Consolidations	81
16.14 Counterparts	81
16.15 Severability	81
16.16 Governing Law	82
16.17 Language	82

CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDED AND RESTATED DECLARATION OF TRUST

THIS AMENDED AND RESTATED DECLARATION OF TRUST is made in Toronto, Ontario as of the 2nd ~~30th~~ day of ~~May, 2018~~ April, 2021.

RECITALS

WHEREAS the Trust was initially settled on May 21, 2013 and was established under the name “Choice Properties Real Estate Investment Trust”, pursuant to a declaration of trust dated May 21, 2013 (the “**Original Declaration of Trust**”), for the principal purpose of providing persons who may become the holders of Units with an opportunity to participate directly or indirectly in a portfolio of income-producing real property investments and related assets;

AND WHEREAS the Trustees agreed to hold the initial contribution of \$10.00 and all amounts and assets subsequently received under the Original Declaration of Trust, as amended, or in respect of the investment of the assets of the Trust in accordance with the provisions set forth in the Original Declaration of Trust, as amended;

AND WHEREAS at an annual and special meeting of the Unitholders of the Trust held on May 2, 2018, Unitholders voted to amend and restate the Original Declaration of Trust with the amended and restated declaration of trust dated May 2, 2018 (the “**First Amended and Restated Declaration of Trust**”);

AND WHEREAS at an annual and special meeting of the Unitholders of the Trust held on April 30, 2021, Unitholders voted to amend and restate the First Amended and Restated Declaration of Trust with this Amended and Restated Declaration of Trust;

AND WHEREAS the Trustees continue to desire that the Trust shall qualify as a “mutual fund trust” and as a “real estate investment trust” pursuant to subsections 132(6) and 122.1(1) of the Tax Act (as hereinafter defined), respectively;

AND WHEREAS the Trustees desire to set out the agreements, terms and conditions which shall govern their rights, powers and obligations with respect to the administration of the Trust;

AND WHEREAS for greater certainty, this Amended and Restated Declaration of Trust shall not be deemed to constitute a termination of the Trust or a resettlement of the Trust;

NOW THEREFORE, each of the undersigned Trustees, hereby confirms and declares that he or she agrees to hold in trust any and all property, real, personal or otherwise, tangible or intangible, which has been at or prior to the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by him or her as Trustee or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Amended and Restated Declaration of Trust:

Article 1

INTERPRETATION

1.1 Definitions

In this Declaration of Trust, including the recitals hereto, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“Affiliate” means, with respect to any Person, a Person who is an “affiliate” of that first mentioned Person as that term is defined in NI 45-106;

“Aggregate Adjusted Assets” means, as at any date, as at the relevant Calculation Reference Date, the Aggregate Assets, provided that the component amount thereof that would otherwise comprise the amount shown on the Trust’s balance sheet as “Investment properties” (or its equivalent) shall be instead calculated as the amount obtained by applying the Capitalization Factor as at such Calculation Reference Date to determine the fair value of the Trust’s assets that would comprise “Investment properties” as at such date, using the valuation methodology described by the Trust in its then most recently published annual or interim financial statements or management’s discussion and analysis, applied consistently in accordance with past practice;

“Aggregate Assets” means, as of any date, the total assets of the Trust, excluding goodwill and future income tax assets, determined on a consolidated basis and in accordance with GAAP, and giving effect to Proportionate Consolidation Adjustments and, to the extent applicable, adjusted for any adjustments which correspond to those made in accordance with the definition of Consolidated EBITDA (other than fair value adjustments reflecting an increase or decrease in the fair value of investment properties);

“Annuitant” means the annuitant or beneficiary of a Deferred Income Plan, or of any plan of which a Trust Unitholder acts as trustee or a carrier;

“Associate” means, with respect to any Person, a Person who is an “associate” of that first mentioned Person as that term is defined in the Securities Act;

“Audit Committee” means the committee of the Trustees established pursuant to Section 9.2;

“Auditors” means the firm of chartered accountants appointed as the auditors of the Trust and its Subsidiaries from time to time in accordance with Section 16.4;

“Basic Basis” means, at any time, the number of Trust Units outstanding at such time, excluding, for greater certainty, Trust Units issuable upon the surrender or exchange of Exchangeable Securities or Trust Exchangeable Securities;

“Business Day” means any day on which Canadian chartered banks are open for business in Toronto, Ontario, other than a Saturday, a Sunday or statutory holiday;

“Calculation Reference Date” means, with respect to any date, the last day of the most recently completed fiscal quarter of the Trust;

“Capital Lease Obligation” of any Person means the obligation of such Person, as lessee, to pay rent or other payment amounts under a lease of real or personal property which is required to be classified and accounted for as a finance lease or a liability on a consolidated balance sheet of such Person in accordance with GAAP;

“Capitalization Factor” means, as at the relevant Calculation Reference Date, the amount determined as the simple average of the weighted average capitalization rate published by the Trust in reference to the calculation of the fair value of its assets in the Trust’s annual or interim financial statements or management’s discussion and analysis published for each of the eight (8) most recently completed fiscal quarters (including the fiscal quarter in which the relevant Calculation Reference Date occurs);

“CBCA” means the *Canada Business Corporations Act*;

“CDS” means CDS Clearing and Depository Services Inc., together with its successors from time to time;

“Chair”, “Lead Trustee” “Vice-Chair”, “President”, “Chief Executive Officer”, “Chief Financial Officer”, “Chief Operating Officer”, “Executive Vice President”, “Senior Vice President”, “Vice President” “Treasurer” and “Secretary” mean the Person(s) holding the respective offices from time to time if so elected, appointed, employed or engaged, directly or indirectly, by the Trustees;

“Class A LP Unit” means a unit of interest in the LP designated as a Class A LP Unit and having the rights and attributes described in the LP Agreement with respect thereto;

“Class B LP Unit” means a unit of interest in the LP designated as a Class B LP Unit and having the rights and attributes described in the LP Agreement with respect thereto, including the right of a holder thereof to exchange such unit for a Trust Unit;

“Class C LP Unit” means a unit of interest in the LP designated as a Class C LP Unit and having the rights and attributes described in the LP Agreement with respect thereto;

“Consolidated EBITDA” for any period means Consolidated Net Income for such period increased by the sum of, without duplication (i) Consolidated Interest Expense for such period, (ii) depreciation and amortization expense for such period, and (iii) Consolidated Income Tax Expense (other than income taxes, either positive or negative, attributable to unusual or non-recurring gains or losses or other non-cash gains or losses as adjusted for in calculating Consolidated Net Income);

“Consolidated Income Tax Expense” for any period means the income tax expense of the Trust for such period, determined on a consolidated basis and in accordance with GAAP and including Proportionate Consolidation Adjustments;

“Consolidated Indebtedness” has the meaning set out in Section 4.3;

“Consolidated Interest Expense” for any period means the aggregate amount of interest expense of the Trust, adjusted in all cases for Proportionate Consolidation Adjustments in respect of Consolidated Indebtedness, Capital Lease Obligations, the original issue discount (or, as applicable, premium) of any Consolidated Indebtedness issued at a price less than (or, as applicable, more than) the face amount thereof paid, accrued or scheduled to be paid or accrued by the Trust during such period and, to the extent interest has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized (including Proportionate Consolidation Adjustments), all as determined on a consolidated basis in accordance with GAAP; provided that (A) such amount shall be adjusted, as and to the extent applicable, for non-cash gains or losses related to the Transferor Notes and (B) notwithstanding its presentation under GAAP, all interest expense of the Trust in respect of convertible debenture Indebtedness will be included at the face rate of interest, respectively, and (C) for the avoidance of doubt, distributions in respect of the Class B LP Units and Class C LP Units will not be included in determining Consolidated Interest Expense;

“Consolidated Net Income” for any period means the net income (loss) of the Trust for such period determined on a consolidated basis in accordance with GAAP, excluding (i) any gain or loss attributable to the sale or other disposition of any asset or liability of the Trust, other than the sale or disposition of income properties held for resale, (ii) any non-cash changes in fair value and other non-cash gains and losses of the Trust, determined on a consolidated basis in accordance with GAAP, and (iii) other non-recurring items; and including (iv) any Proportionate Consolidation Adjustments; and including or excluding, as applicable, the related tax impact of items (i) to (iii);

“consolidation” means a consolidation, combination or reduction (other than by way of redemption or purchase) in the number of outstanding Trust Units into a lesser number of Trust Units;

“control” or **“controlled”** has the meaning given to it in NI 45-106;

“court” means the Superior Court of Justice in the Province of Ontario;

“Declaration of Trust” means this amended and restated declaration of trust, as it may be further amended, supplemented or restated from time to time;

“Deferred Income Plan” means any trust governed by a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered disability savings plan, a tax-free savings account or a registered education savings plan, each as defined in the Tax Act;

“dissenting offeree” means, where a take-over bid is made for all of the Trust Units other than those held by the offeror (and its Affiliates and Associates), a holder of Trust Units

who does not accept the take-over bid and includes a subsequent holder of those Trust Units who acquires it from the first mentioned holder;

“Distribution Payment Date” means, in respect of a Distribution Period, a Business Day on or about the fifteenth (15th) day of the immediately following month or such date as may be determined from time to time by the Trustees;

“Distribution Period” means each calendar month from and including the first day thereof to and including the last day thereof whether or not such day is a Business Day;

“Distribution Record Date” means, in respect of a Distribution Period, such date as may be determined from time to time by the Trustees, except that December 31 shall in all cases be a Distribution Record Date;

“Distribution Reinvestment Plan” means the distribution reinvestment plan adopted by the Trust for Trust Unitholders that may be in effect from time to time;

“Exchange Agreement” means the exchange and support agreement dated as of July 5, 2013 and entered into by the Trust, the LP, and each holder of a Class B LP Unit, and each additional person who becomes, from time to time, a holder of Class B LP Units and agrees to be a party to and bound by such agreement, as it may be amended, supplemented or restated from time to time;

“Exchangeable Securities” means any securities of any trust, limited partnership or corporation other than the Trust that are convertible or exchangeable directly for Trust Units without the payment of additional consideration therefor and, for greater certainty, includes the Class B LP Units;

“First Amended and Restated Declaration of Trust” has the meaning set out in the Recitals;

“Fully-Diluted Basis” means, for the purposes of Section 3.14, at any time, the number of (i) Trust Units outstanding at such time and (ii) Trust Units issuable upon the surrender or exchange of Exchangeable Securities or Trust Exchangeable Securities at such time;

“GAAP” means generally accepted accounting principles in Canada (including IFRS) as in effect from time to time and as adopted by the Trustees;

“General Partner” means Choice Properties GP Inc., a corporation existing under the laws of the Province of Ontario, and the general partner of the LP;

“GWL” means George Weston Limited, a company existing under the laws of Canada;

“going-private transaction” means an arrangement, consolidation or other transaction involving the Trust, other than an acquisition pursuant to Section 3.27, that results in the interest of a holder of participating securities of the Trust being terminated without the consent of the holder and without the substitution of an interest of equivalent value in

participating securities of the Trust or of a person that succeeds to the business of the Trust, which participating securities have rights and privileges that are equal to or greater than the affected participating securities;

“Governance Committee” means the committee of the Trustees established pursuant to Section 9.3;

“IFRS” means International Financial Reporting Standards, issued by the International Accounting Standards Board, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time;

“Indebtedness” has the meaning set out in Section 4.3;

“Indebtedness Percentages” has the meaning set out in Section 4.2;

“Independent Trustee” means, at any time, a Trustee who, in relation to the Trust, is “independent” for purposes of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*;

~~**“IPO Closing Date”** means July 5, 2013;~~

~~**“IPO Equity Offering”** means the issuance to the public of Trust Units by the Trust in connection with the initial public offering of the Trust on July 5, 2013;~~

~~**“IPO Prospectus”** means the (final) long form prospectus of the Trust dated June 26, 2013 relating to the IPO Equity Offering as filed with the securities commissions or similar authorities in each of the provinces and territories of Canada;~~

“LCL” means Loblaw Companies Limited, a company existing under the laws of Canada;

“Lead Trustee” has the meaning set out in Section 6.11;

“LP” means Choice Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario and, as the circumstances require, references to the “LP” shall include, as and to the extent applicable, such other limited partnerships that may be Subsidiaries of the Trust from time to time;

“LP Agreement” means the amended and restated limited partnership agreement of Choice Properties Limited Partnership, as such agreement may be further amended, supplemented or amended and restated from time to time, and, as the circumstances require, references to “LP Agreement” shall include, as and to the extent applicable, the limited partnership agreement for any such other limited partnership that may be a Subsidiary of the Trust from time to time;

~~**“Material Agreements”** means, collectively, those agreements listed in the section entitled “Material Contracts” in the IPO Prospectus;~~

“**mortgage**” means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by real property;

“**Monthly Limit**” has the meaning set out in Section 3.20;

“**Multilateral Instrument 61-101**” means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*;

“**Net Realized Capital Gains**” has the meaning set out in Section 5.1;

“**NI 45-106**” means National Instrument 45-106 - *Prospectus Exemptions*;

“**Nominating Unitholder**” has the meaning set out in Section 6.8;

“**Non-Resident**” means any Person that is not a Resident Canadian;

“**Notes**” means the promissory notes, bonds, debentures, debt securities or similar evidence of indebtedness issued by a Person;

“**Offer**” has the meaning set out in Section 3.28;

“**offeree**” means a Person to whom a take-over bid is made;

“**offeror**” means a Person who makes a take-over bid, and includes two or more Persons who, directly or indirectly, (i) make take-over bids jointly or in concert, or (ii) intend to exercise jointly or in concert voting rights attached to securities for which a take-over bid is made;

“**Ordinary Resolution**” means a resolution proposed to be passed as an ordinary resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of a majority of the Units represented at the meeting in person or by proxy and voted upon such resolution;

“**Original Declaration of Trust**” has the meaning set out in the Recitals;

“**participating securities**” means securities that give the holder of the securities a right to share in the earnings of the person that issued the securities and after the liquidation, dissolution, or winding-up of the person that issued the securities or, in the case of the Trust, upon the termination of the Trust, a right to share in its assets. For greater certainty, participating securities includes the Trust Units;

“**Permitted Indebtedness**” has the meaning set out in Section 4.3;

“**Person**” includes an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law;

“**Preferred Unit**” means a preferred unit representing an interest in the Trust (other than a Trust Unit) created, authorized and issued hereunder and having the rights and attributes established by the Trustees from time to time in accordance with Section 3.3;

“**Proportionate Consolidation Adjustments**” means accounting adjustments to reflect assets, liabilities, equity, revenues and expenses on a proportionate basis in place of the Trust’s use of equity accounting in accordance with GAAP with respect to real estate investments or interests in which the Trust and its Subsidiaries participate;

“**real property**” means property which in law is real property and includes whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, partnership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts or partnerships whose sole or principal purpose and activity of which is to invest in, hold and deal in real property;

“**Redemption Date**” has the meaning set out in Section 3.20;

“**Redemption Price**” has the meaning set out in Section 3.20;

“**Register**” has the meaning set out in Section 3.21;

“**Registrar**” has the meaning set out in Section 3.21;

“**Related Party**” means, with respect to any person, a person who is a “related party” as that term is defined in Multilateral Instrument 61-101;

“**Resident Canadian**” means an individual (including a trust) or corporation who is a resident of Canada for purposes of the Tax Act, or a partnership that is a “Canadian partnership” for purposes of the Tax Act;

“**Securities Act**” means the *Securities Act* (Ontario);

~~“**Services Agreement**” means the agreement dated as of July 5, 2013 between the Trust, LP and Loblaws Inc., as such agreement may be amended, supplemented or restated from time to time;~~

“**Special Resolution**” means a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present, which resolution is passed by the affirmative votes of the holders of at least two-thirds of the Units represented at the meeting in person or by proxy and voted upon such resolution;

“Special Voting Unit” means a special voting unit of the Trust that is authorized and issued pursuant to Section 3.1 to a holder of an Exchangeable Security;

“Strategic Alliance Agreement” means the agreement dated as of July 5, 2013 between the Trust, LCL, Loblaws Inc. and Loblaw Properties Limited, as such agreement may be amended, supplemented or restated from time to time;

“Subsidiary” means, with respect to any Person, a Person who is a “subsidiary” of that first mentioned Person as that term is defined in NI 45-106;

“Subsidiary Notes” means promissory notes of the LP, a trust all of the units of which, or a corporation all of the shares of which, are owned directly or indirectly by the Trust or another entity that would be consolidated with the Trust under GAAP, having a maturity date and interest rate determined by the Trustees at the time of issuance;

“take-over bid” has the meaning given to such term in the Securities Act;

“Tax Act” means the *Income Tax Act* (Canada) and the regulations thereunder;

“Transfer Agent” has the meaning set out in Section 3.21;

“Transferor Notes” means, ~~collectively,~~ the Indebtedness owing by the LP to ~~Loblaw Finance Trust, or any permitted transferees thereof, that were initially issued by the LP to such~~ noteholders pursuant to a trust indenture dated as part of a series of transactions related to the LP’s acquisition of its initial properties from LCL in connection with the IPO Equity Offering of May 12, 2014 between the LP and Computershare Trust Company of Canada, as supplemented;

“Trust” means the trust constituted hereunder but, for greater certainty, unless otherwise expressly provided, does not include any Subsidiaries or Affiliates thereof;

“Trust Exchangeable Securities” has the meaning set out in Section 3.5(a);

“Trust Income” has the meaning set out in Section 5.1;

“Trust Liability” has the meaning set out in Section 15.4(a);

“Trust Property” means, at any particular time, any and all assets of the Trust, including all proceeds therefrom;

“Trustees” means, as of any particular time, all of the trustees holding office under and in accordance with this Declaration of Trust, in their capacity as trustees hereunder, and **“Trustee”** means any of them;

“Trustees’ Regulations” means the regulations adopted by the Board of Trustees pursuant to Section 7.3 or Section 13.13 from time to time;

“Trust Unit” means a unit of interest in the Trust authorized and issued hereunder as such and for the time being outstanding and includes a fraction of a Trust Unit but, for greater certainty, excludes a Special Voting Unit;

“Trust Unitholder” means a Person whose name appears on the Register as a holder of one or more Trust Units;

“Units” means, collectively, the Trust Units and the Special Voting Units; and

“Unitholder” or **“Holder”** means a Person whose name appears on the Register as a holder of one or more Trust Units or Special Voting Units, or a fraction thereof.

1.2 Construction

In this Declaration of Trust, unless otherwise expressly stated or the context otherwise requires:

- (a) references to “herein”, “hereby”, “hereunder”, “hereof” and similar expressions are references to this Declaration of Trust and not to any particular Article or Section of this Declaration of Trust;
- (b) references to an “Article” or “Section” are references to an Article or Section of this Declaration of Trust;
- (c) words importing the singular shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders;
- (d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (e) the words “includes” and “including”, when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) references to any Person include such Person’s successors and assigns (to the extent such assigns are permitted by the terms of any applicable agreement);
- (g) unless the context otherwise requires, any reference to a statute, regulation, policy, rule or instrument shall include, and shall be deemed to be a reference also to, all amendments made to such statute, regulation, policy, rule or instrument and to any statute, regulation, policy, rule or instrument that may be passed which has the effect of supplementing or superseding the statute, regulation, policy, rule or instrument so referred to;
- (h) any reference to this Declaration of Trust or any other agreement, document or instrument shall be construed as a reference to this Declaration of Trust or, as the case may be, such other agreement, document or instrument as the same may have been, or

may from time to time be, amended, varied, replaced, amended and restated or supplemented;

- (i) for greater certainty, where any reference is made in this Declaration of Trust to an act to be performed or which may not be performed by the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed or which may not be performed by the Trustees on behalf of the Trust or by some other Person duly authorized to do so by the Trustees or pursuant to the provisions hereof, and where reference is made in this Declaration of Trust to actions, rights or obligations of the Trustees, such reference shall be construed and applied for all purposes to refer to actions, rights or obligations of the Trustees in their capacity as Trustees, and not in their other capacities;
- (j) in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day; and
- (k) unless otherwise specified, all references to “\$” or “dollars” are to lawful currency of Canada.

1.3 Accounting Principles

All accounting terms not specifically defined in this Declaration of Trust shall be interpreted in accordance with GAAP. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Declaration of Trust, such determination, consolidation or computation shall, unless the Trustees otherwise determine or the context otherwise requires, be made in accordance with GAAP, and all financial data prepared pursuant to this Declaration of Trust shall be prepared in accordance with such principles, consistently applied.

1.4 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be replaced, renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act which have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

1.5 Applications to Court

As the rights (including the right to apply to a court) and remedies set out in Sections 3.27, 7.7(h), 10.1, 10.2 and 13.4 of this Declaration of Trust are not statute-based, all references in this Declaration of Trust to Unitholder rights (or the rights of any other person) that may be enforced

by the court or to remedies that may be granted by the court are subject to the court, in its discretion, accepting jurisdiction to consider and determine any proceeding commenced by an eligible Unitholder (or any other eligible person contemplated herein) applying to the court under such Sections.

Article 2

THE TRUST

2.1 Establishment of Trust

The Trustees hereby declare themselves and agree to act as trustees of the Trust and to hold and administer the Trust Property in trust for the benefit of the Trust Unitholders on and subject to the terms and conditions of this Declaration of Trust.

2.2 Name of the Trust

The name of the Trust is “Choice Properties Real Estate Investment Trust” in its English form and “Fiducie de Placement Immobilier Propriétés de Choix” in its French form. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name, in either its English or French form.

2.3 Use of Name

Should the Trustees determine that the use of the name Choice Properties Real Estate Investment Trust in its English form or Fiducie de Placement Immobilier Propriétés de Choix in its French form is not practicable, legal or convenient, they may use such other designation, or they may adopt such other name for the Trust as they deem appropriate, and the Trust may hold property and conduct its activities under such other designation or name.

2.4 Head Office

The principal office and centre of administration of the Trust shall be located at 22 St. Clair Avenue East, Suite ~~800~~700, Toronto, Ontario, M4T 2S5 or at such other address in Canada as may be determined by the Trustees in their discretion. The Trust may have such other offices or places for the conduct of its affairs as the Trustees or management of the Trust or any of its Subsidiaries may from time to time determine to be necessary or desirable.

2.5 Nature of the Trust

- (a) The Trust is a limited purpose unincorporated open-ended investment trust. The Trust, its Trustees and the Trust Property shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for trusts or the Trust by:

- (i) applicable laws and regulations or other requirements imposed by applicable securities or other regulatory authorities; and
- (ii) the terms, conditions and trusts set forth in this Declaration of Trust.

The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company and the Trustees or the Unitholders or any of them or any officers or other employees of the Trust or any one of them for any purpose shall not be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agents of the Unitholders or of any person holding a beneficial interest in a Unit.

- (b) The relationship of the Trust Unitholders to the Trustees, to the Trust and to the Trust Property shall be solely that of beneficiaries of the Trust, and their rights shall be limited to those expressly conferred upon them by this Declaration of Trust.

2.6 Legal Ownership of Trust Property

The legal ownership of the Trust Property and the right to conduct the affairs of the Trust are vested exclusively in the Trustees. Except as specifically provided herein, no Unitholder(s) shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. No Unitholder has or shall be deemed to have any right of ownership in any of the Trust Property. The Unitholders shall have no right to compel any partition, division or distribution of the Trust or any of the Trust Property or of any particular monies or funds received by the Trustees. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights, and impose upon the holders thereof only those liabilities and obligations, specifically set forth in this Declaration of Trust.

Article 3

UNITS

3.1 Units

The units of the Trust shall be divided into two classes, described and designated as “Trust Units” and “Special Voting Units”, respectively, which will have attached thereto the rights, limitations, restrictions and conditions set out herein. In addition, the Trustees, subject to obtaining the advice of legal counsel, may from time to time cause Preferred Units be created and issued in one or more series. Before the issuance of Preferred Units of a series, the Trustees shall execute an amendment to this Declaration of Trust (which may be in the form of an amended and restated declaration of trust) containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Trustees. Only after

Preferred Units of a series have been created pursuant to the execution of such an amendment will such series become a series of Units under this Declaration of Trust.

The number of Units that the Trust may issue is unlimited. Subject to Section 3.6(b), Units shall be issued only as fully paid and non-assessable. Each Unit when issued shall vest indefeasibly in the holder thereof and the interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees with the approval of the majority of the Unitholders, or as otherwise provided in Section 3.11.

3.2 Ranking of Units

- (a) Each Trust Unit shall represent an equal undivided beneficial interest in the Trust, in any distribution from the Trust, whether of Trust Income, Net Realized Capital Gains (other than Net Realized Capital Gains allocated and distributed to redeeming Trust Unitholders), or other amounts, and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Trust Units rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit shall entitle the holder of record thereof to receive notice of, to attend, and to one vote at all meetings of Unitholders or in respect of any written resolution of the Unitholders.
- (b) Each Special Voting Unit shall entitle the holder of record thereof to receive notice of, to attend, and to vote a number of votes at all meetings of the Unitholders or in respect of any written resolution of the Unitholders equal to the number of Trust Units into which the outstanding Exchangeable Securities to which such Special Voting Units relate are, directly or indirectly, exchangeable or convertible. Special Voting Units shall be issued only in connection with or in relation to Exchangeable Securities (including pursuant to any plan from time to time in effect relating to reinvestment by holders of Exchangeable Securities of distributions of the applicable entity in Exchangeable Securities). A Special Voting Unit shall be issued in tandem with the issuance of an Exchangeable Security and will be evidenced only by the certificate or certificates representing such Exchangeable Securities. Except for the right to attend and vote at meetings of the Unitholders or in respect of written resolutions of the Unitholders, the Special Voting Units shall not confer upon the holders thereof any other rights; and for greater certainty, no Special Voting Unit will have any economic interest in the Trust or be entitled to any interest or share in the Trust, in any distribution from the Trust (whether of Trust Income, Net Realized Capital Gains or other amounts) or in any net assets of the Trust in the event of the termination or winding-up of the Trust.
- (c) Concurrently with the issue of the Special Voting Units, the Trust shall enter into an exchange agreement (including the Exchange Agreement) pursuant to which the Trust shall provide certain support in respect of the exchange feature of the Exchangeable Securities and in respect of distributions. It is hereby confirmed that the timing, amount and nature of distributions made to holders of Exchangeable Securities are intended to be made, and the Trustees shall take reasonably necessary steps to ensure they are so made,

in accordance with the provisions of the applicable exchange agreement and the rights attaching to such Exchangeable Securities.

- (d) A Special Voting Unit shall not be transferable separately from the Exchangeable Security issued in tandem with it, and, upon any transfer of such Exchangeable Security, such Special Voting Unit shall automatically be transferred to the transferee of such Exchangeable Security. For greater certainty, a Special Voting Unit shall only be transferred to a permitted transferee of an Exchangeable Security under the terms and conditions of the constating documents of the entity that issued the Exchangeable Security.
- (e) As Exchangeable Securities are exchanged for Trust Units or redeemed or purchased for cancellation by the entity that issued the Exchangeable Security, the corresponding number of Special Voting Units shall be cancelled for no consideration and without any further action of the Trustees, and the former holder or holders of such Special Voting Units shall cease to have any rights with respect thereto.

3.3 Preferred Units

The Trustees may fix from time to time before issue the number of Preferred Units which is to comprise each class and series and the designation, rights, privileges, restrictions and conditions attaching to each class and series of Preferred Units including, any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the Trust, and any sinking fund or other provisions.

The Preferred Units of each class and series shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Trust Units) and the distribution of assets of the Trust or return of capital in the event of liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or any other return of capital or distribution of assets of Trust among its Unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given such other preferences, not inconsistent with this Declaration of Trust, over the Units ranking by their terms junior to the Preferred Units.

If any cumulative distributions or amounts payable on the return of capital in respect of a class or series of Preferred Units are not paid in full, all classes and series of Preferred Units of equal ranking shall participate rateably in respect of accumulated distributions and return of capital, based on the accumulated distributions and return of capital of a class and series of Preferred Units as a proportion of the accumulated distributions and return of capital of all classes and series of Preferred Units of equal ranking.

3.4 Allotment and Issue

- (a) Subject to the rights of ~~LCEL~~LCELGWL and its Affiliates contained in the Exchange Agreement, if applicable, the Trustees may allot and issue Trust Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by the Unitholders of distributions of the Trust in Trust Units, and as consideration for the acquisition of new properties or assets) and to such Person, Persons or class of Persons as the Trustees in their sole discretion shall determine. The price or the value of the consideration for which Trust Units may be issued and the terms and conditions of issuance of the Trust Units shall be determined by the Trustees in their sole discretion.
- (b) Special Voting Units may not be issued by the Trust or the Trustees other than pursuant to Section 3.2(b).
- (c) It is hereby confirmed that, unless otherwise provided, the Exchangeable Securities are intended to be economically equivalent to the Trust Units that the holder may acquire on the exchange of the Exchangeable Securities.

3.5 Rights, Warrants, Options, Convertible Indebtedness and Other Securities

- (a) The Trust may create and issue rights, warrants, subscription receipts or options or other instruments or securities to subscribe for fully paid Trust Units which rights, warrants, subscription receipts, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine (“**Trust Exchangeable Securities**”). Trust Exchangeable Securities so created may be issued for such consideration or for no consideration, as the Trustees may determine. A Trust Exchangeable Security shall not be a Trust Unit and a holder thereof shall not be a Unitholder unless and until fully paid Trust Units are issued in accordance with the terms of such securities. Upon the approval of any unit option plan, deferred unit incentive plan or other security based compensation arrangement for the Trustees, officers or employees of the Trust, any Subsidiary of the Trust or other Persons, the Trustees or any of its committees may recommend the granting of options, deferred units or other entitlements upon the terms and subject to the conditions set forth in such plan.
- (b) Subject to Sections 4.1 and 4.2, the Trustees may create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Trust Units, or which indebtedness, by its terms, may be convertible into Trust Units at such time and for such prices and on such terms as the Trustees may determine. Any indebtedness so created shall not be a Trust Unit and a holder thereof shall not be a Unitholder unless and until fully paid Trust Units are issued in accordance with the terms of such indebtedness.

3.6 Consideration for Trust Units

- (a) Subject to Section 3.6(b), a Trust Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Trust Unit shall be paid in money or in property (including the indebtedness of a Person) or in past services received by the Trust that are not less in value than the fair equivalent of the money that the Trust would have received if the Trust Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust. In the event that Trust Units are issued in whole or in part for consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received.
- (b) Trust Units may be issued and sold on an instalment basis, in which event beneficial ownership of such Trust Units may be represented by instalment receipts, but shall otherwise be non-assessable. When Trust Units are issued and sold on an instalment basis, the Trust may take security over such Trust Units as security for unpaid instalments, including a pledge as contemplated by an instalment receipt agreement.

3.7 Commissions and Discounts

The Trustees may provide for the payment of commissions or may allow discounts to Persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Trust Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

3.8 Pre-Emptive Rights

No Person shall be entitled, as a matter of right, to any pre-emptive right to subscribe for or acquire any Trust Unit, except as set out in the Exchange Agreement, or as otherwise agreed to by the Trust pursuant to a binding agreement in writing.

3.9 Fractional Units

If as a result of any act of the Trustees hereunder, any Person becomes entitled to a fraction of a Unit, such Person shall not be entitled to receive a certificate therefor. Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at meetings of the Unitholders. Subject to the foregoing, a fractional Unit shall have attached thereto the rights, limitations, restrictions and conditions attaching to a whole Unit in the proportion that it bears to a whole Unit.

3.10 Repurchase of Trust Units

The Trust shall be entitled to purchase for cancellation at any time and from time to time the whole or any part of the outstanding Trust Units, at a price per Trust Unit and for such forms of consideration as may be determined by the Trustees in compliance with all applicable securities laws, regulations, rules, blanket orders, notices or policies or the rules or policies of any applicable stock exchange.

3.11 Consolidation of Units

- (a) Unless the Trustees determine otherwise, and subject to all necessary regulatory approvals, immediately after any *pro rata* distribution of additional Trust Units to all Trust Unitholders pursuant to Section 5.6(b) or otherwise as determined by the Trustees, the number of the outstanding Trust Units will automatically be consolidated such that each such holder will hold after the consolidation the same number of Trust Units as such holder held before the distribution of additional Trust Units. In this case, each Trust Unit certificate representing the number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the non-cash distribution of additional Trust Units and the consolidation.
- (b) Notwithstanding Section 3.11(a), where tax is required to be withheld from a Trust Unitholder's share of the distribution contemplated by Section 3.11(a), the consolidation will result in such Trust Unitholder holding that number of Trust Units equal to (i) the number of Trust Units held by such Trust Unitholder prior to the distribution plus the number of Trust Units received by such Trust Unitholder in connection with the distribution (net of the number of whole and part Trust Units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Trust Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Trust Unitholder. Such Trust Unitholder will be required to surrender the Trust Unit certificates, if any, representing such Trust Unitholder's original Trust Units, in exchange for a Trust Unit certificate representing such Trust Unitholder's post-consolidation Trust Units.

3.12 Unclaimed Distributions

In the event that the Trustees hold any amounts to be paid to the Trust Unitholders under Article 5 or Article 14 or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall be obligated to hold the same only in a current or other non-interest bearing account with a chartered bank or trust company pending payment to the Person or Persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the Public Guardian and Trustee of Ontario (or other

similar government official or agency in the province where the Trust has its principal office) whose receipt shall be a fulfilment and discharge of the obligations of the Trustees.

3.13 Transferability

Subject to Section 3.14, the Trust Units are freely transferable, and the Trustees shall not impose any restriction on the transfer of Trust Units. The Special Voting Units shall be transferable only together with the related Exchangeable Securities and in accordance with Section 3.2. Notwithstanding the foregoing, no transfer of Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register and no transfer of a Unit shall be recognized unless such transfer is of a whole Unit.

3.14 Non-Resident Ownership Constraint

- (a) At no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units on either a Basic Basis or a Fully-Diluted Basis, and the Trust shall inform its Transfer Agent and/or Registrar of this restriction. The Trustees may require a registered holder of Trust Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Trust Units registered in such Trust Unitholder's name are resident and as to whether such beneficial owners are Non-Residents. If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Trust Units on a Basic Basis or a Fully-Diluted Basis are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a Person unless the Person provides a declaration in form and content satisfactory to the Trustees that the Person is not a Non-Resident and does not hold such Trust Units for the benefit of Non-Residents.
- (b) If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units on a Basic Basis or a Fully-Diluted Basis are held by Non-Residents, the Trustees may send, or cause to be sent, a notice to such Non-Resident holders of the Trust Units chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not more than thirty (30) days. If the Trust Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Trust Unitholders sell, or cause to be sold, such Trust Units and, in the interim, shall suspend, or cause to be suspended, the voting and distribution rights attached to such Trust Units (other than the right to receive the net proceeds from the sale). Upon such sale, the affected holders shall cease to be holders of the relevant Trust Units and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Trust Units. The Trust may direct its Transfer Agent and/or Registrar to do any of the foregoing. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take

any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

- (c) No liability shall accrue to the Trust or the Trustees if the Trust Units of a Non-Resident Trust Unitholder are sold at a loss to such Trust Unitholder. Unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to take any proceedings or action with respect to this Section 3.14 by virtue of the powers conferred on them hereby. The Trustees shall use reasonable commercial efforts to monitor the ownership of Trust Units by Non-Residents. It is acknowledged that the Trustees cannot definitively monitor the ownership of Trust Units by Non-Residents if the Trust Units are registered in the name of an intermediary. The Trustees shall not be liable for any violation of the Non-Resident ownership restriction which may occur during the term of the Trust.
- (d) The Trustees' Regulations may include provisions to implement the foregoing.

3.15 Certificates

Subject to Section 3.16, each Trust Unitholder or its duly authorized agent is entitled to a certificate bearing an identifying serial number in respect of the Trust Units held by it, signed in the manner hereinafter prescribed, but the Trust is not bound to issue more than one certificate in respect of a Trust Unit or Trust Units held jointly or in common by two or more Persons and delivery of a certificate to any one of them shall be sufficient delivery to all. No certificate shall be issued to evidence any fractional Trust Units. No holder of a Special Voting Unit shall be entitled to a certificate or other instrument from the Trust evidencing the holder's ownership of such Special Voting Units. Such holder shall only be entitled to be entered on the Register in accordance with Sections 3.21 and 3.22.

3.16 Non-Certificated Inventory System

- (a) The provisions of this Section 3.16 shall not in any way alter the nature of Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the recording of all transactions in respect of Trust Units whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.
- (b) Except as otherwise provided in this Section 3.16, registration of interests in and transfers of Trust Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. Units held in CDS will be purchased, transferred and surrendered for redemption through a CDS participant. All rights of beneficial Trust Unitholders who hold Trust Units in CDS must be exercised through, and all payments or other property to which such beneficial Trust Unitholders are entitled will be made or delivered by CDS or the CDS participant through which the beneficial Trust Unitholder holds such Trust Units.

- (c) Except as described below, no purchaser of a Trust Unit will be entitled to a certificate or other instrument from the Trust evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in a Trust Unit will be shown on the records maintained by CDS except through the accounts of CDS participants acting on behalf of the applicable beneficial owners. CDS will be responsible for establishing and maintaining accounts for CDS participants having interests in the Trust Units, and sales of interests in the Trust Units may only be completed through CDS participants.
- (d) Trust Units may be issued in fully registered form to holders or their nominees, if any, who purchase the Trust Units pursuant to a private placement of Trust Units made in reliance upon Rule 144A adopted under the United States Securities Act of 1933, and to transferees thereof in the United States who purchase such Trust Units in reliance upon Rule 144A. Likewise, any Trust Units transferred to a transferee within the United States or outside the United States to a "U.S. person" (within the meaning of Regulation S) may be evidenced in definitive certificates representing any such Trust Units unless the Trust otherwise agrees that such Trust Units need not be evidenced in definitive certificates. If any such Trust Units represented by definitive certificates are subsequently traded into Canada, or otherwise outside the United States in compliance with Regulation S, the Transfer Agent will electronically deliver such Trust Units registered to CDS or its nominee, and CDS will credit interests in such Trust Units to the accounts of the applicable CDS participants as directed by the Transfer Agent.
- (e) Except as noted in the foregoing paragraph, Trust Units will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the Trust is required to do so by applicable law; (ii) the depositary system of CDS ceases to exist; (iii) the Trustees determine that CDS is no longer willing, able or qualified to discharge properly its responsibility as depositary and the Trustees are unable to locate a qualified successor; (iv) the Trustees elect to prepare and deliver definitive certificates representing the Trust Units; or (v) the Trustees elect to terminate the NCI system in respect of the Trust Units through CDS.
- (f) All references herein to actions by, notices given or payments made to Trust Unitholders shall, where such Trust Units are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Unitholders evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Trust Unitholders acting through CDS and the CDS participants beneficially owning Trust Units evidencing the requisite percentage of the Units, subject to the voting rights of holders of Special Voting Units. The rights of a Trust Unitholder whose Trust Units are held through CDS shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such Trust Unitholders and CDS and/ or the CDS participants or upon instruction from the CDS participants. Each of the Transfer Agent and the Trustees may deal with CDS for all purposes (including the making of payments) as the authorized

representative of the respective Trust Unitholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

- (g) For so long as Trust Units are held through CDS, if any notice or other communication is required to be given to Trust Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to CDS.
- (h) If CDS resigns or is removed from its responsibilities as depositary and the Trustees are unable or do not wish to locate a qualified successor, CDS shall surrender the Trust Units held by it to the Transfer Agent with instructions from CDS for registration of Trust Units in the name and in the amounts specified by CDS and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Trust Units then outstanding in the form of definitive certificates representing such Trust Units.

3.17 Certificate Fee

The Trustees may establish a reasonable fee to be charged for any certificate issued evidencing the ownership of Trust Units.

3.18 Form of Certificate

The form of certificate representing Trust Units shall be in such form as is from time to time authorized by the Trustees. Signatures of Trustees or officers of the Trust required on Trust Unit certificates may be printed or otherwise mechanically reproduced thereon. If a Trust Unit certificate contains a printed or mechanically reproduced signature of a Person, the Trust may issue the certificate even though the Person has ceased to be a Trustee or an officer of the Trust and such certificate is as valid as if the Person were a Trustee or an officer at the date of its issue.

3.19 Lost Certificates

In the event that any certificate for Trust Units is lost, stolen, destroyed or mutilated, the Trustees or any officer of the Trust may authorize the issuance of a new certificate for the same number of Trust Units in lieu thereof. The Trustees or any officers of the Trust may in their discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees or any officers of the Trust deem necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustees or any officers of the Trust direct indemnifying the Trustees or any officers of the Trust, the Transfer Agent and Registrar for so doing. The Trustees or any officers of the Trust shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the Trust Property with such contribution, if any, by those insured as may be determined by the Trustees or any officers of the Trust. If such blanket lost security bond is acquired, the Trustees or any officers of the Trust may authorize and direct

(upon such terms and conditions as they may from time to time impose) any Registrar, Transfer Agent, trustee, or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated certificates without further action or approval by the Trustees or any officers of the Trust.

3.20 Redemption of Trust Units

Each Trust Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the following conditions:

- (a) To exercise a Trust Unitholder's right to require redemption under this Section 3.20, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustees or their delegate, specifying the number of Trust Units to be so redeemed, shall be sent to the Trust at the head office of the Trust. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving such notice. A holder of Trust Units who is not a registered holder of Trust Units and who wishes to exercise the holder's redemption right will be required to follow the procedures of such intermediary for exercising such right.
- (b) Trust Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Trustees, received the notice and other required documents or evidence as aforesaid. Upon receipt by the Trust of such satisfactory notice to redeem Trust Units and other required documents or evidence as aforesaid, such Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefor) including ceasing to have the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice.
- (c) Upon receipt by the Trust of the notice to redeem Trust Units, in accordance with this Section 3.20, the holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (the "**Redemption Price**") equal to the lesser of:
 - (i) 90% of the "market price" of the Trust Units calculated as of the date on which the Trust Units were surrendered for redemption (the "**Redemption Date**"); and
 - (ii) 100% of the "closing market price" of the Trust Units on the principal exchange or market on which the Trust Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, the "**market price**" as at a specified date will be:

- (A) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;
- (B) an amount equal to the weighted average of the closing market prices of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (C) if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the simple average of the following prices established for each of the ten consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Trust Units for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day

The “**closing market price**” of a Trust Unit for the purpose of the foregoing calculations, as at any date will be:

- (A) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Trust Units on the specified date;
- (B) an amount equal to the closing price of a Trust Unit on the principal market or exchange on the specified date if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date;
- (C) an amount equal to the simple average of the highest and lowest prices of the Trust Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Trust Units on the specified date; or
- (D) the simple average of the last bid and last asking prices of the Trust Units on the principal market or exchange, if there was no trading on the specified date.

If the Trust Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Trust Units, which will be determined by the Trustees in their sole discretion.

- (d) Subject to Subsections 3.20(e) and 3.20(g), the Redemption Price payable in respect of Trust Units tendered for redemption during any calendar month shall be paid by cheque, drawn on a Canadian chartered bank or trust company in lawful money of Canada, payable at par to, or to the order of, the Trust Unitholder who exercised the right of redemption on or before the last day of the calendar month following the month in which the Trust Units were tendered for redemption. Payments made by the Trust of the Redemption Price shall be conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Trust Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to such former Trust Unitholder in respect of the Trust Units so redeemed.
- (e) Subsection 3.20(d) shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if:
 - (i) the total amount payable by the Trust pursuant to Subsection 3.20(c) in respect of such Trust Units and all other Trust Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000 (the “**Monthly Limit**”); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month and, in the absence of such a waiver, Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to Subsection 3.20(c) exceeds the Monthly Limit will be redeemed for cash pursuant to Subsection 3.20(c) and, subject to any applicable regulatory approvals, by a distribution *in specie* of assets held by the Trust on a *pro rata* basis; or
 - (ii) at the time the Trust Units are tendered for redemption, the outstanding Trust Units are not listed for trading on the Toronto Stock Exchange or traded or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units; or
 - (iii) the normal trading of the outstanding Trust Units is suspended or halted on any stock exchange on which the Trust Units are listed for trading or, if not so listed, on any market on which the Trust Units are quoted for trading, on the Redemption Date for such Trust Units or for more than five trading days during the ten trading day period commencing immediately after the Redemption Date for such Trust Units.
- (f) If, pursuant to Paragraph 3.20(e)(i), Subsection 3.20(d) is not applicable to the Trust Units tendered for redemption by a Trust Unitholder, the Redemption Price per Trust Unit specified in Subsection 3.20(c) shall be paid and satisfied as follows:

- (i) a portion of the Redemption Price per Trust Unit equal to the Monthly Limit divided by the number of Trust Units tendered for redemption in the month shall be paid and satisfied in cash in accordance with Subsection 3.20(d) applied *mutatis mutandis*; and
 - (ii) subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), the remainder of the Redemption Price per Trust Unit shall be paid and satisfied by way of a distribution *in specie* to such Trust Unitholder of Subsidiary Notes having a fair market value determined by the Trustees equal to the product of: (A) the remainder of the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (B) the number of Trust Units tendered by such Trust Unitholder for redemption.
- (g) If, pursuant to Paragraphs 3.20(e)(ii) and 3.20(e)(e)(iii), Subsection 3.20(d) is not applicable to the Trust Units tendered for redemption by a Trust Unitholder, the Redemption Price per Trust Unit specified in Subsection 3.20(c) shall, subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), be paid and satisfied by way of a distribution *in specie* to such Trust Unitholder of Subsidiary Notes having a fair market value equal to the product of: (A) the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (B) the number of Trust Units tendered by such Trust Unitholder for redemption.
 - (i) For purposes of this Subsection 3.20(g), no Subsidiary Notes in integral multiples of less than \$100 will be distributed and, where Subsidiary Notes to be received by a Trust Unitholder includes a multiple less than that number, the number of Subsidiary Notes shall be rounded to the next lowest integral multiple of \$100 and the balance shall be paid in cash.
 - (ii) The Redemption Price payable pursuant to this Subsection 3.20(g) in respect of the Trust Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer to or to the order of the Trust Unitholder who exercised the right of redemption, of the Subsidiary Notes, if any, and the cash payment, if any, determined in accordance with the provisions of this Subsection 3.20(g), on or before the last day of the calendar month immediately following the month in which the Trust Units were tendered for redemption.
 - (iii) Payments by the Trust of the Redemption Price pursuant to Subsection 3.20(g) are conclusively deemed to have been made upon the mailing of the certificates representing the Subsidiary Notes, if any, and cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Trust Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to the former Trust Unitholder and any party having a security interest in respect of the Trust Units so redeemed.

- (iv) The Trust shall be entitled to all accrued interest, paid or unpaid, on the Subsidiary Notes, if any, on or before the date of distribution *in specie* pursuant to this Subsection 3.20(g).
- (h) All Trust Units which are redeemed under this Section 3.20 shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued. Upon such payment, the Trust shall be discharged from all liability to the former Trust Unitholder in respect of the Trust Units so redeemed.
- (i) Some or all of the Trust Income and the Net Realized Capital Gains may, for purposes of computing the Trust Income and the Net Realized Capital Gains under the Tax Act or other tax legislation be treated as having been paid in the year by the Trust to the Trust Unitholders redeeming Trust Units in such year and, to the extent that the amount thereof so treated as has been designated as taxable capital gains or income to such Trust Unitholders, the holder's redemption proceeds shall be reduced accordingly. Any such amounts shall be determined at the discretion of the Trustees; however, in all cases, a redeeming Trust Unitholder will be treated as having been paid an amount to which the holder of the Trust Units redeemed would be entitled to receive.

3.21 Register

A register (the “**Register**”) shall be kept by, or on behalf and under the direction of, the Trustees, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units held by them, the certificate numbers of the certificates of such Units, if applicable, and a record of all transfers and redemptions thereof. The Trustees may appoint one or more chartered banks or trust companies to act as transfer agents (each a “**Transfer Agent**”) and to act as registrars (each a “**Registrar**”) for Units and may provide for the transfer of Units in one or more places within Canada. In the event of such appointment, such Transfer Agents and Registrars shall keep all necessary registers and other books (which may be kept on a computer or similar device) for recording original issues and registering and transferring the Units. If the Trustees have appointed a Transfer Agent and Registrar, no certificate for Units shall be valid unless countersigned by or on behalf of the Transfer Agent and/or Registrar. Only the Unitholders whose Units are recorded on the Register shall be entitled to vote or to receive distributions or otherwise exercise or enjoy the rights of the Unitholders.

3.22 Entry on Register

Subject to Sections 3.14 and 3.16, upon any issue of Units, the name of the subscriber shall be promptly entered on the Register as the owner of the number of Units issued to such subscriber, or if the subscriber is already a Unitholder, the Register shall be amended to include such Unitholder's additional Units.

3.23 Successors in Interest to the Unitholders

Subject to Section 3.14, any Person becoming entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law shall be

recorded in the Register as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or Registrar shall have actual or other notice of such death, bankruptcy, incompetence or other event and the Persons becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the Persons from whom the Person derives its title to such Units. Once such record is made, the Trustees shall deal with the new holder of such Units as Unitholder from thereon and shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

3.24 Units Held Jointly or in Fiduciary Capacity

The Trust may treat two or more Persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded on the Register, but no entry shall be made in the Register or on any certificate that any Person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any Person recorded in the Register or on any certificate as a Unitholder may, subject to the provisions herein contained, be described in the Register or on any certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

3.25 Performance of Trusts

None of the Trustees, the officers of the Trust, the Unitholders or any Transfer Agent, Registrar or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit or other security of the Trust was or would be wrongful or that a particular adverse Person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or its personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any Person as having any interest therein, except for the Person (or Persons, as applicable) recorded as the Unitholder or holder of such security.

3.26 Death of Unitholders

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees, officers of the Trust or Trust Property, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder, subject to Section 3.23, to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

3.27 Take-Over Bids

- (a) If within 120 days after the date of a take-over bid, the take-over bid is accepted by the holders of not less than 90% of the Trust Units (including Trust Units issuable upon the surrender or exchange of Exchangeable Securities), other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or an Affiliate or Associate of the offeror, the offeror shall be entitled, on complying with this Section 3.27, to acquire the Trust Units held by the dissenting offerees.
- (b) An offeror may acquire Trust Units held by a dissenting offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror's notice to each dissenting offeree stating that:
 - (i) the offerees holding not less than 90% of the Trust Units to which the bid relates accepted the take-over bid;
 - (ii) the offeror is bound to take up and pay for, or has taken up and paid for, the Trust Units of the offerees who accepted the take-over bid;
 - (iii) a dissenting offeree is required to elect:
 - (A) to transfer its Trust Units to the offeror on the terms on which the offeror acquired the Trust Units of the offerees who accepted the take-over bid, or
 - (B) to demand payment of the fair value of the Trust Units in accordance with Subsections 3.27(j) to (s) by notifying the offeror within 20 days after receiving the offeror's notice;
 - (iv) a dissenting offeree who does not notify the offeror in accordance with Subsection 3.27(d)(ii)(B) is deemed to have elected to transfer its Trust Units to the offeror on the same terms that the offeror acquired the Trust Units from the offerees who accepted the take-over bid; and
 - (v) a dissenting offeree must send its Trust Units to which the take-over bid relates to the offeror within 20 days after receiving the offeror's notice.
- (c) Concurrently with sending the offeror's notice under Subsection 3.27(b), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the dissenting offeree with respect to each Trust Unit held by a dissenting offeree.
- (d) A dissenting offeree to whom an offeror's notice is sent under Subsection 3.27(b) shall, within 20 days after receiving that notice:
 - (i) send the certificate(s) representing the Trust Units to the Trust; and

- (ii) elect:
 - (A) to transfer the Trust Units to the offeror on the terms on which the offeror acquired the Trust Units of the Trust Unitholders who accepted the take-over bid; or
 - (B) to demand payment of the fair value of the Trust Units in accordance with Subsections 3.27(j) to (s) by notifying the offeror within those 20 days.
- (e) A dissenting offeree who does not notify the offeror in accordance with paragraph 3.27(d)(ii)(B) is deemed to have elected to transfer the Trust Units to the offeror on the same terms on which the offeror acquired the Trust Units from the Trust Unitholders who accepted the take-over bid.
- (f) Within 20 days after the offeror sends an offeror's notice under Subsection 3.27(b), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under paragraph 3.27(d)(ii)(A).
- (g) The Trust is deemed to hold in trust for the dissenting offeree the money or other consideration it receives under Subsection 3.27(f), and the Trust shall deposit the money in a separate account in a Canadian chartered bank and shall place the other consideration in the custody of a Canadian chartered bank or similar institution whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board.
- (h) If the Trust is the offeror, it is deemed to hold in trust for the dissenting offeree the money and other consideration that it would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under Subsection 3.27(d)(ii)(A) and the Trust shall, within 20 days after the offeror's notice is sent, deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.
- (i) Within 30 days after the offeror sends an offeror's notice under Subsection 3.27(b), the Trust shall:
 - (i) if the payment or transfer required by Subsection 3.27(f) is made, transfer to the offeror the Trust Units that were held by dissenting offerees;
 - (ii) give to each dissenting offeree who elects to accept the take-over bid terms under paragraph 3.27(d)(ii)(A) and who transferred its Trust Units as required under Subsection 3.27(d)(i), the money or other consideration to which the offeree is entitled, disregarding fractional Trust Units, if any, which may be paid for in money; and

- (iii) if the payment or transfer required by Subsection 3.27(f) is made and the money or other consideration is deposited as required by Subsection 3.27(g), send to each dissenting offeree who has not sent notice as required under Subsection 3.27(d) a notice stating that:
 - (A) the dissenting offeree's Trust Units have been cancelled,
 - (B) the Trust or some designated Person holds in trust for the dissenting offeree the money or other consideration to which the dissenting offeree is entitled as payment for or in exchange for the Trust Units, and
 - (C) the Trust will, subject to Subsections 3.27(j) to 3.27(s), send that money or other consideration to that offeree without delay after receiving the Trust Units.
- (j) If a dissenting offeree has elected to demand payment of the fair value of its Trust Units under paragraph 3.27(d)(ii)(B), the offeror may, within 20 days after it has paid the money or transferred the other consideration under Subsection 3.27(f), apply to a court to fix the fair value of the Trust Units of that dissenting offeree.
- (k) If an offeror fails to apply to a court under Subsection 3.27(j), a dissenting offeree may apply to a court for the same purpose within a further period of 20 days.
- (l) Where no application is made to a court under Subsection 3.27(k) within the period set out in that subsection, a dissenting offeree is deemed to have elected to transfer its Trust Units to the offeror on the same terms that the offeror acquired the Trust Units from the offerees who accepted the take-over bid.
- (m) An application under Subsection 3.27(j) or 3.27(k) shall be made to a court having jurisdiction in the place where the Trust has its registered office.
- (n) A dissenting offeree is not required to give security for costs in an application made under Subsection 3.27(j) or 3.27(k).
- (o) On an application under Subsection 3.27(j) or 3.27(k):
 - (i) all dissenting offerees referred to in paragraph 3.27(d)(ii)(B) whose Trust Units have not been acquired by the offeror shall be joined as parties and are bound by the decision of the court; and
 - (ii) the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel.
- (p) On an application to a court under Subsection 3.27(j) or 3.27(k) the court may determine whether any other Persons is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the Trust Units of all dissenting offerees.

- (q) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Trust Units of a dissenting offeree.
- (r) The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for the Trust Units as fixed by the court.
- (s) In connection with proceedings under this Section 3.27, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:
 - (i) fix the amount of money or other consideration that is required to be held in trust under Subsection 3.27(g) or 3.27(h);
 - (ii) order that money or other consideration be held in trust by a Person other than the Trust;
 - (iii) allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date they send or deliver notice under Subsection 3.27(d) until the date of payment; and
 - (iv) order that any money payable to a Trust Unitholder who cannot be found be paid to the Receiver General.
- (t) If a Trust Unitholder does not receive an offeror's notice under subsection 3.27(b), the Trust Unitholder may:
 - (i) within 90 days after the date of termination of the take-over bid; or
 - (ii) if the Trust Unitholder did not receive an offer pursuant to the take-over bid, within 90 days after the later of:
 - (A) the date of termination of the take-over bid; and
 - (B) the date on which the Trust Unitholder learned of the take-over bid,require the offeror to acquire those Trust Units.
- (u) If a Trust Unitholder requires the offeror to acquire Trust Units under subsection 3.27(t), the offeror shall acquire the Trust Units on the same terms under which the offeror acquired or will acquire the Trust Units of the Trust Unitholders who accepted the take-over bid.
- (v) Sections 3.27(a) to (v) inclusive shall apply *mutatis mutandis* to any series of Preferred Units that is the subject of a take-over bid (whether or not the Preferred Units are voting securities of equity securities for the purposes of the Securities Act).

3.28 Offers

If an offer, issuer bid (other than an issuer bid exempt from the formal bid requirements under the Securities Act), take-over bid (other than a take-over bid exempt from the formal bid requirements under the Securities Act) or similar transaction with respect to the Trust Units is proposed by the Trust or is proposed to the Trust or Trust Unitholders and is recommended by the Trustees, or is otherwise effected or to be effected, whether or not with the consent or approval of the Trustees (each, an “Offer”), and the Exchangeable Securities are not acquired by the related issuing entity in accordance with their terms or exchanged in accordance with the applicable exchange agreement, the Trust will, to the extent possible in the circumstances, expeditiously and in good faith, take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Securities to participate in such Offer to the same extent and on an economically equivalent basis as the Trust Unitholders without discrimination. Without limiting the generality of the foregoing, the Trust will, to the extent possible in the circumstances, expeditiously and in good faith, ensure that holders of Exchangeable Securities may participate in such Offer without being required to exercise their right to exchange their Exchangeable Securities (or, if so required, to ensure that any such exchange will be effective only upon, and will be conditional upon, the successful completion of the Offer and only to the extent necessary to tender to or deposit under the Offer).

Article 4

INVESTMENT GUIDELINES AND OPERATING POLICIES OF THE TRUST

4.1 Investment Guidelines

The Trust Property shall be invested, directly or indirectly (including, without limitation, through its Subsidiaries), only as follows:

- (a) the Trust will invest primarily, directly or indirectly, in interests (including fee ownership and leasehold interests) in ~~income-producing~~ real estate located in Canada, the United States or Europe ~~that is primarily commercial in nature~~ and assets ancillary thereto necessary for the operation of such real estate and such other activities as may be determined by the Trustees that are consistent with the other investment restrictions of the Trust;
- (b) notwithstanding anything else contained in the Declaration of Trust, the Trust shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
 - (i) the Trust not qualifying as a “mutual fund trust” or a “unit trust” both within the meaning of the Tax Act;
 - (ii) Trust Units not qualifying as qualified investments for Deferred Income Plans;

- (iii) the Trust not qualifying as a “real estate investment trust” within the meaning of the Tax Act if, as a consequence of the Trust not so qualifying, the Trust or any of its Subsidiaries would be liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Tax Act; or
- (iv) the Trust being liable to pay a tax under Part XII.2 of the Tax Act;
- (c) the Trust shall not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the Trust of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 20% of Aggregate Assets at the time the investment is made;
- (d) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), and limited liability companies;
- (e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or territory of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of a state or of the United States, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to these investment guidelines and operating policies of the Trust, the Trust may not hold securities of a Person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the Trust may hold securities of a Person: (i) acquired in connection with the carrying on, directly or indirectly, of the Trust’s activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the “**Acquired Issuer**”), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will control the business and operations of the Acquired Issuer;
- (f) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (g) the Trust shall not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the Trust for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the Trust, provided that the aggregate value of the investments of the Trust in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 10% of Aggregate Assets;

- (h) the Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - (i) the real property which is security therefor is income producing real property which otherwise meets the other investment guidelines of the Trust; and
 - (ii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of Aggregate Assets; and
- (i) the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the Aggregate Assets of the Trust in investments which do not comply with one or more of paragraphs (a), (d), (e), (g) and (h).

4.2 Operating Policies

The operations and affairs of the Trust are to be conducted in accordance with, and the Trust shall not permit any of its Subsidiaries to conduct its operations and affairs other than in accordance with, the following policies:

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for this purpose the term “hedging” has the meaning given by National Instrument 81-102 — *Investment Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time, and in all events, subject to paragraph (b) of the Investment Guidelines described above;
- (b) (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- (c) the Trust shall not lease or sublease to any tenant (other than LCL, any Affiliate thereof or, in the case of a lease or sublease in any province, a purchaser of all or substantially all of the assets and operations of Loblaws Inc. in that province) any real property, premises or space where that Person and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Aggregate Assets;

- (d) the Trust may engage in construction or development of real property to maintain its real properties in good repair or to improve the income-producing potential of properties in which the Trust has an interest;
- (e) the Trust may not engage in construction or development of new properties that will be capital properties of the Trust on completion unless the aggregate value of the investments of the Trust in such properties under development, after giving effect to the proposed investment in the construction or development, shall not exceed 15% of Aggregate Assets;
- (f) title to each real property shall be held by and registered in the name of the Trust, the Trustees, a Subsidiary, a Person jointly-owned, directly or indirectly, by the Trust or a Subsidiary with joint venturers or by any other Person in such manner as the Trustees consider appropriate, taking into account advice of legal counsel; provided that, where land tenure will not provide fee simple title, the Trust, the Trustees, a Subsidiary or a Person jointly owned, directly or indirectly, by the Trust or such other Person as the Trustees consider appropriate, as aforesaid, shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) the Trust shall not incur or permit any Subsidiary to incur, any Indebtedness, other than Permitted Indebtedness, unless the quotient (expressed as a percentage) obtained by dividing Consolidated Indebtedness (excluding any convertible Indebtedness) by the amount of Aggregate Adjusted Assets (in the case of each such amount, less cash or cash equivalents on hand) and calculated on a *pro forma* basis in accordance with Section 4.4 below would be less than or equal to 60%, and the quotient (expressed as a percentage) obtained by dividing the sum of Consolidated Indebtedness (including, for certainty, any convertible Indebtedness) by the amount of Aggregate Adjusted Assets (in the case of each such amount, less cash or cash equivalents on hand) and calculated on a *pro forma* basis in accordance with Section 4.4 below would be less than or equal to 65% (“**Indebtedness Percentages**”); each such calculation (i) be made on each day that the Trust or any Subsidiary proposes to incur such Indebtedness, and (ii) to include Proportionate Consolidation Adjustments;
- (h) except in connection with or related to the acquisition of the Trust Property on ~~the IPO Closing Date~~, July 5, 2013, the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any Person unless such guarantee: (i) is given in connection with or incidental to an investment that is otherwise permitted by the Trust’s investment guidelines; (ii) has been approved by the Trustees; and (iii) (A) would not disqualify the Trust as a “mutual fund trust” within the meaning of the Tax Act, and (B) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders;
- (i) the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as

the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties; and

~~(j) the Trust shall have obtained an appraisal of each real property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the Independent Trustees; and~~

(j) ~~(k)~~ the Trust shall either (i) obtain a Phase I environmental site assessment or (ii) be entitled to rely on an existing Phase I environmental site assessment ~~dated no earlier than six months prior to receipt by the Trust~~, of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant.

4.3 Calculation of Indebtedness

(a) The term “Indebtedness” as used in this Article 4, where such term is used in reference to any Person, means (without duplication):

- (i) any obligation of such Person for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under GAAP),
- (ii) any obligation of such Person incurred in connection with the acquisition of property, assets or businesses,
- (iii) any obligation of such Person issued or assumed as the deferred purchase price of property,
- (iv) any Capital Lease Obligation of such Person,
- (v) any obligations of the type referred to in clauses (i) through (iv) of another Person, the payment of which such Person has guaranteed or for which such Person is responsible or reliable;

provided that (A) for the purposes of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness of a Person only to the extent that it would appear as a liability on the consolidated balance sheet of such Person in accordance with GAAP; (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Trust Unitholders, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, deferred revenues, intangible liabilities, deferred income taxes, deferred financing costs, tenant deposits and indebtedness with respect to the unpaid balance of installment receipts, where such Indebtedness has a term not in excess of twelve months, and (C) Units, Class A LP Units, Class

B LP Units, Class C LP Units and Exchangeable Securities will not constitute Indebtedness for the purpose of this definition and furthermore obligations referred to in clauses (i) through (v) shall be adjusted, as and to the extent applicable, for (a) any adjustments which correspond to those made in accordance with the definition of Consolidated EBITDA, and (b) Proportionate Consolidation Adjustments; and the term “**Consolidated Indebtedness**” as at any date means the consolidated Indebtedness of the Trust as at such date determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

(b) The term “Permitted Indebtedness” as used in this Article 4 means:

(i) Indebtedness of (A) the Trust owed to any of its Subsidiaries and (B) any Subsidiary owed to the Trust and/or another of its Subsidiaries (each of the entities in (A), and (B) being for this purposes a “**related entity**”), provided, however, that the provisions of this subsection (i) will no longer be applicable,

(I) upon the subsequent transfer or other disposition of such Indebtedness to any Person that is not a related entity to the transferor, to the amount that was so transferred or otherwise disposed of to such other Person; or

(II) in the case of Indebtedness of the Trust owed to any of its Subsidiaries, upon the subsequent issuance or disposition of common shares (including, without limitation, by consolidation or merger) of such Subsidiary which results in such Subsidiary ceasing to be a Subsidiary of the Trust (and thereby for this purpose a “**third party**”), to the amount of such Indebtedness equal to the product obtained by multiplying the amount of such Indebtedness by the percentage of common shares of the third party owned immediately after such issuance or disposition of such common shares by Persons other than the Trust or one of its Subsidiaries,

and, in each case, such amount of such Indebtedness will be deemed for the purpose of the calculation of the Indebtedness Percentages to have been incurred at the time of such transfer, issuance or disposition; and

(ii) Indebtedness of the Trust or any of its Subsidiaries which is incurred or the proceeds of which are used to renew, extend, repay, redeem, purchase, refinance or refund (each a “**refinancing**”) any Indebtedness of the Trust or any of its Subsidiaries outstanding on the date hereof or permitted to be incurred hereunder, provided, however, that the Indebtedness which is incurred will not exceed the aggregate principal amount of all Indebtedness which is so refinanced at such time, plus the amount of any premium required to be paid in connection with such refinancing pursuant to the terms of the Indebtedness which is so refinanced or the amount of any premium reasonably determined by the Trustees or the relevant Subsidiary as necessary to accomplish such refinancing by means of a tender offer or privately negotiated agreement, plus the expenses of the Trust and the relevant Subsidiary incurred in connection with such refinancing.

- (c) For the purpose of Section 4.2(g), the Indebtedness Percentages will be calculated on a pro forma basis as at the date of the Trust's most recently published annual or interim consolidated balance sheet (the "**balance sheet date**") giving effect to the incurrence of the Indebtedness to be incurred and the application of proceeds therefrom and to any other event that has increased or decreased Consolidated Indebtedness or Aggregate Adjusted Assets since the balance sheet date to the date of calculation.

4.4 Application of Investment Guidelines and Operating Policies

With respect to the guidelines and policies contained in Section 4.1 and Section 4.2,

- (a) investment in real property includes an investment in any joint arrangement that invests in real property, and
- (b) where any maximum or minimum percentage limitation is specified in any of the guidelines or policies therein contained, such guidelines or policies shall be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action; any subsequent change relative to any percentage limitation which results from a subsequent change in the amount of Aggregate Assets or Aggregate Adjusted Assets, as the case may be, will not require the divestiture of any investment.

4.5 Amendments to Investment Guidelines and Operating Policies

Subject to Sections 4.7 and 12.1, any of the investment guidelines set forth Section 4.1 may be amended only by Special Resolution. Subject to Section 12.1, the operating policies set forth in sub-paragraphs (a), (g), (h), ~~(j)~~ and ~~(k)~~~~j~~ may be amended only by Special Resolution.

4.6 Tax Election

The Trustees shall cause the Trust to elect, in its return of income for the first taxation year of the Trust, pursuant to Subsection 132(6.1) of the Tax Act, that the Trust be deemed to be a "mutual fund trust" for the purposes of the Tax Act from the date it was established, provided that prior to filing such return of income the Trust has sufficient unitholders so as to be entitled to make such election and has otherwise complied with the requirements thereof.

4.7 Regulatory Matters

If at any time a government or regulatory authority having jurisdiction over the Trust or any Trust Property shall enact any law, regulation or requirement which is in conflict with any investment guidelines or operating policies of the Trust then in force, the investment guidelines or operating policies causing such conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of the Unitholders.

Article 5

DISTRIBUTIONS

5.1 Computation of Income and Net Realized Capital Gains

The income of the Trust (the “**Trust Income**”) for any taxation year of the Trust will be the income for such year computed in accordance with the provisions of the Tax Act, other than paragraph 82(1)(b) and subsection 104(6) thereof, regarding the calculation of income for the purposes of determining the “**taxable income**” of the Trust subject to such adjustment as the Trustees may in their discretion determine; provided, however, that capital gains and capital losses will be excluded from the computation of Trust Income and, if an amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded.

The net realized capital gains of the Trust (the “**Net Realized Capital Gains**”) for any taxation year of the Trust will be determined as the amount, if any, by which the aggregate of the capital gains of the Trust realized in such year exceeds the sum of (i) the aggregate of the capital losses of the Trust realized in such year, and (ii) each amount determined by the Trustees in respect of any net capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year.

5.2 Distributions

- (a) The Trustees at their sole discretion may, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to Trust Unitholders of record at the close of business on each Distribution Record Date, all or any part of the cash flow of the Trust for the Distribution Period. The amount of the cash flow of the Trust (being the sum of all cash amounts received by the Trust in respect of such Distribution Period, other than, for greater certainty, the proceeds of any offering of Trust Units and/or installment receipts) to be distributed by the Trust in respect of a Distribution Period will be determined by, or in accordance with guidelines established from time to time by, the Trustees on or before the applicable Distribution Payment Date.
- (b) Distributions will be payable to each holder of Trust Units of record on the applicable Distribution Record Date *pro rata* in proportion to the number of Trust Units held as of record by such holder of Trust Units on such Distribution Record Date. Subject to Section 5.6(b)(i), Distributions that have been declared to be payable to Trust Unitholders in respect of a Distribution Period will be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

5.3 Other Distributions

- (a) In addition to the distributions that are declared payable to Trust Unitholders pursuant to Section 5.2, the Trustees may declare to be payable and/or make distributions, from time to time, out of Trust Income, Net Realized Capital Gains, the capital of the Trust or

otherwise, in any year, in such amount or amounts, and on such dates as the Trustees may determine, to Trust Unitholders of record on the Distribution Record Date. The Trustees may, in their discretion, determine that any distributions payable pursuant to this Section 5.3(a) may be paid wholly or partially in cash or Trust Units or any combination of cash or Trust Units.

- (b) Notwithstanding the foregoing, having regard to the present intention of the Trustees to allocate, distribute and make payable to Trust Unitholders all of the amount necessary to ensure that the Trust will not be liable to pay income tax under Part I of the Tax Act for any year, after taking into account any entitlement to a capital gains refund (such amount being known, in respect of any year, as the “**taxation distribution amount**”), on December 31 or any other day which is the last day of such taxation year, an amount equal to the taxation distribution amount shall, without any further action of the Trustees, be payable to Trust Unitholders of record at the close of business on such day (whether or not such day is a Business Day), subject to any adjustments the Trustees declare at their absolute discretion. For greater certainty, if the Trustees have exercised their absolute discretion to not distribute the taxation distribution amount in respect of any year, the difference between amounts actually declared as distributions and the taxation distribution amount in respect of such year shall not be payable to Trust Unitholders.
- (c) Any distribution made pursuant to this Section 5.3 will be payable to each holder of Trust Units of record on the applicable Distribution Record Date pursuant to Section 5.3(a), or on December 31 in the year of distribution in respect of a distribution pursuant to Section 5.3(b) or the end of a taxation year if earlier, *pro rata* in proportion to the number of Trust Units held of record by such holder of Trust Units on such applicable Distribution Record Date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.6, amounts that have been declared to be payable to Trust Unitholders pursuant to Section 5.3(a) will be paid on the Distribution Payment Date determined by the Trustees in respect of such distribution and amounts that are payable pursuant to Section 5.3(b) will be paid not later than January 31 of the following year.
- (d) In addition to any distributions which are made payable to Trust Unitholders, the Trustees may designate and make payable any income or capital gains realized by the Trust (including any income realized by the Trust on the redemption of Trust Units *in specie*) pursuant to Section 3.20 to the redeeming Trust Unitholders in accordance with Subsection 3.20(i).

5.4 Enforceability of Right to Receive Distributions

Each Trust Unitholder shall have the legal right to enforce payment of any amount payable to such Trust Unitholder as a result of any distribution which is declared or made payable to such Trust Unitholder pursuant to this Article 5 as of the Distribution Record Date.

5.5 Allocation

Unless the Trustees otherwise determine the Trust Income and Net Realized Capital Gains for a taxation year shall be allocated to Trust Unitholders for purposes of the Tax Act in the same proportions as the total distributions made to the Trust Unitholders in the taxation year under Sections 5.2 and 5.3. The Trustees shall in each year make such other designations for tax purposes in respect of distributions that the Trustees consider to be reasonable in all of the circumstances, including in accordance with Subsection 3.20(i).

5.6 Method of Payment of Distributions

- (a) Cash distributions shall be made by cheque payable to or to the order of the holder of Trust Units or by such other manner of payment approved by the Trustees from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand delivery of a cheque to the holder of Trust Units or to its agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the holder of Trust Units at its address as it appears on the Register unless the cheque is not paid on presentation, or in any other manner determined by the Trustees in their discretion. In the case of joint registered Trust Unitholders, any cash payment required hereunder to be made to a holder of Trust Units shall be deemed to be required to be made to such Trust Unitholders jointly and shall be paid by cheque or by such other manner of payment approved by the Trustees from time to time but may also be paid in such other manner as the joint registered Trust Unitholders or any one of the joint registered Trust Unitholders has designated to the Trustees and the Trustees have accepted. For greater certainty, a holder of Trust Units or any one of the joint Trust Unitholders shall designate that any payment required to be made hereunder shall be made by deposit to an account of such holder of Trust Units or to a joint account of such holder of Trust Units and any other Person or in the case of joint registered Trust Unitholders to an account of joint registered Trust Unitholders or to an account of any one of the joint registered Trust Unitholders. A cheque or bank draft shall, unless the joint registered Trust Unitholders otherwise direct, be made payable to the order of all of the said joint registered Trust Unitholders, and if more than one address appears on the books of the Trust in respect of such joint Trust Unitholders, the cheque or bank draft or payment in other acceptable manner as aforesaid shall satisfy and discharge all liability of the Trustees or the Trust for the amount so required to be paid unless the cheque or bank draft is not paid at par on presentation at any other place where it is by its terms payable. The receipt by the registered holder of Trust Units in another acceptable manner of any payment not mailed or paid in accordance with this Section 5.6(a) shall be a valid and binding discharge to the Trust and to the Trustees for any payment made in respect of the registered Trust Units and if several Persons are registered as joint registered Trust Unitholders or, in consequence of the death, bankruptcy or incapacity of a holder of Trust Units, one or several Persons are entitled so to be registered, subject to Section 3.23, in accordance with this Declaration of Trust, respectively, receipt of payment by any one of them shall be a valid and binding discharge to the Trust and to the Trustees for any such payment. The Trustees may issue a replacement cheque if they are satisfied that the

original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary. No holder of Trust Units will be entitled to recover by action or other legal process against the Trust any distribution that is represented by a cheque that has not been duly presented to the Trust's banker for payment or that otherwise remains unclaimed for a period of six years from the date on which such distribution was payable.

- (b) Where (i) the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable, pursuant to this Article 5 on the due date for such payment, or (ii) the Trustees otherwise determine in their discretion, the payment may, at the option of the Trustees, include or consist entirely of the issuance of additional Trust Units, or fractions of Trust Units, if necessary, having a fair market value as determined by the Trustees equal to in the case of (i) above, the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution, and in the case of (ii) above, the amount of such distribution declared to be payable. Such additional Trust Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

5.7 Withholding Taxes

The Trustees shall deduct or withhold from distributions payable to any holder of Trust Units all amounts required by law to be withheld from such distributions, whether such distributions are in the form of cash or otherwise. In the event of a distribution in the form of additional Trust Units, the Trustees may sell Trust Units of such holder of Trust Units to pay such withholding taxes and to pay all of the Trustees' reasonable expenses with regard thereto and the Trustees shall have the power of attorney of such holder of Trust Units to do so. Any such sale shall be made on any stock exchange on which the Trust Units are then listed and upon such sale, the affected holder of Trust Units shall cease to be the holder of such Trust Units.

5.8 Income Tax Matters

In reporting income for income tax purposes, the Trust shall claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees otherwise determine.

5.9 Character of Distributions and Designations

In accordance with and to the extent permitted by the Tax Act, the Trustees shall, in each year, make such designations for income tax purposes in respect of the amounts paid or payable or deemed to be paid to Trust Unitholders for such amounts that the Trustees consider to be reasonable in all of the circumstances, including designations relating to taxable dividends received or deemed to be received by the Trust in the year on shares of taxable Canadian

corporations, net taxable capital gains realized by the Trust in the year and foreign source income of the Trust for the year, if any, as well as elect under subsection 104(13.1) and/or subsection 104(13.2) of the Tax Act that income be taxed to the Trust, rather than to the Trust Unitholders. Distributions paid or payable to Trust Unitholders pursuant to this Article 5 will be deemed to be distributions of Trust Income, Net Realized Capital Gains, trust capital or other items in such amounts as the Trustees may, in their absolute discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains will include the non-taxable portion of the capital gains of the Trust that are included in such distribution.

Article 6

TRUSTEES AND OFFICERS

6.1 Number of Trustees

The Trust shall have no fewer than five (5) and no more than twelve (12) Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees. The number of Trustees may be increased or decreased within such limits from time to time by the Unitholders by Ordinary Resolution or by the Trustees, provided that the Trustees may not, between meetings of the Unitholders appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of the Unitholders.

6.2 Term of Office

Each Trustee who executes this Declaration of Trust shall hold office for a term expiring at the close of the first annual meeting of the Unitholders or until his or her respective successor is elected or appointed and shall be eligible for re-election. Thereafter, the Trustees shall be elected at each annual meeting of the Unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and shall be eligible for re-election. Trustees appointed by the Trustees between meetings of the Unitholders or to fill a vacancy, in each case in accordance with Section 6.1, shall be appointed for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and shall be eligible for election or re-election.

6.3 Qualifications of Trustees

A Trustee shall be an individual at least 18 years of age, not under any legal disability and not been found to be of unsound mind or incapable of managing property by a court in Canada or elsewhere, and who does not have the status of bankrupt. Except as the Trustees, or a committee thereof, may otherwise determine, Trustees are not required to hold Units. A majority of Trustees shall be at all times Resident Canadians. If at any time a majority of Trustees are not Resident Canadians because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was a Resident Canadian, the remaining Trustees, whether or not they constitute a quorum, shall appoint a sufficient number of Resident Canadian Trustees to comply with this requirement. In addition to the foregoing, a majority of the Trustees

shall be at all times Independent Trustees. If at any time a majority of Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

6.4 Election of Trustees

The election of the Trustees shall require approval by an Ordinary Resolution. The appointment or election of any Trustee (other than an individual who has already been appointed or elected as Trustee) shall not become effective unless and until such individual shall have in writing accepted her or her appointment or election and agreed to be bound by the terms of this Declaration of Trust.

6.5 Resignations, Removal and Death of Trustees

A Trustee may resign at any time by an instrument in writing signed by him or her and delivered or mailed to the Lead Trustee, or if there is no Lead Trustee, to the Chair or, if there is no Chair, the President of the Trust or, if there is no President to the Unitholders. Such resignation shall take effect on the date such notice is given or at any later time specified in the notice. Subject to Section 6.7, a Trustee may be removed at any time with or without cause by an Ordinary Resolution or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the other Trustees. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution and any Trustee so removed shall be so notified by the Lead Trustee, or by the Chair or another officer of the Trust, or if there is no officer of the Trust, by any remaining Trustee, or if there is no Trustee, then by the remaining Unitholders, forthwith following such removal. Upon the resignation or removal of any Trustee, or he or she otherwise ceasing to be a Trustee, he or she shall: (i) cease to have the rights, privileges and powers of a Trustee hereunder; (ii) execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in his or her name; (iii) account to the remaining Trustees as they may require for all property which he or she holds as Trustee; and (iv) resign from all representative or other positions held by him or her on behalf of the Trust, including as a director or officer of any Subsidiary, the General Partner or other corporation or entity in which the Trust owns any securities (directly or indirectly); upon which he or she shall be discharged from his or her obligations as Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees may require as provided in this section. In the event that a Trustee or his or her legal representative, as applicable, is unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purpose of executing and delivering such required documents.

6.6 Vacancies

The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the

duties of the office or upon the removal of such Trustee. No such vacancy shall operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees hereunder. In the case of a vacancy, the Unitholders or a majority of the Trustees continuing in office may fill such vacancy. Any Trustee so elected by the Unitholders or appointed by the Trustees shall hold office for the remaining term of the Trustee that such new Trustee is succeeding.

6.7 Nomination Rights of LCLGWL

If at any time the aggregate direct and indirect beneficial ownership interest of LCLGWL and its Affiliates in the Trust (on fully-diluted Basis) shall fall below a majority interest, LCLGWL shall have the exclusive right to nominate a number of Trustees proportionate to ~~its~~the aggregate ownership interest in the Trust of GWL and its Affiliates (on a fully-diluted Basis), whether held directly or indirectly, rounded down to the nearest whole number, for election by Unitholders provided that, so long as LCL-owns GWL and its Affiliates own at least a 10% ownership interest in the Trust (on a fully-diluted Basis) in the aggregate, whether held directly or indirectly, LCLGWL shall have the right to nominate not less than one Trustee. LCLGWL shall exercise its nomination right by written notice delivered or mailed to the Lead Trustee, or, if there is no Lead Trustee, the Chair, the President or the Secretary. For purposes of this Section 6.7, in determining the number of Trust Units beneficially owned, directly or indirectly by LCLGWL and its Affiliates (on a fully-diluted basis), the Trustees may rely on a certificate of an officer of LCLGWL. Notwithstanding anything in this Article 6, LCLGWL shall have the exclusive right to fill vacancies caused by one of its nominees ceasing to hold office, provided such replacement Trustee is qualified to serve as a Trustee and the Trustees shall only fill vacancies occurring by one of LCLGWL's nominees ceasing to hold office by an individual so nominated by LCLGWL and, upon such nominee being thereafter appointed by the Trustees, such individual shall serve as a Trustee in accordance with Section 6.6 and otherwise pursuant to this Declaration of Trust.

6.8 Nominations of Trustees

- (a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as Trustees. Nominations of persons for election as Trustees may be made at any annual meeting of Unitholders, or at any special meeting of Unitholders, if one of the purposes for which the special meeting was called was the election of Trustees:
 - (i) by or at the direction of the Trustees, or as contemplated by Section 6.7, including pursuant to a notice of meeting; or
 - (ii) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with Article 13; or
 - (iii) by any person (a “**Nominating Unitholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in this Section 6.8 and on the record date for notice of such meeting, is entered in the Register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially

owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Section 6.8.

- (b) In addition to any other applicable requirements and subject to Section 6.7, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof to the Trustees in the manner prescribed by this Declaration of Trust. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Toronto Time) on a day which is a Business Day, then such notice shall be deemed to have been made on the subsequent day that is a Business Day.
- (c) To be timely, a Nominating Unitholder's notice to the Trustees must be made:
 - (i) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Unitholders was made.
- (d) To be in proper written form, a Nominating Unitholder's notice to the Trustees must set forth:
 - (i) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Units in the capital of the Trust which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to the Securities Act; and
 - (ii) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units of the Trust and any other information relating to such Nominating Unitholder that would be required to be made in a

dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to the Securities Act.

- (e) The Trust may require that any proposed nominee furnish such other information as may be required to be contained in a dissident proxy circular or by applicable law or regulation to determine the independence of the proposed nominee or his or her eligibility to serve as a Trustee of the Trust.
- (f) No person shall be eligible for election as a Trustee unless nominated in accordance with the provisions of this Section 6.8; provided, however, that nothing in this Section 6.8 shall be deemed to preclude discussion by a Unitholder (as distinct from the nomination of Trustees) at a meeting of Unitholders of any matter in respect of which it would have been entitled to submit to a vote pursuant to the terms and conditions contained in this Declaration of Trust. The chairperson of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this Section 6.8, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (h) Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in this Section 6.8.

6.9 Successor and Additional Trustees

The right, title and interest of the Trustees in and to the Trust Property shall vest automatically in all individuals who may hereafter become Trustees upon their due election or appointment and qualification without any further act, and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section 6.5 or otherwise.

6.10 Remuneration and Expenses

Trustees who are not officers of, or otherwise employed by and receive a salary from the Trust or its Subsidiaries, shall be paid such remuneration for their services in such amounts and in such form as the Trustees, or if applicable a committee thereof, may from time to time determine and shall be entitled to be reimbursed for their out-of-pocket expenses incurred in acting as Trustees. Nothing herein contained shall preclude any Trustee from serving the Trust in any other capacity and receiving remuneration therefor.

6.11 Officers of the Trust

The Trust shall have such officers as the Trustees may appoint from time to time, including a Chair, a President, Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and, without prejudice to the rights of any such Person under any employment contract may remove any officer of the Trust. One Person may hold more than one office. The powers and duties of each officer of the Trust shall be those determined from time to time by the Trustees and, in the absence of such determination, shall be those usually applicable to the office held. If the Chair is not an Independent Trustee, a lead trustee (the “**Lead Trustee**”) shall be appointed from among the Independent Trustees. The Lead Trustee will act as an effective leader of the Trustees in respect of any matters required to be considered by the Independent Trustees, and will ensure that the Trustees’ agenda will enable them to successfully carry out their duties.

6.12 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustees or any one of them or a defect in the qualifications of the Trustees or any one of them.

Article 7

TRUSTEES’ POWERS AND DUTIES

7.1 General Powers

The Trustees, subject only to the specific limitations contained in this Declaration of Trust, shall have, without further or other authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the power and authority having been granted to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustees. Except as specifically required by law, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees. Without limiting the generality of the foregoing, the Trustees may, subject to the terms and conditions contained in this Declaration of Trust, make any investments without being required to adhere to all of, or any particular portion of the investment criteria or diversification requirements set forth in the *Trustee Act* (Ontario), including investments in mutual funds, common trust funds, unit trusts and similar types of investment vehicles, to alter or vary such investments from time to time in a like manner, to retain such investments for such length of time as the Trustees, in their discretion determine and to delegate management and authority to

discretionary managers of investment funds as the Trustees in their discretion determine appropriate.

7.2 Specific Powers and Authorities

Subject only to the express limitations contained in this Declaration of Trust and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees without any action or consent by the Unitholders shall have and may exercise, on behalf of the Trust, at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

- (a) to retain, invest and re-invest the capital or other funds of the Trust in real or personal property of any kind, all without regard to whether any such properties are authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the Trust Property;
- (b) subject to Section 3.4(b), to increase the capital of the Trust at any time by the issuance of additional Trust Units (or other securities convertible to or exchangeable for Trust Units) for such consideration as they deem appropriate;
- (c) for such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Trust Units or through the issuance of Notes, or other obligations or securities of the Trust and hold for investment Notes, units or other obligations or securities of any Person;
- (d) to sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the Trust Property by deeds, trust deeds, assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or the Trustees by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;
- (e) to enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term, and perform the obligations of the Trust thereunder;
- (f) without limit as to amount, to issue any type of debt securities or convertible debt securities and to borrow money from or incur indebtedness to any Person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of wholly-owned Subsidiaries; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the Trust Property to secure any of the foregoing;

- (g) to lend money or other Trust Property, whether secured or unsecured;
- (h) to perform the Trust's obligations under the Exchange Agreement, and the Strategic Alliance Agreement, ~~the Services Agreement, and the other Material Agreements~~;
- (i) to maintain records and provide reports to Unitholders;
- (j) to establish systems to monitor the qualification of the Trust as a "mutual fund trust", a "unit trust" and a "real estate investment trust" within the meaning of the Tax Act and ensure that the Trust does not take any action or acquire, retain or hold any investment that would cause the Trust or a Subsidiary of the Trust to become liable to tax under paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act;
- (k) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust Property, the undertaking or taxable income of the Trust, or imposed upon or against the Trust Property, the undertaking or taxable income of the Trust, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections and determinations in respect of the Trust Income or Net Realized Capital Gains distributed to Trust Unitholders and any other matter as shall be permitted under the Tax Act (provided that to the extent necessary the Trustees will seek the advice of the Trust's counsel or its Auditors), and do all such other acts and things as may be deemed by the Trustees in their sole discretion to be necessary, desirable or convenient in connection with such matters;
- (l) to incur and pay out of the Trust Property any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustees in connection with the Trust or the Trust Property or upon or against the Trust Property or any part thereof and for any of the purposes herein;
- (m) to deposit funds of the Trust in banks or trust companies, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such Person or Persons (including one or more Trustees, officers, agents or representatives) as the Trustees may determine;
- (n) to possess and exercise all the rights, powers and privileges appertaining to the ownership of or interest in all or any mortgages or securities, issued or created by, or interest in, any Person, forming part of the Trust Property, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more Persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

- (o) to exercise any conversion privilege, subscription right, warrant or other right or option available in connection with any Trust Property at any time held by it and to make payments incidental thereto; to consent, or otherwise participate in or dissent from, the reorganization, consolidation, amalgamation, merger or readjustment of the finances of any Person (other than the Trust), any of the securities of which may at any time be held, directly or indirectly, by the Trust or to the sale, mortgage or lease of the property of any such Person; and to do any act with reference thereto, including the delegation of discretionary powers, the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions, which it may consider necessary or advisable in connection therewith;
- (p) to elect, appoint, engage or employ officers for the Trust, who may be removed or discharged at the discretion of the Trustees, such officers to have such powers and duties, and to serve such terms as may be prescribed by the Trustees or by the Trustees' Regulations; to engage, appoint, employ or contract with any Persons as agents, representatives, employees or independent contractors or otherwise (including real estate advisors, investment advisors, registrars, underwriters, accountants, lawyers, real estate agents, property managers, asset managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust for services in as many capacities as such Persons may be so engaged or employed; and, except as prohibited by law or this Declaration of Trust, to delegate any of the powers and duties of the Trustees (including the power of delegation) to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other Persons without regard to whether such power, authority or duty is normally granted or delegated by trustees;
- (q) to collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the Trust Property or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (r) to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;
- (s) to purchase and pay for, out of the Trust Property, insurance contracts and policies insuring the Trust Property against any and all risks and insuring the Trust and/or any or all of the Trustees, the Unitholders or officers or employees of the Trust against any and all claims and liabilities of any nature asserted by any Person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Unitholders or the officers of the Trust;
- (t) to cause legal title to any of the Trust Property to be held by and/or in the name of the Trustees or, except as prohibited by law, by and/or in the name of the Trust or one or

more of the Trustees or any other Person, on such terms, in such manner, with such powers in such Person as the Trustees may determine and with or without disclosure that the Trust or Trustees are interested therein; provided, however, that should legal title to any of the Trust Property be held by and/or in the name of any Person or Persons other than the Trust or the Trustees, the Trustees shall require such Person or Persons to execute a declaration of trust acknowledging that legal title to such assets is held in trust for the benefit of the Trust;

- (u) to determine conclusively the allocation to capital, income or other appropriate accounts for all receipts, expenses, disbursements and Trust Property;
- (v) to issue Trust Units and other securities of the Trust (by way of instalment receipts or otherwise) from time to time and, if necessary or desirable to prepare, sign and file or cause to be prepared, signed and filed a prospectus, offering memorandum or similar document and any amendment thereto and all agreements contemplated therein or ancillary thereto relating to or resulting from any offering of the Trust Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto out of the Trust Property whether or not such offering is or was of direct benefit to the Trust or those Persons (if any) who were Trust Unitholders immediately prior to such offering;
- (w) to make or cause to be made application for the listing on any stock exchange of any Trust Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings;
- (x) to enter into any agreement relating to the issuance of Trust Units by way of instalment receipts and to take all actions necessary or desirable to obtain the benefits of and perform its obligations under such agreement;
- (y) to determine conclusively the value of any or all of the Trust Property from time to time and, in determining such value, to consider such information and advice as the Trustees, in their sole judgment, may deem material and reliable;
- (z) subject to obtaining all required regulatory approvals, to establish one or more distribution reinvestment plans, Trust Unit purchase plans, Trust Unit option plans, deferred Trust Unit plans, restricted Trust Unit plans or any other Unit compensation, incentive plan or similar plan with respect to the Trust Units, ~~including the Distribution Reinvestment Plan and other plans described in the IPO Prospectus;~~
- (aa) to the extent permitted by law, to indemnify, or enter into agreements with respect to the indemnification of any Person with whom the Trust has dealings including the Trustees, any directors or trustees of any Subsidiary of the Trust, officers or employees of the Trust or of any Subsidiary, the depositary, Registrar, Transfer Agent or any escrow agent, to such extent as the Trustees shall determine;
- (bb) to do all such acts and things and to exercise such powers which are delegated to the Trustees by any Person who co-owns real property with the Trust;

- (cc) to vote in favour of the Trust's nominees to serve as directors or trustees, as applicable, of any Subsidiary of the Trust and to otherwise exercise the rights attached to any securities held by the Trust or any Subsidiary of the Trust; and
- (dd) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the activities of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust.

7.3 Further Powers of the Trustees

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers of the Trust, provided that such regulations shall not be inconsistent with law or with this Declaration of Trust and not, in the opinion of the Trustees, prejudicial to the Unitholders. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. To the extent of any inconsistency between this Declaration of Trust and any regulation, decision, designation or determination made by the Trustees, this Declaration of Trust shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this Section 7.3 shall be conclusive and binding upon all Persons affected thereby.

Subject to any agreement between the Trust and any Trustees and subject as otherwise herein provided, the Trustees may from time to time in their discretion appoint, employ, invest in, contract or deal with any Person including any Affiliate of any of them and any Person in which any one or more of them may be directly or indirectly interested and, without limiting the generality of the foregoing, any Trustee may purchase, hold, sell, invest in or otherwise deal with real property or other property of the same class and nature as may be held by the Trustees as Trust Property, whether for the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of his/her duties and responsibilities hereunder.

7.4 Standard of Care

The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and discharge their duties hereunder as Trustees honestly and in good faith with a view to the best interests of the Trust and the Trust Unitholders and, in connection therewith, that they exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to provide any bond, surety or security in any

jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the affairs of the Trust.

7.5 Reliance Upon Trustees

Any Person dealing with the Trust in respect of any matters pertaining to the Trust Property and any right, title or interest therein or to the Trust or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any single Trustee or, without limiting the foregoing, such other Persons as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any such other Persons to act for and on behalf and in the name of the Trust. No Person dealing with the Trustees shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees for monies or other consideration shall be binding upon the Trust.

7.6 Determinations of Trustees Binding

All determinations of the Trustees that are made in good faith with respect to any matters relating to the Trust, including whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, whether the Unitholder is a Deferred Income Plan, registered pension fund or plan as defined in the Tax Act, or other similar fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

7.7 Conflicts of Interest

Except for agreements entered into on or before July 5, 2013 and/or the ownership of Units, a Trustee or an officer of the Trust shall disclose to the Trustees, in writing or by requesting to have it entered in the minutes of meetings of the Trustees or of meetings of committees of the Trustees, the nature and extent of any interest that he or she has in a material contract or material transaction, whether made or proposed, with the Trust or any of its Subsidiaries, if the Trustee or officer: (i) is a party to the contract or transaction; (ii) is a director, officer or employee, or an individual acting in a similar capacity, of a party to the contract or transaction; or (iii) has a material interest in a party to the contract or transaction:

- (a) the disclosure required in the case of a Trustee shall be made:
 - (i) at the meeting of the Trustees or the applicable committee thereof, as the case may be, at which a proposed contract or transaction is first considered;
 - (ii) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he/she becomes so interested;

- (iii) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first meeting after he/she becomes so interested;
 - (iv) if an individual who is interested in a contract or transaction later becomes a Trustee, at the first meeting after he/she becomes a Trustee;
- (b) the disclosure required in the case of an officer of the Trust, who is not a Trustee, shall be made:
 - i. forthwith after such officer becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Trustees or the applicable committee thereof, as the case may be;
 - ii. if such officer becomes interested after a contract is made or transaction is entered into, forthwith after such individual becomes aware that he/she has become so interested; or
 - iii. if an individual who is interested in a contract or a transaction later becomes an officer of the Trust, forthwith after he/she becomes an officer of the Trust;
- (c) notwithstanding Subsections 7.7(a) and 7.7(b), if a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, a Trustee or officer of the Trust shall disclose, in writing to the Trustees or applicable committee thereof or request to have it entered into the minutes of the meeting of the Trustees or of the applicable committee thereof, the nature and extent of his or her interest immediately after he or she becomes aware of the contract or transaction;
- (d) a Trustee referred to in this Section 7.7 shall not vote on any resolution to approve such contract or transaction unless the contract or transaction:
 - (i) relates primarily to his or her remuneration as a Trustee, officer, employee or agent of the Trust or any Affiliate of the Trust; or
 - (ii) is for indemnity under Section 15.1 or the purchase of liability insurance;
- (e) for the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that he/she is a director or officer of or has a material interest in a Person and is to be regarded as interested in any contract made or any transaction entered into with that Person, is sufficient disclosure of interest in relation to any contract so made or transaction so entered into. In the event that a meeting of the Unitholders is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the nature and extent of the interest in the contract or transaction of the Persons giving such general notice shall be disclosed in reasonable detail in the notice calling such meeting of the Unitholders or in any information circular to be provided by this Declaration of Trust or by law;

- (f) where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another Person in which a Trustee or an officer of the Trust has a material interest:
 - (i) such Trustee or officer of the Trust is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and
 - (ii) the contract or transaction is neither void nor voidable,

by reason only of that relationship or by reason only that such Trustee or officer is present at or is counted to determine the presence of a quorum at the meeting of the Board of Trustees or the applicable committee thereof, as the case may be, that authorized the contract or transaction, if such Trustee or officer of the Trust disclosed his/her interest in accordance with this Section 7.7, and the contract or transaction was reasonable and fair to the Trust at the time it was approved;
- (g) notwithstanding anything in this Section, but without limiting the effect of Subsection 7.7(f), a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such contract or transaction by reason only of his/her holding such office or position, and the contract or transaction, if it was reasonable and fair to the Trust at the time it was approved or confirmed, is not by reason only of such Trustee's or officer's interest therein void or voidable, where:
 - (i) the contract or transaction is confirmed or approved at a meeting of the Unitholders duly called for that purpose; and
 - (ii) the nature and extent of such Person's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by this Declaration of Trust or by law; and
- (h) subject to Subsections 7.7(f) and 7.7(g), if a Trustee or an officer of the Trust fails to disclose his/her interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this Section 7.7, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such Trustee or officer account to the Trust for any profit or gain realized.

7.8 Independent Trustee Matters

Notwithstanding anything herein to the contrary, in order to become effective the following matters shall require, in addition to the approval of a majority of the Trustees or a majority of an applicable committee, the approval of not less than a majority of the Independent Trustees holding office at such time and not otherwise disqualified from voting under Section 7.7, such

approval to be given by a vote at a meeting of such Independent Trustees or by written consent signed by all of such Independent Trustees:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, or the provision of any financing, or development or leasing services in respect of a property, under the terms of the Strategic Alliance Agreement or otherwise in which or in respect of which LCL or any Affiliate of LCL or any Related Party of the Trust has any direct or indirect interest, whether as owner, operator or manager; or
- (b) a material change to any agreement with LCL or an Affiliate of LCL or a Related Party of the Trust or any approval, consent, waiver or other decision of the Trustees thereunder, or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder; or
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the Trust or any of its Subsidiaries, or the making, directly or indirectly, of any co-investment, in each case, with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or in other similar capacity; or
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or in other similar capacity; or
- (e) decisions relating to any claims by or against one or more parties to any agreement with LCL or Affiliate of LCL or any Related Party of the Trust;

provided, however, that the foregoing shall not apply with respect to any circumstance in respect of which the only parties to the relevant transaction or agreement are (i) the Trust and a wholly-owned Subsidiary or (ii) wholly-owned Subsidiaries of the Trust.

Article 8

MEETINGS OF THE TRUSTEES

8.1 Trustees May Act Without Meeting

The Trustees may act with or without a meeting. Except as provided otherwise herein, any action of the Trustees or any committee of the Trustees may be taken at a meeting by vote of, or without a meeting by written original or facsimile and/or electronic mail consent or resolution signed by all of, the Trustees or the members of the applicable committee, as the case may be. Any such consent or resolution may be signed in counterpart.

8.2 Notice of Meeting

Meetings of the Trustees may be held from time to time upon the giving of notice by the Chair, the Lead Trustee or any Trustee. Regular meetings of the Trustees may be held without notice at a time and place fixed in accordance with the Trustees' Regulations or by the Trustees from time to time by resolution and provided, in such case, that a copy of such resolution is sent to each Trustee forthwith after being passed and forthwith after each Trustee's appointment or election, no other notice shall be required for any such regular meeting. Notice of the time and place of any other meetings shall be mailed or otherwise given by telephone or by other means of communication not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Each committee of Trustees appointed by the Trustees may adopt its own rules or procedures for the calling, conduct, adjournment and regulation of the meetings of such committees as it sees fit and may amend or repeal such rules or procedures from time to time; provided, however, that the Trustees' Regulations and any such rules or procedures shall not be inconsistent with this Declaration of Trust.

8.3 Quorum

A quorum for all meetings of the Trustees or any committee thereof shall be at least three Trustees or two Trustees on such committee, as the case may be, present in person, at least two of whom shall be Resident Canadians; provided that if there is no quorum, the meeting may be adjourned to a Business Day on notice to all of the Trustees or members of such committee, as the case may be and, at the reconvened meeting, the presence of one Resident Canadian Trustee or one Resident Canadian member of such committee, as the case may be, is required in order to constitute a quorum.

8.4 Voting at Meetings

Questions arising at any meeting of the Trustees or of a committee of Trustees shall be decided by a majority of the votes cast. In the case of an equality of votes at any meeting of Trustees or of a committee of Trustees, the Chair shall not have a second or casting vote in addition to his or her original vote, if any. Every meeting of the Trustees or any committee thereof shall take place in Canada.

8.5 Meeting by Telephone

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communications equipment by means of which all Trustees participating in the meeting can hear each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting.

8.6 Meetings of Independent Trustees

The provisions of Sections 8.1, 8.2, 8.3, 8.4, 8.5 and 8.6 apply, *mutatis mutandis*, to any and all meetings of Independent Trustees called for the purposes contemplated in Section 7.8 or otherwise for purposes which the Independent Trustees reasonably determine to be necessary or desirable.

8.7 Chair

The chair of any meeting of the Trustees or any committee of Trustees (other than a meeting of the Independent Trustees or any committee of Independent Trustees) shall be, as applicable, the Trustee present at the meeting who holds the office of Chair of Trustees or the chair of the applicable committee, or, if such individual is not present, the Trustees present shall choose one of their number to act as the chair. The chair of any meeting of the Independent Trustees or any committee of the Independent Trustees shall be the trustee who holds the office of Lead Trustee or chair of the applicable committee, or, if such individual is not present, the Independent Trustees present shall choose one of their number to act as the chair.

Article 9

DELEGATION OF POWERS

9.1 General

The Trustees may appoint from among their number a committee of Trustees for such purposes as they may determine in their discretion, to be necessary or desirable for the purposes of properly governing the affairs of the Trust, and may delegate to such committee any of the powers of the Trustees provided that a majority of the Trustees appointed to any committee shall be Resident Canadians and provided further that, for greater certainty, any such committee shall not be empowered to take any action or engage in any activity that the Trustees would be prohibited from taking or engaging in pursuant to this Declaration of Trust. The Trustees shall have the power to appoint, employ or contract with any Person for any matter relating to the Trust or its assets or affairs. For greater certainty, the Trustees may delegate to any Person (including any one or more officers of the Trust) the power to execute any document or enter into any agreement on behalf of the Trust or exercise any discretion or make any amendment in relation thereto. The Trustees may grant or delegate such authority to an advisor as the Trustees may in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term, compensation and, to the extent permitted by law, rights to indemnification, of an advisor or any other Persons whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto. Each member of a committee shall serve on such committee until he or she resigns from such committee or otherwise ceases to be a Trustee.

9.2 Audit Committee

Without limiting the generality of Section 9.1, the Trustees shall appoint an audit committee (the “**Audit Committee**”) consisting of at least three Trustees, all of whom shall be Independent Trustees. The Audit Committee shall have the duties and responsibilities set forth in the ~~form of then-current~~ Audit Committee charter ~~contained in the IPO Prospectus~~, as may be amended by the Trustees from time to time. The Auditors are entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the Auditors. Questions arising at any meeting of the Audit Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Audit Committee. The Auditors or a member of the Audit Committee may call a meeting of the Audit Committee on not less than 48 hours’ notice.

9.3 Governance, Compensation and Nominating Committee

Without limiting the generality of Section 7.1, the Trustees shall appoint a Governance, Compensation and Nominating Committee (the “**Governance Committee**”) consisting of at least three Trustees, at least a majority of whom shall be Independent Trustees. The duties of the Governance Committee shall be to review the governance policies of the Trust, including being responsible for: (i) assessing the effectiveness of the Trustees and their committees; (ii) considering questions of management succession; (iii) participating along with management in the recruitment and selection of candidates for Trustees; (iv) administering the Deferred Unit Incentive Plan and any unit option or purchase plan in any other compensation incentive programs; (v) assessing the performance of management of the Trust; and (vi) reviewing and making recommendations to the Trustees concerning the level and nature of the compensation payable to the Trustees, officers and senior management of the Trust. Questions arising in any meeting of the Governance Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Governance Committee. Any member of the Governance Committee may call a meeting of the Governance Committee upon not less than 48 hours’ notice. Where for any reason a member of the Governance Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Governance Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Governance Committee, the Trustees may consider and approve any matter which the Governance Committee otherwise has the authority to consider or approve.

9.4 Committees and Procedure

Unless otherwise determined by the Trustees, a quorum for meetings of any committee shall be a majority of its members. Each committee shall have the power to appoint its chair and delineate the duties and responsibilities of such chair. The rules for calling (including, for greater certainty, the giving of notice), location, holding, conducting, participating in, voting at and adjourning meetings of the committee shall be the same as those governing meetings of the Trustees, except as the Trustees may otherwise determine. Each member of a committee shall serve at the

pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, a committee may continue to exercise its powers notwithstanding any vacancy among its members.

9.5 Management of the Trust

The Trustees may exercise broad discretion in hiring officers, employees, agents and consultants to administer the Trust's day-to-day operations, all subject to the overriding authority of the Trustees over the management and affairs generally of the Trust.

Article 10

UNITHOLDER REMEDIES

10.1 Dissent and Appraisal Rights

- (a) Subject to Section 10.2(e), a Trust Unitholder entitled to vote at a meeting of Unitholders who complies with this Section 10.1 may dissent if the Trust resolves to:
 - (i) sell, lease or exchange all or substantially all of the property and assets of the Trust;
 - (ii) carry out a going-private transaction; or
 - (iii) except as permitted by Sections 3.3 and 12.1(g), amend this Declaration of Trust to:
 - (A) add, change or remove any provision restricting or constraining the issue, transfer or ownership of Trust Units;
 - (B) add, change or remove any restriction on the business that the Trust may carry on;
 - (C) add, change or remove the rights, privileges, restrictions or conditions attached to the Trust Units of the class held by the dissenting Trust Unitholder;
 - (D) increase the rights or privileges of any class of units of the Trust having rights or privileges equal or superior to the class of Trust Units held by the dissenting Trust Unitholder;
 - (E) create a new class of units of the Trust equal to or superior to the class of Trust Units held by the dissenting Trust Unitholder;

- (F) make any class of units of the Trust having rights or privileges inferior to the class of Trust Units held by the dissenting Trust Unitholder superior to the class; or
 - (G) effect an exchange or create a right of exchange in all or part of a class of units of the Trust into the class of Trust Units held by the dissenting Trust Unitholder.
- (b) In addition to any other right the Trust Unitholder may have, a Trust Unitholder who complies with this Section is entitled, when the action approved by the resolution from which the Trust Unitholder dissents becomes effective, to be paid by the Trust the fair value of the Trust Units held by the Trust Unitholder in respect of which the Trust Unitholder dissents, determined as of the close of business on the day before the resolution was adopted.
- (c) A dissenting Trust Unitholder may only claim under this Section with respect to all the Trust Units held by the dissenting Trust Unitholder on behalf of any one beneficial owner and registered in the name of the dissenting Trust Unitholder.
- (d) A dissenting Trust Unitholder shall send to the Trust, at or before any meeting of Unitholders at which a resolution referred to in subsection (a) is to be voted on, a written objection to the resolution, unless the Trust did not give notice to the Trust Unitholder of the purpose of the meeting and of the Trust Unitholder's right to dissent.
- (e) The Trust shall, within 10 days after the Unitholders adopted the resolution, send to each Trust Unitholder who has filed the objection referred to in subsection (d) notice that the resolution has been adopted, but such notice is not required to be sent to any Trust Unitholder who voted for the resolution or who has withdrawn its objection.
- (f) A dissenting Trust Unitholder shall, within 20 days after receiving a notice under subsection (e) or, if the Trust Unitholder does not receive such notice, within 20 days after learning that the resolution has been adopted, send to the Trust a written notice containing:
 - (i) the Trust Unitholder's name and address;
 - (ii) the number of, and class/series of, Trust Units in respect of which the Trust Unitholder dissents; and
 - (iii) a demand for payment of the fair value of such Trust Units.
- (g) A dissenting Trust Unitholder shall, within 30 days after the sending of a notice under subsection (f), send the certificates representing the Trust Units in respect of which the Trust Unitholder dissents to the Trust or its transfer agent.
- (h) A dissenting Trust Unitholder who fails to comply with subsection (g) has no right to make a claim under this Section.

- (i) The Trust or its transfer agent shall endorse on any certificate received under subsection (g) a notice that the holder is a dissenting Trust Unitholder under this Section 10.1 and shall return forthwith the certificates to the dissenting Trust Unitholder.
- (j) On sending a notice under subsection (f), a dissenting Trust Unitholder ceases to have any rights as a Trust Unitholder other than the right to be paid the fair value of its Trust Units as determined under this Section except where:
 - (i) the Trust Unitholder withdraws that notice before the Trust makes an offer under subsection (k);
 - (ii) the Trust fails to make an offer in accordance with subsection (k) and the dissenting Trust Unitholder withdraws the notice; or
 - (iii) the Trustees revoke the resolution which gave rise to the dissent rights under this Section, and to the extent applicable, terminate the related agreements or abandon a sale, lease or exchange to which the resolution relates,in which case the Trust Unitholder's rights are reinstated as of the date the notice under subsection (f) was sent.
- (k) The Trust shall, not later than 7 days after the later of the day on which the action approved by the resolution is effective or the day the Trust received the notice referred to in subsection (f), send to each dissenting Trust Unitholder who has sent such notice a written offer to pay for the dissenting Trust Unitholder's Trust Units in an amount considered by the Trustees to be the fair value, accompanied by a statement showing how the fair value was determined.
- (l) Every offer made under subsection (k) for Trust Units of the same class or series shall be on the same terms.
- (m) The Trust shall pay for the Trust Units of a dissenting Trust Unitholder within 10 days after an offer made under subsection (k) has been accepted, but any such offer lapses if the Trust does not receive an acceptance thereof within 30 days after the offer has been made.
- (n) Where the Trust fails to make an offer under subsection (k), or if a dissenting Trust Unitholder fails to accept an offer, the Trust may, within 50 days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the Trust Units of any dissenting Trust Unitholder.
- (o) If the Trust fails to apply to a court under subsection (n), a dissenting Trust Unitholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow.
- (p) The court where an application under subsection (n) or (o) may be made is a court having jurisdiction in the place where the Trust has its registered office.

- (q) A dissenting Trust Unitholder is not required to give security for costs in an application made under subsection (n) or (o).
- (r) On an application under subsection (n) or (o):
 - (i) all dissenting Trust Unitholders whose Trust Units have not been purchased by the Trust shall be joined as parties and bound by the decision of the court; and
 - (ii) the Trust shall notify each affected dissenting Trust Unitholder of the date, place and consequences of the application and of the dissenting Trust Unitholder's right to appear and be heard in person or by counsel.
- (s) On an application to a court under subsection (n) and (o), the court may determine whether any other person is a dissenting Trust Unitholder who should be joined as a party, and the court shall fix a fair value for the Trust Units of all dissenting Trust Unitholders.
- (t) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Trust Units of the dissenting Trust Unitholders.
- (u) The final order of a court in the proceedings commenced by an application under subsection (n) and (o) shall be rendered against the Trust in favour of each dissenting Trust Unitholder and for the amount of the Trust Units as fixed by the court.
- (v) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Trust Unitholder from the date the action approved by the resolution is effective until the date of payment.
- (w) If subsection (y) applies, the Trust shall, within 10 days after the pronouncement of an order under subsection (u), notify each dissenting Trust Unitholder that it is unable lawfully to pay dissenting Trust Unitholders for their Trust Units.
- (x) If subsection (y) applies, a dissenting Trust Unitholder, by written notice delivered to the Trust within 30 days after receiving a notice under subsection (w), may:
 - (i) withdraw their notice of dissent, in which case the Trust is deemed to consent to the withdrawal and the Trust Unitholder is reinstated to their full rights as a Trust Unitholder; or
 - (ii) retain a status as a claimant against the Trust, to be paid as soon as the Trust is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Trust but in priority to its Trust Unitholders.
- (y) A Trust shall not make a payment to a dissenting Trust Unitholder under this Section if there are reasonable grounds for believing that:

- (i) the Trust is or would after the payment be unable to pay its liabilities as they become due; or
- (ii) the realizable value of the Trust's assets would thereby be less than the aggregate of its liabilities.

For greater certainty, all rights provided to Trust Unitholders in this Section 10.1 are in addition to any other rights that a Trust Unitholder may have under Section 3.27 hereof.

10.2 Oppression Remedy

- (a) Any registered holder or beneficial owner of Units or former registered holder or beneficial owner of Units or any security holder (each, a "Complainant") may apply to a court under the provisions of this Section 10.2.
- (b) If, on application, the court is satisfied that, in respect of the Trust:
 - (i) any act or omission of the Trust effects a result;
 - (ii) the business or affairs of the Trust or any subsidiary are or have been carried on or conducted in a manner; or
 - (iii) the powers of the Trustees are or have been exercised in a manner that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any Unitholder or security holder, the court may make an order to rectify the matters complained of by the Complainant.
- (c) In connection with an application by a Complainant under subsection (a) and without limiting subsection (b), a court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,
 - (i) an order restraining the conduct complained of;
 - (ii) an order appointing a receiver or receiver-manager;
 - (iii) an order to regulate the Trust's affairs or those of a subsidiary by amending this Declaration of Trust or the articles or by-laws of a subsidiary;
 - (iv) an order directing an issue or exchange of securities;
 - (v) an order appointing Trustees or directors of a subsidiary in place of or in addition to all or any of the Trustees or directors then in office;
 - (vi) an order directing the Trust or any other person to purchase securities of a holder of securities;

- (vii) an order directing the Trust or any other person to pay a security holder any part of the monies that the security holder paid for securities;
 - (viii) an order varying or setting aside a transaction or contract to which the Trust or a subsidiary is a party and compensating the Trust or a subsidiary or any other party to the transaction or contract;
 - (ix) an order requiring the Trust or a subsidiary, within a time specified by the court, to produce to the court or an interested person financial statements or an accounting in such form as the court may determine;
 - (x) an order compensating an aggrieved person;
 - (xi) an order directing rectification of the registers or other records of the Trust or a subsidiary;
 - (xii) an order directing an investigation to be made; and
 - (xiii) an order requiring the trial of any issue.
- (d) If an order made under this Section directs an amendment of this Declaration of Trust or to the constating documents of a subsidiary, then:
- (i) the Trustees shall request the Trust, such subsidiary and all Trustees, directors, officers and other persons responsible for management to take all steps necessary to carry out that direction; and
 - (ii) no other amendment to this Declaration of Trust or such constating documents shall be made without the consent of the court, until a court otherwise orders.
- (e) A Unitholder is not entitled to dissent under this Declaration of Trust or other applicable law if an amendment to the Declaration of Trust or such constating documents is effected under this Section.
- (f) A Complainant may apply in the alternative for an order to wind-up the Trust or liquidate and dissolve a subsidiary and a court may so order if the court is satisfied that it is just and equitable that such winding-up, liquidation or dissolution occur.

Article 11

FEES AND EXPENSES

11.1 Expenses

The Trust shall pay out of the Trust Property all expenses incurred in connection with the administration and management of the Trust and its investments, including:

- (a) interest and other costs of borrowed money;
- (b) fees and expenses of lawyers, accountants, Auditors, appraisers and other agents or consultants employed by or on behalf of the Trust or the Trustees;
- (c) compensation, remuneration and expenses of the Trustees;
- (d) fees and expenses connected with the acquisition, disposition, ownership, leasing, management and financing of Trust Property permitted in this Declaration of Trust;
- (e) insurance, including Trustees and officers liability insurance, as considered necessary by the Trustees;
- (f) expenses in connection with payments of distributions of Trust Units;
- (g) expenses in connection with communications to the Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with the Unitholders;
- (h) expenses of amending the Declaration of Trust or terminating the Trust;
- (i) fees and charges of Transfer Agents, Registrars, indenture trustees and other trustees and custodians; and
- (j) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings;

provided that the Trust will not incur any expense that would cause the Trust to fail or cease to qualify as a “mutual fund trust” or “real estate investment trust” as defined in the Tax Act.

Article 12

AMENDMENTS TO THE DECLARATION OF TRUST

12.1 Amendments by the Trustees

Subject to Section 12.2, the provisions of this Declaration of Trust, except where specifically provided otherwise, may be amended only by Ordinary Resolution; provided that the provisions of this Declaration of Trust may be amended by a majority of the Trustees without the consent, approval or ratification of the Unitholders or any other Person in the following circumstances:

- (a) ensuring continuing compliance with applicable laws (including the Tax Act and maintaining the status of the Trust as a “unit trust”, “mutual fund trust” and a “real estate investment trust” under the Tax Act) regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees; (ii) the Trust or (iii) the distribution of Units;

- (b) providing additional protection or added benefits, which are, in the opinion of the Trustees necessary to maintain the rights of the Unitholders set out in this Declaration of Trust;
- (c) removing any conflicts or inconsistencies in this Declaration of Trust or making corrections, including the rectification of any ambiguities, defective provisions, errors, mistakes or omissions, which are, in the opinion of the Trustees necessary or desirable and not prejudicial to the Unitholders;
- (d) making amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;
- (e) making amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws or accounting standards from time to time which may affect the Trust or the Unitholders to ensure the Trust Units qualify as equity for purposes of GAAP;
- (f) making amendments which, in the opinion of the Trustees are necessary or desirable to enable the Trust to implement a Trust Unit option or purchase plan, the Distribution Reinvestment Plan or to issue Trust Units for which the purchase price is payable in instalments;
- (g) to create and issue one or more new classes of Preferred Units (each of which may be comprised of unlimited series) that rank in priority to the Trust Units (in payment of distributions and in connection with any termination or winding-up of the Trust);
- (h) making amendments deemed necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of persons who are not Resident Canadians; or
- (i) making an amendment for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

In no event may the Trustees amend this Declaration of Trust if such amendment would: (i) amend this Article 12; (ii) amend the Unitholders' voting rights; (iii) cause the Trust to fail or cease to qualify as a "mutual fund trust", "real estate investment trust" or "unit trust" under the Tax Act; or (iv) cause the Trust or a Subsidiary of the Trust to be subject to tax under paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act.

12.2 Matters Requiring Approval by Special Resolution

- (a) Notwithstanding Section 12.1, at all times the following amendments to the Declaration of Trust shall require approval by Special Resolution:
 - (i) any amendment to this Section 12.2;

- (ii) an exchange, reclassification or cancellation of all or part of the Units (other than as provided herein);
- (iii) the change or removal of the rights, privileges, restrictions or conditions attached to the Units and, including, without limiting the generality of the foregoing:
 - (A) the removal or change of rights to distributions;
 - (B) the removal of or change to conversion privileges, redemption privileges, options, voting, transfer or pre-emptive rights; or
 - (C) the reduction or removal of a distribution preference or liquidation preference;
- (iv) the creation of new rights or privileges attaching to certain of the Units;
- (v) any change to the existing constraints on the issue, transfer or ownership of the Units except as otherwise provided herein;
- (vi) the sale of the Trust Property or the assets or property of the Subsidiaries as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the Trust Property including by way of the transfer of Trust Property or assets or property of the Subsidiaries of the Trust as approved by the Trustees);
- (vii) the combination, amalgamation or arrangement of any of the Trust or its Subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization as approved by the Trustees);
- (viii) a material change to the LP Agreement; or
- (ix) any other matter expressly required by the terms of this Declaration of Trust to require approval by Special Resolution, including, without limitation, as set out in Section 4.5.

12.3 Supplemental Declaration of Trust

The Trustees are authorized to execute any supplemental Declaration of Trust to give effect to amendments to the Declaration of Trust made pursuant to this Article 12.

12.4 No Termination

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 12 or otherwise, shall be construed as a termination of the Trust or the settlement or establishment of a new trust.

12.5 Restriction on Amendments Affecting Certain Rights of LCLGWL

Provided that ~~LCL~~holdsGWL and its Affiliates hold in the aggregate, directly or indirectly, at least 10% of the outstanding Units on a fully-diluted basis, without the express consent of ~~LCL~~GWL, acting reasonably, no amendment shall be made to this Section 12.5 or that otherwise limits or alters the rights of ~~LCL~~GWL contained in Section 6.7.

Article 13

MEETINGS OF THE UNITHOLDERS

13.1 Annual Meeting

There shall be an annual meeting of the Unitholders at such time and place and for such purposes as the Trustees shall prescribe for the purpose of electing Trustees, appointing or changing the Auditors, presenting the consolidated financial statements of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of the Unitholders shall be held after delivery to the Unitholders of the information referred to in Section 16.7 and, in any event, within 180 days after the end of each fiscal year of the Trust. ~~Notwithstanding the foregoing, the Trust may apply to the court for an order extending the time for calling an annual meeting beyond such six month period (unless otherwise agreed to by a majority of the Trustees and in compliance with applicable securities laws and any stock exchange requirements).~~

13.2 Special Meetings

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place as the Trustees may determine. Unitholders holding in the aggregate not less than 5% of the votes attaching to all Units then outstanding may requisition the Trustees to call a special meeting of the Unitholders for the purposes stated in the requisition. The requisition shall: (i) be in writing; (ii) set forth the name and address of, and the number of Units (and votes attached thereto which, in aggregate, shall not be less than 5% of all votes entitled to be voted at a meeting of Unitholders) held by, each Person who is supporting the requisition; and (iii) state in reasonable detail the business proposed to be transacted at the meeting. The requisition shall be sent to each of the Trustees at the principal office of the Trust. Upon receiving the requisition, the Trustees shall call a meeting of the Unitholders to transact the business referred to in the requisition, unless:

- (a) a record date for a meeting of the Unitholders has been fixed and notice thereof has been given to each stock exchange in Canada on which the Trust Units are listed for trading;
- (b) the Trustees have called a meeting of the Unitholders and have given notice thereof pursuant to Section 13.3; or
- (c) in connection with the business as stated in the requisition:

- (i) it clearly appears to the Trustees that the matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the officers of the Trust or its security holders;
 - (ii) it clearly appears to the Trustees that the matter covered by the requisition does not relate in a significant way to the business or affairs of the Trust;
 - (iii) the Trust, at the Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of the Unitholders held within two years preceding the receipt of such request, and the Unitholder failed to present the matter, in person or by proxy, at the meeting;
 - (iv) substantially the same matter covered by the requisition was submitted to the Unitholders in an information circular (including a dissidents information circular) relating to a meeting of the Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the requisition was defeated; or
 - (v) the rights conferred by this Section 13.2 are being abused to secure publicity;
- (d) the Unitholder(s) submitting the requisition fail to continue to hold or own at least 5% of the outstanding Units up to and including the day of the meeting.

Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of Section 13.3 and Section 13.12 and the Trustees' Regulations, *mutatis mutandis*. If there shall be no Trustees, the officers of the Trust shall promptly call a special meeting of the Unitholders for the election of successor Trustees. The phrase "meeting of the Unitholders" wherever it appears in this Declaration of Trust shall mean and include both an annual meeting and any other meeting of the Unitholders.

13.3 Notice of Meeting of the Unitholders

Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Unitholder at its address appearing in the Register, to each Trustee and to the Auditors not less than 21 nor more than 60 days or within such other number of days as required by law or relevant stock exchange before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall state the general nature of the business to be transacted at such meeting, and shall otherwise include such information as would be provided to shareholders of a corporation governed by the CBCA in connection with a meeting of shareholders. The Trustees shall at all times be entitled to deliver notice and information to Unitholders in accordance with means permitted by applicable securities laws.

If a meeting is adjourned for less than thirty days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a

meeting of Unitholders is adjourned by one or more adjournments for an aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting.

All business to be conducted at a special meeting of Unitholders and all business to be transacted at an annual meeting of Unitholders, except consideration of the financial statements, auditor's report, election of Trustees and re-appointment of the incumbent auditor, is deemed to be special business, Notice of a meeting of Unitholders at which special business is to be transacted shall state:

- (a) the nature of the business in sufficient detail to permit a Unitholder to form a reasonable judgment thereon; and
- (b) the text of any resolution (or a summary thereof) that requires the approval of two-thirds of the votes cast by Unitholders who vote in respect of that resolution to be submitted to the meeting.

13.4 Unitholder Proposals

Subject to subsections (a) and (b), a registered holder or beneficial owner of Units may: (i) submit written notice to the Trust of any matter that the person proposes to raise at an annual meeting of Unitholders (a “**Proposal**”); and (ii) discuss at the meeting any matter with respect to which the person would have been entitled to submit a Proposal.

- (a) To be eligible to submit a Proposal, a person:
 - (i) must be, for at least the six-month period immediately before the day on which the person submits the Proposal, the registered holder or the beneficial owner of (i) at least 1% of the total number of outstanding Units, as of the day on which the person submits a Proposal, or (ii) Units whose fair market value, as determined at the close of business on the day before the person submits the Proposal, is at least \$2,000; or
 - (ii) must have the support of persons who, in the aggregate, and including or not including the person that submits the Proposal, have been, for at least the six-month period immediately before the day on which the person submits the Proposal, the registered holders or beneficial owners of (i) at least 1% of the total number of outstanding Units, as of the day on which the person submits the Proposal, or (ii) Units whose fair market value, as determined at the close of business on the day before the person submits the Proposal is at least \$2,000.
- (b) A Proposal must be accompanied by the following information:
 - (i) the name and address of the person submitting the Proposal and the person's supporters, if applicable; and
 - (ii) the number of Units held or owned by the person submitting the Proposal and the person's supporters, if applicable, and the date the Units were acquired.

- (c) If requested by the Trust within 14 days of the receipt of the Proposal, a person who submits a Proposal must provide proof, within 21 days following the day on which the person receives the Trust's request, or if the request was mailed to the person, within 21 days after the postmark date stamped on the envelope containing the request, that the person meets the requirements set out in subsection (a).
- (d) The Trust shall set out the Proposal in its proxy circular delivered in connection with its annual meeting or attach the Proposal thereto.
- (e) If so requested by the person who submits the Proposal, the Trust shall include in, or attach to, its proxy circular delivered in connection with its annual meeting, a statement in support of the Proposal by the person and the name and address of the person making the Proposal. The statement and Proposal so included must not exceed 500 words excluding the information required by subsection (b).
- (f) A Proposal may not include nominations for the election of Trustees and a Unitholder shall not have the right to make nominations at the meeting, unless such nomination is made in accordance with the provisions of Section 6.8.
- (g) The Trust shall not be required to comply with subsections (d) and (e) if:
 - (i) the Proposal is submitted less than 90 days before the anniversary date of the notice of meeting that was sent to Unitholders in connection with the Trust's previous annual meeting of Unitholders;
 - (ii) it clearly appears that (A) the primary purpose of the Proposal is to enforce a personal claim or redress a personal grievance against the Trust, the Trustees, its officers, the Unitholders or other security holders of the Trust, or (B) the Proposal does not relate in a significant way to the business or affairs of the Trust;
 - (iii) not more than two years preceding the receipt of such Proposal, the proposing person failed to present, in person or by proxy, at a meeting of Unitholders, a Proposal that, at the person's request, had been included in a proxy circular relating to a meeting of the Unitholders;
 - (iv) substantially the same proposal was submitted to Unitholders in a proxy circular relating to a meeting of the Unitholders held within five years preceding the receipt of the Proposal and the matter covered by the Proposal did not receive the required support at that meeting. For the purposes hereof, the required support for a Proposal is:
 - (A) 3% of the total number of Units voted, if the Proposal has been introduced at only one annual meeting of Unitholders;

- (B) 6% of the total number of Units voted at the last meeting at which the matter was submitted to Unitholders, if the Proposal was introduced at two annual meetings of Unitholders; and
 - (C) 10% of the total number of Units voted at the last meeting at which the matter was submitted to Unitholders, if the Proposal was introduced at three or more annual meetings of Unitholders; or
- (v) the rights conferred by this Section are being abused to secure publicity.
- (h) If a person who submits a Proposal fails to continue to hold or own the number of Units referred to in subsection (a) up to and including the day of the meeting, the Trust is not required to set out in its proxy circular, or attach to it, any proposal submitted by that person for any meeting held within two years following the date of the meeting.
 - (i) Neither the Trust nor any person acting on its behalf will incur any liability to Unitholders or any other person by reason only of circulating a Proposal or statement in compliance with this Section.
 - (j) If the Trust refuses to include a Proposal in its proxy circular, it shall, within 21 days of the later of receipt of the Proposal or proof of ownership under subsection (c), as the case may be, notify in writing the person submitting the Proposal of its intention to omit the Proposal from the Trust's proxy circular and of the reasons for the refusal.
 - (k) On the application of a person submitting a Proposal who claims to be aggrieved by the Trust's refusal under subsection (j), a court may restrain the holding of the meeting to which the Proposal is sought to be presented and make any further order it thinks fit.
 - (l) The Trust or any person claiming to be aggrieved by a Proposal may apply to a court for an order permitting the Trust to omit the Proposal from the proxy circular, and the court, if it is satisfied that subsection (g) applies, may make such order as it thinks fit.

13.5 Quorum

At any meeting of the Unitholders, a quorum will consist of two or more individuals present either holding personally or representing as proxies in the aggregate not less than 25% of the votes attached to all outstanding Units, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. In the event of such quorum not being present at the appointed place on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if convened on the requisition of the Unitholders, shall be dissolved, but in any other case shall stand adjourned to such day being not less than 10 days later and to such place and time as may be appointed by the chair of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy will be deemed to form a quorum, and any business may be brought before or dealt with at such an

adjourned meeting that might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

The chair of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn any such meeting and no notice of any adjournment need be given.

13.6 Voting

Unitholders of record on the applicable record date for voting may attend and vote at all meetings of the Unitholders either in person or by proxy. Any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust, or by law, be authorized when approved by an Ordinary Resolution. The chair of any meeting of Unitholders shall not have a second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every Person present and entitled to vote shall be entitled to one vote.

At any such meeting, unless a poll is demanded, a declaration by the chair that a resolution has been carried or carry unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chair or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the chair may direct. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

If Units are held jointly by two or more Persons, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but if more than one of them is present in person or by proxy, they shall vote together with respect to the Units held jointly, provided that only one of them can vote on a show of hands, and, if they do not agree on how to exercise any vote to which they are jointly entitled (including a vote on a show of hands), they shall, for the purposes of the voting, be deemed not to be present.

13.7 Matters on which Unitholders may Vote

Subject to Section 10.2(c), none of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

- (a) subject to Sections 6.1, 6.5 and 6.6, the election or removal of Trustees;
- (b) except as provided in Section 16.4, the appointment or removal of auditors of the Trust;
- (c) any amendment to the Declaration of Trust (except as provided in Section 4.7 or Section 12.1);
- (d) the sale of the assets of the Trust as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Trust as approved by the Trustees); or

- (e) the termination of the Trust pursuant to Section 14.2.

13.8 Resolutions Binding on Trustees

Nothing in this Article 13, however, shall prevent the Trustees from submitting to a vote of the Unitholders any other matter which they deem appropriate. Except with respect to the matters specified in Sections 12.2 and 13.7, or any other matters required by law to be submitted, or as are otherwise submitted, to a vote of the Unitholders by the Trustees, no vote of the Unitholders shall in any way bind the Trust or Trustees.

13.9 No Breach

Notwithstanding any other provision of the Declaration of Trust, Unitholders shall have no power to effect any amendment to this Declaration of Trust which would require the Trustees to take action or conduct the affairs of the Trust in a manner which would constitute a breach or default by the Trust or the Trustees under any agreement binding on or obligation of, the Trust or the Trustees.

13.10 Class Approval

If any business to be transacted at a meeting of Unitholders would affect the rights of Unitholders of one or more classes (or, subject to clause (b)(iii) below, series) in a manner different from the Unitholders of any other class (or, subject to clause (b)(iii) below, series) then:

- (a) reference to such fact, indicating each class so affected, shall be made in the notice of such meeting; and
- (b) Unitholders of a class so affected shall not be bound or adversely affected by any action to be taken at such meeting unless in addition to compliance with the other provisions of this Section:
 - (i) there are present or in person or by proxy Unitholders of such class who hold in the aggregate not less than 10% of the votes attached to such class or series, subject to the provisions of this Declaration of Trust as to quorum at adjourned meetings; and
 - (ii) the resolution is passed by the affirmative vote of a majority, or as applicable, two-thirds of the Unitholders of such class (depending upon whether the business which is the subject of the resolution is one generally being conducted by way of, in the first instance, Ordinary Resolution or, in the second case, Special Resolution); and
 - (iii) the Unitholders of a series of Trust Units of a class are entitled to vote separately as a series under this Section 13.10 only if such series is affected by an amendment in a manner different from the other Trust Units of the same class.

13.11 Meaning of “Outstanding”

Every Unit issued, certified and delivered hereunder will be deemed to be outstanding until it is cancelled or delivered to the Trustees or Transfer Agent for cancellation, provided that:

- (a) when a new certificate has been issued in substitution for a Trust Unit certificate that has been lost, stolen, mutilated or destroyed, only the later of such Trust Unit certificates will be counted for the purposes of determining the number of Units outstanding;
- (b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Units owned directly or indirectly, legally or equitably, by the Trust, or any Subsidiary thereof will be disregarded, except that:
 - (i) for the purpose of determining whether the Trustees will be protected in relying on any such vote, consent, requisition or other instrument or action, only the Units that the Trustees know are so owned will be so disregarded; and
 - (ii) Units so owned that have been pledged in good faith other than to the Trust or a Subsidiary thereof will not be so disregarded if the pledgee establishes to the satisfaction of the Trustees the pledgee's right to vote such Units in its discretion free from the control of the Trust or any Subsidiary thereof; and
 - (iii) for the purposes of Section 13.11(b), any Trustee, any officer of the Trust or the Transfer Agent will provide a certificate that will state the number of Trust Units and the certificate numbers of certificates, if certificates are issued, held by the Trust or any Subsidiary thereof. The Trustees will be entitled to rely on such certificate in order to disregard the votes of any of the parties mentioned above.

13.12 Record Dates

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment(s) or postponement(s) thereof or for the purpose of any other action, the Trustees may from time to time, without notice to the Unitholders, close the transfer books for such period, not exceeding 35 days, as the Trustees may determine; or without closing the transfer books the Trustees may fix a date not less than 21 days and not more than 60 days prior to the date of any meeting of the Unitholders or other action as a record date for the determination of the Unitholders entitled to receive notice of and to vote at such meeting or any adjournment(s) or postponement(s) thereof or to be treated as the Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment(s) or postponement(s) thereof, even though such Unitholder has since that date disposed of his/her Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment(s) or postponement(s) thereof or to be treated as a Unitholder of record for purposes of such other action. If, in the case of any meeting of the

Unitholders, no record date with respect to voting has been fixed by the Trustees, the record date for voting shall be 5:00 p.m. (Toronto time) on the last Business Day before the meeting.

13.13 Proxies

Whenever the vote or consent of the Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time or, in the case of a Unitholder that is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Unitholders. A proxyholder need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.

The Trustees may adopt, amend or repeal such regulations relating to the appointment of proxyholders, and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise, and the Persons challenging the instrument shall have the burden of proving, to the satisfaction of the Chair of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the Chair of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all Persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment(s) or postponement(s) thereof.

A vote cast in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the Chair of the meeting prior to the time when the vote is cast.

13.14 Personal Representatives

Subject to Section 3.14, if a Unitholder is deceased, his/her personal representative, upon filing with the secretary of the meeting such proof of his/her appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of the Unitholders as the Unitholder would have been entitled to exercise if he/she were living and for the purpose of the meeting shall be considered to be a Unitholder. Subject to the provisions of the will of a deceased Unitholder, if there is more than one personal representative, the provisions of Section 3.24 relating to joint holders shall apply.

13.15 Attendance by Others

Any Trustee, officer of the Trust, representative of the Auditors, representative of the legal counsel of the Trust or other individual approved by the Trustees may attend and speak at any meeting of the Unitholders.

13.16 Conduct of Meetings of Unitholders

- (a) The chair of any annual or special meeting of Unitholders shall be the Chair of the Trustees or, in his absence, the Lead Trustee, or any other Trustee specified by resolution of the Trustees or, in the absence of any Trustee, any person appointed as chair of the meeting by the Trustees to act as chair of the meeting. The chair of the meeting shall appoint the secretary of the Trust or, in the absence of the secretary, an individual, who need not be a Unitholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be Unitholders, may be appointed by the chair.
- (b) To the extent that the rules and procedures for the conduct of a meeting of the Unitholders are not prescribed herein or in the Trustees' Regulations, the rules and procedures shall be such reasonable rules and procedures as are determined by the chair of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

13.17 Binding Effect of Resolutions on Unitholders

Every resolution passed at a meeting in accordance with the provisions of this Article 13 shall be binding upon all Unitholders, whether present at or absent from the meeting.

13.18 Resolution in Lieu of Meeting

Notwithstanding any other provision of this Declaration of Trust, a resolution signed in writing by all the Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of the Unitholders to approve that resolution is as valid as if it had been passed at a meeting of the Unitholders.

13.19 Meetings by Telephone, Electronic or Other Communications Facility

Any meeting of Unitholders may be held partially or entirely by means of a telephonic, electronic or other communication facility. A person who votes at the meeting or establishes a communications link to the meeting by such means is deemed to be present in person at the meeting. Any such meeting of Unitholders shall be deemed to be held at the place where the registered office of the Trust is located. The rules and procedures for any meeting of Unitholders held by means of a telephonic, electronic or other communication facility shall be such reasonable rules and procedures as are determined by the Trustees and such rules and procedures shall be binding upon all parties participating in the meeting.

Article 14

TERMINATION OF TRUST

14.1 Duration of the Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of the death of the last surviving issue of His Majesty King George V alive on May 21, 2013. For the purpose of terminating the Trust by such date, the Trustees will commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees, being not more than two years prior to the end of the term of the Trust.

14.2 Termination with the Approval of the Unitholders

The Trust may be terminated by a Special Resolution at a meeting of the Unitholders duly called by the Trustees for the purpose of considering termination of the Trust. If the Unitholders vote to terminate the Trust, the Trustees will commence to wind-up the affairs of the Trust as soon as may be reasonably practicable. Such Special Resolution may contain such directions to the Trustees as the Unitholders determine, including a direction to distribute the Trust Property, *in specie*, subject to compliance with any securities or other laws applicable to such distributions.

14.3 Effect of Termination

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed, the net assets of the Trust shall be liquidated and the proceeds distributed to the Trust Unitholders in accordance with their entitlements as provided herein. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

14.4 Procedure Upon Termination

Forthwith upon being required to commence to wind-up the affairs of the Trust, the Trustees shall give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation and the date at which the Registers shall be closed.

14.5 Powers of Trustees Upon Termination

After the date on which the Trustees are required to commence to wind-up the affairs of the Trust, the Trustees shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustees shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

14.6 Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Units for cancellation within six months after the time specified in the notice referred to in Section 14.4, the Trustees shall give further notice to the remaining Unitholders to surrender their Units for cancellation and if, within one year after the further notice, all the Units shall not have been surrendered for cancellation, such remaining Units shall be deemed to be cancelled without prejudice to the

rights of the holders of such Units to receive their *pro rata* share of the remaining property of the Trust, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustees, may pay such amounts into court.

14.7 Responsibility of the Trustees after Sale and Conversion

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Property after the date referred to in Section 14.4 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 14.3.

Article 15

LIABILITIES OF THE TRUSTEES AND OTHERS

15.1 Liability and Indemnification of the Trustees

The Trustees shall at all times (including such time as they have ceased to be Trustees) be indemnified and saved harmless out of the Trust Property from and against all liabilities, damages, losses, debts and claims whatsoever, including costs, charges and expenses in connection therewith, threatened, sustained, incurred, brought, commenced or prosecuted against them, and any appeal thereof, for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees or directors or trustees of any Subsidiary of the Trust and also from and against all other liabilities, damages, losses, debts, claims, costs, charges, expenses, fines, penalties and settlements (including legal fees and disbursements on a solicitor and its client basis) which they sustain or incur in or about or in relation to the affairs of the Trust. Further, the Trustees shall not be liable to the Trust or to any Unitholder or Annuitant for any loss or damages relating to any matter regarding the Trust, including any loss or diminution in the value of the Trust or the Trust Property. The foregoing provisions of this Section 15.1 in favour of any Trustee do not apply unless:

- (a) the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his or her conduct was lawful.

15.2 Liability of the Trustees

The Trustees shall not be liable to the Trust or to any Unitholder, Annuitant or any other Person for the acts, omissions, receipts, neglects or defaults of any Person, firm or corporation employed or engaged by them as permitted hereunder, or for joining in any receipt or act of conformity or

for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Person, firm or corporation with whom or which any monies, securities or Trust Property shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Sections 15.1(a) and 15.1(b).

15.3 Reliance Upon Advice

The Trustees may rely and act upon any statement, report or opinion prepared by or any advice received from the Auditors, lawyers or other professional advisors of the Trust and shall not be responsible or held liable for any loss or damage resulting from so relying or acting.

15.4 Liability of the Unitholders and Others

- (a) Notwithstanding any other provision of this Declaration of Trust, no Unitholder or Annuitant, in its capacity as such, shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or Annuitant for any liability whatsoever, in tort, contract or otherwise, to any Person in connection with the Trust Property or the affairs of the Trust, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or Annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”), but rather the Trust Property only is intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each Unitholder and Annuitant shall be entitled to be reimbursed out of the Trust Property in respect of any payment of such Trust Liability made by such Unitholder or Annuitant.
- (b) In addition to the policies set out in Article 4, the Trustees shall cause the operations of the Trust to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent which they determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders, any material risk of liability on the Unitholders for claims against the Trust, and shall, to the extent available on terms which they determine to be practicable, including the cost of premiums, cause the insurance carried by the Trust, to the extent applicable, to cover the Unitholders and annuitants as additional insureds. Any potential liability of the Trustees with respect to the foregoing obligations or their failure to perform the same shall be governed by the provisions of Sections 15.1 and 15.2.

Article 16

GENERAL

16.1 Execution of Instruments

The Trustees shall have power from time to time to appoint any Trustee or Trustees or any Person or Persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

16.2 Manner of Giving Notice

Except as otherwise permitted herein, any notice required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder, a Trustee or the Auditors shall be deemed conclusively to have been given if given either by delivery or by prepaid first-class mail addressed to the Unitholder at its address shown on the Register, to the Trustee at the last address provided by such Trustee to the Secretary of the Trust, or to the Auditors at the last address provided by such Auditors to the Secretary of the Trust, as the case may be; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by publication twice in the Report on Business section of the National Edition of The Globe and Mail or a similar section of any other newspaper having national circulation in Canada; provided further that if there is no such newspaper having national circulation, then by publishing twice in the business section of a newspaper in the city where the Register is maintained. Any notice so given shall be deemed to have been given on the day of hand delivery or the day following that on which the notice was mailed or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers. In proving notice was mailed, it shall be sufficient to prove that such notice was properly addressed, stamped and mailed. Notice to any one of several joint holders of Units shall be deemed effective notice to the other joint holders. Any notice sent by mail to or left at the address of a Unitholder pursuant to this Section shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully given and shall be deemed sufficient notice to all persons having an interest in the Units concerned.

16.3 Failure to Give Notice

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder, any Trustee or the Auditors any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

16.4 Trust Auditors

The Auditors shall be appointed and removed at each annual meeting of Unitholders by an Ordinary Resolution. If at any time a vacancy occurs in the position of Auditors, the Trustees may appoint a firm of chartered accountants qualified to practise in all provinces of Canada to act as the Auditors until the next annual meeting of the Unitholders. The Auditors shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The

Auditors shall have access to all records relating to the affairs of the Trust. The Auditors shall receive such remuneration as may be approved by the Trustees.

16.5 Change of Auditors

Subject to applicable laws, the Auditors may at any time be removed and new Auditors appointed by a majority of the Trustees.

16.6 Fiscal Year

The fiscal year of the Trust shall end on December 31 in each year.

16.7 Reports to the Unitholders

Prior to each annual and special meeting of Unitholders, the Trustees shall provide the Unitholders (along with notice of such meeting) information similar to that required to be provided to shareholders of a public corporation governed by the CBCA and as required by applicable tax and securities laws.

16.8 Trust Property to be Kept Separate

The Trustees shall maintain the Trust Property separate from all other property in their possession.

16.9 Trustees May Hold Units

Any Trustee or Associate of a Trustee may be a Unitholder or may be an Annuitant, and may be required to hold Units as the Board of Trustees may determine from time to time.

16.10 Trust Records

The Trustee shall prepare and maintain, at the principal office of the Trust or at any other place designated in Canada by the Trustees, records containing: (i) the Declaration of Trust; and (ii) minutes of meetings and resolutions of the Unitholders. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

16.11 Right to Inspect Documents

A Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine the Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of the Unitholders, and any other documents or records which the Trustees determine should be available for inspection by such Person, during normal business hours at the principal office of the Trust. The Unitholders and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered holders of Units, to the same extent and

upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the CBCA.

16.12 Taxation Information

On or before March 30 in each year, or such earlier day as is required by applicable legislation or regulation, the Trust will provide to Trust Unitholders who received distributions from the Trust in either the prior calendar year or on or before January 31 of such year, such information regarding the Trust required by applicable law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of the prior calendar year.

16.13 Consolidations

Any one or more Trustees may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended or amended and restated.

16.14 Counterparts

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

16.15 Severability

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of the Declaration of Trust and shall not affect or impair any of the remaining provisions thereof. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

16.16 Governing Law

This Declaration of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

16.17 Language

Les parties aux présentes ont exigés que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en la langue anglaise. The parties hereto have required that this Declaration of Trust and all documents and notices resulting herefrom be drawn up in English.

<Remainder of Page Intentionally Left Blank>

IN WITNESS WHEREOF the Trustees appearing below, having been duly authorized to execute and deliver this Declaration of Trust, have caused these presents to be signed as of the date first above written.

Kerry D. Adams, Trustee

Christie J.B. Clark, Trustee

L. Jay Cross, Trustee

Gordon A.M. Currie, Trustee

Graeme M. Eadie, Trustee

Karen Kinsley, Trustee

R. Michael Latimer, Trustee

Nancy H.O. Lockhart, Trustee

Dale R. Ponder, Trustee

~~*"Kerry Adams"*~~

~~Kerry Adams, Trustee~~

~~*"Christie J.B. Clark"*~~

~~Christie J.B. Clark, Trustee~~

~~*"Graeme Eadie"*~~

~~Graeme Eadie, Trustee~~

~~*"Anthony R. Graham"*~~

~~Anthony R. Graham~~

~~*"Michael Kitt"*~~

~~Michael Kitt, Trustee~~

~~*"John Morrison"*~~

~~John Morrison, Trustee~~

~~*"Daniel F. Sullivan"*~~

~~Daniel F. Sullivan, Trustee~~

~~*"Paul Weiss"*~~

~~Paul Weiss, Trustee~~

ChoiceProperties