

NOTICE OF ANNUAL MEETING OF UNITHOLDERS AND MANAGEMENT PROXY CIRCULAR



**COMINAR REAL ESTATE
INVESTMENT TRUST**

April 13, 2018





COMINAR REAL ESTATE INVESTMENT TRUST

MANAGEMENT PROXY CIRCULAR

**NOTICE OF ANNUAL MEETING
OF UNITHOLDERS**

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the holders of units (“**Unitholders**”) of Cominar Real Estate Investment Trust (the “**REIT**”) will be held at Plaza Hotel, 3031 Laurier Boulevard, Québec, Québec, G1V 2M2 on May 16, 2018, at 11:00 a.m. (Québec time), for the following purposes:

1. **TO RECEIVE** the consolidated financial statements of the REIT for the fiscal year ended December 31, 2017 together with the report of the independent auditor thereon;
2. **TO ELECT** nine (9) trustees of the REIT;
3. **TO APPOINT** the independent auditor and authorize the trustees of the REIT to fix its remuneration;
4. **TO CONSIDER** and, if thought advisable, to pass a resolution (in the form attached as Schedule “C” to the accompanying management proxy circular) authorizing and approving certain amendments to the Contract of Trust of the REIT (as defined in Section 3.5 “**Voting at Meeting and Quorum**” of the accompanying management proxy circular) as reflected in the blackline document attached as Exhibit “1” to Schedule “C” of the accompanying management proxy circular designed to further align the Contract of Trust with governance best practices, all as more particularly set forth in the accompanying management proxy circular;
5. **TO CONSIDER** and, if thought advisable, to pass the non-binding advisory “say on pay” resolution on executive compensation, as more particularly set forth in the accompanying management proxy circular;
6. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournment thereof.

Items 2, 3, 4 and 5 above require the approval of a majority of the votes cast at the Meeting. The accompanying management proxy circular dated April 13, 2018, provides additional information relating to the matters to be dealt with at the Meeting and forms an integral part of this notice.

The Board of Trustees of the REIT (the “**Board**”) has set April 11, 2018, as the record date for determining those Unitholders entitled to receive notice of and vote at the Meeting.

Unitholders who are unable to attend the Meeting should complete, sign and date the form of proxy and return it to the REIT’s transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1. In order to be effective, proxies must be received no later than 5:00 p.m. (Québec time) on May 14, 2018, or, if the Meeting is adjourned, the last business day preceding the day of any adjourned meeting.

Unitholders are invited to attend the Meeting, where they will have the opportunity to ask questions and meet management, the Board and fellow Unitholders. At the Meeting, the REIT will also report on its 2017 business activities.

SIGNED in Québec, Québec, on the 13th day of April, 2018.

BY ORDER OF THE BOARD OF TRUSTEES,

(s) Manon Deslauriers
Vice-President Legal Affairs and Corporate Secretary

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FORWARD-LOOKING STATEMENTS

This management proxy circular may contain forward-looking statements with respect to the REIT and its operations, strategy, financial performance and condition. By their nature, forward-looking statements involve risks, uncertainties and assumptions. Such forward-looking statements reflect the intentions, plans, expectations and opinions of the REIT regarding the future growth, operating results, performance and business prospects and opportunities of the REIT. Forward-looking statements are often identified by words and expressions such as “plans,” “expects,” “is expected,” “budgeted,” “scheduled,” “estimated,” “seeks,” “aims,” “forecasts,” “intends,” “anticipates,” “believes,” or by statements that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, occur, or be achieved, and other variants and similar expressions, as well as the negative and conjugated forms, as they relate to the REIT.

The REIT cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Assumptions that could cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, the effects of general economic and business conditions, industry competition, the availability of financing, inflation, currency and interest rate fluctuations, legislative and/or regulatory developments, compliance with environmental laws and regulations, increases in maintenance and operating costs, security threats and reliance on technology and related cybersecurity risk.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the REIT to be materially different from the outlook or any future results or performance implied by such statements. Important risk factors that could affect the forward-looking statements include, but are not limited to, the factors described in the REIT’s Annual Information Form for the year ended December 31, 2017 available on SEDAR at www.sedar.com, which are incorporated by reference herein. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Forward-looking statements reflect information as of the date on which they are made. The REIT assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event the REIT does update any forward-looking statement, no inference should be made that the REIT will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

PART 1 – LETTER TO UNITHOLDERS

Dear Unitholders:

On behalf of the Board and management of the REIT, we cordially invite you to attend the annual meeting of the Unitholders that will be held at the Plaza Hotel, 3031 Laurier Boulevard, Québec, Québec, G1V 2M2 on May 16, 2018, at 11:00 a.m. (Québec time). This management proxy circular describes the business to be conducted at such meeting, and provides information on the REIT's executive compensation and corporate governance practices.

Embracing Cominar 2.0

2017 was a year in which we reviewed our strategy, governance, operations and compensation practices, and implemented change in leadership. As we evolve into "Cominar 2.0", we consider these measures as meaningful changes with a view to the on-going success of your REIT and the creation of value for Unitholders.

To stabilize our balance sheet and re-align our focus on our core market properties, in December 2017, we announced the sale of \$1.14 billion of non-core properties to Slate Acquisitions Inc. The benefits of this transaction are two-fold. First, we will exit the Atlantic Provinces, Western Canada and the Greater Toronto Area, narrowing our attention to our leading market position in Montréal and Québec City, which provides both stability and growth opportunities. More than 50% of our continuing portfolio is located in Montréal, and we are eager to participate in the growth of Canada's second largest city as major infrastructure projects such as the Réseau express métropolitain (**REM**) further propel its momentum. In Québec City, our office and industrial portfolio occupancy stands at 95.5%, and the city is poised to further prosper as it develops its urban development strategy and mass transit orientation with its recently announced proposed new tramway network. Concentrating on our core market portfolio will enable us to focus, and capitalize, on our experience, market knowledge and synergies in these markets, where we have a strong presence. Second, the proceeds of sale were used to repay debt, including approximately \$50 million of debt incurred to fund Unit buybacks under our normal course issuer bid. This is a significant and important step in stabilizing our balance sheet and enhancing our financial flexibility.

We continue to review our portfolio which we anticipate will lead to further asset sales, to explore further intensification and redevelopment opportunities to increase net operating income and surface value, and to evaluate partnership opportunities with other best-in-class organizations. Our portfolio includes many well-located urban assets with significant potential for value creation, including our flagship property Gare Centrale de Montréal, one of Canada's most important transportation infrastructure assets.

To lead the REIT in its transformation, Mr. Sylvain Cossette was appointed as President and Chief Executive Officer as of January 1, 2018, succeeding Mr. Michel Dallaire. The Board believes that Mr. Cossette's diverse background and intimate knowledge of the REIT developed in his tenure with Cominar since 2012 will foster a proactive engagement with all stakeholders and drive the REIT's success. On behalf of the Board and management of the REIT, we would like to thank Ms. Ghislaine Laberge, Ms. Mary-Ann Bell and Mr. Michel Dallaire for their significant contribution to Cominar over the years. Mr. Dallaire is a true builder and visionary who propelled the REIT to become one of Québec's most dominant real estate businesses.

Modernizing Governance and Revitalizing our Board

As part of our strategic review, and driven by our direct and active dialogue with Unitholders, we focused further on best-in-class governance practices to ensure proper stewardship of the REIT's long-term strategy. To do so, we have strived to significantly modernize our governance practices, including executive compensation.

As a fundamental starting point, our Board resolved to update Cominar's contract of trust to more closely align certain of its provisions with corresponding provisions applicable to corporations governed by the *Canada Business Corporations Act*, including a significant enhancement of Unitholder rights and remedies, and effecting other ancillary changes described in this management proxy circular. The proposed amendments include an advance notice policy to ensure that both the REIT and all Unitholders have necessary and appropriate time to consider Trustee nominees, consistent with best governance practices. These amendments align the contract of trust with policies and procedures that both require

and encourage Trustees, the REIT's management and Unitholders to carefully and thoughtfully participate together towards success.

Another important element of our strategy to enhance governance has been, and will continue to be, identifying, recruiting and retaining Trustees who have real estate experience, and complementary skills and knowledge, to form a best-in-class Board as we navigate the dynamic real estate landscape. To ensure renewal of our Board, we have adopted a term limit policy, which provides a balance between new perspectives and the benefits of the contribution of Trustees who, over time, have developed a deeper knowledge and understanding of the REIT. We have also adopted a policy regarding diversity on the Board and in executive officer positions, which delineates our approach to achieving and maintaining diversity, including gender diversity. We acknowledge the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspectives. Therefore, the REIT aspires to have women comprise at least 30% of the Board by December 31, 2021. Through these policies, we believe that we are putting in place a strong framework to identify and attract talented and diverse Trustees, who have the tools and experience to continue to engage with Unitholders and the REIT's management and think proactively.

Moreover, we are pleased to welcome three new Trustees, each with particularly valuable real estate and capital markets experience:

- Paul D. Campbell joined the Board on March 8, 2018 with over 45 years of leading real estate experience in Canada and abroad in the office and retail segments. Mr. Campbell has held numerous board, senior leadership and advisory positions with several leading large real estate organizations, including KingSett, SITQ and Bentall, and was awarded the NAIOP Lifetime Achievement Award for his contributions to the real estate industry.
- René Tremblay also joined the Board on March 8, 2018 with over 35 years of global real estate experience. Mr. Tremblay was responsible for driving the Asia-Pacific expansion of Taubman Asia, the Asian arm of U.S. NYSE listed Taubman Centres, a leader in the shopping centre industry. Prior to Taubman, Mr. Tremblay was the Chief Executive Officer of Ivanhoé Cambridge and served on the boards of entities engaged in real estate activities.
- Heather C. Kirk, a nominee to the Board, has over 20 years of capital markets experience in the Canadian real estate investment trust sector. Ms. Kirk has experience as an equity research analyst, investment banker and property owner, and acted as Managing Director of BMO Capital Markets from 2013 to 2018.

The contract of trust requires that a majority of the Trustees, and at least two-thirds of the members of the Investment Committee, have at least five years of substantial experience in the real estate industry. This reflects the importance such knowledge plays in the REIT's success, and we have consequently, with our current nominees, strived to, and achieved, surpassing this target. Six out of nine of our nominees, or 67%, have significant real estate experience.

Furthermore, we have focused on achieving a high-level of independence on the Board: first, eight of the nine nominees for Trustee, or 89% of nominees, are independent, with the only exception being our President and Chief Executive Officer, who brings necessary operational and financial knowledge about the REIT to the Board; and, second, since February 12, 2018, Mr. Alban D'Amours, an independent Trustee, has acted as Chairman of the Board, as the Chairman of the Board and Chief Executive Officer functions have been separated. We believe such independence better aligns our interests with yours and ensures efficient and effective oversight and stewardship.

We also implemented an important transition towards the internalization of certain construction activities and the diversification of our external construction services providers. As part of this transition, the use of Groupe Dallaire for construction services will be reduced in an orderly manner, over an approximate 12-month transition period. Certain dedicated elements of Groupe Dallaire's workforce in Montréal are being integrated at no additional cost to the REIT, with a view to ensuring continuity and best addressing our needs and those of our clients in a cost-effective manner.

Necessary Steps on the Road to Recovery

We believe that the challenges we faced, and the tough decisions made in 2017 were necessary and important steps on the REIT's road to recovery. In 2017, we lost our investment grade rating, as a result of which our financial debt strategy is now focused on the mortgage market at more favourable rates. We also recorded write-downs totalling \$643 million, including \$616 million of reductions to the fair value of investment properties (of which \$288 million related to the sale

of non-core properties to Slate Acquisitions Inc.) and a \$27 million de-recognition of goodwill. At year-end, our debt ratio was 57.4%, dropping to 50.1% taking into account the closing of the transaction with Slate Acquisitions Inc. Further, we took hard but necessary steps with respect to our distribution, and we are re-evaluating our budgets and capital allocation.

What all of these decisions have in common is that they reflect our commitment to ensuring that the REIT has the required financial flexibility to pursue our continued evolution into “Cominar 2.0”. We are focused on restoring our financial flexibility and protecting our ability to make distributions on a sustainable level.

The dynamic retail sector is also an area where we seized the opportunity to evolve and innovate. 2017 brought about a major strategic shift such as to redefine the consumer experience in our enclosed retail centres, as we develop a Cominar brand intrinsically linked to market-leading retail properties. We have sought to identify innovative initiatives that differentiate our offering, and are exploring intensification and redevelopment opportunities to grow revenue streams and bring additional shopper traffic. Some of the distinctive concepts introduced include:

- Womance, which travelled to several of our retail centres throughout Québec to provide online shoppers with a unique experience based on the human contact of a store environment.
- A partnership with Montréal’s Fashion & Design Festival to bring emerging concepts together and introduce them to the customer base. A “pop-up” tour featured emerging Québec brands such as Allcovered, Maguire, Le Cartel, Duy and Horace.
- Expansion and revitalization of our *Carte Blanche* program, which allows consumers to purchase gift cards online or at one of our centres, or to order them electronically.

Re-aligning Executive Compensation

We recognize that compensation plays a fundamental role within the REIT by attracting, motivating and retaining key executives who drive the REIT’s on-going success and increase value for Unitholders. In October 2017, we made several changes to Cominar’s compensation structure in order to further motivate executives and ensure that their interests are meaningfully aligned with those of Unitholders. The Board also adopted a “Say on Pay” policy in order to ensure transparency and continued engagement with Unitholders on executive compensation.

In 2017, the Trustees:

- Amended the REIT’s long-term equity incentive plan to introduce performance units and allow the replacement of Unit options in its long-term incentive policy, to tie compensation to Total Unitholder Return and ensure a close relationship between pay and performance; and
- Enhanced the minimum Unit ownership requirements for both executives and Trustees, and added a requirement for the President and Chief Executive Officer to hold a number of Units covered by the REIT’s minimum Unit ownership requirement for a one-year period after retirement; so doing will translate into executives and Trustees having a greater ownership interest in the REIT, and will further entrench their motivation and drive to make decisions with a view to creating value for the REIT and Unitholders.

To further all of these objectives, the Trustees also approved the following policies:

- An anti-hedging policy, which prohibits Trustees and officers from purchasing financial instruments that seek to hedge or offset any decrease in the market value of Units such as prepaid variable forward contracts, equity swaps and put or call options.
- A clawback policy, which allows the Board to recoup or clawback short-term or long-term incentive compensation awarded to executives where it believes that such compensation would have been lower if the financial results had been properly reported.

We believe that these changes are important steps forward for Cominar which incentivize senior management to make decisions that enhance Unitholder value, and encourage Trustees and executives to set, evaluate and achieve short-term and long-term goals for the REIT.

Social Responsibility and Environmental Sustainability

We remain committed to acting as a good corporate citizen, both for its intrinsic value, and for the value that so doing ultimately adds to the REIT. Cominar continues to integrate social responsibility and environmental sustainability as core values in its investments and operations, and to maximize its social and community contributions, while minimizing its environmental impact. We support and encourage the active engagement of Trustees, executives and employees to achieve such objectives. The Board has enshrined these values in its recently adopted policy regarding corporate social responsibility and environmental sustainability.

Following are some highlights of the REIT's achievements in these areas in 2017:

- The rate of employee engagement in the REIT's volunteering program was 69%, with 7,640 hours invested in the community. This enabled Cominar to contribute to no fewer than 104 initiatives, in areas such as social and humanitarian endeavors, health, education and arts and culture, among others.
- One of our signature events, Cominar's Forest of Stars, which took place across 18 of our Québec shopping centres, surpassed its target of \$150,000 and raised \$161,000 for *Opération Enfant Soleil*.
- 27 of the REIT's properties are BOMA-certified, Complexe Jules-Dallaire is certified under the LEED program, and certification procedures are currently underway for Tower 5 of Place Laval in Laval.
- Our Plug & Drive program was developed in partnership with the FLO network, allowing drivers of electric vehicles to recharge their cars at 18 of our shopping centres, Complexe Jules-Dallaire and Montréal Central Station.

Thank you!

Finally, we wish to thank our Unitholders for their constructive dialogue and input. Various achievements and bounds forward described herein result in part from the on-going direct and meaningful engagement with our Unitholders, for which we are deeply appreciative. The discourse and engagement between our Board, management and Unitholders resulted in an intensive review of the REIT's governance and strategy, and our actions and steps have been, and will continue to be, driven by thoughtful analysis, both internally and externally, taking into account your views.

Your participation in the REIT is valued. We hope to have the opportunity to meet and interact with you personally should you attend the meeting in person. If you are unable to do so, we encourage you to complete and return the enclosed proxy form or voting instruction form in the envelope provided for this purpose, so that your views can be represented.

Please consult part 3 of this management proxy circular to find out how to vote your Units.

Any questions regarding voting your Units should be directed to our strategic shareholder advisor and proxy solicitation agent Kingsdale Advisors who can be reached by toll-free telephone in North America at 1-888-518-1557, by collect call outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

We look forward to meeting you.

Alban D'Amours, CM, GOQ, LH, Fellow Adm.A.
Chairman of the Board of Trustees

Sylvain Cossette
President and Chief Executive Officer

PART 2 – PROXY SUMMARY

The following summary highlights some of the important information found in this management proxy circular, as well as information about the REIT. We recommend that you read the entire management proxy circular before voting.

BOARD OF TRUSTEE HIGHLIGHTS

8/9	6/9	INDEPENDENT	31	97.7%	0	DIVERSITY TARGET
TRUSTEE NOMINEES ARE INDEPENDENT	TRUSTEE NOMINEES HAVE REAL ESTATE EXPERIENCE	NEWLY NOMINATED BOARD CHAIRMAN IS INDEPENDENT	BOARD AND COMMITTEE MEETINGS HELD IN 2017	ATTENDANCE AT BOARD MEETINGS	TRUSTEES SIT TOGETHER ON THE BOARD OF ANOTHER COMPANY	AT LEAST 30% WOMEN TRUSTEES BY 2021

OUR TRUSTEE NOMINEES

NAME / AGE	TOP 3 COMPETENCIES ⁽¹⁾	TRUSTEE SINCE	POSITION	OTHER PUBLIC BOARDS	% OF VOTES FOR IN 2017
Alban D'Amours (77)	Board and Governance Real Estate Risk Management	2009	Chairman of the Board and Corporate Director	0	97.69
Luc Bachand (61)	Investment Finance and Accounting Strategy	2016	Corporate Director	1	99.31
Paul D. Campbell (70)	Real Estate Investment Strategy	2018	Corporate Director	1	N/A
Sylvain Cossette (60)	Real Estate Strategy Executive Leadership	2018	President and Chief Executive Officer of the REIT	0	N/A
Claude Dussault (63)	Risk Management Human Resources Finance and Accounting	2017	President of ACVA Investing Corporation	2	98.97
Johanne M. Lépine (64)	Board and Governance Human Resources Risk Management	2013	President and Chief Executive Officer of Aon Parizeau Inc.	0	99.23
Michel Thérout (70)	Finance and Accounting Real Estate Investment	2015	Corporate Director	0	98.08
René Tremblay (63)	Real Estate Strategy Human Resources	2018	Corporate Director	0	N/A
Heather C. Kirk (48)	Real Estate Finance and Accounting Strategy	new nominee	Corporate Director	0	N/A

(1) Refer to the description of competencies in Section 4.2.3 "Skills Matrix" of this management proxy circular.

2017 KEY BUSINESS HIGHLIGHTS

525	\$7.8B	92.6%	70.7%	\$120.7M	\$835.5M
PROPERTIES IN REIT'S PORTFOLIO AT YEAR-END	ASSETS AT YEAR-END	OCCUPANCY RATE (INCREASE)	RETENTION RATE (INCREASE)	DISPOSITIONS OF INVESTMENT PROPERTIES	OPERATING REVENUES

KEY GOVERNANCE, ENVIRONMENTAL AND SOCIAL HIGHLIGHTS

AMENDMENTS TO CONTRACT OF TRUST Proposed updating Contract of Trust with current best-in-class practices, including the enhancement of rights and remedies in favour of Unitholders, consistent with those available to shareholders of a corporation under the <i>Canada Business Corporations Act</i> .	REVITALIZATION OF THE BOARD Welcomed three new Trustees with in-depth and diverse real estate and capital markets experience, nominated 8 independent Trustees and elected a non-executive Chairman of the Board. Our new President and Chief Executive Officer also joined the Board.	TERM LIMITS, DIVERSITY AND CORPORATE SOCIAL RESPONSIBILITY Introduced three new policies: (1) a policy that sets limits on the term that Trustees may serve on the Board, balancing the need for renewal and new perspectives with the benefit of experience and knowledge developed over time; (2) a policy regarding diversity on the Board and in executive officer positions which sets a target of at least 30% of women on the Board by 2021; and (3) a policy on corporate social responsibility and environmental sustainability enshrining the REIT's commitment to integrating these values into its investments and operations.	RELATED PARTY TRANSACTIONS The REIT is internalizing certain activities and diversifying its use of outside construction suppliers. The use of Groupe Dallaire for construction services will be reduced over an approximate 12-month transition period and certain elements of its Montréal workforce is being integrated into the REIT, at no additional cost.
"SAY ON PAY" New advisory Unitholder vote to be held at annual Unitholder meeting, enhancing transparency and engagement by giving Unitholders the opportunity to express their views on the REIT's compensation policies and practices.	\$545,000 AND 7,640 HOURS Dollars raised for Centraide/United Way and Operation Enfant Soleil in 2017, and hours invested in the community through the REIT's volunteering program.	ENVIRONMENTAL STEWARDSHIP 27 BOMA-certified properties, Complexe Jules-Dallaire certified under LEED program and participation in GRAME environmental program and SOVERDI project to plant over 300 trees on the REIT's properties in Montréal.	COMMITMENT TO ALTERNATIVE TECHNOLOGY AND TRANSPORTATION Provision of electric charging stations, bicycle parking facilities and car-sharing services at certain of the REIT's properties.

EXECUTIVE COMPENSATION

In designing, implementing and evaluating its compensation policy, the REIT focuses on the role that compensation plays in attracting, motivating and retaining executives, who are key to the REIT's success and growth, and to providing Unitholders value. Consequently, the REIT's compensation policy is competitive, drives performance and encourages Unit ownership. The REIT's balanced approach relies on both short-term and long-term incentive plans to ensure its executive compensation is consistent with that offered to their peers and to achieve alignment between executives' and Unitholders' interests. More specifically, the REIT aims to offer compensation that is below the median for its benchmark group in terms of fixed compensation, but in line with the median for its benchmark group in terms of overall

compensation, adjusted to reflect achievement of corporate, sector and individual objectives *vis-à-vis* expectations set by the Board.

Best Practices of the REIT

The REIT is committed to ensuring best practices with respect to executive compensation, including the following:

- The Compensation Committee met four times in 2017 to evaluate the REIT's overall compensation policy and executive performance.
- To manage risk and emphasize long-term returns, overall compensation attributable to the long-term incentive plan is always greater than that attributable to the short-term incentive plan.
- Short-term bonus model with a minimum threshold under which no annual bonus is paid in respect of a specific target.
- Bonus payouts are determined by measurable financial and operational performance targets, as well as sector and personal performance targets aligned with our strategic plan.
- Amendment to the REIT's equity incentive plan and its compensation practices to introduce performance units that will vest based on Total Unitholder Return relative to our peer group.
- Strict minimum unit ownership requirements for Trustees and executives, including requirement for Chief Executive Officer to hold a number of units for a one-year period post-retirement.
- Anti-hedging policy that prevents Trustees and executives from seeking to hedge or offset a decrease in the market value of Units.
- A clawback policy that allows the REIT to recoup incentive compensation awarded in cases of material financial restatement.
- An advisory "Say on Pay" vote for Unitholders.

PART 3 – VOTING INFORMATION

3.1 Solicitation of Proxies

This management proxy circular (the “**Circular**”) is sent in connection with the solicitation of proxies by or on behalf of management of Cominar Real Estate Investment Trust (the “**REIT**” or “**Cominar**”) for use at the annual meeting (the “**Meeting**”) of holders of units of the REIT (“**Unitholders**”) to be held on May 16, 2018 at Plaza Hotel, 3031 Laurier Boulevard, Québec, Québec, G1V 2M2, at 11:00 a.m. (Québec time), or any adjournment thereof for the purposes set forth in the accompanying notice of Meeting (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone, fax or other electronic means, by the trustees of the REIT (the “**Trustees**”) or by the officers or other employees of the REIT. In order to be effective, proxies must be received no later than 5:00 p.m. (Québec time) on May 14, 2018, or, if the Meeting is adjourned, the last business day preceding the day of any adjourned meeting. The time limit for the deposit of proxies may be waived or extended by the Meeting Chair at his or her discretion without notice. The costs of solicitation, if any, will be borne by the REIT. Except as otherwise stated, the information contained herein is given as at April 13, 2018.

Cominar has engaged Kingsdale Advisors (“**Kingsdale**”) as strategic shareholder advisor and proxy solicitation agent and will pay fees of approximately \$40,000 to Kingsdale for the proxy solicitation service in addition to certain out-of-pocket expenses. Cominar may also reimburse brokers and other persons holding “**Units**” (as that term is defined in Section 3.2 “**Beneficial Owners**” of this Circular) in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies. Unitholders can contact Kingsdale either by mail at Kingsdale Advisors, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-888-518-1557 or collect call outside North America at 416-867-2272, or by e-mail at contactus@kingsdaleadvisors.com.

Enclosed with this Circular and the attached Notice is a form of proxy for use in connection with the Meeting.

3.2 Beneficial Owners

The information set forth in this Section is important to the many Unitholders who do not hold units of the REIT (“**Units**” or “**Unit**”) in their own names (“**Beneficial Owners**”). Units beneficially owned by a Beneficial Owner are registered either:

- in the name of an intermediary (“**Intermediary**”), such as, among others, banks, trust companies, securities dealers or brokers and Trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans; or
- in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or “**CDS**”) of which the Intermediary is a participant.

The REIT sends proxy-related materials directly to non-objecting Beneficial Owners under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Units held by brokers or their agents or nominees can be voted for or against resolutions only upon the instructions of the Beneficial Owner. Without specific instructions, brokers and their agents and nominees are prohibited from voting Units for the brokers’ clients.

Should a Beneficial Owner who receives a voting instruction form wish to attend the Meeting in person or by proxy and vote at it, he should:

- appoint himself proxy by indicating his name (or that of another person of his choice) in the blank space provided on the voting instruction form;
- not complete the part about voting since his vote will be recorded at the Meeting; and
- return the voting instruction form according to the instructions indicated therein.

Beneficial Owners should carefully follow the instructions indicated on the voting instruction form and ensure that instructions respecting the voting of their Units are communicated to the appropriate person.

3.3 Appointment and Revocation of Proxies

Registered Unitholders may vote in person at the Meeting or complete and return the enclosed form of proxy. Proxies must be executed by Unitholders or the attorneys of such Unitholders, duly authorized in writing. To be valid, proxies to be used at the Meeting must be deposited with the REIT's transfer agent, Computershare Trust Company of Canada ("Computershare"), 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or at the head office of the REIT, 2820 Laurier Boulevard, Suite 850, Québec, Québec, G1V 0C1, no later than 5:00 p.m. (Québec time) on May 14, 2018 or, if the Meeting is adjourned, the last business day preceding any adjourned Meeting.

The persons designated in the form of proxy are Trustees and/or officers of the REIT. A Unitholder may appoint a proxyholder other than any person designated in the form of proxy to attend and act on such Unitholder's behalf at the Meeting, either by inserting such other desired proxyholder's name in the space provided on the form of proxy and deleting the names printed thereon or by substituting another proper form of proxy.

A proxy given by a Unitholder for use at the Meeting may be revoked at any time prior to its use. A proxy may be revoked by an instrument in writing executed by the Unitholder or by his or her attorney in writing; if the Unitholder is a corporation the revocation must be executed by an officer duly authorized in writing or, if the Unitholder is an association, by an attorney duly authorized in writing, and deposited with Computershare at the latest on May 14, 2018 at 5 p.m. (Québec time), or the last business day preceding the date of any adjournment thereof or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Beneficial Owners may revoke their voting instructions by following their broker's instructions.

3.4 Voting of Units

Units represented by proxies will be voted or withheld from voting on any ballot that may be called for according to the instructions received from the Unitholder and, if the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Units represented by properly executed proxies will be voted accordingly.

In the absence of such direction, proxyholders designated in advance in the form of proxy or voting instructions will vote the Units:

- (i) **IN FAVOUR OF the election of each of the nine (9) nominees put forward by the Board as Trustees as indicated in Section 4.2 "Election of Trustees" of this Circular;**
- (ii) **IN FAVOUR OF the appointment of the independent auditor of the REIT and the authorization given to the Trustees to fix its remuneration;**
- (iii) **IN FAVOUR OF the adoption of the resolution set forth in Schedule "C" of this Circular to ratify and confirm the amendments to the Contract of Trust; and**
- (iv) **IN FAVOUR OF, in an advisory, non-binding capacity, the approach to executive compensation disclosed in PART 5 – "STATEMENT OF EXECUTIVE COMPENSATION" of this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons designated therein with respect to amendments or variations to matters identified in the Notice and with respect to any other matter which may properly come before the Meeting. However, if any other matters which are not now known to the Trustees should properly come before the Meeting, the Units represented by proxies will be voted on such matters in accordance with the best judgment of the proxyholder.

As at the date of this Circular, management of the REIT knows of no changes to the agenda, nor of any other matter that may properly come before the Meeting.

3.5 Voting at Meeting and Quorum

As at March 31, 2018, 181,934,099 Units were issued and outstanding. Each Unit entitles its holder to one vote at meetings of Unitholders. **Only Unitholders of record at the close of business on April 11, 2018, the record date established for the Meeting, will be entitled to vote at the Meeting or any adjournment thereof, either in person or by proxy.**

Unless otherwise required in the Contract of Trust governing the affairs of the REIT dated March 31, 1998, as amended, supplemented or restated from time to time (the “**Contract of Trust**”), every question coming before the Meeting or any adjournment thereof shall be decided by the majority of the votes duly cast. The quorum at the Meeting or any adjournment thereof shall consist of at least two individuals present in person, each of whom is a Unitholder or a proxyholder representing a Unitholder, and who hold or represent by proxy together not less than 25% of the total number of outstanding Units.

3.6 Confidentiality and Counting of Votes

In order to protect confidentiality, the votes cast by the Unitholders of record are received and compiled for the Meeting by Computershare, whereas the votes cast by the Beneficial Owners are compiled and transferred to Computershare by the Intermediaries. Computershare only provides a copy of a proxy form to the REIT if a Unitholder clearly wishes to communicate its personal opinion to management or where legal requirements justify it.

3.7 Result of the Votes

After the Meeting, the REIT shall present the results of the votes on the SEDAR Website (www.sedar.com).

The voting results of the annual meeting of Unitholders of the REIT held on May 17, 2017 were as follows:

Short description of all matters voted upon	Outcome of the vote	Distribution of votes cast			
		For (#)	For (%)	Withheld (#)	Withheld (%)
In respect of the election of each of the following nominees as member of the Board of the REIT for the upcoming year:					
Michel Dallaire	Approved (by show of hands)	83,223,211	94.84	4,524,618	5.16
Luc Bachand	Approved (by show of hands)	87,138,260	99.31	609,569	0.69
Mary-Ann Bell	Approved (by show of hands)	85,046,346	96.92	2,701,483	3.08
Alain Dallaire	Approved (by show of hands)	86,632,600	98.73	1,115,229	1.27
Alban D'Amours	Approved (by show of hands)	85,719,359	97.69	2,028,470	2.31
Ghislaine Laberge	Approved (by show of hands)	85,603,018	97.56	2,144,811	2.44
Johanne M. Lépine	Approved (by show of hands)	87,076,134	99.23	671,695	0.77
Michel Thérout	Approved (by show of hands)	86,060,173	98.08	1,687,656	1.92
Claude Dussault	Approved (by shows of hands)	86,846,849	98.97	900,980	1.03

Short description of all matters voted upon	Outcome of the vote	Distribution of votes cast			
		For (#)	For (%)	Withheld (#)	Withheld (%)
Regarding the appointment of the REIT's auditor for the upcoming year and the authorization of the Board to fix their remuneration:	Approved (by show of hands)	87,084,176	98.95	926,317	1.05

3.8 Principal Unitholders

To the knowledge of the Trustees and officers of the REIT according to the most recent available information, there is no direct or indirect Beneficial Owner of, nor any person who exercises control or direction over, Units carrying more than 10% of the votes attached to the outstanding Units.

PART 4 – MEETING AGENDA

4.1 Reception of Financial Statements and Independent Auditor's Report

The consolidated financial statements of the REIT for the fiscal year ended December 31, 2017, and the report of the independent auditor thereon are contained in the REIT's 2017 Annual Report and the approval of the Unitholders with respect thereto is not required.

4.2 Election of Trustees

Effective January 9, 2018, Mr. Alain Dallaire resigned from his position as Trustee. To replace Mr. Dallaire, following his nomination to the position of President and Chief Executive Officer of the REIT on January 1, 2018, Mr. Sylvain Cossette was appointed as Trustee. As a member of the REIT's management, Mr. Cossette has invaluable and intimate knowledge about the REIT's operations, policies and procedures, enabling him to highlight the concrete and day-to-day impact of the Board's decisions and to be a meaningful bridge between the Board and the REIT's management and employees.

Mr. Michel Dallaire resigned from his position as Trustee effective February 12, 2018 and Mr. Alban D'Amours was therefore appointed Chairman of the Board. Mr. D'Amours has been a Trustee since 2009 and was Lead Independent Trustee from November 1, 2016 until Mr. Dallaire's resignation.

Ms. Ghislaine Laberge, who had served as a Trustee since 1998, stepped down from the Board effective March 8, 2018. MM. Paul D. Campbell and René Tremblay were appointed as Trustees, effective March 8, 2018.

There are currently nine (9) Trustees. Of such Trustees, eight (8) are deemed to be "**Independent Trustees**" (as that term is defined under Section 6.2 "**Corporate Governance Practices Statement**" of this Circular), namely Alban D'Amours, Luc Bachand, Mary-Ann Bell, Paul D. Campbell, Claude Dussault, Johanne M. Lépine, Michel Thérioux and René Tremblay, whose terms expire at the close of the Meeting. The other Trustee, namely Sylvain Cossette, is not an Independent Trustee, as he is a "**Named Executive Officer**" (as that term is defined in Section 5.4.1 "**Summary Compensation Table**" of this Circular).

Furthermore, Ms. Mary-Ann Bell will not be submitting her candidacy at the Meeting. The candidacy of Ms. Heather C. Kirk for election at the Meeting was submitted to and approved by the Board.

The nominees proposed for election this year as Trustees, as recommended to the Board by the Nominating and Governance Committee, are:

Alban D'Amours, Luc Bachand, Paul D. Campbell, Sylvain Cossette, Claude Dussault, Johanne M. Lépine, Michel Thérioux, René Tremblay and Heather C. Kirk. All nominees are currently Trustees, except for Heather C. Kirk.

Information about each of the nominees proposed for election is presented in Section 4.2.2 "**Nominees for Election as Trustees**" of this Circular. The persons designated in the enclosed form of proxy for use at the Meeting intend to vote **IN FAVOUR OF** the election of each of the nominees, as Trustees, to hold office until the close of the annual meeting of Unitholders for the fiscal year ending December 31, 2018, or until their successors are duly elected or appointed, or until the close of the next annual meeting of Unitholders, unless the Unitholder who has given the proxy has directed that the Units represented thereby be withheld from voting on the election of Trustees. A majority vote mechanism is in place for the election of the proposed nominees. For more information on the majority vote, see Section 4.2.1 "**Majority Vote**" of this Circular.

Management does not contemplate 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, the persons designated in the attached form of proxy will vote for another nominee as management may recommend, unless the Unitholder has specified in the form of proxy that the Units represented thereby be withheld from voting on the election of Trustees.

4.2.1 Majority Vote

The Board adopted a policy on the election of Trustees by uncontested majority vote. This policy specifies that each nominee for Trustee must be elected by a majority of the votes expressed by the Unitholders who are present or represented by proxy at the Meeting and who exercise their right to vote for said nominee. A nominee for Trustee shall not be deemed to have received the support of the Unitholders, even if elected, should the number of abstained votes be higher than the number of votes in favour of the nominee's election at the Meeting. In such case, the Trustee elected under these circumstances shall immediately tender his/her resignation to the Chairman of the Board and to the Nominating and Governance Committee, which shall review same and then make a recommendation to the Board. The Board shall in turn promptly review the recommendation of the Nominating and Governance Committee. The Trustee who tenders a resignation will not participate in any meeting of the Board or of the Nominating and Governance Committee at which the resignation is considered (unless a quorum is not present due to such abstention, and then only for quorum purposes and not to approve, or not, such resignation). The Board must accept or refuse the tendered resignation within ninety (90) days of the final scrutineers' report on the results of the vote for the Trustee election. Absent exceptional circumstances, the tendered resignation will be accepted by the Board and will then be effective. As soon as a decision is made, the Board will issue a press release either announcing the resignation of the Trustee or explaining the reasons behind the Board's refusal of the resignation, which press release will be submitted to the Toronto Stock Exchange (the "TSX"). The policy does not apply in the case of a contested election of Trustees.

4.2.2 Nominees for Election as Trustees

The following tables present information on each of the nominees proposed for election as Trustees of the REIT to hold office until the close of the annual meeting of Unitholders for the fiscal year ending December 31, 2018. This information includes, namely, a summary of their work experience, their Committee membership, their attendance at Board and Committee meetings over the past year, the total number of securities held, as well as the total number of Deferred Units ("DUs") (including those granted but not vested on December 31, 2017) and if they meet the minimum unitholding requirements imposed on each Trustee. It also presents the membership of the nominees to boards of other reporting issuers, if any. Unitholdings (Units and DUs) of each nominee, whether owned directly or indirectly, and their market value were determined as at December 29, 2017. On December 29, 2017, the closing price of Units on the TSX was \$14.40.



Alban D'Amours,
CM, GOQ., LH,
Fellow Adm. A

Québec,
Québec, Canada

Age: 77

Independent

Principal Occupation

Chairman of the Board of Trustees and Corporate Director

Alban D'Amours is the Chairman of the Board of Trustees since his appointment on February 12, 2018. Mr. D'Amours was President and Chief Executive Officer of the Desjardins Group from 2000 to 2008. In 1988, he joined the Confédération des Caisses Desjardins, where he held various management positions. He has held various positions in the Québec civil service, including those of Associate Deputy Minister of Energy and Deputy Minister of Revenue. Professor of economics at the University of Sherbrooke, Mr. D'Amours completed his doctoral studies with a major in monetary policy, public finance and econometrics.

He is honorary president of the Confédération Internationale des Banques Populaires, a member of the Board of Directors of the Lucie and André Chagnon Foundation, former member of the Board of Directors of Caisse de dépôt et placement du Québec and former chairman of the Board of Directors of the University of Sherbrooke, Télé-Université (UQ) and Centre Hospitalier Universitaire de Québec.

Areas of expertise: board and governance, real estate, risk management, finance and accounting, human resources, strategy and executive leadership.

Member of the following Committees: Investment Committee,⁽¹⁾ Compensation Committee,⁽¹⁾ Audit Committee (Chair)⁽²⁾ and Nominating and Governance Committee

Meetings Attended in Fiscal Year 2017

	#	%
Board of Trustees	10 of 10	100
Audit Committee	4 of 4	100
Investment Committee ⁽¹⁾	4 of 5	80
Compensation Committee ⁽¹⁾	4 of 4	100
Nominating and Governance Committee	5 of 5	100
Special Committee	3 of 3	100
Meeting Attendance (Total)	30 of 31	96.8

Securities Held or Controlled as at December 31, 2017


Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017 ⁽³⁾
Units	23,182	333,820 ⁽⁴⁾	Yes
DUs	-		


(1) Mr. D'Amours is not a member of these Committees, but was present at the Committee's meeting as Lead Independent Trustee during the year 2017.


(2) As of February 13, 2018 and following his nomination as Chairman of the Board, Mr. D'Amours has been replaced by Mr. Michel Thérault as Chair of the Audit Committee.

(3) See Section 4.2.10 "Unitholding Requirement" of this Circular.

(4) Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.

 <p>Luc Bachand, ICD.D.</p> <p>Outremont, Québec, Canada</p> <p>Age: 61</p> <p>Independent</p>	Principal Occupation		Corporate Director	
	<p>Luc Bachand was Vice-Chairman and the Head of BMO Capital Markets in Québec from 2006 until his retirement in 2016. Mr. Bachand joined BMO Financial Group in 1983 where he held several positions within the Capital Markets Group. He holds a Bachelor’s degree in Business Administration from the École des Hautes Études Commerciales (HEC) and a Master’s degree in Business Administration (MBA) from Concordia University. He is a Fellow of the Institute of Canadian Bankers.</p> <p>Mr. Bachand is currently a member of the Boards of Directors of École des Hautes Études Commerciales (HEC), the Fondation Jeunes en Tête, the Institute of Corporate Directors of Canada, the J. Armand Bombardier Foundation as well as Morneau Shepell Inc. where he also sits on the Audit Committee and HR Committee.</p> <p>Areas of expertise: investment, finance and accounting, strategy, risk management, executive leadership and board and governance.</p> <p>Board member of other reporting issuers: Morneau Shepell Inc.</p> <p>Member of the following Committees: Audit Committee and Investment Committee (Chair)⁽¹⁾</p>			
	Meetings Attended in Fiscal Year 2017		#	%
	Board of Trustees		10 of 10	100
	Audit Committee		4 of 4	100
	Nominating and Governance Committee ⁽²⁾		1 of 1	100
	Investment Committee		5 of 5	100
	Meeting Attendance (Total)		20 of 20	100
	Securities Held or Controlled as at December 31, 2017			
	Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017 ⁽³⁾
	Units	16,736	240,998 ⁽⁴⁾	Yes
	DUs	-		
<p>(1) Mr. Bachand became Chair of the Investment Committee as of March 7, 2018.</p> <p>(2) Mr. Bachand was a member of the Nominating and Governance Committee until May 17, 2017.</p> <p>(3) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(4) Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.</p>				

 <p>Paul D. Campbell</p> <p>Toronto, Ontario, Canada</p> <p>Age: 70</p> <p>Independent</p>	Principal Occupation		Project Lead, KingSett Capital
	<p>Paul D. Campbell has over 45 years of leading real estate experience in Canada and abroad in the office and retail segments. Since 2014, Mr. Campbell has served as a Project Lead of KingSett Capital, a Canadian real estate private equity firm. Prior to joining KingSett Capital, Mr. Campbell held the position of President and Chief Executive Officer at SITQ from 2001 to 2010 and remained as an advisor from 2010 until 2012.</p> <p>For the past 25 years, Mr. Campbell has held numerous board, senior leadership and advisory positions with several large real estate organizations, including KingSett, 20 Vic, SITQ, Bentall, Revenue Properties, Maron Properties, Oxford, Campeau Corporation, Trilea and Bramalea. From 2013 to this day, Mr. Campbell has been a member of the Real Estate Board of MaRS Discovery District, and is a Board Member of TWC Enterprises Limited (Clublink).</p> <p>In 2012, Mr. Campbell was awarded the NAIOP Lifetime Achievement Award for his contributions to the real estate industry.</p> <p>Areas of expertise: real estate, investment, strategy, human resources, executive leadership and board and governance.</p> <p>Board member of other reporting issuers: TWC Enterprises Limited (Clublink)</p> <p>Member of the following Committees: Nominating and Governance Committee and Investment Committee</p>		
	Securities Held or Controlled as at December 31, 2017		
	Units/DUs (#)		Total market value of Units/DUs (\$)
	Meets unitholding requirement for year 2017⁽¹⁾		
	Units	-	-
	DUs	-	N/A ⁽²⁾
<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) As more fully described in Section 4.2.10 “Unitholding Requirement” of this Circular, the minimum unitholding requirement must be attained before the third anniversary of a Trustee’s election. Since Mr. Campbell only became a Trustee in 2018, he is not yet required to meet the minimum unitholding requirement.</p>			

 <p>Sylvain Cossette, B.C.L., L.L.M.</p> <p>Québec, Québec, Canada</p> <p>Age: 60</p> <p>Non-independent</p>	Principal Occupation	President and Chief Executive Officer of the REIT	
	Sylvain Cossette has been President and Chief Executive Officer of the REIT since January 2018. Mr. Cossette started at the REIT in August 2012 as Executive Vice President and Chief Operating Officer, and was the REIT’s President and Chief Operating Officer from February 2016 until he was nominated as President and Chief Executive Officer. Prior to joining Cominar, Mr. Cossette was a partner for almost 30 years at Davies Ward Phillips & Vineberg LLP, primarily in the area of mergers and acquisitions, corporate finance and real estate. He holds a B.C.L. from McGill University’s Faculty of Law, and an L.L.M. in taxation from NYU School of Law.		
	Areas of expertise: real estate, strategy, executive leadership, finance and accounting, investment, risk management and board and governance.		
	Securities Held or Controlled as at December 31, 2017		
	Units/DUs (#)		Total market value of Units/DUs (\$)
Units	24,242	1,322,496 ⁽²⁾	Yes
DUs	67,598		
<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.</p>			



**Claude Dussault,
B. Sc.**

Québec, Québec,
Canada

Age: 63


Independent


Principal Occupation	President of ACVA Investing Corporation		
<p>Claude Dussault is President of ACVA Investing Corporation, a privately held investment company. Since 2008, Mr. Dussault has been Chair of the Board of Directors of Intact Financial Corporation. From 2001 until 2007, Mr. Dussault was President and Chief Executive Officer of Intact Financial Corporation (formally known as ING Canada). Mr. Dussault holds a bachelor's degree in Actuarial Science from Université Laval, and is also a fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society.</p> <p>Mr. Dussault is currently a member of the Board of Metro Inc. and serves as Chair of its Human Resources Committee. Mr. Dussault has also served on various boards of directors, such as Université Laval, ING Bank of Canada, IPC Financial, Equisure Financial Network Inc. and UNICEF Canada.</p> <p>Areas of expertise: risk management, human resources, finance and accounting, strategy, executive leadership and board and governance.</p> <p>Board member of other reporting issuers: Intact Financial Corporation and Metro Inc.</p> <p>Member of the following Committees: Audit Committee and Compensation Committee</p>			
Meetings Attended in Fiscal Year 2017 ⁽¹⁾	#	%	
Board of Trustees	8 of 8	100	
Audit Committee	2 of 2	100	
Compensation Committee	3 of 3	100	
Special Committee	3 of 3	100	
Meeting Attendance (Total)	16 of 16	100	
Securities Held or Controlled as at December 31, 2017			
Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017 ⁽²⁾
Units	10,000	194,860 ⁽³⁾	Yes
DUs	3,532		

(1) Mr. Dussault has been a member of the Board, the Audit Committee and the Compensation Committee since May 17, 2017.


(2) See Section 4.2.10 “Unitholding Requirement” of this Circular.


(3) Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.

 <p>Johanne M. Lépine, FCIP, ICD.D.</p> <p>Montréal, Québec, Canada</p> <p>Age: 64</p> <p>Independent</p>	Principal Occupation		President and Chief Executive Officer of Aon Parizeau Inc.	
	Johanne M. Lépine has been President and Chief Executive Officer of Aon Parizeau since 2002. From 2011 to 2014, she held the position of Regional Director, Eastern Canada, where she was responsible for Aon Parizeau’s insurance brokerage operations and risk management for Ontario, Québec and the Atlantic provinces. Ms. Lépine is member of Aon Reed Stenhouse’s Canadian executive committee. She is Senior Vice-President and Chair of the Board of Aon Reed Stenhouse since 2015 and was appointed to be a Director of the Montréal Port Authority as of June 2017.			
	She served on the board of La Senza Corporation from 2005 to 2007.			
	She is Fellow of the Insurance Institute of Canada and a Chartered Insurance Broker. In February 2016, she became an Institute-certified Director (ICD.D) and a member of the Institute of Corporate Directors.			
	Ms. Lépine is also a board member of the Montréal Museum of Fine Arts Foundation and the Marie-Vincent Foundation.			
	Areas of expertise: board and governance, human resources, risk management and executive leadership.			
	Member of the following Committees: Compensation Committee and Nominating and Governance Committee (Chair)			
	Meetings Attended in Fiscal Year 2017		#	%
	Board of Trustees		10 of 10	100
	Nominating and Governance Committee		5 of 5	100
Investment Committee		4 of 5	80	
Special Committee		3 of 3	100	
Meeting Attendance (Total)		22 of 23	95.7	
Securities Held or Controlled as at December 31, 2017				
Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017 ⁽¹⁾	
Units	17,769	356,040 ⁽²⁾	Yes	
DUs	6,956			
<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.</p>				

 <p>Michel Th��roux, FCPA, FCA</p> <p>Boucherville, Qu��bec, Canada</p> <p>Age: 70</p> <p>Independent</p>	Principal Occupation	Corporate Director		
	<p>Michel Th��roux was President of Jas A. Ogilvy Inc., a retail company, from January 1988 to June 2012. He was also President of Equidev Inc., a real estate company, from 1988 to 1997. From 1984 to 1987, Mr. Th��roux was involved in the Ordre des comptables agr���s du Qu��bec (OCAQ) as a member of the Tax Committee. From 1995 to 1998, he was a member of the Business and Industrial CA Committee of which he became Chair in 1998 for a two-year term. Since 1998, he has been a member of the Bureau of the OCAQ and also serves on the Finance Committee for which he became Chair in 2000. That same year, he also became a member of the Executive Committee. In 2003, he was appointed to the position of Vice-Chairman of the Board of the OCAQ. From 2005 to 2007, he was appointed Chairman of the Board of the OCAQ. Then, he joined the Government Relations Committee of the OCAQ as well as the Board of the Foundation of Qu��bec Chartered Accountants. From 2009 to 2015, he was a member of the Board of the Canadian Institute of Chartered Accountants (CICA) as the Qu��bec representative and from 2013 to 2016 he served on the Board of Directors of the Chartered Professional Accountants of Canada (CPA). Since August 2014, he has been a member of the Board of Directors and Chair of the Audit Committee of Optimum Group Inc. Since 2015, Mr. Th��roux has been a member and treasurer of the Fondation Yvon Deschamps Centre-Sud.</p> <p>Mr. Th��roux obtained a license in commerce and accounting from the ��cole des Hautes ��tudes Commerciales in 1970. He became a chartered accountant in 1972 and obtained his FCA in 2004. He taught taxation at the ��cole des Hautes ��tudes Commerciales of Montr��al from 1972 to 1981, and accounting at the ��cole Polytechnique de Montr��al from 1972 to 1974.</p> <p>Finally, he was a director and partner in the taxation department at the firm Samson, B��lair/Deloitte & Touche from 1972 to 1988.</p> <p>Areas of expertise: finance and accounting, real estate, investment, human resources, risk management, executive leadership and board and governance.</p> <p>Member of the following Committees: Audit Committee (Chair) and Nominating and Governance Committee</p>			
	Meetings Attended in Fiscal Year 2017		#	%
	Board of Trustees		10 of 10	100
	Audit Committee		4 of 4	100
	Nominating and Governance Committee		5 of 5	100
	Special Committee		3 of 3	100
	Meeting Attendance (Total)		22 of 22	100
	Securities Held or Controlled as at December 31, 2017			
	Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017⁽¹⁾
Units	-	-	N/A ⁽²⁾	
DUs	-			

	<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) Since his appointment as Trustee on May 12, 2015, Mr. Thérout does not, directly or indirectly, hold any interest in the REIT in the form of Units issued, in accordance with the requirement of the Contract of Trust and article 1275 of the Civil Code of Québec (see Section 4.2.10 “Unitholding Requirement” of this Circular).</p>
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 René Tremblay Québec, Québec, Canada Age: 63 Independent	Principal Occupation		Corporate Director	
	René Tremblay has over 35 years of global real estate experience, primarily in retail, and strong named executive officer experience. In 2017, Mr. Tremblay completed his last term as Chairman of the Board of Taubman Asia, the Asian arm of U.S. NYSE listed Taubman Centres, a leader in the shopping centre industry. From 2010 to 2016, he held the position of President at Taubman Asia, where he was responsible for driving Taubman’s shopping center expansion in the Asia-Pacific region. Prior to joining Taubman, Mr. Tremblay was Chief Executive Officer of Ivanhoé Cambridge from 1995 to 2009. He was also the Executive Vice-President of the Real Estate Group of the Caisse de dépôt et placement du Québec during 2009 and 2010.			
	Mr. Tremblay has served on various boards of directors, such as Ivanhoé Cambridge, Otéra Capital, Ancar Ivanhoé and SITQ Immobilier. Mr. Tremblay has also been a member of the Board of The Real Estate Roundtable, bringing together North American real estate companies and political leaders. In 2007 and 2008, he was elected “Worldwide Chairman” of the International Council of Shopping Centers (ICSC), having served as a member of the Board of Directors and as Vice President of the Canadian division.			
	Mr. Tremblay holds a Bachelor’s degree in Business Administration from Université Laval.			
	Areas of expertise: real estate, strategy, human resources, investment, risk management and executive leadership.			
	Member of the following Committees: Compensation Committee and Investment Committee			
	Securities Held or Controlled as at December 31, 2017			
Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017 ⁽¹⁾	
Units	-	-	N/A ⁽²⁾	
DUs	-			
<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) As more fully described in Section 4.2.10 “Unitholding Requirement” of this Circular, the minimum unitholding requirement must be attained before the third anniversary of a Trustee’s election. Since Mr. Tremblay only became a Trustee in 2018, he is not yet required to meet the minimum unitholding requirement.</p>				

 <p>Heather C. Kirk, BComm, CFA</p> <p>Toronto, Ontario, Canada</p> <p>Age: 48</p> <p>Independent</p>	Principal Occupation	Corporate Director		
	<p>Heather C. Kirk has over 20 years of diverse real estate capital markets experience and a deep understanding of the Canadian Real Estate Investment Trust sector. Her diverse experience in the Canadian REIT industry includes investment analysis, capital raising, strategic advisory, mergers, asset sales and acquisitions, as well as direct ownership. Ms. Kirk led BMO Capital Market’s Canadian Real Estate Equity research team as Managing Director from 2013 to 2018, covering mid to large capitalization REITs. The team covered REITs operating across a broad spectrum of asset classes, including retail, office, industrial, multi-family residential and seniors housing. Prior to joining BMO, Ms. Kirk spent 11 years with National Bank Financial in REIT equity research and real estate investment banking, advising REIT management teams and boards of trustees. In 2012, Ms. Kirk was ranked number two Overall Stock Picker in Canada and number two Real Estate Investment Trust Industry Stock Picker in the StarMine Analyst Awards.</p>			
	<p>Ms. Kirk holds a Bachelor of Commerce degree from Concordia University and is a CFA Charter holder.</p>			
	<p>Areas of expertise: real estate, finance and accounting, strategy and executive leadership.</p>			
	Securities Held or Controlled as at December 31, 2017			
	Units/DUs (#)		Total market value of Units/DUs (\$)	Meets unitholding requirement for year 2017⁽¹⁾
Units	-	-	N/A ⁽²⁾	
DUs	-			
<p>(1) See Section 4.2.10 “Unitholding Requirement” of this Circular.</p> <p>(2) Ms. Kirk is a new nominee for Trustee and therefore did not have any unitholding requirement for the 2017 fiscal year.</p>				

Each of the nominees for election as Trustee listed above has held his or her principal occupation for the last five years with the exception of: Mr. Luc Bachand, who retired from his position as Vice-Chairman and Head of BMO Capital Markets in 2016; Mr. Sylvain Cossette, who became the REIT's President and Chief Operating Officer in February 2016, and its President and Chief Executive Officer in January 2018; Ms. Johanne M. Lépine, who has been Senior Vice-President and Chair of the Board of Aon Reed Stenhouse since 2015; Heather C. Kirk, who left her position as Managing Director at BMO Capital Market in 2018; and, Mr. René Tremblay, who was President at Taubman Asia until 2016 and completed his last term as Chairman of its Board in 2017.

The management of the REIT and the Trustees as a group (27 people) beneficially owned, or exercised control or direction over 877,902 Units in the aggregate, or approximately 0.5% of the issued and outstanding Units as at April 13, 2018.

4.2.3 Skills Matrix

The following table identifies the competencies of each nominee proposed for election as a Trustee of the REIT, together with their gender, age range and tenure at the REIT.

NAME OF TRUSTEE	COMPETENCIES								GENDER	AGE RANGE			BOARD TENURE	
	REAL ESTATE	FINANCE AND ACCOUNTING	INVESTMENT	HUMAN RESOURCES	STRATEGY	RISK MANAGEMENT	EXECUTIVE LEADERSHIP	BOARD AND GOVERNANCE		59 AND UNDER	60 – 65	66 AND OVER	0 – 5 YEARS	6 + YEARS
Alban D'Amours	X	X		X	X	X	X	X	M			X		X
Luc Bachand		X	X		X	X	X	X	M	X			X	
Paul D. Campbell	X		X	X	X		X	X	M			X	X	
Sylvain Cossette	X	X	X		X	X	X	X	M	X			X	
Claude Dussault		X		X	X	X	X	X	M	X			X	
Johanne M. Lépine				X		X	X	X	F	X			X	
Michel Théroux	X	X	X	X		X	X	X	M			X	X	
René Tremblay	X		X	X	X	X	X		M	X			X	
Heather C. Kirk	X	X			X		X		F	X			X	

Description of Competencies

Real Estate	Finance and Accounting	Investment	Human Resources	Strategy	Risk Management	Executive Leadership	Board and Governance
Knowledge and experience in the real estate industry, including in the office and retail segments in Canada and/or abroad.	Experience in corporate finance, overseeing complex financial transactions, investment management, experience in financial accounting and reporting, auditing, and internal controls.	Experience in identifying and leading transactions, integration of such investments into an existing portfolio or business and hypothecary (mortgage) financing.	Experience in oversight of compensation programs for executive level employees and incentive based compensation programs; experience with talent management, succession planning, leadership development and executive recruitment.	Experience in strategic planning, driving strategic direction and leading growth for a private or public entity.	Experience in enterprise risk management best practices and their board oversight.	Senior operating experience in a successful management team, including as president, chief executive officer or chief operating officer of a major organization.	Knowledge or expertise in board governance and an understanding of best governance practices.

The skills matrix outlines the desired complement of qualifications, attributes, skills and experience that are important to and necessary for the proper functioning of the Board. The matrix includes industry specific experience and expertise, such as real estate, as required by the Contract of Trust, finance and accounting, investment, human resources, strategy, risk management and executive leadership, as well as board and governance. These areas of expertise are expected to supplement and interact with general qualifications and attributes sought in all Trustees and nominees, such as personal and professional ethics, integrity, practical wisdom, sound business judgment, and a willingness and desire to both devote the necessary time and represent the best interests of the REIT. The skills matrix will be reviewed annually by the Nominating and Governance Committee to ensure it continues to reflect the current needs of the REIT, the REIT's strategic priorities and that the Trustees have an appropriate balance and complementarity of skills.

4.2.4 Board Interlocks

The Nominating and Governance Committee has reviewed the participation of the Trustees on the boards of other reporting issuers and has determined that there are no board interlocks, i.e. two or more Trustees who are members of the board of another reporting issuer together.

4.2.5 Outside Directorships

The Trustees must inform the Chairman of the Board or the Chair of the Nominating and Governance Committee before accepting an invitation to serve on another Board of Directors. The invitation is then assessed on whether the Trustee, in case of acceptance, would be involved in a conflict of interest and whether the Trustee remains fit to perform his or her duties as a Trustee. The Board believes that the fact that a Trustee serves on the Board of Directors of another reporting issuer does not necessarily interfere with his or her ability to act in the best interest of the REIT. Mr. Sylvain Cossette, the REIT's President and Chief Executive Officer, does not act as the member of any other Board, nor hold any other position within another enterprise or entity, ensuring that his entire focus is on the REIT and its success.

4.2.6 Change in Status

Trustees must immediately inform the Chairman of the Board of any change in their professional or personal status that could have an impact on their role as Trustees, as well as any situation that could imply a conflict of interest. The Chairman of the Board then submits a report to the Board containing the appropriate recommendations.

4.2.7 Record of Board and Committee Meetings

In fiscal year 2017, the Board and its Committees held the following number of meetings:

Board of Trustees	10
Audit Committee ("AC")	4
Nominating and Governance Committee ("NGC")	5
Investment Committee ("IC")	5
Compensation Committee ("CC")	4
Special Committee ("SC")	3
Total:	31

In 2017, the Special Committee was created, composed entirely of independent Trustees, namely Alban D'Amours (Chair of the Special Committee), Claude Dussault, Johanne M. Lépine and Michel Thérourx. It was tasked with reviewing, and meaningfully engaging with Unitholders about, the REIT's policies and procedures regarding governance and compensation. The Special Committee met with Unitholders, actively listened to their comments and concerns with a view to capitalizing on their input and knowledge, and consulted with the REIT's management and independent external advisors. Furthermore, it undertook a strategic review of the REIT's direction and future, again relying on dialogue with management and Unitholders to look critically at the REIT. Internalizing the results of its constructive discourse with Unitholders and of its other activities, the Special Committee and senior management identified a concrete plan to move the REIT forward successfully, Cominar "2.0".

4.2.8 Attendance Record of Trustees at Board and Committee Meetings in 2017

Overall, the combined attendance by the Trustees at meetings of the Board and of the Audit Committee, the Compensation Committee, the Nominating and Governance Committee, the Investment Committee and the Special Committee was 97.7%. A record of attendance by individual Trustees at meetings of the Board and its Committees, as applicable, is set out below.

Trustee	Board Meetings Attended		Committee Meetings Attended ⁽¹⁾	
Michel Dallaire	10 of 10	100%	N/A	N/A
Luc Bachand	10 of 10	100%	10 of 10	100%
Mary-Ann Bell	9 of 10	90%	10 of 10	100%
Alain Dallaire	9 of 10	90%	N/A	N/A
Alban D'Amours	10 of 10	100%	20 of 21	95.2%
Claude Dussault ⁽²⁾	8 of 8	100%	8 of 8	100%
Ghislaine Laberge	10 of 10	100%	9 of 9	100%
Johanne M. Lépine	10 of 10	100%	12 of 13	92.3%
Michel Thérout	10 of 10	100%	12 of 12	100%
Attendance Record	Board	97.7%	AC NGC IC CC SC	100% 100% 91.7% 100% 100%
<p>(1) Non-independent Trustees do not sit on the Board's Committees.</p> <p>(2) Mr. Dussault has been a member of the Board since May 17, 2017.</p>				

4.2.9 Additional Information on Trustee Nominees

To the knowledge of the REIT, as at the date of this Circular, none of the nominees proposed for election as Trustees are, or have been within the 10 years preceding this date, director, chief executive officer or chief financial officer of a company, including the REIT, that, while the nominee was fulfilling his/her functions as director, chief executive officer or chief financial officer, or after the nominee ceased his/her duties as director, chief executive officer or chief financial officer and resulting from an event occurring while he/she was fulfilling such functions, was subject to one of the following orders which was in effect for more than 30 consecutive days, that is, any cease trade order or other order to that effect, or any order that denied the relevant company access to any exemption under securities legislation.

To the knowledge of the REIT, as at the date of this Circular, none of the nominees proposed for election as Trustees are, or have been within the 10 years preceding this date, director or executive officer of a company, including the REIT, that, while that person was acting in that capacity, or within one year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

4.2.10 Unitholding Requirement

During the year 2017, the Board adopted a new minimum unitholding requirement for independent Trustees to ensure that Trustees' interests are aligned with those of Unitholders. As of October 2, 2017, every independent Trustee is required to hold a number of Units or DUs equal to at least five (5) times his/her annual retainer as a Board member, which represented an amount of \$225,000 in 2017. The minimum number of Units or DUs must be attained before the third anniversary of his/her election or of the entry into force of this requirement (which anniversary is October 2, 2020). DUs granted to Trustees as part of their compensation vest at the end of each fiscal year. For the year ended December 31, 2017, all Trustees for whom the preceding requirement is applicable are in compliance with the minimum unitholding requirement.

Since the non-independent Trustees do not receive any retainer for their position as member of the Board, the previous unitholding requirement does not apply to the non-independent Trustees. However, in accordance with the overall compensation policy for the year 2017, Mr. Michel Dallaire, who was a non-independent Trustee until his resignation on February 12, 2018 and executive of the REIT until December 31, 2017, was required to hold a number of Units equal to three-times his base salary (see Section 5.2.6.3 “**Minimum Unitholding Requirement**” of this Circular). Similarly, Mr. Alain Dallaire, who was also a non-independent Trustee until his resignation on January 9, 2018 and held the position of Executive Vice-President, Operations Office and Industrial, and Asset Management throughout 2017, was required to hold Units equal to his base salary (see Section 5.2.6.3 “**Minimum Unitholding Requirement**” of this Circular). Both MM. Michel Dallaire and Alain Dallaire complied with their respective minimum unitholding requirements in 2017.

The Contract of Trust also provides that, at all times, there must be at least one Trustee who is not entitled directly or indirectly to hold any Units. This requirement is rooted in the *Civil Code of Québec*, which provides at article 1275 that the settlor or beneficiary of a trust may be a trustee but requires such a trustee to act with a trustee who is neither a settlor nor a beneficiary. The Unitholders are the beneficiaries of the REIT, and consequently, the Contract of Trust guarantees compliance with the *Civil Code of Québec* by requiring that, at all times, there be one Trustee who does not hold any Units. Since his first election on May 10, 2015 as Trustee, Mr. Michel Thérioux is the Trustee who is not entitled to hold, directly or indirectly, any Units in accordance with the requirement of the Contract of Trust and article 1275 of the *Civil Code of Québec*.

4.3 Appointment of Independent Auditor

As in every fiscal year, the Audit Committee proceeded with an evaluation of the quality of the services provided by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, as the REIT’s independent auditor. This evaluation was based mainly on the audit plan that was submitted, the types of interventions and the reports presented to the Audit Committee.

Considering the positive results of this evaluation, the Audit Committee and the Board recommend voting **IN FAVOUR OF** the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, as the independent auditor of the REIT until the next annual meeting of Unitholders and the authorization of the Board to fix the remuneration of the auditor. PricewaterhouseCoopers LLP has been the independent auditor of the REIT since May 18, 2010. Every five years, the Audit Committee conducts a systematic and thorough reassessment on the relevance of changing the external audit mandate assignment.

The resolution regarding the appointment of the independent auditor must be passed by the majority of the votes cast by Unitholders present or represented by proxy who are entitled to vote at the Meeting.

4.3.1 Independent Auditor’s Fees

Every year, the Audit Committee makes a recommendation to the Board to approve the fees to be paid to the independent auditor.

The following table sets forth the fees which were billed by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, to the REIT for various services rendered during the past two fiscal years:

	Fiscal Year 2017 (\$)	Fiscal Year 2016 (\$)
Audit fees	472,163	518,192
Audit-related fees	148,525	204,450
Tax compliance and tax consulting fees	181,665 ⁽¹⁾	61,307
All other fees	-	-
Total:	802,353	783,949
<i>(1) The increase in tax compliance and tax consulting fees in the 2017 fiscal year mainly resulted from the REIT’s objection to the Canada Revenue Agency’s reassessment with respect to its 2012 fiscal year, which required it to incur additional, non-recurring fees to PricewaterhouseCoopers LLP.</i>		

The Audit Committee has adopted a policy whereby it must pre-approve all services performed by the independent auditor. At every meeting of the Audit Committee, a report is presented on all services performed by the REIT's independent auditor.

4.4 “Say on Pay” Non-Binding Advisory Vote

The Board believes that Unitholders should have the opportunity to fully understand the objectives, philosophy and principles the Board uses in its approach to executive compensation decisions. Detailed disclosure of the REIT's compensation program, including the recent changes to the REIT's compensation principles for 2018, can be found in PART 5 – **“STATEMENT OF EXECUTIVE COMPENSATION”** of this Circular.

The Board has decided that Unitholders should have the opportunity to vote on the REIT's approach to executive compensation. This non-binding advisory vote (a **“Say on Pay”**) forms an important part of the ongoing process of engagement between Unitholders and the Board on executive compensation. The **“Say on Pay”** will ensure Trustee accountability for compensation decisions by giving Unitholders a formal opportunity to provide their views through an annual non-binding advisory vote, which requires an affirmative vote of a majority of the votes cast. The REIT will disclose the results of the vote as part of its report on voting results for the Meeting. Although the results will not be binding, the Board will take the results into account when considering compensation policies, procedures and decisions and in determining whether there is a need to increase engagement with Unitholders. Similarly, the Compensation Committee will consider the results when evaluating executive compensation arrangements. In the event the **“Say on Pay”** does not receive the support of at least 70% of the votes cast, the Board will consult with Unitholders to fully understand their concerns, and will review the approach to compensation in the context of those concerns. The Board will disclose to Unitholders as soon as is practicable, and no later than six months following the Meeting, a summary of the comments received and the changes to the executive compensation plans made, or the reasons why no changes were or will be made.

We encourage all Unitholders to carefully review the disclosure of our executive compensation policies and practices, particularly with respect to the new compensation principles adopted effective January 1, 2018, starting at Section 5.1 **“Letter to Unitholders”** of this Circular, before voting on this matter. At the Meeting, Unitholders will be asked to consider a non-binding, advisory **“Say on Pay”** resolution on executive compensation, as follows:

“BE IT RESOLVED THAT on an advisory basis, and not to diminish the role and responsibilities of the Board, the Unitholders accept the Board's approach to executive compensation disclosed in the REIT's management proxy circular dated April 13, 2018, delivered in advance of the 2018 annual meeting of Unitholders.”

PART 5 – STATEMENT OF EXECUTIVE COMPENSATION

5.1 Letter to Unitholders

Dear Unitholders:

On behalf of the Compensation Committee and the Board, we welcome this opportunity to describe the important changes that were recently made to our executive compensation principles, in order to better align pay and performance, to be consistent with our strategic plan and to ultimately create value for you. In the following sections, we also describe the 2017 compensation practices of the REIT. We invite you to read this part of the Circular carefully in view of the new advisory “Say on Pay” vote in which we are asking you to express your opinion on our compensation policies and practices.

Important Changes to our Compensation Principles for 2018

In October 2017, we reviewed our compensation practices to better align pay and performance. The most fundamental change was the amendment to the REIT’s long-term equity incentive plan to introduce performance units (“**PU**s”). PUs will replace Unit options and will vest based on Total Unitholder Return relative to our peer group. We are convinced that this compensation tool will motivate our executives to outperform relative to our industry.

Under our new philosophy, grants to executives will be composed of: (i) 34% DUs or restricted units (“**RUS**”) (DUs will vest over three years (one third per year) and RUs will vest in total after three years; participants will be granted DUs, unless they opt instead to receive RUs); and (ii) 66% PUs which will vest after three years, and be settled based on Total Unitholder Return compared to the REIT’s peer group. In particular, PUs will vest and be settled based on an adjustment factor which is determined by the percentile ranking of the REIT’s Total Unitholder Return compared to those of its peers.

We also reviewed the objectives that must be met by our executives for them to earn their short-term bonus, with a view to aligning such objectives with our strategic plan. Each objective corresponds to part of the executive’s bonus, which will not be paid if a specific threshold is not met. Conversely, if the objective threshold is exceeded, the executive will benefit from a higher payout, up to a maximum of 150%. In all cases, a performance multiplier (ranging from 0.5 to 1.5 times) has been reintroduced to allow the Board to adjust the short-term bonus payments, at its discretion, if it feels that the application of formulas does not result in the right outcome.

Other Measures to Foster Alignment of Interests

In 2017, we also enhanced the minimum Unit ownership requirements for both executives and Trustees and added a requirement for the President and Chief Executive Officer to hold Units for at least one year after his retirement. Furthermore, we approved an anti-hedging policy prohibiting Trustees and officers from purchasing financial instruments that seek to hedge or offset any decrease in the market value of Units. Finally, we put in place a clawback policy which allows the Board to recoup or clawback short-term or long-term incentive compensation.

2017 Compensation

The following sections describe our 2017 compensation practices in detail. We discuss our compensation philosophy, define each element of compensation and explain how each of the Named Executive Officers was compensated.

Conclusion

The Compensation Committee believes that our new compensation principles and practices will better align pay and performance and will be consistent with our strategic plan. The Compensation Committee will remain fully engaged in ensuring that compensation is based on a disciplined approach, linked to value creation. We believe that our compensation principles support our strategic plan and are aligned with Unitholders’ long-term interests, and we are introducing a non-binding “Say on Pay” advisory vote at the Meeting so that you can express your views as well. We have decided to have a “Say on Pay” advisory vote in furtherance of our objectives of transparency and our continued commitment to engaging with Unitholders. Members of the Compensation Committee will be present at the meeting to answer any questions you may have.

Ms. Mary-Ann Bell
Chair of the Compensation Committee

Mr. Alban D’Amours
Chairman of the Board

5.2 Compensation Governance

5.2.1 Independence of Members

The Compensation Committee is composed entirely of independent Trustees, according to the definition given in the standards established by the Canadian Securities Administrators. In 2017, the members of the Compensation Committee were Ms. Mary-Ann Bell, the Chair, Ms. Ghislaine Laberge and Mr. Claude Dussault (as of May 17, 2017). Further, Mr. Alban D'Amours, while not a member of the Compensation Committee, attended its meetings by virtue of being Lead Independent Trustee in 2017. As of April 13, 2018, the members of the Compensation Committee are Ms. Bell, the Chair, Mr. Dussault, Ms. Johanne M. Lépine and Mr. René Tremblay. Mr. D'Amours continues to attend the Compensation Committee meetings, by virtue of being the Chairman of the Board. Mr. Dussault will take over the position of Chair after the resignation of Ms. Bell at the Meeting.

5.2.2 Skills Possessed by Members

All the members of the Compensation Committee have skills in human resources, compensation and risk management due to the experience they acquired in their offices or directorships, or due to their training. More specifically, Ms. Mary-Ann Bell is a member of the compensation committee of an important reporting issuer and has worked closely with various human resources teams. Mr. Claude Dussault developed strong competencies in human resources and compensation throughout his career and particularly while acting as President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation). Ms. Johanne M. Lépine, President and Chief Executive Officer of Aon Parizeau Inc. since 2002, acquired her human resources experience while holding various positions. Finally, Mr. René Tremblay acquired human resources experience while holding various senior management positions, such as Chief Executive Officer of Ivanhoé Cambridge and Executive Vice-President of the Real Estate Group of Caisse de dépôt et placement du Québec, and serving on many boards.

5.2.3 Role of Compensation Committee

The Compensation Committee assists the Board in the performance of its human resources and compensation governance duties. The Compensation Committee sets up and oversees the policies and practices respecting the compensation of the REIT's senior management. It also ensures that the compensation policies and programs that are set up promote the achievement of the REIT's strategic and financial goals without compromising its viability and solvency.

The duties and responsibilities of the Compensation Committee are more fully described in its charter, which is reviewed periodically to ensure that it meets the strategic and financial objectives of the REIT. The charter of the Compensation Committee is available on the REIT's website at www.cominar.com.

The mandate of the Compensation Committee comprises: reviewing policies, analyzing compensation plans and practices, reviewing the performance and compensation of the President and Chief Executive Officer and that of the other executive officers and reviewing the succession planning process. The Compensation Committee also ensures that the REIT's compensation plans are in line with governance standards and foster healthy risk management.

5.2.4 Succession Planning

The Board and the Compensation Committee consider succession planning as fundamental for the REIT. To this end, the REIT is working to foster leadership development within the REIT and to identify talented candidates.

In particular, the Compensation Committee is responsible for planning the President and Chief Executive Officer's succession. In accordance with its charter and at the request of the Board, the Compensation Committee makes recommendations to the Board regarding executive succession, including: (i) policies and principles for the selection of the President and Chief Executive Officer and performance review with respect to potential successors for the position of President and Chief Executive Officer; and (ii) policies for the President and Chief Executive Officer's succession in case of emergency. In addition, the Compensation Committee reviews the succession plan of the REIT, which is focused on the President and Chief Executive Officer and the senior executive team. As part of this mandate, the Compensation Committee members will meet with the recently nominated President and Chief Executive Officer to review and update

the succession plan. The plan, among other things, identifies succession candidates for senior executive positions and reports on relevant qualifications and experience required for each of these candidates in order for them to be fully prepared to hold senior executive positions.

5.2.5 Independent Outside Compensation Advisors

The Compensation Committee has the authority to retain the services of outside independent advisors to support it in the performance of its duties and provide it with information it requires about trends and practices in its benchmark group with respect to compensation policies and programs as well as observations on the position of the compensation of senior executives and other officers of the REIT.

For fiscal year 2017, the Compensation Committee retained the services of executive compensation consultant Willis Towers Watson (“**Towers**”), for a third year. As part of its mandate, Towers validated the competitiveness of the overall compensation philosophy of Named Executive Officer positions and other officers in comparison with what is paid in the REIT’s peer group. The recommendations of Towers have been taken into consideration in defining the compensation of senior executives and other officers for 2017.

Fees Related to Fiscal Year 2017				Fees Related to Fiscal Year 2016			
External Advisor	Compensation of senior executives and Trustees – related fees	Other fees	Total	External Advisor	Compensation of senior executives and Trustees – related fees	Other fees	Total
Towers	\$70,643 ⁽¹⁾	-	\$70,643	Towers	\$21,187	-	\$21,187
(1) The increase in fees paid to Towers in the 2017 fiscal year was due to changes to the REIT’s compensation structure as more fully described in this Circular, as well as the compensation analysis required for the new President and Chief Executive Officer, who was nominated as of January 1, 2018.							

5.2.6 Compensation Policies and Practices

5.2.6.1 Anti-hedging Policy

The REIT encourages Unit ownership by its Trustees and officers through its Unit ownership requirements and its equity-based incentive compensation programs. Such requirements and programs are designed to align the interests of Trustees and officers with the short-term and long-term interests of Unitholders in the REIT’s financial and operating performance. In order to further this objective, Trustees and officers are, as of October 2, 2017, prohibited from entering into financial instruments that are designed to hedge or offset any decrease in the market value of the REIT’s equity securities that are held by them or by entities under their control or granted as compensation to them. Such prohibited financial instruments with respect to the REIT include prepaid variable forward contracts, equity swaps, collars, put or call options and similar financial instruments. All Trustees and officers of the REIT are currently compliant with the anti-hedging policy.

5.2.6.2 Clawback Policy

To further align management’s interests with those of Unitholders, the REIT adopted a “clawback” policy on October 2, 2017. The policy provides that the Board may seek recoupment of short-term or long-term incentive compensation awarded to the Named Executive Officers or other executive officers of the REIT if the Board believes the amount of compensation was based on financial results that were subject to a material restatement. In such circumstances, the Board may determine to recoup the incentive compensation which was paid or granted based upon the achievement of certain financial results to the extent that the amount of such compensation would have been lower if the financial results had been properly reported, and may seek to cancel awards where the financial results of the REIT were considered in granting such awards.

5.2.6.3 Minimum Unitholding Requirement

During the year 2017, the Trustees approved the enhancement of Cominar's minimum Unit ownership requirement for executives, from a 2.0 multiple of base salary for its Chief Executive Officer to a 3.0 multiple, from a 1.0 multiple of base salary for its President and Chief Operating Officer to a 2.0 multiple, from a 1.0 multiple of base salary for its Chief Financial Officer to a 1.5 multiple, and the establishment thereof at a 1.0 multiple of base salary for the other executive vice-presidents and 0.5 for vice-presidents. Additionally, the President and Chief Executive Officer is required to hold a number of Units covered by the REIT's minimum Unit ownership requirement for a one-year period after retirement.

For purposes of this policy, options to purchase Units ("**Options**"), RUs, DUs and PUs granted are included in the calculation of Units held by the applicable executive.

5.3 Compensation Analysis

The following analysis sets out the principles underlying the compensation of the executive officers of the REIT.

To understand the REIT's compensation practices, this statement should be read in connection with the tables provided below and the notes which accompany them.

5.3.1 Overall Compensation Philosophy

Within the REIT, remuneration plays an important role in attracting, motivating and retaining key members of the management team, who are essential to the REIT's success and increasing value for Unitholders. The REIT is committed to maintaining a compensation policy that drives performance, is competitive and encourages Unit ownership. The REIT seeks to attract and retain competent and motivated officers to achieve its business mission. It considers skills and performance to be key factors in the progress of its officers and the determination of their overall compensation. The REIT wishes to compensate its officers fairly and equitably taking into account:

- the level of responsibility of each position;
- the compensation offered by the market for comparable positions;
- performance and individual contribution to the achievement of the REIT's business mission; and
- the REIT's ability to pay.

The purpose of the REIT's compensation policy is to align the position of the overall compensation offered to the Named Executive Officers in order to ensure external equity with that offered in its benchmark group.

It is also designed to position the overall compensation offered to each other executive officer and other officer compared to that offered to the other managers in order to ensure internal equity, which is based on the following processes: job evaluation, salary management and performance management.

When analyzing the remuneration practices and levels of the "**Benchmark Group**" (as that term is defined in Section 5.3.3 "**Benchmark Group**" of this Circular), the Compensation Committee also takes into consideration the REIT's financial targets.

Each year, the Compensation Committee reviews the competitiveness of the overall compensation of the Named Executive Officers and other officers, and also reviews the compensation study conducted by the mandated independent outside compensation advisors. It receives the recommendations of the President and Chief Executive Officer for the "**Other NEOs**" (as that term is defined in Section 5.7.3 "**Other Named Executive Officers**" of this Circular), and then conducts its own review in order to make its recommendations to the Board.

5.3.2 Compensation Risk Management

The REIT considers compensation risk management an integral part of its development and favours harmonized management which is in line with its development strategy. The risk management framework aims to provide reasonable

assurance that risks incurred do not exceed acceptable thresholds and that they contribute to the creation of value for Unitholders.

The Compensation Committee meets at least twice annually to ensure that the REIT's overall compensation policy promotes the achievement of the REIT's business goals without compromising its viability, solvency and reputation, and it then reports to the Board. In addition to taking reasonable measures to ensure that compensation paid is externally and internally equitable, the Compensation Committee and the Board take reasonable measures to ensure that the REIT maintains consistency and balance between expected performance, risk management and compensation.

As part of its monitoring role in managing risks related to compensation, the Compensation Committee takes reasonable measures to ensure that the overall compensation policies and plans do not encourage executive officers to expose the REIT to unnecessary risk, in particular by promoting the achievement of short-term goals to the detriment of the REIT's long-term performance, that would go beyond the risk tolerance thresholds of the REIT. The Board, together with the Compensation Committee, ensures that the proportion of overall compensation attributable to the long-term incentive plan is always greater than that attributable to the short-term incentive plan.

The long-term incentive bonus of the Named Executive Officers is deferred. Until the end of 2017, it was composed of Options (as to 50%), and RUs or DUs (as to 50%). Effective January 1, 2018, the long-term incentive bonus has been modified to include PUs (as to 66%) in replacement of Options and enhancing alignment, while RUs or DUs stand at 34%, down from 50%, also enhancing alignment with performance of the REIT. Both PUs and RUs are vested in total after three years; however, PUs vest and are settled based on an adjustment factor which is determined by the percentile ranking of the REIT's Total Unitholder Return compared to those of its peers. DUs and Options are vested over three years at a rate of 33⅓% per year. Options granted prior to December 2015 expire after five years and Options granted during or after December 2015 expire after seven years.

The mix of cash and equity varies based on the position of the Named Executive Officer:

- the target deferred long-term incentive bonus of the President and Chief Executive Officer represents 150% of base salary; and
- the target deferred long-term incentive bonus of the Other NEOs is between 50% and 100% of base salary.

5.3.3 Benchmark Group

Every year, the Compensation Committee updates the overall compensation policy to determine its competitive position *vis-à-vis* the compensation offered by its Benchmark Group.

The criterion used to select the Benchmark Group allow for the identification of a peer group of entities, specifically real estate investment trusts, with comparable size to the REIT in terms of revenues and assets, and which are consistent with the REIT's geographic scope, given the REIT is competing to attract and retain Canadian officers with significant real estate experience. The Benchmark Group used to determine the value of the compensation is made up of enterprises who meet at least three of the four following criteria:

- annual revenues of a comparable size to those of the REIT (0.5X to 2X the REIT's annual revenues);
- assets comparable to those of the REIT;
- based in Canada; or
- operating in a comparable real estate sector (office, retail, diversified or residential).

For fiscal year 2017, the Benchmark Group consisted of the following entities:⁽¹⁾

Real Estate Investment Trusts		Company
Allied Properties REIT	Choice Properties REIT	First Capital Realty Inc.
Artis REIT	H & R REIT	
Boardwalk REIT	Riocan REIT	
Smart Centres REIT	Canadian Apartment Properties REIT (CAP REIT)	Morguard Corp.
Canadian REIT (CREIT)		
(1) The information about the Benchmark Group is taken from data compiled by Towers in its December 1, 2017 report for fiscal 2017 according to its consultation experience and various studies conducted on behalf of its clients as well as data published in information circulars by the entities forming part of the Benchmark Group.		

This group of entities is the “**Benchmark Group**”.

5.3.4 What the Overall Compensation Policy is Designed to Reward

The REIT’s overall compensation policy is designed to constitute a reward for services rendered by the members of the executive team and other officers and to encourage the implementation by them of both short-term and long-term strategies aimed at maximizing value for Unitholders.

5.3.5 Components of New 2018 Compensation Policy

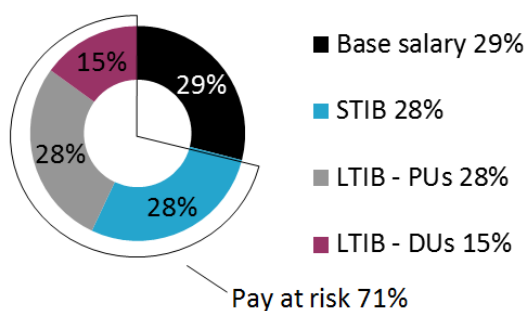
The following table summarizes our new compensation principles for 2018:

Component	Description	Rationale and Objective	Position vis-à-vis Benchmark Group
Fixed compensation	Base salary Fixed rate of pay determined in accordance with an evaluation of performance, experience, level of responsibility and the importance of the position within the REIT.	Recognize sustained individual performance and reflect increase in responsibility and growth in role.	The REIT aims to offer fixed compensation which is below the median of its Benchmark Group.
Short-Term Incentive Bonus (“STIB”)	Annual incentive bonus Annual variable cash-based performance award based on achievement of pre-determined objectives in line with the REIT’s strategic plan and falling into the following categories: <ul style="list-style-type: none"> • organic growth; • value creation and capital allocation; • balance sheet stabilization; and • individual objectives. A performance multiplier is applied to each objective. The target bonus is expressed as a percentage of the base salary and if the results obtained meet the objectives, 100% of the target bonus is payable; if results obtained only meet the trigger threshold, 50% of the target bonus is payable; and if results exceed expectations, the attained	<ul style="list-style-type: none"> • Reward the achievement of a balanced set of short-term objectives, in line with the execution of the REIT’s strategic plan. • Align management’s interests with Unitholder value growth. • Contribute to retention of key talent. 	The REIT aims to offer overall compensation (fixed and variable) in line with the median of the Benchmark Group when the level of achievement of pre-determined objectives in line with the REIT’s strategic plan meets expectations.

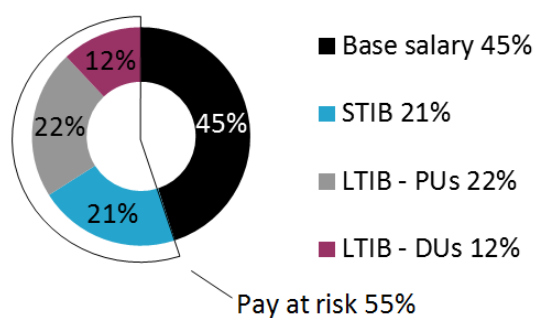
Component	Description	Rationale and Objective	Position vis-à-vis Benchmark Group
	percentage is payable up to a maximum of 150% of the target bonus.		
Long-Term Incentive Bonus ("LTIB")	<p>RUs and DUs</p> <ul style="list-style-type: none"> RUs / DUs represent 34% of LTIB compensation as of January 1, 2018. It is at the recipient's discretion whether to receive RUs or DUs; if the recipient does not identify its selection in writing within 30 days following the start of the year to which such LTIB is related, he or she will receive DUs. DUs vest over three years (one third per year). DUs can be converted into Units once a year, at the request of the recipient and subject to the approval of the Board. RUs vest in total after three years. <p>PUs</p> <ul style="list-style-type: none"> PU represents 66% of LTIB compensation as of January 1, 2018 and will replace Options in the LTIB going forward. PU vests after 3 years. PU vests based on an adjustment factor which is determined by the percentile ranking of the REIT's Total Unitholder Return compared to those of its peers. 	<ul style="list-style-type: none"> Ensure a closer link between pay and performance. Align management's interests with Unitholder value growth. Reward the achievement of sustained financial performance. Contribute to retention of key talent. 	The REIT aims to offer overall compensation (fixed and variable) in line with the median of the Benchmark Group when expectations are met.

The following charts summarize the target pay mix for the President and Chief Executive Officer and Other NEOs for 2018:

President and CEO Target Pay Mix - 2018



Average Other NEOs Target Pay Mix - 2018



5.3.6 2017 Compensation Mix

For 2017, our compensation mix was composed of the following elements.

5.3.6.1 Base Salary

The base salary for the executive officers and other officers was determined according to an evaluation of their performance, experience, level of responsibility and the importance of their position within the REIT, as well as a benchmark fixed below the median base salary offered by the Benchmark Group, adjusted annually in order to classify the executive officers and other officers in the appropriate and comparable category or class.

5.3.6.2 Short-Term Incentive Bonus

The executive officers and other officers were eligible to receive a STIB in cash upon achieving certain corporate, sector and individual objectives.

The amount of the STIB paid to executive officers and other officers was established based on a target STIB attributed to each officer multiplied by the base salary and the performance factor awarded to each objective. The target STIB was 100% of the base salary for the Chief Executive Officer and varied between 20% and 70% for the other executive officers and other officers. A performance factor between 0% and 150% was awarded to each objective based on the performance of the REIT, the sector or the individual. When objectives' results were met, 100% of the target bonus was payable; if results obtained only met the trigger threshold, 50% of the target bonus was payable; and if results exceeded targets, the attained percentage was payable up to a maximum of 150% of the target bonus.

The corporate objectives were essentially the same for all executive officers and other officers, while sector and individual objectives were related to the specific responsibilities of each individual.

5.3.6.3 Long-Term Incentive Bonus

The executive officers and other officers were also eligible to receive a LTIB upon achieving certain corporate, sector and individual objectives and payable by the grant of Options, RUs or DUs (collectively, the "**Securities**"), issued under the Equity Incentive Plan (the "**Plan**"). The provisions governing the Plan are described in detail in Schedule "A" of this Circular. Grants under the LTIB were designed to align the interests of the executive officers and other officers with those of Unitholders.

The amount of LTIB paid to executive officers and other officers was established based on a target LTIB attributed to each officer multiplied by the base salary and a performance factor between 0% and 150%. The target LTIB was 150% of the base salary for the Chief Executive Officer and varied between 30% and 100% for the other executive officers and other officers. A performance factor between 0% and 150% was awarded to each objective based on the performance of the REIT, the sector or the individual. In 2017, the Securities were granted in the form of Options for 50% of the target LTIB amount, and the balance in RUs or DUs, as selected by each individual, for the remaining amount of the attained LTIB.

33⅓% of the Options granted to the executive officers and other officers pursuant to the Plan during fiscal year 2017 vest, on a cumulative basis, on each of the first, second and third anniversary of the award date, and the expiry date to exercise Options is the seventh (7th) anniversary date of the grant.

Options granted to executive officers and other officers can be exercised only if the market price was at least 10% higher than the exercise price, and this condition will be considered met if the Unit price has remained at such a level for a single period of twenty (20) consecutive trading days during the Option's term, and if at all times each individual holds a number of Units corresponding to a multiple of his base salary (for the Chief Executive Officer, this multiple is 3.0 times, whereas for Other NEOs, the multiple varies between 1.0 and 2.0 times and for the other executive officers the multiple varies between 0.5 and 1.0 times).

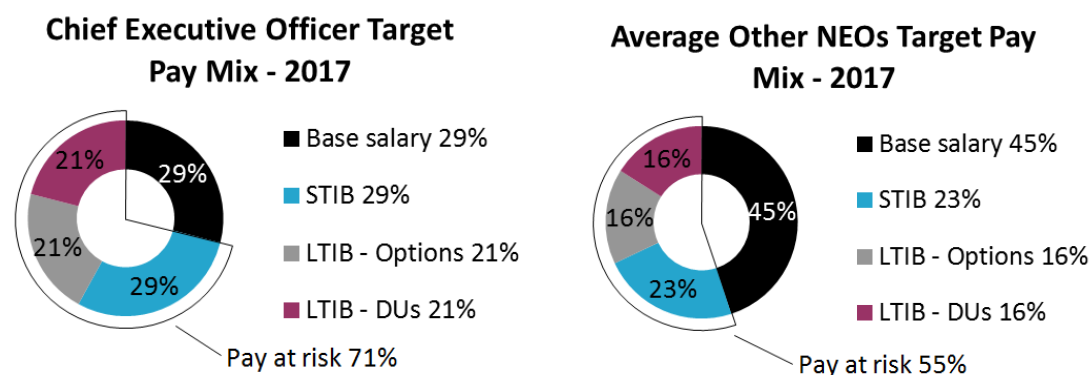
RUs vest on the third (3rd) anniversary of the date of grant, subject to the right of the Board to determine otherwise at the time of grant. As soon as practicable after vesting, and subject to the executive officers and other officers' satisfaction of any conditions, restrictions or limitations imposed by the Board, each RU granted entitles an executive

officer or other officer to receive on settlement one (1) Unit from treasury or purchased on the secondary market, as determined by the Board in its sole discretion.

As for DUs granted, 33⅓% vest, on a cumulative basis, on each of the first, second and third anniversary of the award date, subject to the right of the Board to determine otherwise at the time of grant. Vested DUs are settled when an executive officer or another officer ceases to be an Eligible Person (as defined in the Plan), as further described in Schedule “A” of this Circular. The Board reserves the right, at the written request of an executive officer or other officer, once a year, to determine that such executive officer or other officer may receive the number of Units to be issued from treasury or purchased on the secondary market, as determined by the Board in its sole discretion, equal to the number of vested DUs credited to its account, in whole or in part, and to determine the settlement date thereof, even if such executive officer or other officer has not ceased to be an Eligible Person. In the event that an executive officer or other officer does not meet its minimum unitholding requirements (see Section 5.2.6.3 “**Minimum Unitholding Requirement**”), he or she cannot receive such number of Units.

In April 2018, the REIT amended the terms of Options and DUs held by 74 employees whose employment with the REIT had been recently terminated following the sale of non-core properties to Slate Acquisitions Inc., whereby vesting of their Options and DUs was accelerated and the delay to exercise their Options was extended by one year from the date of termination. Notwithstanding the extension, the Options will not expire beyond their original expiry date. These amendments were approved by the TSX but were not subject to Unitholder approval in accordance with the amending provisions of the Plan.

The following charts summarize the target pay mix for the Chief Executive Officer and Other NEOs in 2017:



5.3.7 2017 Chief Executive Officer Compensation

Fiscal year 2017 was a year of significant transition as, at the request of the Board, Mr. Michel Dallaire departed from his position of Chief Executive Officer on January 1, 2018, whereupon, as part of the succession plan, Mr. Sylvain Cossette, the then President and Chief Operating Officer, succeeded him to lead the REIT in its evolution into “Cominar 2.0”. Mr. Dallaire had occupied the position of Chief Executive Officer since 2005.

In addition, on October 3, 2017, the REIT and Mr. Dallaire entered into an agreement (the “**Dallaire Departure Agreement**”) in respect of the transition and past and future entitlements of Mr. Dallaire under the “**Dallaire Employment Contract**” (as that term is defined in Section 5.7.1) as a result of his departure as Chief Executive Officer (see Section 5.7.1 “**Mr. Dallaire’s Departure Agreement**” of this Circular).

5.3.7.1 Base Salary

For fiscal year 2017, the base salary paid to Mr. Michel Dallaire, as Chief Executive Officer, was determined with the intent of it being competitive with the peers making up the Benchmark Group, his level of responsibility and his performance. The base salary paid to the Chief Executive Officer in fiscal year 2017 was \$759,000, which is lower than the Benchmark Group’s median.

5.3.7.2 Short-Term Incentive Bonus

For fiscal year 2017, the target STIB to which the Chief Executive Officer was entitled upon achievement of all of his objectives at target levels was 100% of his base salary. For purposes of the target STIB payable to the Chief Executive Officer for fiscal year 2017, corporate, sector and individual objectives were set and approved by the Board, upon the recommendation of the Compensation Committee.

These objectives, along with their weighting, are summarized below. Mr. Dallaire renounced his right to both his STIB and LTIB for 2017 (see Section 5.7.1 “**Mr. Dallaire’s Departure Agreement**” of this Circular).

Michel Dallaire		
Type of objective	Description	Weighting for objective
Corporate (25%)	Adjusted Funds From Operations (“AFFO”) payout ratio	10%
	Occupancy rate	10%
	Corporate social responsibility	5%
Sector (55%)	Plans for two significant development projects in Québec City	20%
	Investor relations (debt and equity)	5%
	CAPEX oversight process	5%
	Unsecured debt strategy	10%
	Enhancement of the Cominar brand	5%
	Optimization of budgetary process	5%
	Plan optimization of costs	5%
Individual (20%)	Philanthropy objectives tied to causes supported by the REIT	10%
	Implementation of a lean management culture	10%
Total		100%

5.3.7.3 Long-Term Incentive Bonus

For fiscal year 2017, the target LTIB to which the Chief Executive Officer was entitled upon achievement of all of his objectives at target levels was 150% of his base salary. The LTIB for fiscal 2017, at target levels, was 50% payable in Option grants, and the remaining 50% in RU or DU awards (the choice between RUs and DUs being at the election of the recipient). The same corporate, sector and individual objectives summarized above and applicable to the STIB also applied to the LTIB (see Section 5.3.7.2 “**Short-Term Incentive Bonus**” of this Circular).

Mr. Dallaire renounced his right to both his STIB and LTIB for 2017 (see Section 5.7.1 “**Mr. Dallaire’s Departure Agreement**” of this Circular).

5.3.7.4 Payments, Grants and Awards – Chief Executive Officer

For fiscal year 2017, and in settlement of entitlements of the Chief Executive Officer under the Dallaire Employment Contract, Mr. Dallaire received total payments of \$6.25 million. This amount comprises \$759,000 in base salary and \$86,143 in benefits for the 2017 year, while the remaining \$5.4 million was paid to him under the Dallaire Departure Agreement, as a result of his departure at the request of the Board and to facilitate the implementation of the succession plan. As stated above, Mr. Dallaire renounced his right to both his STIB and LTIB for 2017 (see Section 5.7.1 “**Mr. Dallaire’s Departure Agreement**” of this Circular).

5.3.8 Other Named Executive Officers

5.3.8.1 Base Salary

The base salary of the Other NEOs was established essentially according to the same criteria as for that of the Chief Executive Officer, i.e., based on the practices of the entities making up the Benchmark Group for similar positions, their level of responsibility and individual performance. Sylvain Cossette, the new President and Chief Executive Officer as of January 1, 2018, examined this information, the REIT’s performance and the performance of each Other NEO in order to

recommend to the Compensation Committee the corresponding base salary of every Other NEO. The Compensation Committee then reviewed these recommendations and approved them with or without modification, and, as well, assessed the performance of Mr. Sylvain Cossette for 2017.

5.3.8.2 Short-Term Incentive Bonus

For fiscal year 2017, the STIB paid to the Other NEOs varied between 34.3% and 61.4% of the base salary (the target bonuses varied between 40% and 70% of the base salary). The weighting of corporate objectives used to determine the bonus target for 2017 was the same as the one for the Chief Executive Officer, i.e. 25%. The weighting of the sector objectives was set at 55% and the weighting of the individual objectives was set at 20%.

These objectives, along with their weighting and result for each other NEO are summarized below:

Sylvain Cossette – President and Chief Operating Officer⁽¹⁾			
Type of objective	Description	Weighting for objective	Result
Corporate (25%)	AFFO payout ratio (target below 110%)	10%	0%
	Occupancy rate (target of 93.5%)	10%	5.5%
	Corporate social responsibility (target of 70% employee engagement)	5%	4.75%
Sector (55%)	Investor relations (debt and equity)	5%	5%
	CAPEX oversight process	7.5%	7.5%
	Unsecured debt strategy	5%	2.5%
	Develop strategy and action plan to increase occupancy rate	10%	10%
	Enhancement of sales culture	5%	5%
	Enhancement of the Cominar brand	5%	5%
	Optimization of budgetary process	10%	10%
	Plan optimization of costs	7.5%	7.5%
Individual (20%)	Philanthropy objectives tied to causes supported by the REIT	10%	15%
	Implementation of a lean management culture	10%	10%
Total		100%	87.75%
<i>(1) Mr. Cossette held this position throughout 2017, and was appointed President and Chief Executive Officer as of January 1, 2018.</i>			

Gilles Hamel – Executive Vice-President and Chief Financial Officer			
Type of objective	Description	Weighting for objective	Result
Corporate (25%)	AFFO payout ratio (target below 110%)	10%	0%
	Occupancy rate (target of 93.5%)	10%	5.5%
	Corporate social responsibility (target of 70% employee engagement)	5%	4.75%
Sector (55%)	Investor relations (debt and equity)	10%	10%
	Unsecured debt strategy	10%	10%
	Optimization of department	10%	10%
	Plan optimization of costs	10%	10%
	Enhancement of the Cominar brand	10%	7.5%
	Analyze possibility of developing a self-insurance program	5%	5%
Individual (20%)	Philanthropy objectives tied to causes supported by the REIT	10%	12.5%
	Implementation of a lean management culture	10%	10%
Total		100%	85.25%

Alain Dallaire – Executive Vice-President, Operations, Office and Industrial, and Asset Management ⁽¹⁾			
Type of objective	Description	Weighting for objective	Result
Corporate (25%)	AFFO payout ratio (target below 110%)	10%	0%
	Occupancy rate (target of 93.5%)	10%	5.5%
	Corporate social responsibility (target of 70% employee engagement)	5%	4.75%
Sector (55%)	CAPEX oversight process	5%	6.25%
	Occupation costs overview	10%	10%
	Facilitate and optimize communication and interaction between operations team and leasing team	10%	10%
	Optimization of budgetary process	10%	10%
	Review of analysis and continuous information tools (reporting, budget and dashboards)	10%	10%
	Energy management training program	10%	10%
Individual (20%)	Philanthropy objectives tied to causes supported by the REIT	10%	12.5%
	Implementation of a lean management culture	10%	10%
Total		100%	89%
(1) Mr. Alain Dallaire held this position throughout 2017, and was appointed Executive Vice-President and Chief Operating Officer as of January 1, 2018.			

Guy Charron – Executive Vice-President, Operations and Retail			
Type of objective	Description	Weighting for objective	Result
Corporate (25%)	AFFO payout ratio (target below 110%)	10%	0%
	Occupancy rate (target of 93.5%)	10%	5.5%
	Corporate social responsibility (target of 70% employee engagement)	5%	4.75%
Sector (55%)	Commercial occupancy rate (target of 94%)	5%	3%
	Occupation costs overview	10%	10%
	Overview of temporary rent reductions	10%	10%
	Develop strategy and action plan to increase occupancy rate	5%	5%
	Enhancement of sales culture	5%	5%
	Optimization of budgetary process	5%	5%
	Review, establish and implement vision and branding for each commercial centre	5%	5%
	Review of analysis and continuous information tools (reporting, budget and dashboards)	5%	5%
	CAPEX oversight process	5%	5%
Individual (20%)	Philanthropy objectives tied to causes supported by the REIT	10%	15%
	Implementation of a lean management culture	10%	7.5%
Total		100%	85.75%

The details of some of the objectives listed above are competitively sensitive but the Board and the Compensation Committee ensure at all times that they are set at sufficiently aggressive levels.

The following table presents for each Other NEO the target STIB percentage, the result achieved by each Other NEO, the percentage of base salary corresponding to the result achieved and the corresponding amount received for 2017:

Name	Target STIB in % of Base Salary	Base Result Achieved	Percentage of Base Salary Corresponding to the Result Achieved	Amount Received
Sylvain Cossette	70%	87.75%	61.4%	\$337,223
Gilles Hamel	45%	85.25%	38.4%	\$159,588
Alain Dallaire	40%	89.00%	35.6%	\$127,804
Guy Charron	40%	85.75%	34.3%	\$123,137

5.3.8.3 Long-Term Incentive Bonus

For fiscal year 2017, the LTIBs paid to the Other NEOs were between 42.9% and 87.7% of their base salary (the target LTIBs were between 50% and 100% of their base salary). In 2017, the LTIBs for Other NEOs were distributed in the same way as it would have been the case for the Chief Executive Officer, consisting of Options and either RUs or DUs and, in the case of the latter, as selected by the Other NEOs. The Compensation Committee used the same corporate, sector and individual STIB objectives to establish the amount of the LTIB paid to the Other NEOs.

The following table presents for each Other NEO the target LTIB percentage, the percentage of base salary corresponding to the result achieved and the corresponding Options and DUs received in 2017:

Name	Target LTIB in % of Base Salary	Percentage of Base Salary Corresponding to the Result Achieved	Options Received	DUs Received
Sylvain Cossette	100%	87.7%	217,800	14,975
Gilles Hamel	90%	76.7%	148,500	9,536
Alain Dallaire	50%	44.5%	71,400	5,058
Guy Charron	50%	42.9%	71,400	4,637

For fiscal year 2017, the Other NEOs were allocated 509,100 Options and 34,206 DUs under the Plan.

5.3.8.4 Performance Graph

The following graph compares the cumulative Unitholder return on \$100 investments in Units for the REIT's five most recent fiscal years commencing January 1, 2013, with a cumulative total Unitholder return on the S&P/TSX Composite Index for the same period assuming reinvestment of all distributions. We have also included the Named Executive Officers total compensation for the same period. See Section 5.4 "Summary of the Named Executive Officers Overall Compensation" of this Circular.

Relative Performance and Named Executive Officers Overall Compensation⁽¹⁾



(1) Excludes the payment made to Mr. Michel Dallaire pursuant to his departure on December 31, 2017 (see Section 5.7.1 "Mr. Dallaire's Departure Agreement" of this Circular).

Total Return Summary

	January 1, 2013	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Cominar - Total Return	\$100.00	\$87.96	\$96.30	\$83.25	\$91.49	\$98.70
S&P/TSX Composite Index	\$100.00	\$112.98	\$124.90	\$114.50	\$138.64	\$151.22

During the period, the total cumulative Unitholder return for \$100 invested in Units was \$98.70 as compared to \$151.22 for the S&P/TSX Composite Index. The graph indicates that the total compensation of the Named Executive Officers had a comparable trend to the performance of the Units of the REIT. In 2017, changes were made to our

compensation principles to better link executive compensation to the performance of the REIT in the future (see Section 5.3.5 “**Components of New 2018 Compensation Policy**” of this Circular).

5.4 Summary of the Named Executive Officers Overall Compensation

5.4.1 Summary Compensation Table

The following table sets forth the compensation for the fiscal years ended December 31, 2017, 2016 and 2015 of the former Chief Executive Officer, the former President and Chief Operating Officer, the Executive Vice-President and Chief Financial Officer and the two other most highly compensated executive officers of the REIT (collectively, the “**Named Executive Officers**”). Please note that following Mr. Michel Dallaire’s departure, Mr. Sylvain Cossette holds the position of Chief Executive Officer as of January 1, 2018, in addition to the role of President of the REIT.

Name and Principal Position	Year	Salary (\$)	Non-equity incentive plan (Yearly Bonus) ⁽¹⁾ (\$)	Compensation by Virtue of the LTIB (\$)		Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
				Option-Based Awards ⁽²⁾⁽³⁾ (\$)	Awards Based on RUs or DUs ⁽⁴⁾ (\$)		
Michel Dallaire, P.Eng. Former Chief Executive Officer and Chairman of the Board of Trustees	2017	759,000	-	-	-	5,486,428 ⁽⁶⁾	6,245,428
	2016	740,000	752,710	71,820	574,063	85,050	2,223,643
	2015	720,000	499,344	52,290	212,912	83,900	1,568,446
Sylvain Cossette President and Chief Executive Officer ⁽⁷⁾	2017	549,000	337,223	43,560	207,254	59,568	1,196,605
	2016	535,000	390,295	34,560	290,066	58,763	1,308,684
	2015	480,000	221,338	23,310	131,301	55,600	911,549
Gilles Hamel, CPA, CA Executive Vice-President and Chief Financial Officer	2017	416,000	159,588	29,700	131,978	-	737,266
	2016	405,000	183,102	23,760	183,954	-	795,816
	2015	380,000	122,869	16,590	76,140	-	595,599
Alain Dallaire Executive Vice-President and Chief Operating Officer ⁽⁸⁾	2017	359,000	127,804	14,280	70,003	-	571,087
	2016	350,000	136,280	11,340	82,851	-	580,471
	2015	325,000	104,000	7,980	49,660	-	486,640
Guy Charron, CPA, CA Executive Vice-President, Operations Retail	2017	359,000	123,137	14,280	64,176	-	560,593
	2016	350,000	133,655	11,340	79,570	-	574,565
	2015	325,000	107,250	7,980	53,801	-	494,031

- (1) See Section 5.3.6.2 “**Short-Term Incentive Bonus**” of this Circular. Mr. Michel Dallaire forfeited his 2017 STIB and LTIB.
- (2) The Options granted in August 2017 pursuant to the Plan are exercisable as follows: (i) 33% will vest, on a cumulative basis, on the first, second and third anniversary of the award date; and (ii) the Options will expire on August 24, 2024. The Options granted in fiscal years 2016 and 2015 are exercisable in the same manner, but expire on December 13, 2023 and December 15, 2022, respectively. Mr. Michel Dallaire forfeited any Options granted to him in 2017 pursuant to the LTIB.
- (3) In determining the fair value of the Options granted on August 24, 2017, the Black-Scholes model, an established methodology, was used, with the following assumptions:
- (i) Risk-free interest rate: 1.61%;
 - (ii) Expected volatility in the market price of the Units: 14.25%;
 - (iii) Expected yield: 8.47%; and
 - (iv) Expected life: 6.0 years.
- (4) Represents DUs relating to executive compensation for the year ended December 31, 2017 and granted on March 5, 2018, as follows: 14,975 to Sylvain Cossette, 9,536 to Gilles Hamel, 5,058 to Alain Dallaire and 4,637 to Guy Charron, in accordance with the Plan. The value of the DUs on their grant date was \$13.84. Mr. Michel Dallaire forfeited any DUs granted to him in 2017 pursuant to the LTIB.
- (5) Perquisites have been included when they reach the prescribed threshold of the lesser of \$50,000 and 10% of total salary for the fiscal year.
- (6) An amount of \$5,400,285 was paid under the Dallaire Departure Agreement as a result of his departure as Chief Executive Officer at the request of the Board and to facilitate the succession plan, as further described in Section 5.7.1 “**Mr. Dallaire’s Departure Agreement**” of this Circular.
- (7) Mr. Sylvain Cossette was appointed President and Chief Executive Officer as of January 1, 2018. Prior to that date, he was President and Chief Operating Officer of the REIT.
- (8) Mr. Alain Dallaire was appointed Executive Vice-President and Chief Operating Officer as of January 1, 2018, succeeding Mr. Cossette as the Chief Operating Officer. Prior to that date, he was the Executive Vice-President, Operations, Office and Industrial, and Asset Management.

5.5 Incentive Plan Awards

5.5.1 Outstanding Option, RU and DU Awards

The following table indicates for each of the Named Executive Officers all awards outstanding at the end of the 2017 fiscal year. For more information on the terms of the Plan, see Section 5.3.6.3 “Long-Term Incentive Bonus” and Schedule “A” of this Circular.

Name	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾⁽²⁾ (\$)	Number of RUs and DUs that Have Not Vested (#)	Market Value of Awards Based on RUs and DUs that Have Not Vested ⁽¹⁾ (\$)	Market Value of Awards Based on RUs or DUs that Have Vested ⁽¹⁾ (not paid out or distributed) (\$)
Michel Dallaire	270,000	17.55	Dec. 17, 2018	93,375	-	-	9,907
	274,500	18.07	Dec. 16, 2019				
	373,500	14.15	Dec. 15, 2022				
	399,000	14.90	Dec. 13, 2023				
Sylvain Cossette	111,000	17.55	Dec. 17, 2018	246,357	36,214	521,482	451,930
	114,000	18.07	Dec. 16, 2019				
	166,500	14.15	Dec. 15, 2022				
	192,000	14.90	Dec. 13, 2023				
	217,800	13.46	Aug. 24, 2024				
Gilles Hamel	150,000	20.09	Aug. 5, 2018	169,215	20,934	301,450	619
	73,500	17.55	Dec. 17, 2018				
	75,000	18.07	Dec. 16, 2019				
	118,500	14.15	Dec. 15, 2022				
	132,000	14.90	Dec. 13, 2023				
	148,500	13.46	Aug. 24, 2024				
Alain Dallaire	34,800	17.55	Dec. 17, 2018	81,366	10,548	151,891	446
	36,000	18.07	Dec. 16, 2019				
	57,000	14.15	Dec. 15, 2022				
	63,000	14.90	Dec. 13, 2023				
	71,400	13.46	Aug. 24, 2024				
Guy Charron	34,800	17.55	Dec. 17, 2018	81,366	10,308	148,435	151,430
	36,000	18.07	Dec. 16, 2019				
	57,000	14.15	Dec. 15, 2022				
	63,000	14.90	Dec. 13, 2023				
	71,400	13.46	Aug. 24, 2024				
⁽¹⁾ Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.							
⁽²⁾ Includes non-vested Options.							

5.5.2 Incentive Plan Awards – Value Vested or Earned During Fiscal Year 2017

The following table presents for each Named Executive Officer the aggregate dollar value that would have been realized if the Option based awards had been exercised on the vesting dates, the aggregate dollar value that would have been realized on RUs and DUs on the vesting dates and the yearly bonus for the fiscal year 2017. For more information on the terms of the Plan, see Section 5.3.6.3 “Long-Term Incentive Bonus” and Schedule “A” of this Circular.

During the 2017 fiscal year, no Options or RUs were converted into Units by a Named Executive Officer, while 113,494 DUs were so converted.

Name	Option-Based Awards – Value Vested during the Year (\$)	Awards Based on RUs and DUs – Value Vested during the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned during the Year (\$)
Michel Dallaire	3,735	1,502,729	– ⁽¹⁾
Sylvain Cossette	1,665	247,491	337,223
Gilles Hamel	1,185	93,798	159,588
Alain Dallaire	570	64,436	127,804
Guy Charron	570	65,177	123,137
⁽¹⁾ Mr. Michel Dallaire forfeited his 2017 STIB and LTIB, which includes the cancellation of 451,200 Options issued in 2017.			

5.5.3 Gains Realized During Fiscal Year 2017 Upon Exercise of DUs

In 2017, total gains of \$1,620,694 were realized upon exercise of DUs by Named Executive Officers.

Name	Gain Realized upon Exercise of DUs – Value Earned during the Year (\$)
Michel Dallaire	1,466,970
Sylvain Cossette	-
Gilles Hamel	90,392
Alain Dallaire	63,332
Guy Charron	-

5.5.4 Total value of Units held by the Chief Executive Officer at the end of Fiscal Year 2017

Nom	Units (#)	Total Value (\$)
Michel Dallaire Chief Executive Officer	9,070,685 ⁽¹⁾⁽²⁾	130,617,864 ⁽³⁾
⁽¹⁾ Of this number, 8,277,175 Units are held by Groupe Dallaire Inc., 32,435 Units are held by Fiducie Immobilière Dallaire (2006), 357,000 Units are held by the Fiducie testamentaire Jules Dallaire and 404,075 Units are personally and directly held by Mr. Michel Dallaire himself. The shares of Groupe Dallaire Inc. are held by Fiducie Famille Dallaire and the children family trusts of the late Jules Dallaire, including Michel Dallaire. Mr. Dallaire is also one of the trustees of Fiducie testamentaire Jules Dallaire and Fiducie Immobilière Dallaire (2006). ⁽²⁾ Mr. Dallaire personally and directly holds 404,075 Units worth \$5,818,680. ⁽³⁾ Value based on the Unit closing price on the TSX on December 29, 2017, being \$14.40.		

5.6 Pension Plan Benefits

The REIT does not have a pension plan or retirement plan for executive officers and other officers.

5.7 Benefits in Case of Termination or Change of Control

Michel Dallaire, Chief Executive Officer of the REIT until December 31, 2017, as well as the Other NEOs, have entered into employment agreements with the REIT.

5.7.1 Mr. Dallaire's Departure Agreement

On October 3, 2017, in relation with Mr. Michel Dallaire's departure as Chief Executive Officer at the request of the Board and to facilitate the succession plan, the REIT entered into the Dallaire Departure Agreement with Mr. Dallaire, pursuant to which the REIT agreed to pay, in accordance with Mr. Dallaire's employment contract (the "**Dallaire Employment Contract**"), the following amounts:

Description	Amount (\$)
Twice his base salary as at December 31, 2017	1,518,000
Twice his target bonus for the year-ended December 31, 2017	1,518,000
Twice his LTIB entitlement (150% of base salary) for the year-ended December 31, 2017	2,277,000
Other benefits	87,285
Total	5,400,285

Under the Dallaire Employment Contract effective since 2015 until his departure on December 31, 2017, Michel Dallaire was entitled to participate in any benefit plan, the STIB, the LTIB and the distribution reinvestment plan made available by the REIT from time to time. Mr. Dallaire renounced his rights to the STIB and LTIB (namely, Options and RUs or DUs) to which he was entitled in 2017, which includes the cancellation of 451,200 Options issued in 2017. The Dallaire Employment Contract target amount of the STIB and LTIB which Mr. Dallaire forfeited was \$1.9 million.

5.7.2 President and Chief Executive Officer

As of January 1, 2018, Mr. Sylvain Cossette holds the position of Chief Executive Officer, in addition to the role of President of the REIT. Mr. Cossette's base salary as President and Chief Executive Officer is \$725,000 in 2018 (reviewed annually). Under his employment contract (the "**Cossette Employment Contract**") effective since January 1, 2018, Sylvain Cossette is entitled to receive an annual base salary and participates in any benefit plan, the STIB, the LTIB and the distribution reinvestment plan made available by the REIT from time to time. The Cossette Employment Agreement was originally entered into in 2012 when Mr. Cossette joined the REIT as Executive-Vice President and Chief Operating Officer.

The Cossette Employment Contract provides that if the REIT terminates Mr. Cossette's employment "without cause" in the absence of a "Change of Control" (as such term is defined below): (i) the REIT will pay him a sum equal to two times his annual base salary and related benefits; (ii) the REIT will pay him a sum equal to two times the highest of the following amounts: the average annual bonus paid for the two (2) fiscal years immediately preceding the termination of employment, the target bonus for the fiscal year in which such termination occurs or the actual bonus accumulated during the fiscal year in which such termination occurs; (iii) the REIT will pay him a sum equal to two times the LTIB target percentage (see Section 5.3.2 "**Compensation Risk Management**" of this Circular) multiplied by the base salary as established in the REIT's overall compensation policy for senior executives (see Section 5.3.6.1 "**Base Salary**" of this Circular); (iv) participation in benefit plans for executive officers will be maintained for two (2) years following employment termination and will be reduced to the extent that he comes to enjoy similar benefits at no cost during the period of two (2) years following employment termination; (v) he will be entitled to two (2) years of uninterrupted participation in any pension plan or profit sharing plan offered by the REIT for a period of two (2) years following employment termination; (vi) he will continue to receive the above-mentioned benefits, which will be reduced to the extent that he comes to enjoy similar benefits at no cost during the period of two (2) years following employment termination; (vii) the REIT will cause the Options and other awards granted under the Plan to be immediately vested, including any Options granted through any separate agreement under the Plan, if applicable (including Options granted at the time of signature of the Cossette Employment Contract, which will remain exercisable for two (2) years following termination of employment); and (viii) the REIT will immediately put an end to the retention period of the Units acquired by or for Mr. Cossette in connection with the long-term incentive plan or distribution reinvestment plan.

The Cossette Employment Contract includes a legacy change of control provision from Mr. Cossette's previous employment contracts which governed the terms of his employment as Executive Vice-President and Chief Operating Officer and President and Chief Operating Officer. It provides that if, within two (2) years following a "Change of Control" of the REIT, the contract is terminated by the REIT without cause or is terminated by Mr. Cossette: (i) the REIT will pay

him a sum equal to three times his annual base salary; (ii) the REIT will pay him a sum equal to three times the highest of the following amounts: the average annual bonus paid for the three (3) fiscal years immediately preceding the termination of employment, the target bonus for the fiscal year in which such termination occurs or the actual bonus accumulated during the fiscal year in which such termination occurs; (iii) the REIT will pay him a sum equal to three times the LTIB target percentage (see Section 5.3.2 “**Compensation Risk Management**” of this Circular) multiplied by the base salary as established in the REIT’s overall compensation policy for senior executives (see Section 5.3.6.1 “**Base Salary**” of this Circular); (iv) the REIT will maintain coverage for Mr. Cossette under its executive benefit plans for three (3) years following the termination of employment; (v) the REIT will pay the value of three (3) years of continued coverage under any pension or profit sharing plan maintained by the REIT following termination of employment; (vi) the REIT will continue to provide him with these benefits, provided that these benefits will be reduced to the extent Mr. Cossette receives comparable benefits without cost during the three (3)-year period following the termination of employment; (vii) the REIT will cause the Options and other awards granted as part of the Plan to be vested, including Options granted under any separate agreement under the Plan, if applicable; and (viii) the REIT will immediately put an end to the retention period of the Units acquired by or for Mr. Cossette as part of the long-term incentive plan or distribution reinvestment plan.

To enhance compliance with best governance practices, Mr. Cossette voluntarily agreed to amend the Cossette Employment Contract to provide instead for a change of control provision including a double trigger and a lower change of control multiplier of 2 times instead of 3 times. The amended change of control provision will provide that if, within two (2) years following a “Change of Control” of the REIT, the contract is terminated by the REIT without cause: (i) the REIT will pay him a sum equal to two times his annual base salary; (ii) the REIT will pay him a sum equal to two times the highest of the following amounts: the average annual bonus paid for the two (2) fiscal years immediately preceding the termination of employment, the target bonus for the fiscal year in which such termination occurs or the actual bonus accumulated during the fiscal year in which such termination occurs; (iii) the REIT will pay him a sum equal to two times the LTIB target percentage (see Section 5.3.2 “**Compensation Risk Management**” of this Circular) multiplied by the base salary as established in the REIT’s overall compensation policy for senior executives (see Section 5.3.6.1 “**Base Salary**” of this Circular); (iv) the REIT will maintain coverage for Mr. Cossette under its executive benefit plans for two (2) years following the termination of employment; (v) the REIT will pay the value of two (2) years of continued coverage under any pension or profit sharing plan maintained by the REIT following termination of employment; (vi) the REIT will continue to provide him with these benefits, provided that these benefits will be reduced to the extent Mr. Cossette receives comparable benefits without cost during the two (2)-year period following the termination of employment; (vii) the REIT will cause the Options and other awards granted as part of the Plan to be vested, including Options granted under any separate agreement under the Plan, if applicable; and (viii) the REIT will immediately put an end to the retention period of the Units acquired by or for Mr. Cossette as part of the long-term incentive plan or distribution reinvestment plan.

In the Cossette Employment Contract, the expression “**Change of Control**” means: (i) any person or entity, alone or with any other person or entity, directly or indirectly, becoming owner or exercising control over 30% or more of the voting rights attached to the Units and/or securities which can be converted to or exchanged for Units giving such persons or entities the ability to acquire control over 30% or more of the voting rights attached to the Units; (ii) if within eighteen (18) months of a transaction, the majority of the Trustees in office prior to the transaction are replaced; or (iii) if the Unitholders approve a merger, consolidation, business combination or plan of arrangement with another entity, a liquidation plan for the REIT or the disposal of all or a substantial part of all the REIT’s assets.

5.7.3 Other Named Executive Officers

Under their respective employment contracts (the “**Employment Contracts of the Other NEOs**”), each of the Named Executive Officers other than the President and Chief Executive Officer (the “**Other NEOs**”) are entitled to receive an annual base salary revised annually in accordance with the REIT’s overall compensation policy for Named Executive Officers (see Section 5.3.6.1 “**Base Salary**” of this Circular) and to participate in any benefit plan, the STIB, the LTIB and in the distribution reinvestment plan made available by the REIT from time to time.

Each of the Employment Contracts of the Other NEOs stipulates that if the REIT terminates the employment of any of the Other NEOs without cause and without any “Change of Control”: (i) the REIT will pay a sum equal to one time their annual base salary and related benefits; (ii) the REIT will pay a sum equal to the higher of the following amounts, that is: the average annual bonus paid for the two (2) fiscal years preceding the termination of employment, the target bonus

for the fiscal year during which termination of employment occurs and the actual bonus accumulated for the fiscal year during which termination of employment occurs; (iii) the REIT will pay a sum equal to one time the LTIB target percentage (see Section 5.3.2 **“Compensation Risk Management”** of this Circular) multiplied by the base salary as established in the REIT’s overall compensation policy for senior executives (see Section 5.3.6.1 **“Base Salary”** of this Circular); (iv) participation in benefit plans will be maintained for one (1) year following termination of employment and will be reduced to the extent that they come to enjoy similar benefits at no cost during the period of one (1) year following termination of employment; (v) they would be entitled to one (1) year of uninterrupted participation in any pension plan or benefit plan offered by the REIT for a period of one (1) year following employment termination; (vi) they would continue to receive the above-mentioned benefits, which will be reduced to the extent that they come to enjoy similar benefits at no cost during the period of one (1) year following termination of employment; (vii) the REIT will cause the Options and other awards granted under the Plan to be immediately vested, including any Options granted through any separate agreement under the Plan, if applicable; and (viii) the REIT will immediately put an end to the retention period of the Units acquired by or for any Other NEOs as part of the long-term incentive plan or distribution reinvestment plan.

In addition, each of the Employment Contracts of the Other NEOs stipulate that if the employment contract is terminated without cause by the REIT within twelve (12) months of a **“Change of Control”**: (i) the REIT will pay a sum equal to 1.5 times his annual base salary; (ii) the REIT will pay a sum equal to 1.5 times of the higher of the following amounts, that is: the average annual bonus paid for the two (2) fiscal years preceding termination of employment, the target bonus for the fiscal year during which termination of employment occurs and the actual bonus accumulated for the fiscal year during which termination of employment occurs; (iii) the REIT will pay a sum equal to 1.5 times the LTIB target percentage (see Section 5.3.2 **“Compensation Risk Management”** of this Circular) multiplied by the base salary as established in the REIT’s overall compensation policy for senior executives; (iv) participation in the REIT’s benefit plans for Other NEOs will be maintained for eighteen (18) months following termination of employment; (v) the REIT will pay eighteen (18) months’ worth of uninterrupted participation in any pension plan or profit sharing plan offered by the REIT following termination of employment; (vi) he would continue to receive the above-mentioned benefits, which will be reduced to the extent that the said Other NEO comes to enjoy similar benefits at no cost during the period of eighteen (18) months following termination of employment; (vii) the REIT will cause the Options and other awards granted under the Plan to be immediately vested, including any Options granted through any separate agreement under the Plan, if applicable; and (viii) the REIT will immediately put an end to the retention period of the Units acquired by or for the said Other NEOs as part of the long-term incentive plan or distribution reinvestment plan.

In each of the Employment Contracts of the Other NEOs, **“Change of Control”** is defined in the same way as in the Cossette Employment Agreement.

The following table sets out an estimate of the payments to be made to the Other NEOs in cases of termination without cause or following a **“Change of Control”**, under the circumstances described above, assuming the termination or the **“Change of Control”** took place on December 31, 2017.

Name	Termination Without Cause (\$)	Termination Following a “Change of Control” (\$)
Sylvain Cossette	3,083,735	4,625,603
Gilles Hamel	1,016,220	1,524,330
Alain Dallaire	717,443	1,076,164
Guy Charron	717,443	1,076,164

5.8 Compensation of Trustees

5.8.1 Practices for establishing Trustees Compensation

The REIT aims to offer Trustees appropriate compensation that takes into account the complexity and size of the REIT’s activities and the importance of the Trustees’ role, so that it is competitive in relation to the Benchmark Group. The goal

is to position the Trustees' target compensation at the median level of the Benchmark Group used by the REIT, in order to recruit and retain competent Board members, thus fostering the alignment of the Trustees' interests with those of Unitholders.

Every three years, the Compensation Committee reviews the compensation of the Trustees who are not officers of the REIT. In this respect, the Compensation Committee analyses the trustee compensation practices of the Benchmark Group referred to under Section 5.3.3 "**Benchmark Group**" of this Circular. In addition, it reviews general compensation surveys to compare the REIT's Trustee compensation policies to generally accepted practices for reporting issuers in the same sector as the REIT, and whose structure and annual income is similar to that of the REIT, to then recommend to the Board any modifications deemed appropriate when needed.

Further to the last assessment of the Trustees' responsibilities and the positioning of their compensation compared to the Benchmark Group used to determine the compensation of Named Executive Officers, the Compensation Committee concluded that the compensation paid to Trustees is generally at the median of the Benchmark Group used by the REIT, and no changes were made.

During the fiscal year ended December 31, 2017, the annual retainers and attendance fees of non-executive Trustees were as follows:

Elements of Compensation – Independent Trustees	Amount of Compensation (\$)
Annual retainer of Trustees	\$45,000
Attendance fees to Trustees and Committee members	\$1,500
Retainer paid to members of the Audit Committee, the Compensation Committee, the Investment Committee and the Nominating and Governance Committee	\$5,000
Retainer paid to the Chair of the Special Committee	\$8,500
Retainer paid to members of the Special Committee	\$5,000
Additional retainer paid to the Lead Independent Trustee	\$30,000
Additional retainer paid to the Chair of the Audit Committee	\$15,000
Additional retainer paid to the Chair of the Compensation Committee, the Investment Committee, and the Nominating and Governance Committee	\$8,500

The Trustees who are officers of the REIT receive no compensation for acting as Trustees, Chairman of the Board or Committee Chairs. Trustees are reimbursed for travel and other expenses incurred to attend Board and Committee meetings.

The REIT does not offer Trustees a retirement plan, and there are no other arrangements under which the Trustees were compensated in this capacity by the REIT during the most recently completed fiscal year.

5.8.2 Compensation of the Independent Trustees of the REIT for 2017

Name	Monetary Compensation (\$)	DUs-based awards (\$) ⁽¹⁾	Total Compensation Received (\$) ⁽³⁾
Luc Bachand	88,965	-	88,965
Mary-Ann Bell	90,500	-	90,500
Alban D'Amours	152,798	-	152,798
Claude Dussault	-	52,384 ⁽²⁾	52,384
Ghislaine Laberge	92,000	-	92,000
Johanne M. Lépine	-	96,667 ⁽²⁾	96,667
Michel Thérout	88,167	-	88,167
<p>(1) As of February 23, 2015, the Board adopted a resolution by which the Trustees' remuneration shall be composed of either monetary compensation or DUs, at the Trustee's option.</p> <p>(2) Value at grant dates.</p> <p>(3) Total compensation includes fees for attending Board and Committee meetings, including certain Special Committee meetings.</p>			

5.9 Information on Equity-Based Compensation

The following table indicates the number of equity-based Securities issuable upon exercise as at December 31, 2017, the weighted average exercise price of Securities outstanding, as well as the number of Securities available for future issuance as part of the Plan.

Category	Number of Securities Issuable upon Exercise (#)	Weighted Average Exercise Price of Options Outstanding (\$)	Number of Securities Available for Future Issuances as Part of the Plan (#)
Options	12,928,000 ⁽¹⁾	15.28	2,387,625 ⁽²⁾
RUs and DUs	180,774 ⁽³⁾	N/A	1,090,507 ⁽²⁾⁽⁴⁾
<p>(1) 7,468,400 of these are exercisable Options.</p> <p>(2) The number of Units available for future issuances of Options, DUs and RUs as at December 31, 2017 is 3,478,132, of which a maximum of 1,090,507 Units may consist of RUs and DUs.</p> <p>(3) 56,858 DUs have vested.</p> <p>(4) This amount is also reserved for future issuances of PUs as part of the Plan.</p>			

For further information about Securities available for future issuance under the Plan, see Note 15 to the audited consolidated financial statements of the REIT for the fiscal year ended December 31, 2017, included in the 2017 Annual Report of the REIT available at www.sedar.com.

As at March 31, 2018, the remaining balance of the Units issuable under the Plan, in the form of Options, RUs, DUs and PUs totals 16,572,804 Units, of which a maximum of 1,266,879 Units may be issued in settlement of RUs, DUs or PUs. In 2018, 158,614 PUs and 81,710 DUs have been issued for fiscal year 2018, in compliance with our new compensation policy. See Section 5.3.5 "Components of New 2018 Compensation Policy".

PART 6 – CORPORATE GOVERNANCE PRACTICES

6.1 General

From day one, the REIT has made good governance a top priority, as it is not only essential to its proper functioning, but it also benefits all those involved – clients, employees, and Unitholders.

Governance of the REIT is based on a set of structures and policies that maintain high standards in terms of transparency, integrity, effectiveness, ethics and professional conduct. The main structure is the Board, which is supported by four permanent committees: the Audit Committee, the Investment Committee, the Nominating and Governance Committee and the Compensation Committee.

6.2 Corporate Governance Practices Statement

“Corporate Governance” is a system of distribution of powers and responsibilities used to direct as well as manage the business and affairs of the REIT to achieve Unitholders’ objectives. The Unitholders elect the Trustees who in turn are responsible for overseeing all aspects of the operations of the REIT, appointing management and ensuring that the business is managed properly taking into account the interests of Unitholders, employees, customers, suppliers and the community at large.

The REIT is an integrated and self-managed real estate organization. This property management structure enables it to rapidly and efficiently respond to its clients’ needs, while minimizing its operating costs. The REIT benefits from the experience and expertise of its executives and employees.

In the opinion of the REIT, this structure reduces the potential for conflicts between the interests of management and the REIT. The REIT also believes that adopting a fully internalized management structure favours independence as well as the harmonization of the interests of management and employees with those of Unitholders. The REIT believes that effective corporate governance practices are fundamental to the overall success of any organization.

Reference is made to the section entitled “Modernizing Governance and Revitalizing our Board” of the letter to Unitholders in part 1 of the Circular and to the table included in Section 6.2.5 **“Corporate Governance Disclosure”** below for a description of the recent modernization of the REIT’s governance practices.

In April 2018, the Nominating and Governance Committee recommended, and the Board approved a policy regarding diversity on the Board and in executive officer positions (the **“Diversity Policy”**), a policy regarding corporate social responsibility and environmental sustainability (the **“CSR Policy”**), a term limit policy (the **“Term Limit Policy”**) and an advance notice policy (the **“Advance Notice Policy”**), included in the amended Contract of Trust.

6.2.1 Diversity Policy

The Diversity Policy outlines the REIT’s approach to achieving and maintaining diversity, including gender diversity, on its Board and in executive officer positions. The Nominating and Governance Committee and the President and Chief Executive Officer are responsible for recommending qualified persons for the Board and executive positions, respectively. In the appointment processes for both Board and executive positions, the Diversity Policy requires considering candidates that are not only highly qualified based on experience, education, expertise and knowledge but also who come from a variety of backgrounds and perspectives. Gender diversity and the level of representation of women on the Board and in executive officer positions are to be specifically considered in such appointment processes. Further, on an annual basis, the Nominating and Governance Committee and the President and Chief Executive Officer must assess the effectiveness of their respective appointment processes in light of the Diversity Policy and its objectives, set measurable objectives for diversity, monitor progress in achieving gender diversity and monitor implementation of the Diversity Policy.

The REIT aspires to have women comprise at least 30% of the Board by December 31, 2021.

6.2.2 CSR Policy

The CSR Policy identifies the REIT's values with respect to social responsibility and environmental sustainability, and delineates how the REIT integrates such values into its investments and operations. To maximize the REIT's contribution to sustainable and socially responsible development and minimize its environmental impact, the CSR Policy focuses on five core areas: corporate governance; employee engagement and well-being; environmental stewardship; relations with stakeholders; and, community involvement, development and investment. In each area, the REIT requires, supports and encourages active engagement between its Board, senior management and employees, as well as its tenants and other partners to ensure it achieves its social and environmental goals and commits to transparent, honest and respectful decision-making. Additionally, the CSR Policy recognizes concrete objectives in the following fundamental areas with respect to environmental sustainability: compliance with environmental legal requirements; environmental footprint reduction; promoting environmentally conscious choices and activities with respect to products, services and business operations; and, employee and tenant involvement.

6.2.3 Term Limit Policy

The Term Limit Policy sets limits on the term that independent Trustees may serve on the Board. To ensure Board renewal and new perspectives, it sets a maximum term for Trustees of twelve years. The tenure of the Chairman of the Board or a Committee Chair, in such role, should generally be between five and eight years. However, to give the Board the benefit of experience and the contributions of Trustees who have developed a deeper knowledge and understanding of the REIT over time, the Board may propose longer tenures in limited circumstances, such as recent nomination as Board or Committee Chair and expertise or experience in a relevant area, or where it is determined to be in the REIT's best interests to do so. The Board undertakes annual evaluations of its requirements vis-à-vis the skills and contributions of each Trustee and reviews Trustee performance. Trustee tenure is also considered in the context of diversity, in line with the REIT's Diversity Policy.

6.2.4 Advance Notice Policy

As part of the amendments to the Contract of Trust (see Section 7.1 "**Amendments to the Contract of Trust**" of this Circular), the Board adopted an advance notice policy (the "**Advance Notice Policy**"), thereby ensuring that both the REIT and all Unitholders have sufficient time to consider any proposed Trustee nominees. As such, the Advance Notice Policy requires a nominating Unitholder to provide notice to the Trustees of persons being nominated in the manner prescribed by the Contract of Trust not less than 30 days prior the date of the applicable annual meeting of Unitholders, provided that if the annual meeting of Unitholders is to be held within 50 days from the date on which it is first publicly announced (the "**Notice Date**"), notice will be required not later than the close of business on the tenth day following the Notice Date. In the case of a special meeting that is not also an annual meeting of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), notice must be provided not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting of the Unitholders is made.

6.2.5 Corporate Governance Disclosure

The REIT's corporate governance practices are further described in the table below:

Corporate Governance Disclosure Requirement	Comments
1. (a) Disclose the identity of trustees who are independent.	<p>The Nominating and Governance Committee has reviewed the independence of each Trustee on the basis of the definition in Section 1.4 of National Instrument 52-110 <i>respecting Audit Committees</i> ("NI 52-110"). A Trustee is "independent" if he or she has no direct or indirect material relationship with the REIT. A "material relationship" is one that could, in the view of the Board, be reasonably expected to interfere with the exercise of a Trustee's independent judgment. The Nominating and Governance Committee has determined, after reviewing the roles and relationships of each of the Trustees, that the following nominees for election to the Board are independent from the REIT:</p> <p>Alban D'Amours (nominee) Luc Bachand (nominee) Paul D. Campbell (nominee) Claude Dussault (nominee) Johanne M. Lépine (nominee) Michel Thérioux (nominee) René Tremblay (nominee) Heather C. Kirk (nominee)</p>
(b) Disclose the identity of trustees who are not independent, and describe the basis for that determination.	<p>The Nominating and Governance Committee has determined, after reviewing the roles and relationships of each of the current Trustees, that the following Trustee (1 out of 9 Trustees of the REIT) is not independent from the REIT, as he is an executive officer of the REIT:</p> <p>Sylvain Cossette: President and Chief Executive Officer and member of the Board</p>
(c) Disclose whether or not a majority of the trustees are independent.	<p>As at April 13, 2018, a majority (8 out of 9) of the Trustees are independent from the REIT.</p>
(d) If a trustee is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the trustee and the other issuer.	<p>Trustees who are currently a director of other reporting issuers are:</p> <p>Luc Bachand is a director of the following other reporting issuers: Morneau Shepell Inc.</p> <p>Mary-Ann Bell, Eng., M.Sc., CAS is a director of the following other reporting issuers: Cogeco Inc., Energir and NAV Canada. However, she will not be submitting her candidacy at the Meeting.</p> <p>Paul D. Campbell is a director of the following other reporting issuers: TWC Enterprises (Clublink).</p> <p>Claude Dussault is a director of the following other reporting issuers: Intact Financial Corporation and Metro Inc.</p> <p>No Trustee presently acts as a director of a reporting issuer in a foreign jurisdiction.</p>

Corporate Governance Disclosure Requirement	Comments
(e) Disclose whether or not the independent trustees hold regularly scheduled meetings at which non-independent trustees and members of management are not in attendance. If the independent trustees hold such meetings, disclose the number of meetings held since the beginning of the most recently completed fiscal year. If the independent trustees do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent trustees.	<p>Pursuant to its mandate and as reflected in the mandate (see Schedule “B” of this Circular), the Board meets without management at the end of each regular and special meeting. During the year 2017, the independent Trustees met without the non-independent Trustees and members of management being present at the end of each regular and special meeting, under the presidency of the Lead Independent Trustee. The Board also met with the Chief Executive Officer without the other executives being present at the end of each regular quarterly and special Board meeting. The same applies in the context of Committee meetings.</p> <p>Going forward, the Board will meet in camera without Mr. Cossette, the President and Chief Executive Officer of the REIT and the sole non-independent Trustee of the Board.</p>
(f) Disclose whether or not the chair of the board is an independent trustee, disclose the identity of the independent chair, and describe his or her role and responsibilities.	<p>The Chairman of the Board is appointed by all members of the Board. The Chairman of the Board, Alban D’Amours, is an independent Trustee pursuant to NI 52-110. Mr. D’Amours presides over the Board in the interests of the REIT and its Unitholders, and also oversees the work it does. He fulfills the duties that are conferred to him pursuant to applicable legislation. He promotes standards of integrity and honesty within the Board as well as best corporate governance standards, and monitors and verifies compliance with applicable laws and regulatory requirements. He ensures the Board takes on its tasks and responsibilities efficiently and independently and, as needed, assigns various tasks to the members of the Board. Further, he assesses the Board Committees and their fulfillment of the responsibilities assigned to them, and reports back to the Board with the results of their work.</p> <p>The Chairman is responsible for assuring that the Board has the necessary resources and information to fulfill its mandate and responsibilities. He makes certain that the independent Trustees meet without management at the end of each of the Board’s meetings and presides over such meetings in camera. The Chairman also verifies that the Board meets with the President and Chief Executive Officer of the REIT without the other executives being present. The Chairman of the Board supervises the Board, Committees and Trustees performance evaluation processes.</p> <p>The Board has developed a written position description for the Chairman of the Board. The Chairman is responsible for the proper functioning of the Board; he ensures that issues that, in his opinion, should be on the agenda are in fact included therein, so that Trustees can play their full part in the Board’s activities.</p>
(g) Disclose the attendance record of each Trustee for all board and committee meetings held since the beginning of the most recently completed fiscal year.	<p>The Board held 10 regularly scheduled meetings in the 2017 fiscal year. The Nominating and Governance Committee met five times, the Compensation Committee met four times, the Audit Committee met four times and the Investment Committee met five times during the year. In addition, there were three meetings of the Special Committee (as more fully described in Section 4.2.7 “Record of Board and Committee Meetings” of this Circular).</p> <p>Overall, the combined attendance by the Trustees at both Board and Committee meetings was 97.7%. A record of attendance by each Trustee at meetings of the Board and its Committees during the fiscal year ended December 31, 2017 is set out under Section 4.2.8 “Attendance Record of Trustees at Board and Committee Meetings in 2017” of this Circular.</p>

Corporate Governance Disclosure Requirement	Comments
2. Disclose the text of the board's written mandate.	The Board has adopted a mandate for itself (attached as Schedule "B" to this Circular), which is regularly assessed and reviewed by the Board. This written mandate provides that the Board is responsible for the stewardship and business conduct of the REIT, including the creation of a culture of integrity, the adoption of a strategic planning process that takes into account, among other things, the opportunities and risks of the REIT's business, the identification of the principal risks of the business and the implementation of appropriate systems to manage these risks, succession planning, the adoption of a Disclosure Policy, internal control systems, and ensuring that the REIT's approach to corporate governance complies with applicable legislation and that it adequately reflects the duties and responsibilities of the Board and its Chairman.
3. (a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	<p>The Board has developed a written description of the mandate of the Chairman of the Board and every Board Committee Chair position.</p> <p>The mandate of the Chairman of the Board states that the Chairman provides leadership to the Board and serves as the spokesperson to the Unitholders at their annual meeting. The Chairman also sets the agenda of all Board meetings, presides over all Board meetings and ensures that the information provided to Trustees is delivered in a timely manner and that it meets their needs.</p> <p>The mandate of the Board Committee Chairs provides for their participation in the development of their Committee meeting schedules and agendas, and the Committee Chairs are responsible for the implementation of their respective work plans.</p>
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board and the President and Chief Executive Officer have not developed a written position description for the President and Chief Executive Officer at this time, although they plan to do so in 2018. In general, the President and Chief Executive Officer is responsible for elaborating the organisational structure and the strategies of the REIT. Any responsibility which is not delegated to either management or a Committee of the Board remains with the Board. Therefore, matters regarding policy and measures proposed to be taken which are not in the ordinary course of business require the prior approval of the Board or of a Board Committee to which approval authority has been delegated. The REIT's objectives are developed by the President and Chief Executive Officer of the REIT and are approved by the Board.
4. (a) Briefly describe what measures the board takes to orient new trustees regarding: (i) the role of the board, its committees and its trustees, and (ii) the nature and operation of the issuer's business.	<p>When they start their mandate, each Trustee receives the Trustees Guide (the "Guide") that they use to get familiar with the governance system that prevails within the REIT and with how it is organized and operated.</p> <p>The Guide contains a set of documents detailing their obligations and the scope of their responsibilities, the Contract of Trust, by-laws, provisions of the <i>Civil Code of Québec</i> regarding trusts, policies in effect, the composition of committees and their mandates, work plans, the Code of Ethics and Business Conduct of the REIT, criteria regarding the choice of Trustees as well as assessment questionnaires for the Board, Committees and Trustees as well as disclosure of interest forms. The Trustees meet with management and attend regular presentations given by management on the strategic issues and challenges faced by the REIT.</p>

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	<p>The Guide, which is updated periodically, comes with a description of our property portfolio and periodic visits of some of the REIT's properties to ensure they have a good overview and understanding and they know how it is spread across the country.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its trustees.</p>	<p>The Board encourages, and offers, continuing education for its Trustees.</p> <p>Moreover, the Guide is complemented periodically with information provided on the REIT's activities during meetings of the Board and its Committees. At these meetings, we also sometimes present Trustees with new and innovative techniques and methods in terms of real estate, compensation, audit, accounting, financing, risks and their management, investment, asset management, environment, e-commerce, laws and regulations and other areas in which the REIT is involved. In addition, they are informed of new corporate governance developments.</p> <p>Furthermore, Trustees have the possibility to improve their skills in the areas related to their fields of responsibilities within the Board and its Committees on which they serve by registering for seminars, courses, conferences or other vehicles for training.</p> <p>This initiative is to ensure that Trustees can update and increase their knowledge in either of the above areas and keep abreast of new techniques and methods that help them better assume their responsibilities as Trustees.</p> <p>Moreover, the Board is a member of <i>the Institute of Corporate Directors</i>. Membership provides quality director education and various opportunities for continuous learning.</p> <p>In 2017, the Board also participated in various presentations with the management team, including presentations of the budget and strategic planning of the REIT. Furthermore, periodic visits of our properties are organized to allow Trustees to become more familiar with and better appreciate the investments that they are asked to approve for the acquisition or construction of buildings as well as the management and the condition of these properties.</p> <p>In particular, in 2017, such presentations included a presentation on the future of retail leasing and property management, a presentation on trends in office space leasing, property management and energy management program applicable to certain properties of the portfolio and a presentation given by a representative of the Canadian Public Accountability Board on their mandate as an audit regulator.</p> <p>To the foregoing, we also add the following:</p> <ul style="list-style-type: none"> – As part of the continuing education program, Trustees receive complete documentation before every meeting of the Board and its Committees with an agenda comprising continuing education on subjects related to the REIT, including changes made to accounting standards, and to the legislative and regulatory environment; – at each quarterly meeting of the Board, the Chief Financial Officer makes a presentation to provide a full explanation of the financial performance, expected future financial results and market trends of the REIT; – the executive officers make presentations on the operating strategy and initiatives of the REIT. They also review the competitive environment regarding acquisitions,

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	<p>dispositions and development activities, trends in local markets, and risks, as well as the REIT's performance against its peers;</p> <ul style="list-style-type: none"> – in between Board meetings, Trustees are updated and provided with analyst reports, media reports and other documentation to keep them informed of any changes within the REIT or the regulatory and legislative environment; and – on a quarterly basis, management provides the Trustees with research reports so they can better understand how the REIT is perceived by public company analysts and what rating they assign it. <p>Finally, management and Trustees are concerned with providing the Board with any information, document and report aimed at perfecting knowledge that is relevant to their functions.</p>
<p>5. (a) Disclose whether or not the board has adopted a written code for the trustees, officers and employees. If the board has adopted a written code:</p> <ul style="list-style-type: none"> (i) disclose how a person or a REIT may obtain a copy of the code; (ii) describe how the board monitors compliance with its code; and (iii) provide a cross-reference to any material change report filed within the preceding 12 months that pertains to any conduct of a trustee or executive officer that constitutes a departure from the code; <p>(b) Describe any steps the board takes to ensure trustees exercise independent judgment in considering transactions and agreements in respect of which a trustee or executive officer has a material interest.</p> <p>(c) Describe other steps the board takes to encourage and promote ethical business conduct.</p>	<p>The REIT's Board has adopted a Code of Ethics and Business Conduct, which is available on the SEDAR Website (www.sedar.com). It applies to Trustees, employees and any person who may be called upon to represent the REIT or act on its behalf, including individuals bound to the REIT by contract or otherwise.</p> <p>The Nominating and Governance Committee ensures compliance with the Code of Ethics and Business Conduct and makes sure that management encourages a culture of integrity and ethical business conduct.</p> <p>The Board has not granted any waiver of the Code of Ethics and Business Conduct in favour of a Trustee or executive officer. No material change report has been required or filed to that effect.</p> <p>The Chairman of the Board ensures at the beginning of each meeting that Trustees disclose any conflicts of interest and that no Trustee will vote or participate in a discussion on a matter in respect of which such Trustee has (or may be perceived to have) a material interest.</p> <p>Trustees must avoid positions of actual, potential or apparent conflicts of interest with the REIT. Any Trustee with an interest in a material contract or transaction with the REIT must disclose the nature and scope of the interest to the Chairman of the Board or to the Chair of the Committee of which he is a member.</p>
<p>6. (a) Describe the process by which the board identifies new candidates for board nomination.</p> <p>(b) Disclose whether or not the board has a nominating committee composed entirely of independent trustees.</p> <p>(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The responsibility to identify new candidates for board nomination has been assigned to the Nominating and Governance Committee, which is made up of three (3) independent Trustees, as well as the Chairman of the Board, who is also independent. This Committee administers the processes, determines the Trustee selection criteria and periodically revises such criteria to ensure that they remain compliant with regulatory and legislative requirements and meet the current and future needs of the REIT. The Nominating and Governance Committee establishes and periodically revises a list of potential Trustee candidates who meet the selection criteria. It considers the skills, expertise and qualifications of the candidate as well as whether they complement those of the other Trustees and then determines to what extent the candidate meets the needs of the Board and the selection criteria; it schedules one or several meetings between the candidate, the Chair of the Committee, the Chairman of the Board and the President and Chief Executive Officer to obtain all the relevant information. At the end of this process, the</p>

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	<p>Nominating and Governance Committee submits its recommendations to the Board, which approves or rejects the submissions.</p> <p>The Nomination and Governance Committee evaluates annually the eligibility and availability of candidates up for re-election. To do so, it considers the evaluation of their past performance, their attendance at Board and Committee meetings, their independence, their expertise and their seniority, and at the end of this process, submits its recommendation to the Board.</p> <p>The selection criteria favour the complementarity of the skills and expertise of the Trustees as a whole so that the Board is able to aptly fulfill every aspect of its role. A Trustee candidate must exhibit certain abilities, including sufficient financial knowledge, due to the extent of the REIT's activities, significant availability, knowledge of the real estate industry, a sense of initiative, excellent judgement and an ability to take on responsibilities within the Board's Committees. A candidate must have a good reputation in terms of integrity and honesty and must be recognized as a person who accomplishes his/her fiduciary duties for the companies for which he/she acts or has acted as a director.</p> <p>The Nominating and Governance Committee conducts reference and background checks on all Trustee candidates before their nomination.</p> <p>The Nominating and Governance Committee also reviews recommendations from other Trustees and members of management and determines whether to add a new candidate's name to the list of potential candidates that could be elected as Trustees. The Nominating and Governance Committee considers that a diversity of Trustees enhances the quality of discussions and, as such, recognizes the importance of increasing the number of women on the Board and aims for 30% of Trustees to be women. The Board continues its efforts to identify candidates who meet the various selection criteria.</p> <p>More specifically, in order to identify new Trustees to be nominated to the Board in 2018, the REIT engaged an external consultant to identify potential candidates. The Board reviewed and discussed the selection criteria in light of the external consultant's proposed skills matrix. Based on such criteria and the skills matrix, the Board analyzed the profiles of about 80 candidates, from which it identified 27 individuals of particular interest (classified as Tier 1 or Tier 2), and developed a system for interviewing potential candidates. The external consultant evaluated the candidates recommended by the Board, and the Board, using such information, created a short list of candidates to be interviewed. The Board interviewed the candidates on that short list, decided which candidates would be the most appropriate additions to the Board, considering both their profiles and the interview results, and confirmed with such candidates their availability and interest in becoming Trustees. Finally, 3 candidates, namely Paul D. Campbell, René Tremblay and Heather C. Kirk, were approved by the Board for nomination as Trustees.</p>
7. (a) Describe the process by which the board determines the compensation for the issuer's trustees and officers.	The Compensation Committee conducts a review and consults with the Nominating and Governance Committee every three (3) years regarding the adequacy of the compensation for non-executive Trustees to ensure that such compensation adequately reflects the

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	<p>responsibilities and risks involved with the role of Trustee, without compromising their independence. Compensation advisors support such Committees in providing information about trends and practices within the REIT's Benchmark Group with respect to competitiveness of the Trustees compensation.</p> <p>Trustees who are officers of the REIT receive no remuneration for their services as Trustees.</p> <p>The Compensation Committee annually reviews the compensation practices of comparable companies with a view to aligning the REIT's overall compensation for the senior executives with the Benchmark Group median (companies in the Benchmark Group for fiscal 2017 are listed in Section 5.3.3 "Benchmark Group" of the Circular). With this in mind, the services of compensation advisors are retained annually to support the Compensation Committee in its functions and to provide the necessary information on the trends and practices of its Benchmark Group in terms of compensation plans and the competitiveness of compensation.</p> <p>The Compensation Committee is responsible for recommending compensation for the Trustees as well as for the President and Chief Executive Officer and the REIT's other officers to the Board.</p>
(b) Disclose whether or not the board has a compensation committee composed entirely of independent trustees.	<p>The Compensation Committee is currently made up of four (4) Trustees, all of whom have been affirmatively determined by the Board to be independent. Mr. Alban D'Amours is not a member of the Compensation Committee, but attends their meetings by virtue of being Chairman of the Board or as Lead Independent Trustee in 2017. The REIT intends, following the Meeting, that the Compensation Committee will be composed of three (3) Trustees, all of whom will similarly be independent; Mr. Alban D'Amours will also attend Compensation Committee meetings given he is the Chairman of the Board.</p>
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	<p>The duties and responsibilities of the Compensation Committee include developing a global compensation philosophy and policy; reviewing succession planning strategies; evaluating the performance of the President and Chief Executive Officer; determining and reviewing his compensation and that of other officers; and establishing the objectives of the President and Chief Executive Officer of the REIT.</p>
8. If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	<p>The Board has four permanent Committees: (i) the Audit Committee; (ii) the Compensation Committee; (iii) the Nominating and Governance Committee; and (iv) the Investment Committee. All members of such Committees are Independent Trustees.</p> <p>The duties of the Investment Committee are to recommend to the Trustees whether to approve or reject proposed transactions of the REIT, including proposed acquisitions, dispositions and investments as well as borrowings (including the assumption or granting of any mortgage) by the REIT. The Trustees may delegate to the Investment Committee the power to approve or reject proposed acquisitions, dispositions, investments or financings, as the case may be. The Trustees have delegated to the Investment Committee the approval or rejection of proposed acquisitions, dispositions, investments, and financings up to \$12 million. Notwithstanding the above, the Board may, at any time, consider and approve, on its own, all matters over which the Investment Committee has authority. The mandate of the Investment Committee will be</p>

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	revised in 2018 to modernize the existing mandate and add new responsibilities, including in respect of capital investments.
<p>9. Disclose whether or not the board, its committees and individual trustees are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.</p>	<p>The Board has made the Nominating and Governance Committee responsible for the development, oversight and evaluation, on an annual basis, of individual and collective performance, as well as the contribution of the members of the Board, the Committees, the Committee members, the Chairman of the Board and the Committee Chairs.</p> <p>An assessment questionnaire for the Board and for each of the Committees and a self-assessment questionnaire prepared by the Nominating and Governance Committee are remitted to each Trustee and completed confidentially.</p> <p>The questionnaire for the Board is divided into three (3) sections:</p> <ul style="list-style-type: none"> - the functioning of the Board; - the relationship of the Board with the REIT's management team; and - the overall assessment of the Board. <p>Each section:</p> <ul style="list-style-type: none"> (a) provides a quantitative rating for specific issues; and (b) encourages Trustees to give subjective comments or suggestions in relevant areas, such as elements to improve and major issues regarding the Board as well as the contribution of each of the Trustees. <p>The questionnaire for each Committee is divided in two (2) sections:</p> <ul style="list-style-type: none"> - the functioning of the Committee; - the overall assessment of the Committee. <p>Each section:</p> <ul style="list-style-type: none"> (a) provides a quantitative rating for specific issues; and (b) encourages Trustees to give subjective comments or suggestions in relevant areas, such as elements to improve and major issues regarding the Committee as well as the contribution of each of the Trustees. <p>For the fiscal year 2017, the Nominating and Governance Committee also prepared a questionnaire for each of the Committees.</p> <p>The questionnaires are partly intended as a way to assess the Board and its Committees regarding the mandate of the Board and/or the chart of each of its Committees as well as an individual assessment by each of the Trustees.</p> <p>The Secretary submits to the Chairman of the Board all the responses received from the Trustees including their self-assessment questionnaires.</p> <p>The questions and elements for which the results are the weakest are highlighted to be discussed by the Nominating and Governance Committee at its next regular meeting.</p> <p>In addition, if any contribution is deemed insufficient, the Chairman of the Board reserves the right to meet with a Trustee or Committee member at any time during the year to discuss his/her evaluation and to identify areas of improvement in order to ensure the better functioning of the Board and its Committees.</p>
<p>10. Disclose whether or not the issuer has adopted term limits for the Trustees on the Board or other</p>	<p>In April 2018, the Nominating and Governance Committee has recommended, and the Board has approved, the Term Limit Policy.</p>

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<p>mechanisms of Board renewal and, if so, include a description of those Trustee term limits or other mechanisms of Board renewal. If the issuer has not adopted Trustee term limits or other mechanisms of Board renewal, disclose why it has not done so.</p>	<p>The Board has implemented a tenure and term of office framework pursuant to which independent Trustees may serve on the Board for a maximum term of twelve years. Term limits set out the maximum period of time that Trustees can stand for re-election, and do not provide guaranteed tenure. The tenure of the Chairman of the Board or a Committee Chair, in such role, will generally be between five and eight years.</p> <p>To ensure the Board is not deprived from the contributions of longer serving Trustees who have developed a deeper knowledge and understanding of the REIT over time, the Board may propose longer tenures in limited circumstances, including, his/her recent nomination as the Chairman of the Board or a Committee Chair, or his/her expertise or experience on a topic relevant to the REIT, or where the Board determines that it is in the best interests of the REIT to do so.</p> <p>The Board evaluates, on an annual basis, its requirements and compares them with the skills, experience and contribution of each Trustee. It also reviews the performance of each Trustee on the Board and on Board Committees. The Trustees tenure is also taken into account to ensure diversity on the Board, in line with the Diversity Policy.</p>
<p>11. (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women Trustees. If the issuer has not adopted such a policy, disclose why it has not done so;</p> <p>(b) If the issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> i) a short summary of its objectives and key provisions; ii) the measures taken to ensure that the policy has been effectively implemented; iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy. 	<p>In April 2018, the Nominating and Governance Committee has recommended and the Board has approved the Diversity Policy.</p> <p>In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills and experience is critical to the REIT's success. Furthermore, diversity helps ensure that a wide-variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive. The REIT believes that diversity is an important attribute of a well-functioning Board and an efficient team of executive officers.</p> <p>The REIT recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that women with appropriate and relevant skills and experience can play in contributing to the diversity of perspectives on the Board and in executive officer positions.</p> <p>The Nominating and Governance Committee has developed a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board. The Nominating and Governance Committee has also created a search protocol that seeks qualified Board candidates from, among other areas, the traditional corporate environment, government, academia, private enterprise, non-profit organizations, and professions such as finance, management, risk management, accounting, human resources, and legal services.</p> <p>In the process of searching for qualified persons to serve on the Board, the Nominating and Governance Committee strives for the inclusion of diverse groups, knowledge and viewpoints. To accomplish this, the Nominating and Governance Committee may retain an executive search firm to help meet the Board's diversity objectives. In connection with its efforts to create and maintain a diverse Board, the Nominating and Governance Committee:</p> <ul style="list-style-type: none"> - develops recruitment protocols that seek to include diverse candidates in any Trustee search. These protocols take into account that qualified candidates may be found

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	<p>in a broad array of organizations, including academic institutions, privately held businesses, non-profit organizations and trade associations, in addition to the traditional candidate pool of corporate directors and officers;</p> <ul style="list-style-type: none"> - strives to use, to their fullest potential, the current network of organizations and trade groups that may help identify diverse candidates; - periodically reviews Board recruitment and selection protocols to ensure that diversity remains a component of any Trustee search; and - in order to support the specific objective of gender diversity, considers the level of representation of women on the Board and ensures that women are included in the short list of candidates being considered for a Board position. <p>The REIT aspires to have women comprise at least 30% of the Board by December 31, 2021.</p> <p>On an annual basis, the Nominating and Governance Committee:</p> <ul style="list-style-type: none"> - assesses the effectiveness of the Board nomination process at achieving the REIT's diversity objectives; - sets measurable objectives for achieving Board diversity and recommends them to the Board for adoption; - measures the annual and cumulative progress in achieving its gender diversity targets; and - monitors the implementation of the Diversity Policy.
<p>12. Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.</p>	<p>The Diversity Policy provides that, in the process of searching for qualified persons to serve on the Board, the Nominating and Governance Committee strives for the inclusion of diverse groups, knowledge and viewpoints. In connection with its efforts to create and maintain a diverse Board and in order to support the specific objective of gender diversity, the Nominating and Governance Committee considers the level of representation of women on the Board and ensures that women are included in the short list of candidates being considered for a Board position.</p> <p>The policy relating to the recruitment of Board members also provides that, in the examination of successful candidates, for comparable knowledge, experience and availability, the Board's preference will go to a female candidate as long as the number of women on the Board will not be equivalent to men.</p>
<p>13. Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>The President and Chief Executive Officer is responsible for considering candidates for executive officer appointments that possess the qualifications, competencies, experience, leadership skills and level of commitment required to fulfill executive management functions.</p> <p>In fulfilling its role, the President and Chief Executive Officer:</p> <ul style="list-style-type: none"> - considers candidates that are highly qualified based on their experience, education, expertise, personal qualities and general and sector-specific knowledge; - reviews potential candidates from a variety of backgrounds and perspectives, with the REIT's diversity objectives in mind including, without limiting the generality of the foregoing, the specific objective of

Corporate Governance Disclosure Requirement	Comments
	<p>gender diversity; and</p> <ul style="list-style-type: none"> - considers the level of representation of women in executive officer positions when making executive officer appointments.
<p>14. (a) Disclose whether the issuer has adopted a target regarding women on the issuer's Board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) If the issuer has adopted a target referred to in either a or b, disclose:</p> <ul style="list-style-type: none"> i) the target; ii) the annual and cumulative progress of the issuer in achieving the target. 	<p>Pursuant to the recently adopted Diversity Policy, the REIT aspires to have women comprise at least 30% of the Board by December 31, 2021.</p> <p>The REIT does not set specific targets regarding the representation of women in executive officer positions. However, the REIT recognizes that diversity is an essential consideration in the selection process for new executive officers and intends to implement proactive steps to increase the number of women in leadership positions, including supporting and stimulating the development and training of internal talent to be promoted to senior management positions, prioritizing the criterion of diversity when recruiting mid-level candidates and encouraging their growth internally, as well as developing diverse external candidate pools.</p>
<p>15. (a) Disclose the number and proportion (in percentage terms) of Trustees on the issuer's Board who are women.</p>	<p>As at April 13, 2018, two (2) out of nine (9) Trustees are women. Therefore, 22% of Trustees are women (25% of independent Trustees are women).</p>
<p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>As at April 13, 2018, no woman holds an executive officer position within the REIT, as such term is defined in National Instrument 51-102. While no woman held an officer position before 2014, the REIT has since appointed four (4) women at the vice-president level, representing the ongoing commitment of the REIT to eventually achieve greater gender diversity at the executive officer level.</p>

6.3 Audit Committee Information

Reference is made to the Annual Information Form of the REIT for the fiscal year ended December 31, 2017 for a disclosure of information relating to the Audit Committee required under Form 52-110F1. A copy of this document can be found on the SEDAR Website (www.sedar.com) or by contacting the Secretary of the REIT at its executive office, 2820 Laurier Boulevard, Suite 850, Québec, Québec, G1V 0C1, or by telephone at 1-866-COMINAR.

6.4 Audit Committee Policy for Reporting Irregularities

The Audit Committee has established a policy for reporting irregularities relating to accounting and internal controls related to the REIT and oversees its implementation. This policy sets out the process for the receipt, retention and handling of complaints and concerns, as well as an anonymous and confidential means for any person or REIT employee having accounting, audit or internal control concerns.

PART 7 – OTHER BUSINESS

7.1 Amendments to the Contract of Trust

7.1.1 Background

The REIT assesses the continuing development of governance best practices on an ongoing basis, and in connection with such review it has analyzed its current Contract of Trust provisions and compared the rights, remedies and procedures available under it to those available to shareholders of a corporation under the *Canada Business Corporations Act* (the “CBCA”). In connection with the foregoing, the REIT reviewed the draft provisions set forth in the Model Contract of Trust Provisions prepared by the Canadian Coalition for Good Governance (“CCGG”) in November 2015.

The CCGG prepared the Model Contract of Trust Provisions based on its prioritization of the most important investor rights, with the stated objective of preparing a form of model declaration of trust provisions that can be adopted by all Canadian public trusts to ensure uniform rights to investors. The Trustees believe that Unitholders should enjoy certain rights and remedies, such as the oppression remedy and dissent and appraisal rights, that are available to shareholders of a corporation pursuant to the CBCA and which have become fundamental aspects of investor protection in the corporate context. The Trustees also believe that enhancing the procedures for and conduct at Unitholder meetings consistent with the provisions of the CBCA is beneficial to Unitholders and the REIT. These rights, remedies and procedures must be provided for in the Contract of Trust given the REIT is not subject to the provisions of the CBCA or any other corresponding statute which would otherwise grant Unitholders such rights and remedies.

Consequently, the Trustees have determined that it is appropriate at this time for the REIT to seek the approval of Unitholders to amend the Contract of Trust to include certain rights, remedies and procedures in favour of Unitholders that are consistent with those available to shareholders of a corporation governed by the CBCA as reflected in the CCGG Model Contract of Trust Provisions. The Trustees believe that these changes will further enhance the REIT as an investment vehicle as Unitholders will enjoy fundamental rights consistent with those afforded to shareholders under corporate statutes.

Notwithstanding the foregoing, as a trust governed by its Contract of Trust (rather than statute) if the foregoing proposed provisions are adopted as contemplated, they will be granted pursuant to the Contract of Trust as a contractual right afforded to Unitholders. Similar to other existing rights contained in the Contract of Trust such as the take-over bid provisions and conflict of interest provisions, making these rights, remedies and procedures available by contract is structurally different from the manner in which the equivalent rights, remedies and procedures, including the procedure for enforcing such remedies, are made available to shareholders of a corporation. In the latter context, shareholders benefit from such rights, remedies and procedures by virtue of the corporate statute that governs the corporation, such as the CBCA. As such, there is no certainty regarding how these rights, remedies and procedures may be treated by courts in the non-corporate context or that a Unitholder will be able to enforce the rights and remedies in the manner contemplated by the proposed amendments. Furthermore, how courts treat such rights, remedies and procedures will be at the court’s discretion, and the courts may choose not to accept jurisdiction to consider any claim contemplated in the proposed provisions of the Contract of Trust.

In addition to the foregoing, the Trustees have also approved certain amendments to the Contract of Trust to implement the Advance Notice Policy, as more fully described in Section 6.2.4 “**Advance Notice Policy**” of this Circular.

7.1.2 Proposed Amendments

It is proposed that the Contract of Trust be amended to incorporate, *inter alia*, the following proposed changes:

1. Oppression Remedy:

- The introduction of the ability of Unitholders or other specified eligible complainants to make an application to a court to seek an order that (i) any act or omission of the REIT effects a result, (ii) the business or affairs of the REIT 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, security holder, creditor, Trustee or officer.
- The new provisions will provide that a court may make any order it thinks fit including, among others and without limitation, an order: restraining the conduct complained of; appointing a receiver; regulating the REIT's affairs by amending the Contract of Trust; directing an issue or exchange of securities; replacing Trustees; directing the REIT to purchase securities of a Unitholder; varying or setting aside a transaction or contract to which the REIT is a party and compensating the REIT or another party thereto accordingly; requiring the production of financial information; or to wind-up the REIT or its subsidiary(ies) (if the court is satisfied that it is just and equitable that such winding up, liquidation or dissolution occur), among others.

2. Dissent / Appraisal Rights:

- The introduction of dissent and appraisal rights in connection with certain fundamental transactions, including:
 - the carrying out of any transaction which requires approval of at least two-thirds of Unitholders pursuant to the Contract of Trust, including without limitation, a sale or transfer of the assets of the REIT as an entirety or substantially as an entirety;
 - the carrying out of a going-private or squeeze-out transaction in respect of the REIT; or
 - the amendment of the Contract of Trust to add, change or remove any provision to restrict or constrain the issue, transfer or ownership of Units; add, change or remove any restrictions on the business the REIT may carry on; add, change or remove the rights, privileges, restrictions or conditions attached to Units; increase the rights or privileges of any class of Units having privileges equal or superior to the class held by the dissenting Unitholder; create a new class of Units equal to or superior to the Units of the class held by the dissenting Unitholder or make any class of Units with inferior rights or privileges superior to the class held by the dissenting Unitholder; or effect an exchange or create a right of exchange in all or part of a class of Units into the class held by the dissenting Unitholder.
- A Unitholder who complies with the procedures set out in these new provisions will be entitled, at the time the approved action from which the Unitholder dissents becomes effective, to receive the fair value of the Units held by such dissenting Unitholder, determined as of the close of business on the day prior to the date of the adopting resolution.
- To avail itself of this provision, a dissenting Unitholder must send the REIT, at or prior to any meeting at which the relevant resolution is to be voted on, a written objection to the resolution.
- The new provisions will include the procedures, including requirements for notification, submitting Units to be cancelled and receipt of the fair value payment owed, to which the REIT and the dissenting Unitholder must adhere regarding the above rights.
- The REIT will be required to send to each dissenting Unitholder who has complied with the relevant provisions a written offer of an amount considered by the Trustees to be the fair value, accompanied by a statement showing how fair value was determined. Within ten days after such offer is accepted, the REIT shall pay to the dissenting Unitholder the required payment. The offer made by the REIT will lapse if the REIT does not receive an acceptance within thirty days of it being made.
- The new provisions will provide for the ability to make application to a court if the REIT fails to make an offer or an offer is failed to be accepted, for purposes of the court fixing a fair value for the Units of any dissenting Unitholder. The proposed new provisions include the appropriate procedural parameters that the parties are desirous of to govern the court application process.

3. Unitholder Proposals and Unitholder Meetings:

- The introduction of the right for a Unitholder with the right to vote on matters before an annual Unitholder meeting to submit notice to the REIT of any matter that they propose raising at an annual meeting (a “**Proposal**”) and to discuss at the meeting any matter with respect to which they would have been entitled to submit such a proposal.
- Ancillary to this new right permitting Unitholders to make Proposals will be the procedures under which the Proposal process is governed, including, without limitation, the following:
 - a Proposal may include nominations for the election of Trustees if the Proposal is made in compliance with the Advance Notice Policy;
 - to be eligible to submit a Proposal, a person must (i) be the beneficial owner, for at least the six-month period immediately prior to the day on which the Proposal is submitted, of at least 1% of the total number of outstanding Units on the day the Proposal is submitted or of Units whose fair market value, as determined at the close of business on the day before the Proposal is submitted, is at least \$2,000; or (ii) have the support of persons who, in the aggregate (and whether or not including the person submitting the Proposal), for at least the same six-month period, are beneficial owners of an aggregate of at least 1% of the total number of outstanding Units as of the date the Proposal is submitted or of Units whose fair market value, as determined at the close of business on the day before the Proposal is submitted, is at least \$2,000;
 - a Proposal must be accompanied by certain prescribed information, including the name and address of the submitting person and such person’s supporters, if applicable, and the number of Units held or owned by such person or persons;
 - the REIT shall set out the Proposal in its management proxy circular delivered in connection with its annual meeting and, if requested by the submitting person, include a statement in support of the Proposal by such person, such statement not to exceed 500 words exclusive of the prescribed information referred to above. Notwithstanding the foregoing, the REIT shall not be obligated to include such materials/information in its management proxy circular if (a) the Proposal is submitted to the REIT less than 90 days before the first anniversary date of the prior year’s mailing of notice of meeting; (b) it clearly appears that the primary purpose of the Proposal is to enforce a personal claim or redress a personal grievance or the Proposal does not relate in a significant way to the business or affairs of the REIT; (c) not more than two years prior to the receipt of the Proposal, the submitting person failed to vote at a meeting on a Proposal that, at such person’s request, was included in the REIT’s management proxy circular; (d) substantially the same Proposal was submitted to Unitholders within the preceding five years and did not receive the required support (being 3% of total Units voted if the Proposal was introduced at one annual meeting, 6% of total Units voted if the Proposal was introduced at two annual meetings, and 10% of total Units voted if the Proposal was introduced at three or more annual meetings); or (e) the rights conferred pursuant to these new provisions are being abused to secure publicity.

The following are changes relating to procedures for and conduct at a Unitholder meeting:

- The ability of a Unitholder to make an application to a court to order a meeting be called, held and conducted in certain circumstances, subject to the ability to enforce such right.
- Clarification that the REIT shall reimburse a Unitholder for expenses reasonably incurred by them in requisitioning, calling and holding a meeting in the event of a meeting called by Unitholders pursuant to the existing terms of the Contract of Trust.
- Clarification regarding rules applicable to the use of proxies at meetings.

4. Other Changes:

- Limitations to the ability of Trustees to delegate certain powers.

- The introduction of rights for Unitholders or security holders of the REIT to examine certain documents of the REIT.

The above is a summary of the material changes being proposed by the amendments. The amendments also include certain related and clerical changes. Reference must be made, and consideration given, to the full text of the proposed amended and restated Contract of Trust, which is attached as Exhibit “1” hereto and has been blacklined to reflect all proposed changes.

Unitholder Approval

Unitholders of the REIT will be asked to pass the ordinary resolution in the form set out in Schedule “C” of the Circular, to authorize and approve the foregoing amendments to the Contract of Trust. To be approved, the amendments require the vote in favour of a majority of the votes cast on the ordinary resolution. As discussed above, the Trustees consider that the amendments to the Contract of Trust are appropriate at this time and recommend that Unitholders vote “FOR” the resolution.

PART 8 – OTHER INFORMATION

8.1 General

Information contained herein is given as at the date hereof except as otherwise stated. The management of the REIT knows of no matter to come before the Meeting other than the matters referred to in the accompanying Notice.

8.2 Additional Information

Under the compensation policy, each year the REIT grants Options to executive officers in accordance with the LTIB (see Section 5.3.6.3 “**Long-Term Incentive Bonus**” of this Circular) and to other officers and employees in accordance with the REIT’s policy.

3,689,400 Options were granted during fiscal year 2017, which represent approximately 2% of the aggregate Units outstanding and as at December 31, 2017, 12,928,000 Options granted to executive officers, officers and other employees were outstanding, which represent approximately 7% of the aggregate Units outstanding.

The REIT’s burn rate, calculated as described in section 613(p) of the TSX Company Manual, taking into account the total number of Options, RUs and DUs granted under the Plan, was 1.89% in fiscal year 2015, 2.03% in fiscal year 2016 and 2.08% in fiscal year 2017.

8.3 Interest of Insiders in Material Transactions

During fiscal years 2016 and 2017, Mr. Michel Dallaire and Mr. Alain Dallaire were Trustees and members of Cominar’s management team, and they exercised indirect control over the activities of Groupe Dallaire Inc. (“**Groupe Dallaire**”) and Dalcon Inc. (“**Dalcon**”, and collective with Groupe Dallaire, the “**Related Companies**”). On January 1, 2018, Mr. Sylvain Cossette was appointed as President and Chief Executive Officer to replace Mr. Michel Dallaire. This appointment was part of the succession plan put in place by the Board when Mr. Cossette joined Cominar in 2012 as Executive Vice-President and Chief Operating Officer. On January 9, 2018, Mr. Cossette was appointed as a Trustee to fill the vacancy created by the departure of Mr. Alain Dallaire as Trustee. On February 12, 2018, Alban D’Amours was appointed as Chairman of the Board following the departure of Mr. Michel Dallaire. While Mr. Alain Dallaire has a passive indirect economic interest in Groupe Dallaire, he is neither an employee nor a director of Groupe Dallaire.

In 2016 and 2017, Cominar entered into transactions with those Related Companies in the normal course of business, the details of which are as follows:

	For the year ended December 31, 2017 (000\$)	For the year ended December 31, 2016 (000\$)
Investment properties – Capital costs	138,129	86,639
Acquisition of additional ownership interest in the joint venture Société en commandite Chaudière-Duplessis	10,016	—
Investment properties held by joint ventures – Acquisition	—	6,204
Investment properties held by joint ventures – Capital costs	3,263	2,958
Recovery of mortgage receivable	(8,250)	—
Acquisition of an additional ownership interest in the joint venture Société en commandite Complexe Jules-Dallaire	21,190	—
Share of joint ventures’ net income	5,276	8,006
Net rental revenue from investment properties	313	301
Interest income	140	280

Balances shown in the consolidated balance sheets are detailed as follows:

	As at December 31, 2017 (000\$)	As at December 31, 2016 (000\$)
Investments in joint ventures	86,299	90,194
Mortgage receivable	—	8,250
Accounts receivable	1,969	1,182
Accounts payable	15,696	7,624

In summary, Cominar incurred with related parties capital costs of approximately \$138.1 million for its properties. Of this amount, \$43.9 million were invested in three major projects, being \$19.6 million for the preparation of the future retail project being built around the IKEA store in Québec, \$13.5 million for the 76,000 square feet expansion of a property located in Montréal (including tenant work), and \$10.8 million for the redevelopment of our Centre Laval retail centre to greet the 66,600 square feet sporting goods store Sportium (including tenant work).

In addition, Dalcon completed approximately 1,100 jobs with costs varying between \$0 and \$50,000, and slightly less than 250 jobs where the costs exceeded \$50,000. These investments are allocated as follows: approximately 34% for tenant improvements, 21% for roofs, pavement and other structural work, 19% for the expansion and construction of properties, 15% for prepping a future retail site, 9% for work related to common areas and interiors, and finally 2% for miscellaneous maintenance and repairs.

The leasehold improvement, repair and maintenance work on properties carried out by Dalcon are invoiced to Cominar at cost plus a 5.0% markup. For construction projects, the work is invoiced at cost plus a 2.5% markup. By retaining the services of the Related Companies for property construction work and leasehold improvements, Cominar achieved significant time and cost savings while providing better service to its clients.

Dalcon is a fully integrated construction company with hundreds of skilled workers in various construction trades, including electricians, plumbers, carpenters, interior system installers, plasterers, painters, tilers, roofers, masonry workers, fire protection mechanics and other. Therefore, Dalcon combines many construction specializations within the company, unlike a standard general contractor, which has to subcontract these trades to carry out the construction work. Since it hires very few or no sub-trades, Dalcon is not charged for the usual sub-trade profit margin, with amounts ranging between 15% and 20% of construction costs, depending on the markets. This represents considerable cost savings for Cominar.

There is no exclusivity between Cominar and Dalcon. Cominar (or its tenants) has the option to work with various sub-trades and other general contractors if it wishes to. In 2017, the total amount of investments in investment properties (capital costs) amounted to \$206.3 million, including \$138.1 million with related companies, which represents approximately 67% of the investments.

All leasehold improvement, expansion, refurbishment or building construction work must be subject to prior approval by a vice president or an executive vice president of Cominar. Execution plans as well as a detailed budget of the work must be prepared and submitted to the vice president for approval, for each project. Once approval is granted, a project manager from Cominar monitors and supervises the site to ensure compliance with the deadlines, the quality of construction and the budget. Sometimes, certain situations force us to deliver client premises as quickly as possible. In such instances, Cominar may ask Dalcon to start renovation work based on preliminary estimates without detailed construction plans, in order to meet the time constraints of its clients.

Cominar periodically checks that the hourly rates of professionals and workers charged by Dalcon are competitive compared with the market. Hourly rates of architects, engineers, designers and technicians are compared with the rates included in third party bids submitted to Cominar and also with the rates charged by different professional firms at the service of Cominar. The hourly rates of construction workers are partially regulated, and Cominar periodically validates that they are in line with the market rates, but also with the Association de la construction du Québec (the “ACQ”)

recommendations. The construction costs of various specialties, such as roofing, are also validated periodically and compared with the market to ensure the most competitive prices.

The invoicing at “cost plus a markup” between Cominar and Dalcon also contributes to eliminating the financial risk associated with the management of extras, as known in the field of construction. During the work, if Dalcon faces unexpected events on the site and/or additions are requested by Cominar, a change order is issued by Dalcon, with an estimate of the costs related to these unexpected events and/or additions. These change orders are then approved by a project manager from Cominar, and the additional costs related to these unexpected events and/or additions are still chargeable at “cost plus a markup” by Dalcon, unlike standard general contractors that charge these unexpected events by adding significant profit percentages.

By constantly collaborating on matters such as repairs and maintenance costs, durability of products and equipment and construction techniques, Cominar and Dalcon managed over time to refine their methods and choices of equipment and products, thus meeting Cominar’s requirements in terms of building operations, maintenance, sustainability and durability.

In order to improve efficiency and speed in performing less significant construction work, Cominar asked Dalcon to set up mobile teams made up of carpenters, plumbers, electricians and painters. Work that requires few or no professionals and that has an estimated cost lower than \$20,000 is carried out by these mobile workers. This significantly reduces costs and delivery deadlines as it eliminates the time associated with the implementation of design, architecture and engineering plans as well as calls for tenders. The added value of these mobile teams can be summarized as a fast, effective and cost-efficient way to carry out work, thus providing Cominar with an undeniable competitive advantage vis-à-vis competitors. Dalcon’s mobile teams carried out approximately 550 construction projects in 2017, for an average value of \$2,700 each.

Cominar is a proactive real estate owner in terms of energy management and savings. This energy management is done in collaboration with various Dalcon engineers who are specialized in energy management. These engineers have been working for a long time in collaboration with Cominar’s engineers and building operators, and have developed several energy management principles, techniques and methods that make Cominar one of the leaders in this field.

Leasing of commercial space with the Related Companies is carried out at the market rate for similar spaces. As at December 31, 2017, Groupe Dallaire and its affiliated companies were occupying 65,425 square feet of office space in Complexe Jules-Dallaire in Québec, 8,670 square feet of office space in the Alexis Nihon complex in Montréal, and 43,709 square feet of space at 605 Deslauriers Street in Montréal, an industrial and mixed-use building.

The business objective of investments in joint ventures with the related company Groupe Dallaire is the ownership, management and development of real estate projects.

Cominar has implemented an important transition towards the internalization of certain construction activities and the diversification of its external construction services providers. As part of this transition, the use of Groupe Dallaire for construction services will be reduced in an orderly manner, over an approximate 12-month transition period. Certain dedicated elements of Groupe Dallaire’s workforce in Montréal are being integrated at no additional cost to Cominar, with a view to ensuring continuity and best addressing Cominar’s needs and those of its clients in a cost-effective manner.

Contractual rights and obligations

The formation of each joint venture is recognized by limited partnership agreements and unanimous shareholder agreements of the general partner, in which the rights and obligations of each limited partner or shareholder are provided for. Among these terms and conditions, the important decisions with regard to joint ventures are taken unanimously by the limited partners for the limited partnerships, and by the shareholders for the general partners. Capital contributions are made on a pro rata basis between the limited partners. In addition, each limited partner has a right of first refusal, should the other limited partner transfer its participation in the joint venture. Recourse or purchase

option mechanisms benefit each limited partner with respect of the other limited partner if it is in default under the agreements or if it becomes insolvent.

In addition, if a Triggering Event (as defined below) occurs in respect of one of the limited partners, the other limited partner shall be entitled, within a thirty (30) day period following the beginning of the Triggering Event, to provide to the limited partner subject to a Triggering Event a notice that contains a purchase offer for the entire ownership interest at fair market value of such interest upon transmission of the notice, and the limited partner in respect of which the Triggering Event occurred will be required to sell its ownership interest. “**Triggering Event**” means, in respect of Groupe Dallaire, the loss of control of Groupe Dallaire by the Dallaire family, and, in respect of Cominar, situations where there is a change of control resulting from a takeover bid or a business combination transaction, an acquisition of a significant equity position or an important change outside the normal course of business in the composition of the Board during a period of eighteen (18) consecutive months.

If the parties cannot mutually agree upon the fair market value, an appraisal mechanism is provided for in the agreements.

8.4 Availability of Documents

The REIT’s financial information is included in the audited consolidated financial statements of the REIT and notes thereto and in the Management’s Discussion and Analysis for the fiscal year ended December 31, 2017. Copies of these documents and additional information concerning the REIT can be found on the SEDAR Website (www.sedar.com) and may also be obtained upon request to the Secretary of the REIT at its executive office, 2820 Laurier Boulevard, Suite 850, Québec, Québec, G1V 0C1, or by telephone at 1-866-COMINAR. The above documents, as well as the REIT’s news releases, are also available on the REIT’s website (www.cominar.com).

8.5 Approval of Trustees

The content and the sending to the Unitholders of this Circular have been approved by the Board.

SIGNED in Québec, Québec, on the 13th day of April, 2018.

BY ORDER OF THE BOARD OF TRUSTEES,

(s) Manon Deslauriers
Vice-President Legal Affairs and Corporate Secretary

SCHEDULE “A”

Equity-Based Incentive Plan

On May 21, 1998, the REIT adopted the Unit Option Plan which was amended and restated on May 15, 2001, November 13, 2003, May 11, 2004, May 10, 2006, May 15, 2007, May 14, 2008, May 18, 2010, May 17, 2011, May 16, 2012, May 13, 2014, May 10, 2016 and October 2, 2017.

It was amended on May 16, 2012, among others, to include restricted units (“**RUs**”) and deferred units (“**DUs**”), and is now referred to as the Equity-Based Incentive Plan (the “**Plan**”). It was further amended on October 2, 2017 to include performance units (“**PU**s”). These 2017 amendments were approved by the TSX but were not subject to Unitholder approval in accordance with the amending provisions of the Plan. The purpose of introducing RUs, DUs and PUs was to improve the REIT’s ability to retain and attract competent and motivated people, while seeking to more closely align the interests of Trustees, officers and employees with those of Unitholders.

For the purposes of the Plan, “**Market Price**”, means, on any particular day, the market price of one Unit and shall be calculated by reference to the closing price for a board lot of Units on the Toronto Stock Exchange (the “**TSX**”) (or such other exchange as may be designated from time to time by the Board), on that day, or if at least one board lot of Units shall not have been traded on the TSX on that day, on the immediately preceding day for which at least one board lot was so traded; or if, at any time, the Units are no longer listed on the TSX, then the Market Price shall be calculated by reference to the closing price, on the aforesaid day, for a board lot of Units on the stock exchange on which the Units are listed and had the greatest volume of trading on that particular day. In the event that the Units are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Units as determined by the Board of Trustees in its sole discretion.

Participation in the Plan is restricted to an “**Eligible Person**”, which means: (i) a Trustee, officer or employee of the REIT or any Subsidiary of the REIT (an “**Eligible Individual**”), (ii) a corporation controlled by an Eligible Individual, the issued and outstanding voting securities of which are and continue to be beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, minor children and/or minor grandchildren (an “**Employee Corporation**”) of such Eligible Individual, or (iii) a family trust the sole trustee of which is an Eligible Individual and/or the beneficiary(ies) of which are Eligible Individuals or an Eligible Individual and/or the spouse, minor children and/or minor grandchildren of such Eligible Individual (an “**Employee Trust**”).

The Units to be subject to or related to Awards (as defined below) under the Plan will be authorized and unissued Units of the REIT or Units purchased on the secondary market for the benefit of a Participant (as defined in the Plan), as determined by the Board in its sole discretion.

As at March 31, 2018, the remaining balance of the Units issuable under the Plan, in the form of options to purchase Units (“**Options**”), RUs, DUs and PUs totals 16,572,804 Units, of which a maximum of 1,266,879 Units may be issued in settlement of RUs, DUs or PUs.

No Participant may receive a grant of Options, PUs, RUs or DUs under the Plan (an “**Award**”) representing more than five percent (5%) of the issued and outstanding Units. In addition, the number of Units issuable to insiders of the REIT at any time under the Plan and any other securities compensation arrangement may not exceed ten percent (10%) of the issued and outstanding Units. The number of Units issued to insiders under the Plan and any other securities compensation arrangement, within a one-year period, may not exceed ten percent (10%) of the issued and outstanding Units, and the issuance to any one insider and such insider’s associates, within a one-year period, may not exceed five percent (5%) of the issued and outstanding Units.

In addition: (i) the aggregate fair value of any Awards granted to any one Board member who is not an employee, but who is allowed to receive advantages under the Plan, within a period of one year, in connection with all equity-based compensation arrangements of the REIT may not exceed \$100,000, valued on a *Black-Scholes* basis and as determined by the Board; and (ii) the aggregate number of securities which may be issued to all Board members who are not

employees, but who are allowed to receive advantages under the Plan, within a period of one (1) year, in connection with all equity-based compensation arrangements of the REIT may not exceed 1% of its issued and outstanding Units.

Options

Unless otherwise provided in the Plan, the Board determines the number of Units subject to each Option, the Option Price (as defined in the Plan) of each option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and any other terms and conditions relating to each Option. However, if no specific determination is made by the Board, the granted Options become vested in increments of 20% on a cumulative basis after the first, second, third, fourth and fifth anniversary of the granting of such Option, and, following the fifth anniversary of the granting of such Option, the Options shall be exercisable in full until the date of the seventh anniversary of the granting of such Options. The Option Price shall be the Market Price on the trading day immediately preceding the date of the grant of the Option.

Options are exercisable at a price not less than the Market Price on the trading day immediately preceding the day on which the grant is approved by the Trustees. The Options have a term not exceeding seven years from the date of grant, unless determined otherwise by the Trustees by way of resolution, and in no event may the term of any Option exceed 10 years from the date the Option was granted. In addition, if the term of an Option of any Eligible Person under the Plan expires during a Blackout Period (as defined in the Plan) or within 10 business days of the expiration of a Blackout Period, then the term of the Option or of the unexercised portion thereof shall be extended by 10 business days after the expiration of the Blackout Period.

Unless otherwise indicated in Section 13.10 of the Plan, an Option or interest therein is personal to each Optionee (as defined in the Plan) and is non-assignable other than by will or in accordance with estate laws. No Option granted under the Plan shall be hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by any Optionee on pain of nullity.

Performance Units

Following the amendments made to the Plan as of October 2, 2017, the Plan now provides that PUs may be granted. Unless otherwise determined by the Board, and except as otherwise provided in Section 13.10 of the Plan, PUs are personal to each Participant and are non-assignable (other than by will or succession law). No PU shall be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of by any Participant on pain of nullity. All other terms and conditions governing PUs shall be set forth in the applicable Award Agreement (as defined in the Plan) between the REIT and the Participant. Each PU shall initially have a value equal to the Market Price of a Unit when the Award is made.

The Board determines performance measures for PUs (the “**Performance Unit Measures**”) annually, which consist of defined metrics or sets of metrics and performance objectives and an adjustment factor that is linked to the achievement of thresholds set out in the Performance Unit Measures, each of which shall apply during the relevant period commencing on January 1 of the year of the grant of a PU and ending not later than December 31 of the second calendar year following the year of the grant (the “**Performance Unit Period**”), and will be set out in the Award Agreement.

Unless otherwise provided in the Plan, a PU vests on the date that the Board approves the audited financial statements of the REIT for a specific financial year (the “**Financial Statement Approval Date**”) for the last year of the applicable Performance Unit Period following the determination of the Adjusted Award (as defined in the Plan). Any PU for a Performance Unit Period that does not vest due to the Performance Unit Measure being zero will be cancelled and automatically forfeited as of the Financial Statement Approval Date.

As soon as practicable after vesting, and subject to the Participant’s satisfaction of any conditions, restrictions or limitations imposed by the Board, PUs granted to a Participant will entitle the Participant to receive on settlement one (1) Unit from treasury or purchased on the secondary market, as determined by the Board in its sole discretion.

Whenever a cash distribution is paid on the Units, additional PUs, the number of which will be computed pursuant to the Plan, shall accrue in respect of each Participant who has, prior to such cash distribution, been granted PUs (whether or

not such PUs are vested on the date of such cash distribution). PUs granted pursuant to cash distributions will be credited to the PU account of the applicable Participant and vest on the same terms and time (and subject to vesting) as the PUs in respect of which the additional PUs were accrued. The number of additional RUs which shall accrue in respect of each applicable Participant as regards such cash distributions shall be calculated by dividing: (i) the amount determined by multiplying (a) the number of PUs credited to the Participant on the record date for the payment of such cash distribution by (b) the cash distribution paid per Unit; by (ii) the Market Price of a Unit on the cash distribution payment date for such cash distribution, in each case, with fractions computed to two decimal places.

Restricted Units

The Plan provides that the Board may grant RUs. A RU is a contractual promise to issue Units in an amount equal to the Market Price of the Units subject to the Award, at a specified future date. Each RU shall initially have a value equal to the market price of a Unit when the Award is made. Unless otherwise determined by the Board, and except as otherwise provided in Section 13.10 of the Plan, RUs are personal to each Participant and are non-assignable (other than by will or succession law). No PU shall be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of by any Participant on pain of nullity. All other terms and conditions governing RUs shall be set forth in the applicable Award Agreement (as defined in the Plan) between the REIT and the Participant.

RUs will vest on and after the third anniversary of the date of grant, subject to the right of the Board of Trustees to determine at the time of grant that a particular RU will vest on different dates and to determine at any time after the time of grant that a particular RU unit will vest at an earlier or later time. As soon as practicable after vesting, and subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed by the Board, each RU granted to a Participant shall entitle the Participant to receive on settlement one (1) Unit from treasury or purchased on the secondary market, as determined by the Board in its sole discretion.

Whenever a cash distribution is paid on the Units, additional RUs, the number of which will be computed pursuant to the Plan, shall accrue in respect of each Participant who has, prior to such cash distribution, been granted RUs (whether or not such RUs are vested on the date of such cash distribution). RUs granted pursuant to cash distributions will be credited to the RU account of the applicable Participant and vest on the same terms and time (and subject to vesting) as the RUs in respect of which the additional RUs were accrued. The number of additional RUs which shall accrue in respect of each applicable Participant as regards such cash distributions shall be calculated by dividing: (i) the amount determined by multiplying (a) the number of RUs credited to the Participant on the record date for the payment of such cash distribution by (b) the cash distribution paid per Unit; by (ii) the Market Price of a Unit on the cash distribution payment date for such cash distribution, in each case, with fractions computed to two decimal places.

Deferred Units

The Plan also provides that the Board may grant Awards of DUs. A DU is a contractual promise to issue Units in an amount equal to the Market Price of the Units subject to the Award, at a specified future date. Each DU shall initially have a value equal to the Market Price of a Unit when the Award is made. Unless otherwise determined by the Board, and except as otherwise provided in Section 13.10 of the Plan, DUs are personal to each Participant and are non-assignable (other than by will or succession law). No DU shall be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of by any Participant on pain of nullity. All other terms and conditions governing DUs shall be set forth in the applicable Award Agreement (as defined in the Plan) between the REIT and the Participant.

DUs granted on a particular date will vest in accordance with the following schedule: one-third will vest on the first anniversary of the date of grant; one-third will vest on the second anniversary of the date of grant; and one-third will vest on the third anniversary of the date of grant. Such vesting schedule is subject to the right of the Board to determine at the time of grant that a particular DU will vest in whole or in part on different dates (including an earlier or later date) and to determine at any time after the time of grant that a particular DU will vest in whole or in part on earlier or later dates for any reason.

Each Participant who has DUs credited to their DU account shall be entitled to receive, after the Participant ceases to be an Eligible Person for any reason (subject to the right of the Board, at the written request of a Participant, once a year, to determine that a Participant may receive the number of Units to be issued from treasury or purchased on the secondary

market, as determined by the Board in its sole discretion, equal to the number of vested DUs credited to the Participant's DU Account, in whole or in part, and to determine the settlement date thereof, even if the Participant has not ceased to be an Eligible Person) and after the DUs credited to the Participant's DU account have vested, on a day designated by the Participant and communicated to the Board by the Participant in writing at least fifteen days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person and after the Participant's DUs have vested, as the Participant and the REIT may agree, which date shall be no later than the later of the end of the calendar year in which (i) the Participant ceases to be an Eligible Person, or (ii) the Participant's DUs vest), and if no such notice is given, then on the first anniversary of the effective date the Participant ceases to be an Eligible Person, that number of Units equal to the number of DUs credited to the Participant's DU account, such Units to be issued from treasury of the REIT or purchased on the secondary market, as determined by the Board in its sole discretion.

Whenever a cash distribution is paid on the Units, additional DUs, the number of which will be computed pursuant to the Plan, shall accrue in respect of each Participant who has, prior to such cash distribution, been granted DUs (whether or not such DUs have vested). DUs granted pursuant to cash distributions will be credited to the DU account of the applicable participant and vest on the same terms and time as the DUs in respect of which the additional deferred units were accrued. The number of additional DUs which shall accrue in respect of each applicable Participant as regards such cash distributions shall be calculated by dividing: (i) the amount determined by multiplying (a) the number of DUs credited to the Participant on the record date for the payment of such cash distribution by (b) the cash distribution paid per Unit; by (ii) the Market Price of a Unit on the cash distribution payment date for such cash distribution, in each case, with fractions computed to two decimal places.

Bankruptcy, Death, Disability, Voluntary Resignation, Retirement or Termination of Employment or Engagement

Subject to the Plan, and to any express resolution passed by the Board, an Award will expire and terminate immediately upon the Participant ceasing to be an Eligible Person. The Trustees may, in their entire discretion, at the time of the granting of Awards, determine the provisions relating to expiration of such Awards upon the bankruptcy, death, disability, voluntary resignation, retirement or termination of employment, position or engagement with the REIT or any Subsidiary of the REIT of a Participant while holding an Award which has not been fully exercised or whose rights have not fully vested, as the case may be; provided, however, that upon the termination of a Participant's employment, position or engagement with the REIT or a Subsidiary of the REIT otherwise than by reason of death or retirement, any Award may be exercised by him for that number of Units only which he was entitled to acquire under the Award at the time of such termination or cessation and provided further that such Award shall in no event expire later than the earlier of (i) three months following the termination of the Participant's employment, position or engagement, and (ii) the expiry of such Award. The provisions relating to such expiry shall be contained in the written Award Agreement between the REIT and the Participant.

Upon the termination of a Participant's employment, position or engagement with the REIT by reason of retirement, any Award may be exercised by him or her for that number of Units only which he was entitled to acquire under the Award at the time of such termination or cessation and provided further that such Award shall in no event expire later than the earlier of (i) one year following the termination of the Participant's employment, position or engagement by reason of retirement, and (ii) the expiry date of such Award. The provisions relating to such expiry shall be contained in the written Award Agreement between the REIT and the Participant.

If a Participant dies holding an Award which has not been fully exercised, his personal representatives, heirs or legatees may, at any time following death but prior to the expiry of the period of time provided under the terms of the written Award Agreement between the REIT and the Participant for the exercise of an Award upon the death of the Participant, exercise the Award with respect to the remaining balance of Units subject to the Award, but only to the same extent to which the deceased could have exercised the Award immediately before the date of such death, provided that such Award shall in no event expire later than the earlier of (i) one year following the Participant's death, and (ii) the expiry date of such Award.

Amendment or Discontinuance of the Plan

The Board may, subject to the approval of regulatory authorities, amend the Plan at any time without any approval of or notice to the Unitholders of the REIT or grantees, for any reason, including for the purposes of:

- (a) amendments of a “housekeeping” nature, which include, without limitation, amendments to ensure continued compliance with applicable laws, regulations, rules or policies of any regulatory authority and amendments to remove any ambiguity or to correct or supplement any provision contained in the Plan which may be incorrect or incompatible with any other provision of the Plan;
- (b) a change to the provisions of the Plan relating to the vesting of an Award under the Plan;
- (c) a change to the provisions related to the termination of an Award, which does not entail an extension of the term of validity thereof beyond the original expiration date; and
- (d) the addition of a cashless exercise feature providing that the total number of underlying Units be deducted from the number of Units reserved for issue under the Plan.

provided, however, that no such amendment or amendments may increase the maximum number of Units issuable pursuant to the Plan, change the manner of determining the minimum Option price, alter the Blackout Expiration Term (as defined in the Plan) or, without the consent of the Participant, alter or impair any Award previously granted to a Participant under the Plan. Additionally, the Board may, subject to regulatory approval, discontinue the Plan at any time without notice or approval from the Unitholders or any Participant for any purposes whatsoever.

However, (i) a reduction in the Option price, (ii) an extension of the expiration date of an outstanding Award, (iii) any amendment to the definition of “Eligible Person” under the Plan, (iv) any amendment which would permit Awards to be transferable or assignable other than for normal estate settlement purposes or as otherwise set out in Section 13.10 of the Plan, (v) any change in the limits applicable to Board members who are not employees as set out in the Plan, or (vi) any amendment to Sections 12.1 or 12.2 of the Plan in order to extend the Board’s authority to amend the Plan without Unitholder approval or (vii) the cancellation and reissue of Options or other entitlement under the Plan of Options may not be made without the approval of the Unitholders (excluding the voting of securities held directly or indirectly by insiders benefiting from the amendment); provided, however, that: (x) an adjustment to the Option Price pursuant to Article 11 of the Plan and (y) an extension of the expiration date pursuant to Section 6.5 of the Plan, in each case subject to any applicable regulatory requirements, shall not require approval of the Unitholders.

Notwithstanding any provisions to the contrary included in the Plan, upon or in anticipation of a Change of Control (as defined in the Plan) of the REIT, the Plan provides that:

- (a) the Board may, in its sole and absolute discretion and without the need for the consent of any participant, cancel any Award in exchange for a substitute Award with respect to the capital of a successor entity or its parent upon the occurrence of the “Change of Control” (a “**Plan Substitution**”). Substitute Awards shall have no less economic value and no more stringent performance conditions than existing Awards, and shall have similar vesting schedules as existing Awards, in all material aspects; and
- (b) if a Plan Substitution is not effected by the Board, the Board may cause any or all outstanding Awards to become vested and immediately exercisable, and provide for a method of cashless exercise, on such terms and conditions as it may determine.

Assignment by a Participant

As aforementioned, Options, PUs, RUs and DUs are personal to each Participant and are non-assignable other than:

- as otherwise determined by the Board;
- as otherwise allowed by Section 13.10 of the Plan, which stipulates that, subject to applicable securities laws, an Award may be transferred or assigned between an Eligible Individual and the related Employee Corporation or Employee Trust provided the assignor delivers written notice to the REIT prior to the assignment, and the Trustees approve such assignment; or
- By will or succession law.

SCHEDULE “B”

MANDATE OF THE BOARD OF TRUSTEES

The Board of Trustees (the “**Board**”) performs certain duties prescribed by law and is involved in a significant number of essential issues involving the REIT. Management and the Trustees determine the limits of the Board’s mandate as well as the issues to be dealt with by the Board.

The issues submitted to the Board include the financial statements, strategic orientations, business plan, budgets, major investments, financing and other major financial activities, the hiring of officers, compensation, performance assessment and succession planning, issues relating to the REIT’s assets and services (such as quality and security), management, corporate restructuring and material transactions.

In order to perform its duties, the Board must be aware of and have approved the general management plan of the business, but it must also be satisfied that the plan is implemented properly and that appropriate oversight and internal and external control and audit systems are set up to ensure that the affairs of the business are managed responsibly. This audit shall be carried out, among other things, by governing and approving the strategic plan, the business plans and the budgets resulting therefrom, taking into account the opinions of experts, which may be both internal and external.

The Board shall maintain its ability to intervene in management’s decisions in order to have the final say on important issues regarding the REIT. The Board shall thus ensure to retain ultimate control over the REIT.

The Board shall implement appropriate audit procedures, even if there is no particular problem at hand. Such procedures will allow the Board to ensure compliance of the day-to-day management of the operations of the REIT and other aspects of management which it cannot oversee or review itself. Therefore, the Board may set up comprehensive audits concerning various aspects of the operations of the REIT, not limited to accounting issues, for instance when the target areas present high risks for the activities of the REIT. Such procedures are not only useful and necessary to the oversight process but, in many situations, they will also provide an essential defence against allegations of failure to comply with the obligations of the Trustees in the performance of their duties.

Regulatory authorities are increasingly adopting corporate governance policies in order to ensure that the Trustees are more active and independent in performing their mandate. Regulatory authorities have, among other things, pointed out that the Board should explicitly assume the following specific duties:

- adopt a planning procedure including the orientation and review of corporate strategies, major plans of action, risk management policies, business plans and budgets;
- adopt a strategic planning procedure, which shall be reviewed and approved on an annual basis by the Board;
- adopt performance goals and provide oversight of the conduct of business and corporate performance;
- approve and oversee material transactions and investments;
- select officers and approve their compensation;
- carry out succession planning, including recruitment, training, career management, performance monitoring, and assessment of officers;
- review the compensation system for Board members and ensure that the Board procedure for nomination of candidates is well established and transparent;
- oversee and manage potential conflicts of interest of the officers and Board members, as well as compliance with the policies of the REIT;
- ensure the integrity of the financial and accounting systems of the REIT, including the independent audit, and ensure that an appropriate internal control system is set up, including specifically a system for monitoring risks, financial controls and compliance with the law;
- oversee the implementation and effectiveness of corporate governance rules;

- approve the communication policy of the REIT and oversee its enforcement;
- implement measures to get feedback from interested third parties wishing to engage with the independent Trustees;
- identify the main risks facing the REIT, ensure that a system has been set up to manage such risks, and monitor and revise the system as needed;
- adopt and disclose a code of ethics and business conduct for the REIT, ensure that the Trustees, officers and employees of the REIT and its subsidiaries, and the persons called upon to represent the REIT or to act on its behalf, including persons bound by contract or otherwise to the REIT, are informed thereof and understand its scope, that a procedure is set up to receive and handle complaints and that a report is made to the Board at least annually or when a material offence occurs;
- periodically verify whether the REIT has granted loans or lines of credit to Trustees or executive officers;
- ensure that no Trustee or officer has traded in Units during black-out periods and that they have filed their insider report within the prescribed time limit when they trade outside such periods;
- approve or amend the statutes, by-laws or administrative resolutions;
- ensure that integrity, and financial integrity in particular, prevails within the REIT while confirming the integrity of the Chief Executive Officer and other key executive officers who are responsible for conveying a culture of integrity throughout the organization.

In order to efficiently fulfill its duties, the Board shall meet periodically (at least once per quarter), and the Board committees shall meet in accordance with the meeting schedule set out in their work program and when circumstances so require. The Board shall also ensure that each Trustee has the opportunity to review in advance the documents to be discussed in these meetings.

The independent Trustees meet without management at the end of each Board meeting, or at other times during the year, if necessary. The independent Trustees also meet with the Chief Executive Officer without the other officers at the end of each Board meeting, or at other times during the year, if necessary.

In performing its mandate, the Board may retain the services of outside advisers at the expense of the REIT.

November 9, 2016

SCHEDULE "C"

RESOLUTION OF UNITHOLDERS OF THE REIT

AMENDMENT OF THE CONTRACT OF TRUST

The following is the text of the resolution that Unitholders are being asked to approve at the Meeting:

"BE IT RESOLVED THAT:

1. The amendments to the Contract of Trust dated March 31, 1998 as amended, supplemented or restated from time to time (the "**Contract of Trust**") of Cominar Real Estate Investment Trust (the "**REIT**") substantially as described in the management proxy circular of the REIT dated April 13, 2018 (the "**Circular**") under Section 7.1 "**Amendments to the Contract of Trust**" and as reflected in the blackline of the Contract of Trust in Exhibit "1" to Schedule "C" of the Circular, and any additional and/or alternative amendments to the Contract of Trust that the Trustees determine to be necessary or desirable from time to time in order to more closely align certain provisions of the Contract of Trust with corresponding provisions applicable to corporations governed by the *Canada Business Corporations Act* and effecting the substance of other ancillary changes described in the Circular, 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 REIT an amended and restated Contract of Trust reflecting the foregoing changes and amendments.
3. The Trustees are hereby authorized to execute or cause to be executed on behalf of the REIT or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such other acts and things as they shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions 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 of thing."

EXHIBIT "1"

CONTRACT OF TRUST

COMINAR REAL ESTATE INVESTMENT TRUST

CONTRACT OF TRUST

**(made as of March 31, 1998,
amended and restated on May 8, 1998, May 13, 2003, May 11, 2004,
May 15, 2007, May 14, 2008, May 18, 2010-~~and~~, May 16, 2012 and May 16, 2018)**

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COMINAR REAL ESTATE INVESTMENT TRUST

CONTRACT OF TRUST

THIS CONTRACT OF TRUST made as of March 31, 1998, as amended and restated on May 8, 1998, May 13, 2003, May 11, 2004, May 15, 2007, May 14, 2008, May 18, 2010 ~~and May 16, 2012;~~ May 16, 2012 and May 16, 2018;

~~AMONG: GÉRARD COULOMBE, an individual residing at 243, chemin St-Guillaume, Sainte-Marthe, Vaudreuil, Québec, J0P 1W0, ALAIN DALLAIRE, an individual residing at 9, chemin de la Vieille Côte, Lac Beauport, Québec, G0A 2C0, MICHEL DALLAIRE, an individual residing at 2690, des Cent Associés, Québec, Québec, G1E 4H8, ALBAN D'AMOURS, an individual residing at 1792, avenue de Kilmarnock, Québec, Québec, G1T 2V9, ROBERT DESPRÉS, an individual residing at 890, Desanne, Québec, Québec, G1S 3J8, DINO FUOCO, an individual residing at 576, De Verrazano, Boucherville, Québec, J4B 7P8, PIERRE GINGRAS, an individual residing at 650, avenue Wilfred-Laurier, Apt. 805, Québec, Québec, G1R 2L4, GHISLAINE LABERGE, an individual residing at 107, des Passereaux, Verdun, Québec, H3E 1X3, and MICHEL PAQUET, an individual residing at 1174, Descheneaux, Québec, Québec, G1W 4E7~~
AMONG: ALBAN D'AMOURS, LUC BACHAND, PAUL CAMPBELL, SYLVAIN COSSETTE, CLAUDE DUSSAULT, HEATHER KIRK, JOHANNE M. LÉPINE, MICHEL THÉROUX and RENÉ TREMBLAY, all of whom are the Trustees of the Trust constituted by the Contract of Trust made as of March 31, 1998, as amended and restated as of May 8, 1998, May 13, 2003, May 11, 2004, May 15, 2007, May 14, 2008 ~~and~~, May 18, 2010 and May 16, 2012 (hereinafter collectively called the "Trustees"),

OF THE FIRST PART

AND: **3466736 CANADA INC.**, a corporation incorporated under the *Canada Business Corporations Act*, resident in the Province of Québec (hereinafter called the "Settlor"),

OF THE SECOND PART

AND: the Unitholders (as hereinafter defined),

WHEREAS the Settlor desires to establish an irrevocable trust for the principal purpose of providing persons who may become Unitholders with an opportunity to participate in a portfolio of income-producing immovable property investments;

AND WHEREAS, in consideration of these premises and the agreement of the Trustees to act as Trustees and to accept the Trust and the transfer of the Initial Contribution as the initial Trust Property, the Settlor has herein established the terms and conditions of this Trust;

AND WHEREAS for the purpose of establishing the trust created hereunder (the “**Trust**”), the Settlor is transferring to the Trustees an amount of \$10.00 in lawful money of Canada (the “**Initial Contribution**”) and the Trust is issuing one Unit to the Settlor;

AND WHEREAS the Trustees have agreed to hold the Initial Contribution and all amounts and assets subsequently received or transferred to the Trustees, pursuant to this Contract of Trust in accordance with the provisions hereinafter set forth;

AND WHEREAS the Settlor and the Trustees desire that the beneficiaries of the Trust shall be the holders of Units evidenced by certificates therefor as hereinafter provided, each of which shall rank equally in all respects with every other Unit;

AND WHEREAS it is intended that certain initial Units be offered for sale to members of the public pursuant to a Prospectus and that other Units be qualified for sale pursuant to the Prospectus;

AND WHEREAS it is intended that the Trustees shall purchase the Portfolio and the Assets from Cominar and shall use a portion of the proceeds, net of expenses and the Underwriters’ Fee (as defined in the Prospectus), from the sale of Receipt Units pursuant to the Prospectus, to pay to Cominar, the cash portion of the purchase price for the Portfolio and the Assets;

AND WHEREAS the Settlor and the Trustees desire that the Trust shall qualify as a “unit trust” and as a “mutual fund trust” pursuant to paragraph 108(2)(b) and subsection 132(6) of the *Income Tax Act* (Canada);

AND WHEREAS the parties hereto desire to set out the agreements, terms and conditions which shall govern the mutual and respective rights, powers and obligations of the Trustees, the Settlor and the Unitholders with respect to the establishment and administration of the Trust;

~~**AND WHEREAS** Cominar is no longer entitled to appoint Cominar Trustees under section 3.2 of the Contract of Trust in effect immediately prior to this amendment and restatement being made as of May 16, 2012;~~

AND WHEREAS the Trustees wish to amend and restate this Contract of Trust in the manner provided herein;

NOW THEREFORE THIS CONTRACT WITNESSETH THAT, in consideration of the premises and the mutual and respective covenants and agreements contained herein, the Trustees declare and agree with the Settlor and the Unitholders, and the Settlor agrees with the Trustees as follows and this Contract of Trust witnesseth, with for greater certainty the amendments made as of May 18, 2010 being with retro-active effect to January 1, 2010 (save and except for the amendment to subsection 5.2.6 which is with effect as of May 18, 2010):

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions and Interpretation.

In this Contract of Trust, words in the singular number include the plural and words in the plural number include the singular, and the masculine includes the feminine and neuter. In this Contract of Trust, except where the context otherwise requires:

1.1.1 “**Adjusted Unitholders’ Equity**” means, at any time, the aggregate of the amount of Unitholders’ equity and the amount of accumulated depreciation recorded in the books and records of the Trust in respect of its properties calculated in accordance with generally accepted accounting principles, plus any discount on the Instalment Receipts receivable;

1.1.2 “**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Québec), provided that the term “companies” in the definition is deemed to be replaced by the term “person” as used in this Contract of Trust;

1.1.3 “**annuitant**” means the annuitant of a registered retirement savings plan or a registered retirement income fund or a deferred profit sharing plan, all as defined in the *Income Tax Act* (Canada), or any other plan of which a Unitholder acts as trustee or carrier;

1.1.4 “**Assets**” has the meaning ascribed thereto in the Prospectus;

1.1.5 “**associate**” has the meaning ascribed thereto in the *Canada Business Corporations Act*, as amended from time to time;

~~1.1.6 “**Associate**” means, where used to indicate a relationship between an individual and a corporation, an individual who beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of the corporation, a spouse of such individual or an immediate family member of such individual and, where used to indicate a relationship between an individual and a partnership, a partner of that partnership and, if such partner is an individual, a spouse of such individual or an immediate family member of such individual;~~

~~1.1.7 “**Assumed Hypotheses**” has the meaning ascribed thereto in the Prospectus;~~

1.1.6 ~~1.1.8~~ “**Audit Committee**” means the committee established pursuant to section 9.3;

1.1.7 “**basic list**” has the meaning ascribed thereto in subsection 16.14.1;

1.1.8 ~~1.1.9~~ “**business day**” means any day other than a Saturday, Sunday or a day on which the principal chartered banks located at Montréal, Québec are not open for business during normal banking hours;

1.1.9 ~~1.1.10~~ “**Chairman**”, “**Honorary Chairman**”, “Chief Executive Officer”, “**President**”, “Chief Operating Officer”, “Chief Financial Officer”, “**Executive Vice-**

President", **"Senior Vice-President"**, **"Vice-President"** and **"Secretary"** shall mean the person(s) holding the respective office from time to time in accordance with section 3.109;

1.1.10 ~~1.1.11~~ **"Closing"** means the closing of the Offering;

1.1.11 ~~1.1.12~~ **"Cominar"** means collectively, Immeubles Cominar inc., Société en commandite Cominar and Société en nom collectif Cominar, which are controlled by members of the Dallaire Family, and Société en commandite Desroches, which is controlled by members of management of the foregoing corporation and partnerships, or any one or more of them, as the context may require;

~~1.1.13 "Cominar Trustees" has the meaning ascribed thereto in subsection 1.1.13 of the Contract of Trust in effect immediately prior to this amendment and restatement being made as of May 16, 2012;~~

1.1.12 ~~1.1.14~~ **"Cominar Units"** shall have the meaning ascribed thereto in the Prospectus;

1.1.13 **"Complainant"** has the meaning ascribed thereto in subsection 10.2.1;

1.1.14 ~~1.1.15~~ **"Contract of Trust"** means this contract of trust as amended, supplemented or amended and restated from time to time;

1.1.15 ~~1.1.16~~ **"Dallaire Family"** means Jules Dallaire, his wife, their children and the spouses of such children;

1.1.16 ~~1.1.17~~ **"dissenting offeree"** means, where a take-over bid is made for all of the Units other than those held by the offeror, a holder of Units who does not accept the take-over bid and includes a subsequent holder of that Unit who acquires it from the first mentioned holder;

1.1.17 ~~1.1.18~~ **"Distributable Income"** means the income of the Trust determined in accordance with the provisions of the *Tax Act*, as adjusted and calculated as follows:

1.1.17.1 ~~1.1.18.1~~ capital gains and capital losses shall be excluded;

1.1.17.2 ~~1.1.18.2~~ net recapture income of the Trust shall be excluded;

1.1.17.3 ~~1.1.18.3~~ no deduction shall be made for non-capital losses, capital cost allowance, terminal losses, amortization of cumulative eligible capital or amortization of costs of issuing Units or financing fees related to the Instalment Loan; and

1.1.17.4 ~~1.1.18.4~~ leasehold and tenant improvements shall be amortized;

and may reflect any other adjustments determined by the Trustees in their discretion and Distributable Income may be estimated whenever the actual amount has not been finally determined, which estimate shall be adjusted as of the subsequent Distribution Date when the amount of Distributable Income has been finally determined;

1.1.18 ~~1.1.19~~ **“Distribution Date”** means on or about the 15th day in each calendar month (other than January) and on December 31 in each calendar year, beginning the first month following the month during which the Closing occurs;

1.1.19 ~~1.1.20~~ **“Final Instalment”** shall have the meaning ascribed thereto in the Prospectus;

~~1.1.21 “First Instalment” shall have the meaning ascribed thereto in the Prospectus;~~

1.1.20 ~~1.1.22~~ **“Gross Book Value”** means, at any time, the book value of the assets of the Trust, as shown on its then most recent balance sheet, plus the amount of accumulated depreciation shown thereon (excluding the Final Instalment under the Instalment Receipts);

1.1.21 ~~1.1.23~~ **“herein”, “hereof”, “hereby”, “hereunder”** and similar expressions refer to this Contract of Trust and include every instrument supplemental or ancillary to or in implementation of this Contract of Trust and, except where the context otherwise requires, not to any particular article, section or other portion hereof or thereof;

1.1.22 ~~1.1.24~~ **“hypothec”** means a hypothec on an immovable property under the laws of the Province of Québec;

1.1.23 ~~1.1.25~~ **“immediate family member”**, when used to indicate a relationship with an individual, means a parent, child or sibling of such individual;

1.1.24 ~~1.1.26~~ **“immovable property”** means immovable property under the laws of the Province of Québec or real property under other applicable law;

~~1.1.27 “Independent Trustee” has the meaning ascribed thereto in subsection 1.1.27 of the Contract of Trust in effect immediately prior to this amendment and restatement being made as of May 16, 2012;~~

1.1.25 ~~1.1.28~~ **“Initial Contribution”** means the amount of \$10 transferred and paid by the Settlor to the Trustees on the date hereof for the purpose of establishing the Trust;

1.1.26 ~~1.1.29~~ **“Initial Trustees”** means those persons named as the first trustees of the Trust who ~~are~~ were the Party of the First Part to this Contract of Trust, as such contract stood on May 8, 1998;

1.1.27 ~~1.1.30~~ **“Instalment Loan”** has the meaning ascribed thereto in the Prospectus;

1.1.28 ~~1.1.31~~ **“Instalment Receipt”** has the meaning ascribed thereto in the Prospectus;

1.1.29 ~~1.1.32~~ **“Instalment Receipt Agreement”** means the instalment receipt and pledge agreement to be entered into as contemplated by and as defined in the Prospectus;

1.1.30 ~~1.1.33~~ **“International Financial Reporting Standards”** means the International Financial Reporting Standards issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time;

1.1.31 ~~1.1.34~~ “**Investment Committee**” means the committee established pursuant to section 9.2;

1.1.32 ~~1.1.35~~ “**mortgage**” means, under applicable law, any mortgage, charge, bond, debenture, note or other evidence of indebtedness, in each case, which is directly or indirectly secured by real property located outside the Province of Québec;

1.1.33 ~~1.1.36~~ “**net realized capital gains of the Trust**” for any year means the amount, if any, by which the amount of the capital gains of the Trust for the year exceeds the aggregate of (i) the amount of any capital losses of the Trust for the year and (ii) the amount of any net capital losses of the Trust carried forward from a previous year to the extent not previously deducted from realized capital gains of the Trust;

1.1.34 ~~1.1.37~~ “**net recapture income of the Trust**” for any year means the amount, if any, by which the amount required to be included in the income of the Trust for income tax purposes for such year in respect of recapture of capital cost allowance exceeds the amount permitted to be deducted under subsection 20(16) of the *Tax Act* for such year;

1.1.35 “**Nominating Unitholder**” has the meaning ascribed thereto in subsection 7.5.1.3;

1.1.36 “**Notice Date**” has the meaning ascribed thereto in subsection 7.5.3.1;

1.1.37 ~~1.1.38~~ “**offeree**” means a person to whom a take-over bid is made;

1.1.38 ~~1.1.39~~ “**Offering**” means the offering of Receipt Units pursuant to the Prospectus, as described under “**Plan of Distribution**” therein;

1.1.39 ~~1.1.40~~ “**offeror**” means a person, other than an agent, who makes a take-over bid, and includes two or more persons who, directly or indirectly,

1.1.39.1 ~~1.1.40.1~~ make a take-over bid jointly or in concert; or

1.1.39.2 ~~1.1.40.2~~ intend to exercise jointly or in concert voting rights attached to the Units for which a take-over bid is made;

1.1.40 “**Ordinary Resolution**” means:

1.1.40.1 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 and passed by the affirmative votes of not less than a majority of the votes cast by the Unitholders who voted in respect of such resolution; or

1.1.40.2 a resolution in writing signed by all of the Unitholders that would be entitled to vote on that resolution at a meeting of Unitholders;

1.1.41 “**person**” means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof;

1.1.42 “**Portfolio**” means a 100% interest in each of the Properties;

1.1.43 “**Properties**” means, collectively, the office, retail, industrial and mixed-use properties described under “Properties” in the Prospectus;

1.1.44 “**Proposal**” has the meaning ascribed thereto in subsection 7.4.1;

1.1.45 ~~1.1.44~~ “**Prospectus**” means the final prospectus of the Trust dated May 8, 1998 relating to an initial public offering of Receipt Units, filed with the *Commission des valeurs mobilières du Québec* and one or more other securities commissions or similar authorities in Canada, which final prospectus is also intended to qualify the issue of the Cominar Units and certain other Units, as the said final prospectus may be amended by any amendment thereto;

1.1.46 “**public announcement**” has the meaning ascribed thereto in subsection 7.5.7;

1.1.47 ~~1.1.45~~ “**real property**” means property which, under applicable law other than the laws of Québec, is real property and includes, whether or not the same would in law be real property, leaseholds, hypothecs, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations whose sole or principal purpose and activity is to invest in, hold and deal in real property;

1.1.48 ~~1.1.46~~ “**Receipt Units**” means those Units represented by Instalment Receipts and offered to the public pursuant to the Offering;

1.1.49 ~~1.1.47~~ “**Register**” means the register which shall be established and maintained pursuant to section 6.16;

1.1.50 ~~1.1.48~~ “**resident Canadian**” means an individual who is a resident of Canada for purposes of the *Income Tax Act* (Canada);

1.1.51 “**Securities Laws**” means, collectively, the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made under those securities laws together with all published policy statements, instruments, blanket orders and rulings of Canadian securities commissions;

1.1.52 “**Special Resolution**” means:

1.1.52.1 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 and passed by the

affirmative votes of not less than 66 2/3% of the votes cast by the Unitholders who voted in respect of such resolution; or

1.1.52.2 a resolution in writing signed by all of the Unitholders that would be entitled to vote on that resolution at a meeting of Unitholders;

1.1.53 “subsidiary” has the meaning ascribed thereto in the *Canada Business Corporations Act*, as amended from time to time;

1.1.54 ~~1.1.49~~ “take-over bid” has the meaning ascribed to such term in the *Securities Act* (Québec), as amended from time to time;

1.1.55 ~~1.1.50~~ “Trust” means the Cominar Real Estate Investment Trust, whose name in its French form is Fonds de placement immobilier Cominar, established hereunder which constitutes a patrimony by appropriation;

1.1.56 ~~1.1.51~~ “Trust Property”, at any time, shall, unless the contrary intention appears in any particular instance or instances in this Contract of Trust, mean such of the following moneys, properties and assets as are at such time held by the Trust or by the Trustees on behalf of the Trust:

1.1.56.1 ~~1.1.51.1~~ the Initial Contribution;

1.1.56.2 ~~1.1.51.2~~ all funds realized from the sale of Units from time to time (including from the sale of Receipt Units and all rights and entitlements relating to the Final Instalment owing on the issue of Receipt Units pursuant to the Prospectus);

1.1.56.3 ~~1.1.51.3~~ the Portfolio and the Assets;

1.1.56.4 ~~1.1.51.4~~ all property of whatsoever nature and kind substituted by the Trustees for the foregoing moneys, properties or assets, in whole or in part, at any time and from time to time, all additional property of whatsoever nature and kind acquired, from time to time, by the Trustees that is to be held upon the trusts herein and all property substituted therefor, all property substituted for substituted property and shall include without limitation all resultant assets and property, movable or immovable, tangible or intangible, and wheresoever situate anywhere in the world of any nature whatsoever and without limiting the generality of the foregoing, the Trust Property shall include all proceeds of policies of insurance, securities, shares, whether common or preferred or otherwise ranking, share warrants, bonds, debentures, bills of exchange or any other forms or evidence of title which may at any time hereafter be purchased or acquired by exchange or in any other manner whatsoever by the Trustees directly or indirectly as well as all interest, revenues and fruits which may at any time hereafter derive or accrue from any of the foregoing or from any part or parts thereof and shall further include the interest, revenue and fruits which may at any time ever be derived or accrued from dealing in or the investment of or the reinvestment or exchange, without limit, of the investments and the proceeds thereof flowing from the property of the Trust in any manner whatsoever;

1.1.56.5 ~~1.1.51.5~~ any proceeds of disposition of any of the foregoing property;
and

[1.1.56.6](#) ~~1.1.51.6~~ all income, interest, profit, gains and accretions and additional assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to the foregoing moneys, properties or assets or such proceeds of disposition;

[1.1.57](#) ~~1.1.52~~ “**Trustee**” means, at any time, an individual who is, in accordance with the provisions hereof, a trustee of the Trust at that time, including, without limitation, so long as they remain as Trustees each of the Initial Trustees; and “**Trustees**” means, at any time, all of the individuals each of whom is at that time a Trustee;

[1.1.58](#) ~~1.1.53~~ “**Trustees’ Regulations**” means the regulations adopted by the Trustees pursuant to section 4.3;

[1.1.59](#) ~~1.1.54~~ “**Unit**” means a unit of interest in the Trust issued from time to time in accordance with the provisions hereof and includes, without limitation, the Receipt Units and the Cominar Units and, where the context so requires, units of the Trust issued pursuant to ~~the Unit Option Plan, any equity incentive plan of the Trust or~~ the Distribution Reinvestment ~~Plan or the Rights~~ Plan (each as defined in the Prospectus), and includes a fraction of a unit of the Trust;

[1.1.60](#) ~~1.1.55~~ “**Unit Certificate**” shall have the meaning ascribed thereto in section 6.15;

[1.1.61](#) ~~1.1.56~~ “**Unitholder**” or “**holder of Units**” means a person whose name appears on the Register as a holder of Units and includes, for the purposes of sections ~~145.1, 145.2 and 145.4~~ only, any person who is a beneficial owner of a Unit; and

[1.1.62](#) ~~1.1.57~~ any reference to “**property**” or “**property of the Trust**” or “**assets**” or “**assets of the Trust**” includes, in each case, property and assets of the Trust and the Trust Property.

Section 1.2 References to Acts Performed by the Trust or Rights of the Trust.

For greater certainty, where any reference is made in this Contract of Trust to an act to be performed by the Trust or to rights of the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to 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, or to rights of the Trustees, in their capacity as Trustees of the Trust, as the case may be.

[Section 1.3](#) ~~Section 1.3~~ Income Tax Act (Canada).

In this Contract of Trust, any reference to the “**Income Tax Act (Canada)**”, the “**Income Tax Act**” or the “**Tax Act**” shall refer to the *Income Tax Act*, Revised Statutes of Canada 1985, Chapter 1 (5th Supplement) and the regulations thereunder as amended from time to time applicable with respect thereto. Any reference herein to a particular provision of the *Income Tax Act* shall include a reference to that provision as it may be renumbered or amended from time to time. Where there are proposals for amendments to the *Income 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. Any reference herein to the *Income Tax Act* (Canada), the *Income Tax Act* or to the *Tax Act* shall also include a reference to any applicable and corresponding provision under the income tax laws of a province or territory of Canada.

ARTICLE 2 THE TRUST

Section 2.1 Initial Contribution, Acceptance and Trust Property.

The Settlor does, by these presents, irrevocably transfer, concurrent with the execution of this Contract of Trust, the Initial Contribution to the Trustees for the purpose of establishing the Trust. Receipt of the Initial Contribution is hereby acknowledged by the Trustees and in consideration thereof the Settlor is hereby issued one initial Unit in the Trust. The Settlor hereby fully and finally, unconditionally and irrevocably, divests itself of the Initial Contribution and of any other property which is to be comprised within the Trust Property and does further fully and finally, unconditionally and irrevocably, divest itself of all rights of ownership, possession, usufruct, enjoyment or administration of the Trust Property and the Trustees hereby accept the Initial Contribution and all other property or assets which may become the Trust Property on behalf of and for the benefit of the Unitholders, subject to the terms and provisions hereof (including any discretionary rights and powers granted to the Trustees) such acceptance to include not merely the receipt or future receipt of the Trust Property but also the acceptance for the benefit of the Unitholders pursuant to the terms hereof, of all rights of ownership, possession, usufruct, enjoyment and administration of the said Trust Property as referred to in the definition of Trust Property herein.

Section 2.2 Seizin.

The Trustees are hereby seized of the Trust Property, in trust, for the purpose of having, holding, using and administering the same as trustees for the account and benefit of the Unitholders pursuant to the terms hereof.

Section 2.3 Establishment of Trust.

The Trustees hereby accept the Trust hereby constituted and agree to hold the Trust Property transferred to them in trust from time to time for the use and benefit of the Unitholders, their permitted assigns and personal representatives upon the trust and subject to the terms and conditions hereinafter set forth, such trust to constitute the Trust hereunder. The Trustees acknowledge that the Trust results from this Contract of Trust, the transfer by the Settlor hereby made of the Initial Contribution from its patrimony to the patrimony of the Trust hereby constituted by the Settlor which the Settlor has appropriated to the particular purposes set forth herein, including, without limitation, those set forth in section 2.8, and each of the Trustees hereby undertakes and accepts to hold and administer such trust patrimony in accordance with the provisions hereof. Each of the Settlor and the Trustees confirms that the patrimony of the Trust has been hereby transferred in trust and constitutes a patrimony by appropriation, autonomous and distinct from that of the Settlor, the Trustees or any Unitholder. The Settlor appointed the Initial Trustees ~~as Cominar Trustees~~ and provided for their ir mode of appointment

and replacement ~~of the Cominar Trustees and of the Independent Trustees~~. Subject to the provisions hereof, each of the Trustees elected or appointed pursuant to this Contract of Trust shall have all of the powers set forth herein, including, without limiting the generality of the foregoing, the powers of full administration set forth in Article 1278 of the *Civil Code of Québec* (the “*Civil Code*”). To the extent required by applicable law, the Settlor hereby appoints the Unitholders as the sole beneficiaries of the Trust. The Units shall be issued upon the terms and subject to the conditions of the Contract of Trust, and this Contract of Trust shall be binding upon all Unitholders and by acceptance of the certificate representing any such Unit, the Unitholder thereof shall be deemed to agree to be bound by this Contract of Trust.

Section 2.4 Name.

The Trust shall be known and designated as the Cominar Real Estate Investment Trust in its English form and Fonds de placement immobilier Cominar in its French form. As far as practicable and whenever lawful and convenient and except as otherwise provided in this Contract 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 form or its French form.

Section 2.5 Use of Name.

If the Trustees determine that the use of the name set forth in section 2.4 is not practicable, legal or convenient, the Trust may, subject to the provisions of Article 1266 of the *Civil Code*, use such other designation or may adopt such other name as the Trustees deem appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.

Section 2.6 Office.

The head office of the Trust is located at ~~455 Marais Street~~ 850-2820 Laurier Boulevard, ~~City of Vanier~~ Québec, Province of Québec, G1M 3A2 ~~V 0C1~~ unless changed by the Trustees to another location. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

Section 2.7 Nature of the Trust.

The Trust is an unincorporated closed-end investment trust. The Trust, the Units and its property shall be governed by the general law of trusts set forth in the *Civil Code*, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by:

2.7.1 applicable laws and regulations or other requirements; and

2.7.2 the terms, conditions and trusts set forth in this Contract of Trust.

The interest and rights generally of a Unitholder in the Trust shall be limited to the right to participate (equally and ratably in distributions) when and as declared by the Trustees as contemplated by Article ~~10-11~~ 134 and distributions upon the termination of the Trust as contemplated in Article 134. 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 nor shall the Trustees or any individual Trustee or the Unitholders or any of them for any purpose be, or be deemed to be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The Trustees shall not be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees, to the Trust and to the property of the Trust shall be solely that of beneficiaries in accordance with this Contract of Trust.

Section 2.8 Trust Investments.

In accordance with subparagraph 108(2)(b)(ii) and paragraph 132(6)(b) of the *Income Tax Act*, the only undertaking of the Trust shall be as contemplated by the aforesaid provisions of the *Income Tax Act*. The Trust shall invest primarily in immovable property.

Section 2.9 Control and Administration of the Trust Property.

The control and administration of the Trust Property and the right to conduct the affairs of the Trust are vested exclusively in the Trustees and the Unitholders shall have no rights therein other than the rights specifically set forth in this Contract of Trust and they shall have no right to compel any partition, division, dividend or distribution of the Trust Property or any of the other assets of the Trust, except as specifically provided herein. The Units shall be movable property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Contract of Trust.

Section 2.10 Civil Code.

To the fullest extent permitted by applicable law, the following provisions shall apply (and shall be binding on the Settlor, the Trustees and on all Unitholders), namely:

2.10.1 in the event of any inconsistency or contradiction between the provisions of this Contract of Trust and the *Civil Code*, the provisions of this Contract of Trust shall prevail;

2.10.2 the Settlor, having established the Trust, hereby waives any rights which it may have in its capacity as Settlor (but not in its capacity as a Unitholder during any period while he/she is a Unitholder) pursuant to Articles 1287 and 1297 of the *Civil Code* or any right which it may have (the existence of such right not being admitted by any party hereto) to be a party to or to participate in any amendment to this Contract of Trust;

2.10.3 any amendments to this Contract of Trust shall be made in accordance with Article 123, the whole without prejudice to the rights of any person pursuant to Article 1294 of the *Civil Code* and, except as provided in said Article 123, no Unitholder shall have any right to be a party to or to participate in any such amendment;

2.10.4 the following Articles of the *Civil Code* shall, to the extent in any way inconsistent with the provisions of this Contract of Trust, not apply to this Contract of Trust or to the Trustees, the Settlor, the Unitholders or the administration of the Trust or the Trust Property, namely: Articles 1275, 1301, 1302, 1303, 1304, 1305, 1306 (except that the Trustees shall have full administration of the Trust Property), 1310, 1311, 1312, 1321 (first paragraph), 1332, 1334,

1338, 1339 (it being specifically agreed that the investments of the Trust shall be made solely pursuant to this Contract of Trust), 1340, 1341, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355 (second paragraph), 1356, 1357, 1358, 1360, 1361, 1363, 1364, 1365, 1366, 1368, 1369 and 1370;

2.10.5 the provisions of this Contract of Trust shall apply notwithstanding the provisions of Article 1337 of the *Civil Code*;

2.10.6 notwithstanding anything in this Contract of Trust to the contrary, the second sentence of Article 1322 of the *Civil Code* shall apply to and enure to the benefit of the Settlor, the Trustees and the Unitholders; and

2.10.7 the Settlor particularly and specifically exempts the Trustees and the Unitholders from making any return of the Trust Property or any part thereof, whether capital or income, to the general mass of the estate and succession of the Settlor.

Section 2.11 Applications to court.

Because the rights and remedies set out in this Contract of Trust are not statute-based, the Trustees, the Trust and the Unitholders acknowledge that references in this Contract of Trust to Unitholder rights that may be enforced by a court or to remedies that may be granted by a court are subject to the court, in its discretion, accepting jurisdiction to consider and determine any proceeding commenced by a Unitholder applying to the court pursuant to this Contract of Trust.

ARTICLE 3 TRUSTEES AND OFFICERS

Section 3.1 Number.

There shall be no fewer than nine nor more than 11 Trustees. The number of Trustees may be increased or decreased within such limits from time to time, by ~~the affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders duly called and held~~ Special Resolution or, if so authorized by ~~the Unitholders~~ Special Resolution, by the Trustees. In the event of any such increase, the Unitholders or the Trustees, if so authorized by the Unitholders, shall forthwith elect or appoint, as the case may be, any such additional Trustees.

~~Section 3.2 Cominar Trustees.~~

~~The initial Cominar Trustees were, pursuant to their appointment by the Settlor, Jules Dallaire, Michel Dallaire, Paul Forest and Michel Paquet.~~

Section 3.2 ~~Section 3.3~~ Term of Office of Trustees and Other Trustee Matters.

~~The first Independent Trustees were appointed by TD Securities Inc. and Lévesque Beaubien Geoffrion Inc. by written instrument executed after the execution of the original Contract of Trust (the “Underwriters’ Appointment”). The Underwriters’ Appointment was delivered to the Initial Trustees and the Settlor, together with one or more written instruments substantially in the form set out in section 3.5 and signed by each of such Independent Trustees so appointed~~

~~(each of such written instruments being herein called a “Trustee’s Acceptance”) whereby each Independent Trustee so appointed accepted such appointment. Upon receipt by the Initial Trustees and the Settlor of the Underwriters’ Appointment and a Trustee’s Acceptance signed by an Independent Trustee so appointed, such Independent Trustee was a Trustee of the Trust pursuant to this Contract of Trust, as contemplated by section 3.8, and was deemed to be a party to this Contract of Trust as fully and effectually as if such Independent Trustee had executed this Contract of Trust. Receipt by the Initial Trustees of the Underwriters’ Appointment and each Trustee’s Acceptance was conclusively deemed to have occurred upon a written acknowledgement of receipt being signed by any one of the Initial Trustees. The Independent Trustees so appointed by TD Securities Inc. and Lévesque Beaubien Geoffrion Inc. were Robert Després, Yvan Caron, Pierre Gingras, Ghislaine Laberge and Richard Marion, and that the Underwriters’ Appointment stipulated that Yvan Caron and Ghislaine Laberge shall hold office for a term expiring at the close of the first annual meeting of Unitholders and that Robert Després, Pierre Gingras and Richard Marion shall hold office for a term expiring at the close of the second annual meeting of Unitholders or, in each case (except as provided in section 3.7), until their respective successors are elected or appointed.~~

A Trustee may be removed as Trustee in accordance with the provisions of section 3.6~~5~~. Trustees elected or appointed shall be elected or appointed for a term expiring at the conclusion of the next annual meeting of Unitholders or until their successors are elected and shall be eligible for re-election. If a meeting of Unitholders fails to elect the minimum number of Trustees required by this Contract of Trust by reason of the disqualification of any nominee, the Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum.

Section 3.3 ~~Section 3.4~~ Qualifications of Trustees.

A Trustee shall be an individual. The following persons are disqualified from being a Trustee of the Trust:

3.3.1 ~~3.4.1~~ anyone who is less than eighteen years of age;

3.3.2 ~~3.4.2~~ anyone who does not have the full exercise of his civil rights;

3.3.3 ~~3.4.3~~ anyone who is of unsound mind and has been so found by a ~~C~~court in Canada or elsewhere;

3.3.4 ~~3.4.4~~ anyone who has been placed under protective supervision;~~and~~

3.3.5 anyone who is not an individual; or

3.3.6 ~~3.4.5~~ a person who has the status of bankrupt.

A majority of the Trustees must be resident Canadians.

Trustees are not required to hold Units. At all relevant times, however, it is intended that at least one Trustee will not be, directly or indirectly, a Unitholder or a person who holds an option to acquire Units (a “**Non-Unitholder Trustee**”). A majority of the Trustees shall have at least five

(5) years substantial experience in the real estate industry. Notwithstanding anything herein contained to the contrary, and, to the fullest extent permitted by applicable law, all the acts of the Trustees otherwise in accordance with this Contract of Trust shall be valid notwithstanding any temporary failure to comply with the provisions of this paragraph.

| Section 3.4 ~~Section 3.5~~ Election of Trustees.

| Subject to sections 3.1, 3.43 and 3.76, the election of the Trustees shall be by ~~the vote~~ Ordinary Resolution at the first meeting of Unitholders and each succeeding annual meeting at which an election of Trustees is required. The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such person has either before or after such appointment or election, executed and delivered to the Trust an acceptance substantially as follows:

“To: **Cominar Real Estate Investment Trust/
Fonds de placement immobilier Cominar** (the “Trust”)

And to: The Trustees thereof

The undersigned hereby accepts to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this acceptance and the date of the undersigned’s appointment or election as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Contract of Trust made as of March 31, 1998, as amended from time to time, constituting the Trust.

Dated: _____, _____.

Signature

Print Name”

Upon the later of a person being appointed or elected a Trustee hereunder and executing and delivering to the Trust an acceptance substantially as set forth above, such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Contract of Trust, as amended from time to time.

An act of a Trustee is valid notwithstanding an irregularity in the appointment or election of the Trustee or a defect in the qualifications of the Trustee.

| Section 3.5 ~~Section 3.6~~ Resignation, Removal and Death of Trustees.

| A Trustee may resign at any time by an instrument in writing signed by him and delivered or mailed to the ~~President~~ Chairman or Secretary. Such resignation shall take effect on the date such notice is given or at any later time specified in the notice, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary

to constitute a quorum for a meeting of Trustees, the resignation is not effective until the resigning Trustee's successor is duly appointed as a Trustee. A Trustee may be removed at any time ~~with or without cause by the affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders called for that purpose,~~ by Ordinary Resolution or with cause ~~by~~ resolution passed by an affirmative vote of not less than ~~two-thirds~~ the majority of the remaining 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 Secretary or another officer of the Trust forthwith following such removal. Upon the resignation or removal of any Trustee, or his otherwise ceasing to be a Trustee, he/she shall (i) cease to have rights, privileges and powers of Trustees hereunder, (ii) execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust Property held in his name, (iii) account to the remaining Trustees as they may require for all property which he/she holds as Trustee and (iv) resign from all representative or other positions held by him on behalf of the Trust, including without limitation, as a director or officer of any corporation in which the Trust owns any securities (directly or indirectly), upon which he/she shall thereupon be discharged of his obligations as Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees may require as provided in this section 3.5. Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Contract of Trust; provided however that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided in section ~~14~~5.1.

[Section 3.6](#) ~~[Section 3.7](#)~~ Vacancies.

The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incapacity or other incapacity to exercise the duties of the office or upon the removal of a Trustee. No such vacancy shall operate to annul this Contract 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 case of a vacancy, the Unitholders by Ordinary Resolution 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 he/she is succeeding.

[Section 3.7](#) ~~[Section 3.8](#)~~ Successor and Additional Trustees.

The rights of the Trustees to control and exclusively administer the Trust and to have the titles to the Trust Property drawn up in their names and all other rights of the Trustees at law shall vest automatically in all persons 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 rights shall vest in the Trustees whether or not conveyancing or transfer documents have been executed and delivered pursuant to section ~~3.6~~5 or otherwise.

Section 3.8 ~~Section 3.9~~ Compensation and Other Remuneration.

Trustees who are not employees of and who do not receive salary from the Trust or its affiliates shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time, as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Such Trustees, either directly or indirectly, shall also be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker, transfer agent or underwriter, whether performed by a Trustee or any person affiliated with a Trustee. Trustees who are employees of and who receive salary from the Trust or its affiliates shall not be entitled to receive any remuneration for their services as Trustees but shall be entitled to reimbursement from the Trust of their out-of-pocket expenses incurred in acting as a Trustee.

Section 3.9 ~~Section 3.10~~ Officers of the Trust.

The Trust may have a Chairman, an Honorary Chairman, a Chief Executive Officer, a President, a Chief Operating Officer, a Chief Financial Officer, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of the Trust may, but need not, be a Trustee. Each of the Chairman and the Honorary Chairman, if not a Trustee, shall be entitled to receive notice of and attend all meetings of the Trustees but, unless he/she is a Trustee, neither the Chairman nor the Honorary Chairman shall be entitled to vote at any such meeting. Officers of the Trust shall be appointed and discharged and their remuneration determined by the Trustees.

ARTICLE 4
TRUSTEES' POWERS AND DUTIES

Section 4.1 General Powers.

The Trustees, subject only to the specific limitations contained in this Contract of Trust, including without limitation sections 5.1 and 5.2, shall have, without further or other authorization and free from any power of control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Trust 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 Contract of Trust, presumption shall be in favour of the granted powers and authority 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 laws which are of public order, 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.

Section 4.2 Specific Powers and Authorities.

Subject only to the express limitations contained in this Contract of Trust including, without limitation sections 5.1 and 5.2, and in addition to any powers and authorities conferred by this Contract of Trust or which the Trustees may have by virtue of any present or future statute or rule or law, the Trustees without any action or consent by the Unitholders shall have and may exercise 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:

4.2.1 to retain, invest and re-invest the capital or other funds of the Trust in immovable or movable 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 property of the Trust and to increase the capital of the Trust at any time by the issuance of additional Units for such consideration as they deem appropriate;

4.2.2 for such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or through the issuance of notes, debentures, bonds or other obligations or securities of the Trust and hold for investment the entire or any participating interest in any hypothecs or mortgages. In connection with any such investment, purchase or acquisition, the Trustees shall have the power to acquire a share of rents, lease payments or other gross income from or a share of the profits from or a share in the equity or ownership of immovable property;

4.2.3 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 property of the Trust by deeds, trust deeds, assignments, bills of sale, transfers, leases, hypothecs or mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or Trustees by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;

4.2.4 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;

4.2.5 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 third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, hypothecate, mortgage, subordinate, pledge, grant security interests in, or encumber, the property of the Trust to secure any of the foregoing;

4.2.6 to lend money, whether secured or unsecured;

4.2.7 to incur and pay out of the property of the Trust 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, without limitation, 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 property of the Trust or upon or against the property of the Trust or any part thereof and for any of the purposes herein;

4.2.8 to deposit funds of the Trust in banks, trust companies and other depositories, 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 any one or more Trustees, officers, agents or representatives) as the Trustees may determine;

4.2.9 to possess and exercise all the rights, powers and privileges appertaining to the ownership of all or any hypothecs or mortgages or securities, issued or created by, or interest in, any person, forming part of the assets of the Trust, 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;

4.2.10 to elect, appoint, engage or employ officers for the Trust (including a Chairman, an Honorary Chairman, a [Chief Executive Officer, a President, a Chief Operating Officer, a Chief Financial Officer](#), one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents and a Secretary and other officers as the Trustees may determine), 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 or employ any persons as agents, representatives, employees or independent contractors (including, without limitation, real estate advisors, investment advisors, registrars, underwriters, accountants, lawyers, real estate agents, property 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, to delegate any of the powers and duties of the Trustees to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons;

4.2.11 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 assets of the Trust 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 or settlement thereof;

4.2.12 to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;

4.2.13 to purchase and pay for, out of the assets of the Trust, insurance contracts and policies insuring the assets of the Trust against any and all risks and insuring the Trust and/or any or all of the Trustees, the Unitholders or officers 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 or otherwise;

4.2.14 to cause title to any of the assets of the Trust to be drawn up in the name of the Trustees, and/or, to the extent permitted by applicable law, 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 title to any of the assets of the Trust be held by and/or in the name of any person or persons other than the Trust as aforesaid, the Trustees shall require such person or persons to execute a contract of trust acknowledging that title to such assets is held in trust for the benefit of the Trust;

4.2.15 to determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses, disbursements and property of the Trust;

4.2.16 to prepare, sign and file or cause to be prepared, signed and filed a prospectus, offering memorandum or similar document, and any amendment thereto, relating to or resulting from an offering of the Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto and any fees related thereto out of the property of the Trust whether or not such offering is or was of direct benefit to the Trust or those persons (if any) who were Unitholders immediately prior to such offering;

4.2.17 to make or cause to be made application for the listing on any stock exchange of any 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;

4.2.18 to determine conclusively the value of any or all of the property of the Trust 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;

4.2.19 to do all such acts and things and to exercise such powers which are delegated to the Trustees by any person who co-owns immovable property with the Trust;

4.2.20 to exercise all of the Trust's or the Trustees' rights under the Instalment Receipt Agreement; and

4.2.21 to do all such other acts and things as are incidental to the foregoing, including, without limitation, the acts and transactions permitted by section 5.2.1, and to exercise all powers which are necessary or useful to carry on the affairs of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Contract of Trust.

Section 4.3 Further Powers of the Trustees.

The Trustees shall have the power to prescribe any form provided for or contemplated by this Contract of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, their rights or powers and the rights or powers of its Unitholders or officers not inconsistent with law or with this Contract of Trust. The

Trustees shall also be entitled to make any reasonable decisions, designations or determinations not contrary to this Contract of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Contract of Trust or in administering, managing or operating the Trust. ~~Any~~ Subject to subsection 9.7.1.8, any regulations, decisions, designations or determinations made pursuant to this section 4.3 shall be conclusive and binding upon all persons affected thereby.

Section 4.4 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 carry out their functions hereunder as Trustees honestly, in good faith with a view to the best interests of the Trust and the Unitholders and that in connection therewith they exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Each Trustee and officer of the Trust shall comply with this Contract of Trust and the regulations, if any, of the Trust. A Trustee shall not be liable in carrying out his or her duties under this Contract of Trust except in cases where a Trustee fails to act honestly and in good faith with a view to the best interests of the Trust and the Unitholders or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on an administrator of the property of others charged with full administration pursuant to Article 1309 of the *Civil Code*. Unless otherwise required by law, no Trustee shall be required to give 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.

For greater certainty, to the extent that the Trustees have contracted or delegated the performance of certain activities to a property manager, they shall be deemed to have satisfied the aforesaid standard of care.

Section 4.5 Reliance Upon Trustees.

Any person dealing with the Trust in respect of any matters pertaining to the assets of the Trust 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, without limiting the foregoing, a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any two Trustees or the Secretary or, without limiting the foregoing, such other person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any other person 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 moneys or other consideration shall be binding upon the Trust.

Section 4.6 Determinations of Trustees Binding.

All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limiting the generality of the foregoing, whether any

particular investment or disposition meets the requirements of this Contract of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered pension fund or plan as defined in the *Income Tax Act* (Canada), or such other fund or plan registered under the *Income Tax Act* (Canada), 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.

Section 4.7 Conflict of Interest.

If a Trustee or an officer of the Trust:

4.7.1 is a party to a material contract or transaction or proposed material contract or transaction with the Trust (including a contract or transaction involving the making or disposition of any investment in immovable property or a joint venture arrangement); or

4.7.2 is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust;

| 4.7.3 the Trustee or the officer of the Trust, as the case may be, shall disclose in writing to the Trustees or request to have entered in the minutes of meetings of the Trustees or the Investment Committee, as the case may be, the nature and extent of such interest as follows:

| 4.7.4 ~~4.7.3~~ the disclosure required in the case of a Trustee shall be made:

| 4.7.4.1 ~~4.7.3.1~~ at the meeting of Trustees or the Investment Committee, as the case may be, at which a proposed contract or transaction is first considered;

| 4.7.4.2 ~~4.7.3.2~~ if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he/she becomes so interested;

| 4.7.4.3 ~~4.7.3.3~~ 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; or

| 4.7.4.4 ~~4.7.3.4~~ if a person who is interested in a contract or transaction later becomes a Trustee, at the first such meeting after he/she becomes a Trustee;

| 4.7.5 ~~4.7.4~~ the disclosure required in the case of an officer of the Trust who is not a Trustee shall be made:

| 4.7.5.1 ~~4.7.4.1~~ forthwith after such person 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 Investment Committee;

| 4.7.5.2 ~~4.7.4.2~~ if such person becomes interested after a contract is made or a transaction is entered to, forthwith after such person becomes so interested; or

4.7.5.3 ~~4.7.4.3~~ if a person who is interested in a contract or transaction later becomes an officer of the Trust who is not a Trustee, forthwith after he/she becomes an officer of the Trust;

4.7.6 ~~4.7.5~~ notwithstanding subsections 4.7.1 and 4.7.2, where this section 4.7 applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, such person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees or the Investment Committee, as the case may be, the nature and extent of such person's interest forthwith after such person becomes aware of the contract or transaction or proposed contract or transaction;

4.7.7 ~~4.7.6a~~ a Trustee referred to in this section 4.7 shall not vote on any resolution to approve the said contract or transaction unless the contract or transaction is:

4.7.7.1 ~~4.7.6.1~~ one relating primarily to his remuneration as a Trustee, officer, employee or agent of the Trust or any affiliate of the Trust; or

4.7.7.2 ~~4.7.6.2~~ one for indemnity under section 145.1 or the purchase of liability insurance as permitted hereunder;

4.7.8 ~~4.7.7~~ 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, for the following reasons, in a contract ~~made or any or~~ transaction ~~entered into made~~ with ~~that person~~ a party, is a sufficient ~~disclosure~~ declaration of interest in relation to ~~any the~~ contract ~~so made or transaction so entered into. In:~~

4.7.8.1 the Trustee or officer is a director or officer of, or acting in a similar capacity, of the party;

4.7.8.2 the Trustee or officer has a material interest in the party; or

4.7.8.3 there has been a material change in the nature of the interest of the Trustee or officer in the party;

4.7.9 in the event that a meeting of Unitholders is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the contract or transaction of the person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular required to be provided by this Contract of Trust or by law;

4.7.10 ~~4.7.8~~ 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 of which a Trustee or an officer of the Trust is a director or officer or in which he/she has a material interest:

4.7.10.1 ~~4.7.8.1~~ such person is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and

4.7.10.2 ~~4.7.8.2~~ the contract or transaction is neither void nor voidable;

by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees or Investment Committee that authorized the contract or transaction, if such person disclosed his interest in accordance with this section 4.7, and the contract or transaction was approved by the Trustees or the Unitholders and was reasonable and fair to the Trust at the time it was so approved;

4.7.11 ~~4.7.9~~ notwithstanding anything in this section 4.7, but without limiting the effect of subsection 4.7.~~89~~, 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 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, is not by reason only of such person's interest therein void or voidable, where:

4.7.11.1 ~~4.7.9.1~~ the contract or transaction is confirmed or approved ~~at a meeting of Unitholders duly called for that purpose~~ by Special Resolution; and

4.7.11.2 ~~4.7.9.2~~ 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 required to be provided by this Contract of Trust or by law; and

4.7.11.3 the contract or transaction was reasonable and fair to the Trust when it was approved or confirmed;

4.7.12 ~~4.7.10~~ subject to subsections ~~4.7.8 and 4.7.9~~ and 4.7.11, where a Trustee or an officer of the Trust fails to disclose his interest in a material contract or transaction in accordance with this Contract of Trust or otherwise fails to comply with this section 4.7, the Trustees or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law, may apply to a court for an order setting aside the contract or transaction and/or directing that such person account to the Trust for any profit or gain realized.

ARTICLE 5 INVESTMENT GUIDELINES AND OPERATING POLICIES

Section 5.1 Investment Guidelines.

The assets of the Trust may be invested only in accordance with the following guidelines:

5.1.1 the Trust will focus its direct and indirect acquisition activities on existing income-producing properties that are capital property of the Trust, including office, retail, industrial and mixed use properties, and assets ancillary thereto necessary for the ownership, utilization or operation of same;

5.1.2 notwithstanding anything in this Contract of Trust to the contrary, the Trust shall not make any investment or take any action or omit to take any action that would result in (i) Units not being units of a "mutual fund trust", a "real estate investment trust", or a "unit trust" within the meaning of the *Tax Act*; (ii) that would result in Units being disqualified for

investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans; (iii) the Trust being liable to pay a tax imposed under paragraph 122(1)(b) of the *Tax Act*; or (iv) the Trust paying a tax under the registered investment provisions of the *Tax Act* imposed for exceeding certain investment limits;

5.1.3 the Trust may, directly or indirectly, invest in a joint venture arrangement or similar arrangement (including, without limitation, a co-ownership, corporation, general partnership, limited partnership, general partnership and limited liability company) for purposes of owning interests, directly or indirectly, principally in immovable property or interests or investments otherwise permitted to be held by the Trust, provided that such arrangement contains terms and conditions which in the opinion of the Trustees are commercially reasonable relating to restrictions on transfer, liquidity to the Trust, liabilities in respect of third party liabilities, and management of the interest, as applicable;

5.1.4 except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada or Caisse centrale Desjardins, short-term government debt securities or money market instruments of, or guaranteed by, a Schedule 1 Canadian bank or Caisse centrale Desjardins maturing prior to one year from the date of issue, or some or all of the receivables under the Instalment Receipt Agreement, or except as permitted pursuant to the investment guidelines and operating policies of the Trust herein, the Trust may not hold securities of a person other than to the extent such securities would constitute, directly or indirectly, an investment or an interest in immovable property, or in any entity formed and operated, in whole or in part, for the purpose of carrying on ancillary activities to any immovable property owned, directly or indirectly, in whole or in part, by the Trust, and other than for any other purpose relating to the activities of the Trust, and provided further that, notwithstanding anything contained in this Contract of Trust to the contrary, the Trust may acquire securities of other real estate investment trusts or real estate operating companies;

5.1.5 except as otherwise prohibited in this Contract of Trust, the Trust may, directly or indirectly, invest in interests (including ownership and leasehold interests) in income-producing immovable property in Canada and the United States that is capital property of the Trust;

5.1.6 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 immovable property that is capital property of the Trust;

5.1.7 the Trust shall not invest in operating businesses unless such investment is incidental to a transaction or purpose (i) where revenue will be derived, directly or indirectly, principally from immovable property, or (ii) which principally involves the ownership, maintenance, development, leasing, management or operation, directly or indirectly, of immovable property (in each case as determined by the Trustees);

5.1.8 the Trust may, with the prior approval of the Trustees, directly or indirectly, invest in raw land to be held as capital property for development and ownership or for other development projects, in any such case, for the purpose of (i) renovating or expanding existing

facilities that are capital property of the Trust or (ii) developing new facilities which will be income producing and constitute capital property of the Trust, provided that the aggregate value of the investments of the Trust in raw land will not exceed 5% of the Adjusted Unitholders' Equity;

5.1.9 the Trust may, directly or indirectly, invest in hypothecs, mortgages or mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible hypothec or mortgage) where:

5.1.9.1 the immovable property which is security therefor is income-producing immovable property which otherwise meets the general investment guidelines of the Trust adopted by the Trustees from time to time in accordance with this Contract of Trust and the restrictions set out therein;

5.1.9.2 the amount of the hypothecary or mortgage loan is not in excess of 75% of the market value of the property securing the hypothec or mortgage and the hypothec or mortgage has at least 1.2X debt service coverage;

5.1.9.3 the immovable hypothec or mortgage is a first-ranking immovable hypothec or mortgage or of subsequent rank registered on title to the immovable property which is security therefore; and

5.1.9.4 the aggregate value of the investments of the Trust in these hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;

5.1.10 the Trust may invest in hypothecs or mortgages if its intention is to use the acquisition of the hypothecs and mortgages as a method of acquiring control of an income-producing immovable property which would otherwise meet the investment guidelines of the Trust and provided the aggregate value of the investments of the Trust in these hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity; and

5.1.11 subject to subsection 5.1.2, the Trust may, directly or indirectly, invest an amount (which, in the case of an amount invested to acquire immovable property, is the purchase price less the amount of any indebtedness assumed or incurred by the Trust and secured by a hypothec or mortgage on such property) of up to 15% of the Adjusted Unitholders' Equity of the Trust in investments or transactions which do not comply with subsections 5.1.4, 5.1.5, 5.1.9 and 5.1.10 ~~above~~ or subsection 5.2.3.

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in immovable property will be deemed to include an investment in a joint venture arrangement. Nothing in the guidelines prohibits the Trust from holding or assigning some or all of the receivables due pursuant to any instalment receipt agreement.

Except as specifically set forth herein to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by the Trust.

Section 5.2 Operating Policies.

The operations and affairs of the Trust shall be conducted in accordance with the following policies:

5.2.1 the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” shall have the meaning ascribed thereto by National Policy No. 39 adopted by the Canadian Securities Administrators, as amended from time to time;

5.2.2 (i) any written instrument creating an obligation which is or includes the granting by the Trust of a hypothec or mortgage, and (ii) to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests 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 shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants 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 shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of immovable property;

5.2.3 the Trust shall not lease or sublease to any person any immovable property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing immovable property, premises or space having a fair market value in excess of 20% of the Adjusted Unitholders' Equity of the Trust;

5.2.4 the limitation contained in subsection 5.2.3 shall not apply to the renewal of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:

5.2.4.1 the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;

5.2.4.2 any corporation, the bonds, debentures or other evidences of indebtedness of or guaranteed by which are authorized as an investment for insurance companies pursuant to subsection 86(1)(k) of the *Canadian and British Insurance Companies Act* in effect on December 31, 1991; or

5.2.4.3 a Canadian chartered bank registered under the laws of a province of Canada;

5.2.5 title to each immovable property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, the Trust or a corporation or other entity owned, in whole or in part, directly or indirectly, by the Trust, or jointly by the Trust with other persons, including in co-ownership with other persons;

5.2.6 the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust would be more than 60% of the Gross Book Value (65% if convertible debentures of the Trust are outstanding, including the full face value of any convertible debentures). If as a result of an acquisition or if as a result of a variation in Gross Book Value the 60% limit (the 65% limit if convertible debentures of the Trust are outstanding, including the full face value of any convertible debentures) is exceeded, the Trust shall reduce its indebtedness or issue additional Units, or take other action, in order to comply with such limit within the twelve months from the date such limit was exceeded, subject to such reasonable extensions beyond such 12-month period as approved by the Trustees;

5.2.7 the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the Trust holds, directly or indirectly, an interest or an investment or in respect of an entity in which the Trust holds an interest or an investment, directly or indirectly, or by an entity jointly owned by the Trust, directly or indirectly, with others or in respect of an entity jointly owned by the Trust, directly or indirectly, and others, or in respect of an immovable co-owned by the Trust, directly or indirectly, with others, where such indebtedness if granted by the Trust directly, would not cause the Trust to otherwise contravene the restrictions set out in this section 5.2 and section 5.1;

5.2.8 the Trust shall obtain or review an independent appraisal of each property that it intends to acquire;

5.2.9 the Trust shall obtain and maintain at all times 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 practices of owners of comparable properties; and

5.2.10 the Trust shall obtain or review a Phase I environmental audit of each immovable property to be acquired by it and, if the Phase I environmental audit report recommends a Phase II environmental audit be conducted, in any material respect, the Trust shall obtain or review a Phase II environmental audit, in each case by an independent and experienced environmental consultant.

For the purposes of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in immovable property will be deemed to include an investment in a joint venture.

All of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by the Trust.

Section 5.3 Regulatory Matters.

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment restriction of the Trust then in force, such restriction in 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 Unitholders.

Section 5.4 Acquisition of Portfolio.

At the Property Closing (as defined in the Prospectus), the Trustees shall use a portion of the proceeds, net of expenses and the Underwriters' Fee (as defined in the Prospectus), from the sale of Receipt Units pursuant to the Prospectus, to pay to Cominar, the cash portion of the purchase price for the Portfolio and the Assets.

ARTICLE 6
TRUST UNITS

Section 6.1 Units.

The beneficial interests in the Trust shall constitute a single class of Units, which may be represented by instalment receipts. The number of Units which the Trust may issue is unlimited. Each Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees.

Section 6.2 Ranking of Units.

Each Unit shall represent an equal undivided interest in the Trust with all other outstanding Units, all Units outstanding from time to time shall participate equally and ratably in any distributions by the Trust and, in the event of termination of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities and no Unit shall have any preference or priority over any other.

Section 6.3 Consideration for Units.

Subject to the last two sentences of this section 6.3, a 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 Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the 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. Units may be issued and sold on an instalment basis, in

which event beneficial ownership of such Units may be represented by instalment receipts, but shall otherwise be non-assessable. When Units are issued and sold on an instalment basis, the Trust may take security over such Units as security for unpaid instalments, including, without limitation, a pledge as contemplated by an instalment receipt agreement.

Section 6.4 No Pre-Emptive Rights.

There are no pre-emptive rights attaching to the Units.

Section 6.5 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 is not 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 Unitholders. Subject to the foregoing, such fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

Section 6.6 Title to Assets of the Trust.

The titles to the assets of the Trust and the right to conduct the affairs of the Trust are vested exclusively in the Trustees, subject to the provisions of this Contract of Trust, and the Unitholders shall have no interest therein other than the interest in the Trust conferred by their Units issued hereunder as described in section 2.7. No Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust.

Section 6.7 Allotment and Issue.

The Trustees may allot and issue 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 Unitholders of their distributions of the Trust in Units), and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine. In the event that Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Units shall express the fair equivalent in money of the other consideration received.

Section 6.8 Rights, Warrants and Options.

The Trustees may create and issue rights, warrants or options to subscribe for fully paid Units which rights, warrants or options may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant or option shall not be a Unit and a holder thereof shall not be a Unitholder. Upon the approval by the Trustees of any ~~Unit option~~ equity incentive plan for trustees, officers and/or employees of the Trust, the Compensation Committee may, upon receiving authority from the Trustees, grant options upon the terms and subject to the conditions set forth in such plan.

Section 6.9 Commissions and Discounts.

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

Section 6.10 Transferability.

The Units are freely transferable and the Trustees shall not impose any restriction on the transfer of Units. The Trustees shall use all reasonable efforts to obtain and maintain a listing for the Units on one or more stock exchanges in Canada.

Section 6.11 Non-Resident Ownership Constraint.

At no time may non-residents of Canada (within the meaning of the *Tax Act*) be the beneficial owners of more than 49% of the Units then outstanding and the Trustees shall inform the transfer agent and registrar of this restriction. The transfer agent and registrar may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the transfer agent and registrar becomes aware, as a result of requiring such declarations as to beneficial ownership, that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the transfer agent and registrar will advise the Trustees and, upon receiving a direction from the Trustees, may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a non-resident of Canada. If, notwithstanding the foregoing, the transfer agent and registrar determines that more than 49% of the Units are held by non-residents, the transfer agent and registrar may upon receiving a direction and suitable indemnity from the Trustees, send a notice to non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the transfer agent and registrar may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the transfer agent and registrar with satisfactory evidence that they are not non-residents of Canada within such period, the transfer agent and registrar, may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale the Unitholders thereby affected shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificate representing such Units.

The Trustees' Regulations may include provisions to implement the foregoing.

Section 6.12 Certificates.

Each Unitholder or his duly authorized agent is entitled to a certificate bearing an identifying serial number in respect of the Units held by him, signed in the manner hereinafter prescribed, but the Trust is not bound to issue more than one certificate in respect of a Unit or Units held jointly or in common by two or more persons and delivery of a certificate to one of them shall be sufficient delivery to all. No certificate shall be issued to evidence any fractional Units.

Section 6.13 Execution of Certificates.

Certificates representing Units shall be signed manually by at least one Trustee or officer of the Trust holding office at the time of signing, provided, however, that if the Trustees have appointed a registrar and transfer agent which countersigns manually such Unit certificate, signatures of Trustees or officers of the Trust required on Unit certificates may be printed or otherwise mechanically reproduced thereon and certificates so signed are as valid as if they had been signed manually. If a 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 of the Trust at the date of its issue.

Section 6.14 Certificate Fee.

The Trustees may establish a reasonable fee to be charged for every certificate issued.

Section 6.15 Form of Certificate.

The form of certificate representing Units (sometimes called the “**Unit Certificates**”) shall be in such form as is from time to time authorized by the Trustees. The definitive form of the Unit Certificates shall be in both the English and French languages. The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine, and the Unit Certificate issued in respect of the Initial Contribution (and any Unit Certificate issued to a transferee of such Unit) may be typewritten.

Section 6.16 Unit Register and Transfer Ledgers to be Maintained.

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 Unitholders, the respective numbers of Units held by them, the certificate numbers of the certificates of such Units and a record of all transfers thereof. The Trustees may appoint one or more chartered banks or trust companies to act as transfer agents and to act as registrars 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 in a bound or loose-leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device) for recording original issues and registering and transferring the Units. If the Trustees have appointed a registrar and transfer agent, no certificate for Units shall be valid unless countersigned manually by or on behalf of a transfer agent and registrar. Only persons whose Units are recorded on the Register shall be entitled to vote or to receive distributions or otherwise exercise or enjoy the rights of Unitholders.

Section 6.17 Entry on Register.

Upon any issue of Units, the name of the subscriber or other person entitled thereto shall be promptly entered on the Register as the owner of the number of Units issued to such subscriber or other person, or if the subscriber is already a Unitholder, the Register shall be amended to include his additional Units.

Section 6.18 Transfer of Units.

Units shall be for all purposes of the Trust and this Contract of Trust, movable property, and shall be transferable at any time and from time to time by the Unitholder by endorsement and delivery of the certificates representing the Units subject to such provisions and conditions as may be prescribed by the Trustees from time to time. No transfer shall be recorded on the Register unless the transferor has executed the instrument of transfer as reproduced in the Unit certificate and the transferee has delivered to the transfer agent and/or registrar a Unit certificate representing the Units transferred. Subject to the foregoing, transfers shall be recorded on the Register and a new certificate for the Units so transferred shall be issued to the transferee and in case of a transfer of only part of the Units represented by any certificate, a new certificate for the remaining Units shall be issued to the transferor.

Section 6.19 Successors in Interest to Unitholders.

Any person becoming entitled to any Units as a consequence of the death, bankruptcy or incapacity of any Unitholder or otherwise by operation of law shall be recorded in the Register as the holder of such Units and shall receive a new certificate therefor upon production of evidence thereof satisfactory to the Trustees and delivery of the existing certificate to the Trustees or a transfer agent or registrar of the Trust, but until such record is made, the Unitholder of record shall continue to be and 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 of the Trust shall have actual or other notice of such death, bankruptcy, incapacity or other event.

Section 6.20 Units Held Jointly or in Fiduciary Capacity.

The Trust may treat two or more persons holding any Unit as joint owners of the entire interest therein unless the ownership is expressly otherwise recorded on the Register of the Trust, 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 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.

Section 6.21 Performance of Trusts.

None of the Trustees, officers of the Trust, 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 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 his 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 recorded as Unitholder of such security.

Section 6.22 Lost Certificates.

In the event that any certificate for Units is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new certificate for the same number of Units in lieu thereof. The Trustees 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 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 direct indemnifying the Trustees, the transfer agents and registrars for so doing. The Trustees 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 property of the Trust with such contribution, if any, by those insured as may be determined by the Trustees. If such blanket lost security bond is acquired, the Trustees may authorize and direct (upon such terms and conditions as they 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.

Section 6.23 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 the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate or succession of the deceased Unitholder to demand and receive, pursuant to the provisions of section 6.19, a new certificate for Units in place of the certificate held by the deceased Unitholder, and upon the acceptance thereof such personal representatives or the heirs of the estate or succession of the deceased Unitholder shall succeed to all rights of the deceased Unitholder under this Contract of Trust.

Section 6.24 Unclaimed Payments.

| In the event that the Trustees hold any amounts to be paid to Unitholders under Article ~~10~~11 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 only be obligated to hold the same 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 head office or to the Public Curator (or other similar government official or agency) in the province where the Trust has its head office whose receipt shall be a good release, acquittance and discharge of the obligations of the Trustees.

Section 6.25 Repurchase of Units.

The Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units, at a price per Unit (or fraction of a Unit, if applicable), and on a basis determined by the Trustees in compliance with all applicable securities regulatory laws, regulations or policies or the policies of any applicable stock exchange.

Section 6.26 Instalment Receipts.

The Trust shall be entitled to exercise all rights to which it is entitled under any instalment receipt agreement in the event of non-payment of any instalment by a registered holder of an instalment receipt, including in particular its rights under Article 3 of the Instalment Receipt Agreement. The provisions of Article 3 of the Instalment Receipt Agreement are hereby incorporated herein by reference. For greater certainty, it is confirmed that: (i) the Receipt Units to be pledged pursuant to the Instalment Receipt Agreement by the Underwriters (as defined in the Prospectus) will remain as Units outstanding notwithstanding that said Receipt Units are registered in the name of the Custodian (as defined in the Instalment Receipt Agreement) as holder for the Trust or any assignee thereof in its capacity as creditor of said pledge; (ii) the Receipt Units so pledged are, subject to the provisions of the Instalment Receipt Agreement, to be beneficially owned by the holders of Instalment Receipts; and (iii) the Trust, or any assignee thereof, shall, pursuant to Article 3 of the Instalment Receipt Agreement, have the right, *inter alia*, to take such Receipt Units in payment and to otherwise deal with such Receipt Units as the Trustees may determine (including, without limitation, the sale thereof), the whole subject to the provisions of the Instalment Receipt Agreement, without the obligation to cancel them, the whole notwithstanding section 6.25.

Section 6.27 Take-Over Bids.

6.27.1 If within 120 days after the date of a take-over bid the bid is accepted by the holders of not less than 90% of the Units, other than 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 is entitled, on complying with this section [6.27](#), to acquire the Units held by the dissenting offerees.

6.27.2 An offeror may acquire 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:

6.27.2.1 the offerees holding more than 90% of the Units to which the bid relates accepted the take-over bid;

6.27.2.2 the offeror is bound to take up and pay for or has taken up and paid for the Units of the offerees who accepted the take-over bid;

6.27.2.3 a dissenting offeree is required to elect:

6.27.2.3.1 to transfer his Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the take-over bid, or

6.27.2.3.2 to demand payment of the fair value of his Units in accordance with subsections 6.27.8 to 6.27.17 by notifying the offeror within 20 days after he/she receives the offeror's notice;

6.27.2.4 a dissenting offeree who does not notify the offeror in accordance with subparagraph 6.27.2.3.2 is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid; and

6.27.2.5 a dissenting offeree must send his Units to which the take-over bid relates to the Trust within 20 days after he/she receives the offeror's notice.

6.27.3 Concurrently with sending the offeror's notice under subsection 6.27.2, 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 Unit held by a dissenting offeree.

6.27.4 A dissenting offeree to whom an offeror's notice is sent under subsection 6.27.2 shall, within 20 days after he/she receives that notice, send his Unit Certificates to the Trust.

6.27.5 Within 20 days after the offeror sends an offeror's notice under subsection 6.27.2, 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 subparagraph 6.27.2.3.1.

6.27.6 The Trust is deemed to hold in trust for the dissenting Unitholder the money or other consideration it receives under subsection 6.27.5, and the Trust shall 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 any successor thereof) or guaranteed by the Quebec Deposit Insurance Board (or any successor thereof), and shall place the other consideration in the custody of a bank or such other body corporate.

6.27.7 Within 30 days after the offeror sends an offeror's notice under subsection 6.27.2, the Trust shall:

6.27.7.1 issue to the offeror a Unit Certificate in respect of the Units that were held by dissenting offerees;

6.27.7.2 give to each dissenting offeree who elects to accept the take-over bid terms under subparagraph 6.27.2.3.1 and who sends his Unit Certificates as required under subsection 6.27.4, the money or other consideration to which he/she is entitled, disregarding fractional Units, if any, which may be paid for in money; and

6.27.7.3 send to each dissenting offeree who has not sent his Unit Certificates as required under subsection 6.27.4 a notice stating that:

6.27.7.3.1 his Units have been cancelled,

6.27.7.3.2 the Trust or some designated person holds in trust for him the money or other consideration to which he/she is entitled as payment for or in exchange for his Units, and

6.27.7.3.3 the Trust will, subject to subsections 6.27.8 to 6.27.17, send that money or other consideration to him forthwith after receiving his Units.

6.27.8 If a dissenting offeree has elected to demand payment of the fair value of his Units under subparagraph 6.27.2.3.2, the offeror may, within 20 days after it has paid the money or transferred the other consideration under subsection 6.27.5, apply to a court to fix the fair value of the Units of that dissenting offeree.

6.27.9 If an offeror fails to apply to a court under subsection 6.27.8, a dissenting offeree may apply to a court for the same purpose within a further period of 20 days.

6.27.10 Where no application is made to a court under subsection 6.27.9 within the period set out in that subsection, a dissenting offeree is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid.

6.27.11 An application under subsection 6.27.8 or 6.27.9 shall be made to a court having jurisdiction in the place where the Trust has its head office or in the province where the dissenting offeree resides if the Trust carries on its affairs in that province.

6.27.12 A dissenting offeree is not required to give security for costs in an application made under subsection 6.27.8 or 6.27.9.

6.27.13 On an application under subsection 6.27.8 or 6.27.9:

6.27.13.1 all dissenting offerees referred to in subparagraph 6.27.2.3.2 whose Units have not been acquired by the offeror shall be joined as parties and shall be bound by the decision of the court; and

6.27.13.2 the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

6.27.14 On an application to a court under subsection 6.27.8 or 6.27.9 the court may determine whether any other person is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the Units of all dissenting offerees.

6.27.15 A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a dissenting offeree.

6.27.16 The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for his Units as fixed by the court.

6.27.17 In connection with proceedings under this section [6.27](#), a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:

6.27.17.1 fix the amount of money or other consideration that is required to be held in trust under subsection 6.27.6;

6.27.17.2 order that money or other consideration be held in trust by a person other than the Trust; and

6.27.17.3 allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date he/she sends or delivers his Unit Certificates under subsection 6.27.4 until the date of payment.

Section 6.28 Power of Attorney.

Each Unitholder hereby grants to the Trustees and each of them, their successors and assigns, a power of attorney constituting the Trustees, and each of them, with full power of substitution, as his true and lawful attorney to act on his behalf, with full power and authority in his name, place and stead, and to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record when, as and where required:

6.28.1 this Contract of Trust, any amendment to this Contract of Trust and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust;

6.28.2 any instrument, deed, agreement or document in connection with carrying on the activities and affairs of the Trust as authorized in this Contract of Trust;

6.28.3 all conveyances, transfers and other documents required in connection with the dissolution, liquidation or termination of the Trust in accordance with the terms of this Contract of Trust; and

6.28.4 any and all elections, determinations or designations whether jointly with third parties or otherwise, under the *Tax Act* or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Trust or of a Unitholder's interest in the Trust.

The ~~P~~power of ~~A~~attorney granted herein is, to the extent permitted by applicable law, irrevocable and will survive the assignment by the Unitholder of all or part of his interest in the Trust and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Unitholder.

ARTICLE 7 MEETINGS OF UNITHOLDERS

Section 7.1 Annual Meeting.

There shall be an annual meeting of the Unitholders at such time and place as the Trustees shall prescribe for the purpose of electing Trustees, appointing the auditors 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 Unitholders shall be held after delivery to the Unitholders of the annual report referred to in section 156.6 and, in any event, within 180 days after the end of each fiscal year of the Trust. [The Trust may apply to the court for an order extending the time for calling an annual meeting.](#)

Section 7.2 Other 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 outstanding Units of the Trust may requisition the Trustees to call a special meeting of the Unitholders for the purposes stated in the requisition. The requisition shall state in reasonable detail the business to be transacted at the meeting and shall be sent to each of the Trustees at the head office of the Trust. Upon receiving the requisition, the Trustees shall call a meeting of 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 Units are listed for trading; (b) the Trustees have called a meeting of the Unitholders and have given notice thereof pursuant to section 7.3; or (c) in connection with the business as stated in the requisition:

7.2.1 it clearly appears 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 Unitholders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;

7.2.2 the Trust, at the Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of 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;

7.2.3 substantially the same matter covered by the requisition was submitted to Unitholders in an information circular (including a dissident's information circular) relating to a meeting of Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the requisition was defeated; or

7.2.4 the rights conferred by this section 7.2 are being abused to secure publicity.

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 sections 7.3 and 7.79 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 Contract of Trust shall mean and include both an annual meeting and any other meeting of Unitholders.

Section 7.3 Notice of Meeting of Unitholders.

7.3.1 Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Unitholder at his address appearing in the Register, to each Trustee and to the auditors of the Trust not less than 21 nor more than 50 days before the meeting. ~~Notice of any meeting of the Unitholders shall state the purposes of the meeting.~~

7.3.2 A notice of meeting is not required to be sent to Unitholders who were not registered on the records of the Trust or its transfer agent on the record date for the meeting, but failure to receive notice does not deprive a Unitholder of the right to vote at the meeting.

7.3.3 If a meeting is adjourned for less than 30 days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned.

7.3.4 If a meeting of Unitholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

7.3.5 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.

7.3.6 ~~Notice of any meeting of the Unitholders shall state the purposes of the meeting.~~ Notwithstanding the preceding sentence, notice of a meeting of Unitholders at which special business is to be transacted shall state (i) the nature of the business in sufficient detail to permit a Unitholder to form a reasonable judgment thereon, and (ii) the text of any Special Resolution to be submitted to the meeting.

Section 7.4 Unitholder Proposals.

7.4.1 Subject to subsections 7.4.2 and 7.4.3, a registered holder or beneficial owner of Units may (i) submit 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

7.4.2 To be eligible to submit a Proposal, a person:

7.4.2.1 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

7.4.2.2 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.

7.4.3 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.

7.4.4 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 7.4.2.

7.4.5 The Trust shall set out the Proposal in its proxy circular delivered in connection with its annual meeting or attach the Proposal thereto.

7.4.6 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 7.4.3.

7.4.7 The Trust shall not be required to comply with subsections 7.4.5 and 7.4.6 if:

7.4.7.1 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;

7.4.7.2 it clearly appears that (i) 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 securityholders of the Trust, or (ii) the Proposal does not relate in a significant way to the business or affairs of the Trust;

7.4.7.3 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;

7.4.7.4 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: (i) 3% of

the total number of Units voted, if the Proposal has been introduced at only one annual meeting of Unitholders; (ii) 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 (iii) 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

7.4.7.5 the rights conferred by this section 7.4 are being abused to secure publicity.

7.4.8 If a person who submits a Proposal fails to continue to hold or own the number of Units referred to in subsection 7.4.2 up to and including the day of the meeting, the Trust is not required to set out in its proxy circular for such meeting, or attach to it, any proposal submitted by that person for any meeting held within two years following the date of the meeting.

7.4.9 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 of compliance with this section 7.4.

7.4.10 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 7.4.4, 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.

7.4.11 The Trustees, the Trust and the Unitholders agree that, on the application of a person submitting a Proposal who claims to be aggrieved by the Trust's refusal under subsection 7.4.7, 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.

7.4.12 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 Trustees, the Trust and the Unitholders agree that the court, if it is satisfied that subsection 7.4.7 applies, may make such order as it thinks fit.

Section 7.5 Nomination of Trustees.

7.5.1 Only persons who are nominated in accordance with the following procedures shall be eligible for election as Trustees of the Trust. Nominations of persons for election to the board of 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:

7.5.1.1 by or at the direction of the board of Trustees, including pursuant to a notice of meeting;

7.5.1.2 by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with this Article 7; or

7.5.1.3 by any person (a “Nominating Unitholder”): (i) who, at the close of business on the date of the giving of the notice provided for below in this section 7.5 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 (ii) who complies with the notice procedures set forth below in this section 7.5.

7.5.2 In addition to any other applicable requirements, 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 Contract of Trust. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Québec City 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.

7.5.3 To be timely, a Nominating Unitholder’s notice to the Trustees must be made:

7.5.3.1 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 day following the Notice Date; and

7.5.3.2 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 15th day following the day on which the first public announcement of the date of the special meeting of Unitholders was made.

7.5.4 To be in proper written form, a Nominating Unitholder’s notice to the Trustees must set forth:

7.5.4.1 as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) 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 (iv) 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 applicable Securities Laws; and

7.5.4.2 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 applicable Securities Laws.

7.5.5 The Trust may require any proposed nominee to furnish such other information as may reasonably be required by the Trust to determine the eligibility of such proposed nominee to serve as a Trustee of the Trust or that could be material to a reasonable Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.

7.5.6 No person shall be eligible for election as a Trustee of the Trust unless nominated in accordance with the provisions of this section 7.5; provided, however, that nothing in this section 7.5 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 Contract 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.

7.5.7 For purposes of this section 7.5, "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.

7.5.8 Notwithstanding the foregoing, the board of Trustees may, in its sole discretion, waive any requirement in this section 7.5.

Section 7.6 ~~Section 7.4~~ Quorum; Chairman.

A quorum for any meeting of Unitholders shall be individuals present not being less than two in number and being Unitholders or representing by proxy Unitholders who hold in the aggregate not less than 25% of the total number of outstanding Units. The Chairman, or any Trustee determined by the Trustees, shall be the chairman of any meeting of the Unitholders. If a quorum is present at the opening of a meeting of Unitholders, the Unitholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Unitholders, the Unitholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

Section 7.7 ~~Section 7.5~~ Voting.

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Unit shall be entitled to one vote at all meetings of the Unitholders. Any action to be taken by the Unitholders shall, except as otherwise required by this Contract of Trust or by law, be authorized when approved by ~~a majority of the votes cast at a meeting of the Unitholders~~ Ordinary Resolution. The chairman of any such meeting shall not have a second or casting vote.

Section 7.8 ~~Section 7.6~~ Matters on which Unitholders Shall Vote.

None of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

7.8.1 ~~7.6.1~~ except as provided in sections 3.1, 3.43, ~~3.5~~, or 3.6, ~~or 3.7~~, the election, appointment or removal of Trustees;

7.8.2 ~~7.6.2~~ except as provided in section 15~~6~~.4, the appointment or removal of auditors of the Trust;

7.8.3 ~~7.6.3~~ any amendment to the Contract of Trust (except as provided in section 5.3 or 12~~3~~.1);

7.8.4 ~~7.6.4~~ an increase or decrease by the Unitholders in the number of Trustees pursuant to section 3.1 (or any authorization by the Unitholders to the Trustees to effect such increase or decrease and, if applicable, to appoint additional Trustees pursuant to section 3.1) or any increase in the maximum number of Trustees (to more than 11 Trustees) or decrease in the minimum number of Trustees (to less than nine Trustees);

7.8.5 ~~7.6.5~~ the sale or transfer 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

7.8.6 ~~7.6.6~~ the distribution pursuant to section 13~~4~~.2 of all the Trust Property.

Except with respect to the foregoing matters specified in this section 7.6~~8~~ or matters submitted to a vote of the Unitholders by the Trustees, no vote of the Unitholders shall in any way bind the Trustees. In particular, under no circumstances may Unitholders authorize the forgiveness of the obligation of holders of any instalment receipts to pay amounts owing thereunder in respect of Units represented by such instalment receipts. Nothing in this section 7.8, however, shall prevent the Trustees from submitting to a vote of Unitholders any matter which they deem appropriate.

Section 7.9 ~~Section 7.7~~ Record Dates.

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof, or who are entitled to receive any distribution, or for the purpose of any other action, the Trustees may from time to time, without notice to Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustees may determine; or with or without closing the transfer books the Trustees may fix a date not more than 60 days prior to the date of any meeting of the Unitholders or distribution or other action as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to receive such distribution or to be treated as Unitholders of record for purposes of such other action, as the case may be, 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 thereof or to receive such distribution, even though he/she has since that date disposed of his Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to receive such distribution or to be treated as a Unitholder of record for purposes of such other action.

Section 7.10 ~~Section 7.8~~ Proxies.

7.10.1 Whenever the vote or consent of Unitholders is required or permitted under this Contract 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. A proxy 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 rules 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.~~

7.10.2 A proxy shall be executed or, in the Province of Québec, signed by the Unitholder or by the Unitholder's personal representative authorized in writing.

7.10.3 A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

7.10.4 A Unitholder may revoke a proxy by depositing an instrument signed by the Unitholder or by the Unitholder's personal representative authorized in writing: (i) at the head office of the Trust at any time up to and including the last business day preceding the day of the meeting, or an adjournment thereof, at which the proxy is to be used; or (ii) with the chairman of the meeting on the day of the meeting or any adjournment thereof, or

7.10.5 The Trustees may specify in a notice calling a meeting of Unitholders a time not exceeding forty-eight hours, excluding Saturdays and holidays, before the meeting or adjournment before which time proxies to be used at the meeting must be deposited with the Trust or its agent or mandatary in order to be voted at the meeting. In any event, no proxy shall be voted at any meeting unless it shall have been received by the Trust or its agent or mandatary prior to the commencement of the meeting.

7.10.6 ~~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.~~

Section 7.11 ~~Section 7.9~~ Resolution in Lieu of Meeting.

A resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders.

Section 7.12 Court Requisitioned Meetings.

7.12.1 A Unitholder may apply to a court to order a meeting of the Unitholders to be called, held and conducted in the manner that the court directs, if:

7.12.1.1 it is impracticable to call the meeting within the time or in the manner in which those meetings are to be called pursuant to this Contract of Trust;

7.12.1.2 it is impracticable to conduct the meeting in the manner required by this Contract of Trust; or

7.12.1.3 the court thinks that the meeting should be called, held and conducted within the time or in the manner it directs for any other reason.

7.12.2 Without restricting the generality of subsection 7.12.1, the Trustees, the Trust and the Unitholders agree that the court may order that the quorum required by this Contract of Trust be varied or dispensed with at a meeting called, held and conducted pursuant to this section 7.12.

7.12.3 A meeting called, held and conducted pursuant to this section 7.12 is for all purposes a meeting of Unitholders duly called, held and conducted.

ARTICLE 8 MEETINGS OF THE TRUSTEES

Section 8.1 Trustees May Act Without Meeting.

The Trustees may act with or without a meeting. Any action of the Trustees may be taken at a meeting by vote or without a meeting by written consent or resolution signed by all of the Trustees, or all of the Trustees, as the case may be. Any such consent or resolution may be signed in counterpart.

Section 8.2 Notice of Meeting.

Meetings of the Trustees may be held from time to time upon the giving of notice by the ~~President~~Chairman, the Secretary or other officer of the Trust or any two Trustees. Regular meetings of the Trustees may be held without call or notice at a time and place fixed by the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise given 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 Contract of Trust.

Section 8.3 Quorum.

A quorum for all meetings of the Trustees or any committee thereof shall be at least a majority of the Trustees or of the Trustees on such committee, as the case may be, present in person.

Section 8.4 Voting at Meetings.

Questions arising at any meeting of the Trustees shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman of the meeting, who shall be the Chairman if present, shall not have a second or casting vote in addition to his original vote, if any.

Section 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 persons participating in the meeting can hear each other and a Trustee so participating shall be considered for the purposes of this Contract of Trust to be present in person at that meeting.

ARTICLE 9
DELEGATION OF POWERS

Section 9.1 General.

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision hereof to the contrary, delegate to such committee or committees any of the powers of the Trustees. 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. The Trustees may grant or delegate such authority to a property manager as the Trustees may, subject to applicable law, in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. Subject to section 8.4, the Trustees shall have the power to determine the term and compensation of a property manager or any other person 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.

Section 9.2 Investment Committee.

The Trustees may appoint an investment committee (the “**Investment Committee**”) to consist of not less than three Trustees. At least two-thirds of the members of the Investment Committee shall have at least five (5) years substantial experience in the real estate industry. The duties of the Investment Committee will be to recommend to the Trustees whether or not to approve or reject proposed transactions, including proposed acquisitions and dispositions of investments by the Trust and borrowings (including the assumption or granting of any hypothec or mortgage by the Trust). The Trustees may delegate to the Investment Committee the power to approve or reject proposed acquisitions, dispositions or borrowings, as the case may be, provided that the Trustees must approve any transaction where the acquisition, disposition or borrowing, as the case may be, would be in or for an amount in excess of 10% of Adjusted Unitholders’ Equity. Questions arising at any meeting of the Investment 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 Investment Committee. Any member of the Investment Committee may call a meeting of the Investment Committee upon not less than 48 hours’ notice. Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any Trustee who is disinterested and is not already a member of the Investment Committee may be

designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Investment Committee, the Trustees may consider and approve any matter which the Investment Committee has the authority to consider or approve.

Section 9.3 Audit Committee.

The Trustees shall appoint an audit committee (the “**Audit Committee**”) to consist of not less than three Trustees. The Audit Committee shall review the financial statements of the Trust and report thereon to the Trustees. The auditors of the Trust 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 of the Trust or a member of the Audit Committee may call a meeting of the Audit Committee on not less than 48 hours’ notice.

Section 9.4 Compensation Committee.

The Trustees may appoint a compensation committee (the “**Compensation Committee**”) to consist of not less than three Trustees. The duties of the Compensation Committee will be to review the compensation of management of the Trust. Questions arising in any meeting of the Compensation 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 Compensation Committee. Any member of the Compensation Committee may call a meeting of the Compensation Committee upon not less than 48 hours’ notice. Where for any reason a member of the Compensation Committee is disqualified from voting on or participating in a decision (and no such member shall be disqualified with respect to any matter referred to in [subsection 4.7.67](#)), any other Trustee who is disinterested and is not already a member of the Compensation Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Compensation Committee, the Trustees may consider and approve any matter which the Compensation Committee has the authority to consider or approve.

Section 9.5 Nominating and Governance Committee.

The Trustees may appoint a nominating and governance committee (the “**Nominating and Governance Committee**”) to consist of not less than three Trustees. The duties of the Nominating and Governance Committee will be to review the governance of the Trust. Questions arising in any meeting of the Nominating and 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 Nominating and Governance Committee. Any member of the Nominating and Governance Committee may call a meeting of the Nominating and Governance Committee upon not less than 48 hours’ notice. Where for any reason a member of the Nominating and Governance Committee is disqualified from voting on or participating in a decision (and no such member shall be disqualified with respect to any matter referred to in [subsection 4.7.67](#)), any other Trustee who is disinterested and is not already a member of the Nominating and Governance Committee may be designated by the Trustees to act as an alternate.

Notwithstanding the appointment of the Nominating and Governance Committee, the Trustees may consider and approve any matter which the Nominating and Governance Committee has the authority to consider or approve.

Section 9.6 Property Manager.

The Trustees may exercise broad discretion in allowing any property manager to manage the immovable properties of the Trust, including operating, maintaining, leasing and marketing the said properties, to act as agent for the Trust in respect thereof and to execute documents on behalf of the Trustees in respect thereof, all subject to the overriding authority of the Trustees over the management and affairs generally of the Trust.

Section 9.7 Powers That May Not Be Delegated.

9.7.1 Notwithstanding anything to the contrary in this Contract of Trust, the Trustees may not delegate to any managing Trustee or any committee of Trustees or any officer the authority to:

9.7.1.1 submit to the Unitholders any question or matter requiring the approval of the Unitholders;

9.7.1.2 fill a vacancy among the Trustees or in the office of auditor, or appoint additional Trustees;

9.7.1.3 issue Units, except as authorized by the Trustees;

9.7.1.4 declare distributions;

9.7.1.5 approve a proxy circular;

9.7.1.6 approve a take-over bid circular or directors' circular;

9.7.1.7 approve the annual financial statements of the Trust; or

9.7.1.8 adopt, amend or repeal the regulations of the Trust, if any, or amend this Contract of Trust.

ARTICLE 10 **UNITHOLDERS REMEDIES**

Section 10.1 Dissent Rights.

10.1.1 Subject to section 10.2 in connection with the oppression remedy, a Unitholder may dissent if the Trust resolves to:

10.1.1.1 carry out any transaction which requires approval of the Unitholders by Special Resolution pursuant to section 13.3, including without limitation, a sale or transfer of the assets of the Trust as an entirety or substantially as an entirety;

10.1.1.2 carry out a going-private transaction or a squeeze-out transaction; or

10.1.1.3 amend this Contract of Trust to (i) add, change or remove any provision restricting or constraining the issue, transfer or ownership of Units, (ii) add, change or remove any restriction on the business that the Trust may carry on, (iii) add, change or remove the rights, privileges, restrictions or conditions attached to the Units of the class held by the dissenting Unitholder, (iv) increase the rights or privileges of any class of units having rights or privileges equal or superior to the class of Units held by the dissenting Unitholder, (v) create a new class of units equal to or superior to the Units of the class held by the dissenting Unitholder, (vi) make any class of units having rights or privileges inferior to the class of Units held by the dissenting Unitholder superior to that class, or (vii) effect an exchange or create a right of exchange in all or part of a class of Units into the class of Units held by the dissenting Unitholder.

10.1.2 In addition to any other right the Unitholder may have, a Unitholder who complies with this section 10.1 is entitled, when the action approved by the resolution from which the Unitholder dissents becomes effective, to be paid by the Trust the fair value of the Units held by the Unitholder in respect of which the Unitholder dissents, determined as of the close of business on the day before the resolution was adopted.

10.1.3 A dissenting Unitholder may only claim under this section 10.1 with respect to all the Units held by the dissenting Unitholder on behalf of any one beneficial owner and registered in the name of the dissenting Unitholder.

10.1.4 A dissenting Unitholder shall send to the Trust, at or before any meeting of Unitholders at which a resolution referred to in subsection 10.1.1 is to be voted on, a written objection to the resolution, unless the Trust did not give notice to the Unitholder of the purpose of the meeting and of the Unitholder's right to dissent.

10.1.5 The Trust shall, within ten days after the Unitholders adopt the resolution, send to each Unitholder who has filed the objection referred to in subsection 10.1.4 notice that the resolution has been adopted, but such notice is not required to be sent to any Unitholder who voted for the resolution or who has withdrawn its objection.

10.1.6 A dissenting Unitholder shall, within 20 days after receiving a notice under subsection 10.1.5 or, if the Unitholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the Trust a written notice containing: (i) the Unitholder's name and address; (ii) the number of Units in respect of which the Unitholder dissents; and (iii) a demand for payment of the fair value of such Units.

10.1.7 A dissenting Unitholder shall, within 30 days after the sending of a notice under subsection 10.1.6, send the certificates representing the Units in respect of which the Unitholder dissents to the Trust or its transfer agent.

10.1.8 A dissenting Unitholder who fails to comply with subsection 10.1.6 has no right to make a claim under this section 10.1.

10.1.9 The Trust or its transfer agent shall endorse on any certificate received under subsection 10.1.7 a notice that the holder is a dissenting Unitholder under this section 10.1 and shall return forthwith the certificates to the dissenting Unitholder.

10.1.10 On sending a notice under subsection 10.1.7, a dissenting Unitholder ceases to have any rights as a Unitholder other than the right to be paid the fair value of its Units as determined under this section 10.1 except where: (i) the Unitholder withdraws that notice before the Trust makes an offer under subsection 10.1.11; (ii) the Trust fails to make an offer in accordance with subsection 10.1.11 and the dissenting Unitholder withdraws the notice; or (iii) the Trustees revoke the resolution which gave rise to the dissent rights under this section 10.1, 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 Unitholder's rights are reinstated as of the date the notice was sent.

10.1.11 The Trust shall, not later than seven 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 10.1.6, send to each dissenting Unitholder who has sent such notice a written offer to pay for the dissenting Unitholder's Units in an amount considered by the Trustees to be the fair value, accompanied by a statement showing how the fair value was determined.

10.1.12 Every offer made under subsection 10.1.11 for Units of the same class or series shall be on the same terms.

10.1.13 The Trust shall pay for the Units of a dissenting Unitholder within ten days after an offer made under subsection 10.1.11 has been accepted, but any such offer lapses if the Trust does not receive an acceptance thereof within thirty days after the offer has been made.

10.1.14 Where the Trust fails to make an offer under subsection 10.1.11, or if a dissenting Unitholder fails to accept an offer, the Trustees, the Trust and the Unitholders agree that 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 Units of any dissenting Unitholder.

10.1.15 If the Trust fails to apply to a court under subsection 10.1.14, a dissenting Unitholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

10.1.16 A dissenting Unitholder is not required to give security for costs in an application made under subsection 10.1.14 or 10.1.15.

10.1.17 The Trustees, the Trust and the Unitholders agree that, on an application under subsection 10.1.14 or 10.1.15: (i) all dissenting Unitholders whose 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 Unitholder of the date, place and consequences of the application and of the dissenting Unitholder's right to appear and be heard in person or by counsel.

10.1.18 The Trustees, the Trust and the Unitholders agree that, on an application to a court under subsections 10.1.14 and 10.1.15, the court may determine whether any other person is a dissenting Unitholder who should be joined as a party, and the court shall fix a fair value for the Units of all dissenting Unitholders.

10.1.19 The Trustees, the Trust and the Unitholders agree that a court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of the dissenting Unitholders.

10.1.20 The Trustees, the Trust and the Unitholders agree that the final order of a court in the proceedings commenced by an application under subsections 10.1.14 and 10.1.15 shall be rendered against the Trust in favour of each dissenting Unitholder and for the amount of the Units as fixed by the court.

10.1.21 The Trustees, the Trust and the Unitholders agree that a court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Unitholder from the date the action approved by the resolution is effective until the date of payment.

Section 10.2 Oppression Remedy.

10.2.1 The Trustees, the Trust and the Unitholders agree that any registered holder or beneficial owner of Units or former registered holder or beneficial owner of Units (collectively, a “Complainant”) may apply to a court for remedy under this section 10.2.

10.2.2 The Trustees, the Trust and the Unitholders agree that if, on application, the court is satisfied that in respect of the Trust or any of its Subsidiaries: (i) any act or omission of the Trust or any of its Subsidiaries 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 power of the Trustees or of the directors or trustees of any subsidiary are or have been exercised in a manner, that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any Unitholder, the court may make an order to rectify the matters complained of by the Complainant.

10.2.3 In connection with an application by a Complainant under subsection 10.2.1 and without limiting subsection 10.2.2, the Trustees, the Trust and the Unitholders agree that a court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,

10.2.3.1 an order restraining the conduct complained of;

10.2.3.2 an order appointing a receiver or receiver-manager;

10.2.3.3 an order to regulate the Trust’s affairs or those of a subsidiary by amending this Contract of Trust or the articles or by-laws of a subsidiary;

10.2.3.4 an order directing an issue or exchange of securities;

10.2.3.5 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;

10.2.3.6 an order directing the Trust or any other person to purchase securities of a holder of securities;

10.2.3.7 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;

10.2.3.8 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;

10.2.3.9 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;

10.2.3.10 an order compensating an aggrieved person;

10.2.3.11 an order directing rectification of the registers or other records of the Trust or a subsidiary;

10.2.3.12 an order winding up the Trust;

10.2.3.13 an order directing an investigation to be made; and

10.2.3.14 an order requiring the trial of any issue.

10.2.4 The Trustees, the Trust and the Unitholders agree that if an order made under this section 10.2 directs an amendment of this Contract of Trust or to the constating documents of a subsidiary, then: (i) the Trustees shall request the Trust, such subsidiary and all directors, Trustees, officers and other persons responsible for management to take all steps necessary to carry out that direction; and (ii) no other amendment to this Contract of Trust or such constating documents shall be made without the consent of the court, until a court otherwise orders.

10.2.5 A Unitholder is not entitled to dissent under this Contract of Trust or other applicable law if an amendment to the Contract of Trust or such constating documents is effected under this section 10.2.

10.2.6 The Trustees, the Trust and the Unitholders agree that a Complainant may apply in the alternative for an order to wind up the Trust or liquidate and dissolve a subsidiary and

10.2.7 the Trustees, the Trust and the Unitholders agree that 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 10~~
ARTICLE 11
DISTRIBUTIONS

Section 11.1 ~~Section 10.1~~ Distributions.

The Trust may distribute to Unitholders monthly on each Distribution Date such percentage of the Distributable Income for the preceding calendar month and, in the case of distributions made on December 31, for the calendar month then ended, as the Trustees may so determine in their discretion. The Trust may also distribute to Unitholders on December 31 of each year (i) the net realized capital gains of the Trust and the net recapture income of the Trust for the year then ended and (ii) any excess of the income of the Trust for purposes of the *Tax Act* for the year then ended over distributions otherwise made for that year, as the Trustees may so determine. Distributions, if any, shall be made in cash or Units, as the case may be, pursuant to any distribution reinvestment plan or distribution reinvestment and Unit purchase plan adopted by the Trustees pursuant to section 101.6. Distributions, if any, shall be made proportionately to persons who are Unitholders on the record date for such distribution. Distributions, if any, shall be made to Unitholders of record on a date to be determined by the Trustees in accordance with section 7.~~7~~9. The Trustees, if they so determine when income has been accrued but not collected may, on a temporary basis, transfer sufficient moneys from the capital to the income account of the Trust to permit distributions so determined by them under this section 101.1, if any, to be effected.

Section 11.2 ~~Section 10.2~~ Allocation.

Income and net taxable capital gains for purposes of the *Tax Act* will be allocated to Unitholders in the same proportions as distributions received by Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

Section 11.3 ~~Section 10.3~~ Payment of Distributions.

Distributions shall be made by cheque payable to or to the order of the Unitholder 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 Unitholder or to his agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder at his address as it appears on the Register unless the cheque is not paid on presentation. 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.

Section 11.4 ~~Section 10.4~~ Income Tax Matters.

For greater certainty, in reporting income for income tax purposes, the Trust may claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance.

[Section 11.5](#) ~~[Section 10.5](#)~~ Designations.

The Trustees shall make such designations, determinations and allocations for income tax purposes in respect of amounts paid or payable to Unitholders for such amounts that the Trustees consider to be reasonable, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

[Section 11.6](#) ~~[Section 10.6](#)~~ Distribution Reinvestment and Unit Purchase Plan.

Subject to any required regulatory approvals, the Trustees may in their sole discretion establish one or more distribution reinvestment plans, distribution reinvestment and Unit purchase plans or Unit option plans at any time and from time to time.

[Section 11.7](#) ~~[Section 10.7](#)~~ Withholding Taxes.

The Trustees may deduct or withhold from the distributions payable to any Unitholder amounts required by law to be withheld from such Unitholder's distributions.

[ARTICLE 12](#) ~~[ARTICLE 11](#)~~
FEES AND EXPENSES

[Section 12.1](#) ~~[Section 11.1](#)~~ Expenses.

The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments, including without limitation fees of auditors, lawyers, appraisers, registrars and transfer agents and other agents, stock exchanges, consultants and professional advisors employed by or on behalf of the Trust and the cost of reporting or giving notices to Unitholders.

[Section 12.2](#) ~~[Section 11.2](#)~~ Payment of Immovable Property and Brokerage Commissions.

The Trust may pay immovable property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by it. Such commissions may be paid to a property manager or to others.

[Section 12.3](#) ~~[Section 11.3](#)~~ Property Management, Leasing and Financing Fees.

The Trust may pay property management fees, leasing fees and financing fees in respect of any immovable property owned by it. Such fees may be paid to a property manager or to others.

[ARTICLE 13](#) ~~[ARTICLE 12](#)~~
AMENDMENTS TO THE CONTRACT OF TRUST

[Section 13.1](#) ~~[Section 12.1](#)~~ Amendments by the Trustees.

The Trustees may, without the approval of or any notice to Unitholders, make amendments to this Contract of Trust:

13.1.1 ~~12.1.1~~ for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Trust, its status as a “unit trust”, a “mutual fund trust”, a “real estate investment trust” and a “registered investment” under the *Tax Act* or the distribution of its Units;

13.1.2 ~~12.1.2~~ which, in the opinion of the Trustees, provide additional protection for the Unitholders;

13.1.3 ~~12.1.3~~ to remove any conflicts or inconsistencies in the Contract of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

13.1.4 ~~12.1.4~~ which, in the opinion of the Trustees, are necessary or desirable to conform this Contract of Trust to the disclosure in the Prospectus;

13.1.5 ~~12.1.5~~ which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws from time to time, including, without limiting the generality of the foregoing, amendments which may affect the Trust, the Unitholders or annuitants under a plan of which a Unitholder acts as trustee or carrier, or which may permit the Trust to qualify for any status under the *Tax Act* which would benefit the Trust or the Unitholders;

13.1.6 ~~12.1.6~~ which in the opinion of the Trustees, are necessary or desirable as a result of changes in accounting standards (including, without limitation, International Financial Reporting Standards) from time to time, which may affect the Trust or the Unitholders, including without limitation to ensure that the Units qualify as equity for purposes of International Financial Reporting Standards for January 1, 2010 and thereafter;

13.1.7 ~~12.1.7~~ for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required), if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable; and

13.1.8 ~~12.1.8~~ which, in the opinion of the Trustees, are necessary or desirable to enable the Trust to issue Units for which the purchase price is payable on an instalment basis.

Section 13.2 ~~Section 12.2~~ Amendments by Unitholders.

Subject to section 12.3, this Contract of Trust may be amended by ~~the vote of a majority of the votes cast at a meeting of Unitholders called for that purpose~~ Ordinary Resolution.

Section 13.3 ~~Section 12.3~~ Two-Thirds Unitholder Vote.

None of the following shall occur unless the same has been duly approved by the affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders duly called and held:

13.3.1 ~~12.3.1~~ any amendment to this section 12.3;

13.3.2 ~~12.3.2~~ any amendment to change a right with respect to any outstanding Units of the Trust to reduce the amount payable thereon upon termination of the Trust or to diminish or eliminate any voting rights pertaining thereto;

13.3.3 ~~12.3.3~~ any amendment to the duration or term of the Trust;

13.3.4 ~~12.3.4~~ any amendment to increase the maximum number of Trustees (to more than 11 Trustees) or to decrease the minimum number of Trustees (to less than nine Trustees), any increase or decrease by the Unitholders in the number of Trustees pursuant to section 3.1 (or any authorization by the Unitholders to the Trustees to effect such increase or decrease and, if applicable, to appoint additional Trustees pursuant to section 3.1);

13.3.5 ~~12.3.5~~ any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;

13.3.6 ~~12.3.6~~ any sale or transfer of the assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust as approved by the Trustees);

13.3.7 ~~12.3.7~~ any approval pursuant to subsection 7.68.6 or section 134.2; ~~or~~ and

13.3.8 ~~12.3.8~~ any amendment to section 5.1 or subsections 5.2.6, 5.2.7, 5.2.8, 5.2.9 or 5.2.10;

except for any amendment contemplated by section 5.3 or section 123.1.

Section 13.4 ~~Section 12.4~~ Trustees to Sign Amendment.

When a vote of the Unitholders approves an amendment to this Contract of Trust which, pursuant to the provisions of this Contract of Trust, binds the Trustees to make such amendment, the Trustees shall sign such documents as may be necessary to effect such amendment.

Section 13.5 Ratifying Amendments to Contract of Trust.

13.5.1 The Trustees shall submit to the Unitholders at the next meeting of Unitholders any amendment to the Contract of Trust that has not been approved by the Unitholders, and the Unitholders may, by Ordinary Resolution, confirm, reject or amend the amendment to the Contract of Trust.

13.5.2 An amendment to this Contract of Trust which the Trustees are expressly empowered to make pursuant to the terms hereof is effective from the date of the resolution of the Trustees approving the amendment until it is confirmed, confirmed as amended or rejected by the Unitholders under subsection 13.5.1 or until it ceases to be effective under subsection 13.5.3 and, where the amendment is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.

13.5.3 If an amendment to this Contract of Trust is rejected by the Unitholders, or if the Trustees do not submit an amendment to the Unitholders as required under subsection 13.5.1, the

amendment ceases to be effective and no subsequent resolution of the Trustees to amend the Contract of Trust having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the Unitholders

13.5.4 The Trustees, the Trust and the Unitholders agree that any Unitholder may apply to a court for an order setting aside any such amendment on the grounds that it does not fall within subsections 13.1.1 to 13.1.8.

ARTICLE 14~~ARTICLE 13~~ **TERMINATION OF THE TRUST**

Section 14.1 ~~Section 13.1~~ Term of the Trust.

The term of the Trust shall commence on the date hereof and shall continue in full force and effect until no property of the Trust is held by the Trustees, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Contract of Trust.

Section 14.2 ~~Section 13.2~~ Distribution of Trust Property by Vote of Unitholders.

Notwithstanding the provisions of section ~~13.1, if there is an affirmative vote of at least two-thirds of the votes cast at a meeting of Unitholders called for that purpose~~ 14.1, if an Special Resolution is passed requiring that the Trustees distribute to the Unitholders all Trust Property, the Trustees will be bound and obligated to make such distribution to the Unitholders.

Section 14.3 ~~Section 13.3~~ Effect of Termination.

Upon the termination of the Trust or the affirmative vote referred to in section ~~13.4~~ 14.2, the liabilities of the Trust shall be discharged with due speed and the net assets of the Trust shall be liquidated and the proceeds distributed proportionately to Unitholders. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

Section 14.4 ~~Section 13.4~~ Procedure Upon Termination.

Forthwith upon being required to commence to discharge the liabilities of and liquidate 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 Register of Units of the Trust shall be closed.

Section 14.5 ~~Section 13.5~~ Powers of the Trustees Upon Termination.

After the date on which the Trustees are required to discharge the liabilities of and liquidate the Trust, the Trustees shall carry on 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 Contract of Trust.

Section 14.6 ~~Section 13.6~~ 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 ~~13.4~~ 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 shares, equally and ratably, of the remaining Trust Property, 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 ~~C~~ourt or to the Public Curator (or other appropriate government official or agency) whose receipt shall be a good discharge and release of the Trustees.

Section 14.7 ~~Section 13.7~~ 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 ~~13.4~~ 14.4 and, after such sale, the sole obligation of the Trustees under this Contract of Trust shall be to hold such proceeds in trust for distribution pursuant to section ~~13.4~~ 14.3.

~~ARTICLE 15~~ ARTICLE 14
LIABILITIES OF THE TRUSTEES AND OTHERS

Section 15.1 ~~Section 14.1~~ Liability and Indemnification of the Trustees.

The Trustees shall at all times be indemnified and saved harmless out of the property of the Trust from and against all liabilities, damages, losses, debts, claims, actions, suits and proceedings whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred, brought, commenced or prosecuted against them 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 and also from and against all other liabilities, damages, losses, debts, claims, costs, charges and expenses 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 its assets. The foregoing provisions of this section ~~14.5~~ 15.1 in favour of any Trustee do not apply unless:

15.1.1 ~~14.1.1~~ the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders and in accordance with the provisions of Article 1309 of the *Civil Code*; and

15.1.2 ~~14.1.2~~ 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 conduct was lawful.

The provisions of this section ~~14.5~~ 15.1 with respect to indemnification and saving harmless shall apply, *mutatis mutandis*, to any former Trustee and to any officer or former officer of the Trust.

[Section 15.2](#) ~~[Section 14.2](#)~~ 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 the Trust 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 moneys of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or delictual or tortious act of any person, firm or corporation with whom or which any moneys, securities or property of the Trust 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 subsections ~~14.5~~.1.1 and ~~14.5~~.1.2.

[Section 15.3](#) ~~[Section 14.3](#)~~ 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.

[Section 15.4](#) ~~[Section 14.4](#)~~ Liability of Unitholders and Others.

[15.4.1](#) ~~[14.4.1](#)~~ No Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier 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 delict, tort, contract or otherwise, to any person in connection with the Trust Property or the affairs of the Trust, including, without limitation, 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, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Unitholder and annuitant under a plan of which a Unitholder acts as trustee or carrier shall be entitled to be reimbursed out of the assets of the Trust in respect of any payment of a Trust obligation made by such Unitholder or annuitant. Without limiting the generality of the foregoing, each Unitholder or annuitant shall be entitled to the benefits of the second sentence of Article 1322 of the *Civil Code* in respect of the obligations referred to therein.

[15.4.2](#) ~~[14.4.2](#)~~ (i) Any written instrument creating an obligation which is or includes the granting by the Trust of a hypothec or mortgage and (ii) to the extent the Trustees determine to be practicable and consistent with their obligations to act in the best interests 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 acknowledgment to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Unitholders or annuitants under a plan of which a Unitholder acts as trustee or carrier, but the property of the Trust or a specific portion thereof only shall be bound. If the Trust makes any immovable property investment

subject to existing contractual obligations, including obligations under hypothecs or mortgages, the Trustees shall use all reasonable efforts to have any such obligations modified so as to achieve the aforesaid disavowal of contractual liability. Further, 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 obligations 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 their foregoing obligations or their failure to perform the same shall be governed by the provisions of sections 145.1, 145.2 and 145.3.

15.4.3 Without limiting the generality of subsection 15.4.1, no Unitholder in its capacity as a Unitholder shall be liable to indemnify the Trustees or any other person with respect to any liabilities of the Trust.

15.4.4 The rights accruing to a Unitholder under this section 15.4 and the limitations of a Unitholder's liability set out herein are in addition to, and do not exclude, any other rights or limitations of liability to which such Unitholder may be lawfully entitled, pursuant to statute, regulation or otherwise, nor does anything herein contained restrict the right of the Trustees to indemnify or reimburse a Unitholder out of the assets of the Trust in any appropriate situation not specially provided herein but, for greater certainty, the Trustees have no liability to reimburse Unitholders for taxes assessed against them by reason of or arising out of their ownership of Units.

~~ARTICLE 16~~**ARTICLE 15** GENERAL

Section 16.1 ~~Section 15.1~~ 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.

Section 16.2 ~~Section 15.2~~ Manner of Giving Notice.

Any notice required or permitted by the provisions of this Contract of Trust to be given to a Unitholder, a Trustee or the auditors of the Trust shall be deemed conclusively to have been given if given either by hand delivery or by prepaid first-class mail addressed to the Unitholder at his 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 of the Trust 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 [16.2](#) 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.

[Section 16.3](#) ~~Section 15.3~~ 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 of the Trust 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.

[Section 16.4](#) ~~Section 15.4~~ Trust Auditors.

The auditors of the Trust shall be appointed at each annual meeting, save that, until the first such annual meeting, such auditors shall be appointed by the Trustees. If at any time a vacancy occurs in the position of auditors of the Trust, the Trustees may appoint a firm of chartered accountants qualified to practice in all provinces of Canada to act as the auditors of the Trust until the next annual meeting of Unitholders. The auditors of the Trust 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 remuneration of the auditors shall be fixed by Ordinary Resolution or, if not fixed by the Unitholders, may be fixed by the Trustees.](#)

[Section 16.5](#) ~~Section 15.5~~ Fiscal Year.

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

[Section 16.6](#) ~~Section 15.6~~ Reports to Unitholders.

Within 140 days of the end of each fiscal year, commencing in the fiscal year 1998 (subject to regulatory approval), and at least 21 days prior to each annual meeting of Unitholders, the Trustees shall send to each Unitholder a report, including audited comparative financial statements for such year, prepared in compliance with applicable laws. Within 60 days after the end of each of the first three fiscal quarters of each year, the Trustees shall send unaudited comparative financial statements for the period then ended to each Unitholder. The Trustees will supply Unitholders with any information that may be required by them in connection with their obligations under the *Tax Act* and equivalent provincial legislation.

[Section 16.7](#) ~~[Section 15.7](#)~~ Trust Property to be Kept Separate.

The Trustees shall maintain the property of the Trust separate from all other property in their possession.

[Section 16.8](#) ~~[Section 15.8](#)~~ Trustees May Hold Units.

Subject to the requirement in section 3.43 that at least one Trustee will be a Non-Unitholder Trustee, any Trustee or associate of a Trustee may be a Unitholder or may be an annuitant.

[Section 16.9](#) ~~[Section 15.9](#)~~ Income Tax: Obligations of the Trustees.

The Trustees shall satisfy, perform and discharge all obligations and responsibilities of the Trustees under the *Income Tax Act* and neither the Trust nor the Trustees shall be accountable or liable to any Unitholder by reason of any act or acts of the Trustees consistent with any such obligations or responsibilities.

[Section 16.10](#) ~~[Section 15.10](#)~~ Day not a Business Day.

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. This section [16.10](#) is not applicable to any distributions which are to be made hereunder on December 31.

[Section 16.11](#) ~~[Section 15.11](#)~~ Income Tax: Elections.

In respect of the first taxation year of the Trust, the Trust shall, within the time prescribed, elect pursuant to subsection 132(6) of the *Income Tax Act* (as same may be amended) that the Trust be deemed to be a mutual fund trust for the entire year.

The Trust shall also apply to be a registered investment for the purposes of the *Income Tax Act* in accordance with the definition of “registered investment” set out at section 204.4 thereof.

[Section 16.12](#) ~~[Section 15.12](#)~~ Trust Records.

The Trustees shall prepare and maintain, at the head office of the Trust or at any other place in Canada designated by the Trustees, records containing: (i) the Contract of Trust; (ii) minutes of meetings and resolutions of Unitholders; and (iii) the Register. 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 head 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.

[Section 16.13](#) ~~[Section 15.13](#)~~ Right to Inspect Documents.

16.13.1 ~~[A](#)~~ [Any](#) Unitholder and ~~[any other securityholder of the Trust and their respective personal representatives, and](#)~~ agent, consultant or creditor of the Trust shall have the right to

examine the Contract of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of Unitholders, the Register and any other documents or records which the Trustees determine should be available for inspection by such persons, during normal business hours at the head office of the Trust. ~~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 Canada Business Corporations Act, as amended from time to time.~~ and take extracts from the record, free of charge.

16.13.2 Any person described in subsection 16.13.1 who wishes to examine the Register must first make a request to Trust or its agent or mandatary, accompanied by an affidavit referred to in section 16.15. On receipt of the affidavit, the Trust or its agent or mandatary shall allow the applicant access to the securities register during the normal business hours, and, on payment of a reasonable fee, provide the applicant with an extract from the securities register.

16.13.3 The Trustees shall cause the Trust to prepare an alphabetical list of Unitholders entitled to receive notice of a meeting, showing the number of Units held by each Unitholder, no later than ten days after the record date for receiving notice and for voting. A Unitholder may examine the list during normal business hours at the head office of the Trust or at the place where its central securities register is maintained, and at the meeting of Unitholders for which the list was prepared.

Section 16.14 Information Available to Unitholders and other Securityholders.

16.14.1 Unitholders and other securityholders of the Trust and their respective personal representatives, on payment of a reasonable fee therefor and on sending the Trust or its agent or mandatary an affidavit required by section 16.15, may on application require the Trust or its agent or mandatary to provide within ten days after receipt of the affidavit a list (in this section 16.14 referred to as the "basic list") made up to a date not more than ten days before the receipt of the affidavit setting out the names of the Unitholders, the number of Units held by each Unitholder and the address of each Unitholder as shown in the records of the Trust.

16.14.2 A person requiring the Trust to provide a basic list may, by stating in the affidavit referred to in subsection 16.14.1 that they require supplemental lists, require the Trust or its agent or mandatary on payment of a reasonable fee to provide supplemental lists setting out any changes from the basic list in the names or addresses of the Unitholders and the number of Units owned by each Unitholder for each business day following the date the basic list is made up to.

16.14.3 The Trust or its agent or mandatary shall provide a supplemental list required under subsection 16.14.2: (i) on the date the basic list is furnished, where the information relates to changes that took place prior to that date; and (ii) on the business day following the day to which the supplemental list relates, where the information relates to changes that take place on or after the date the basic list is furnished.

16.14.4 A person requiring the Trust to furnish a basic list or a supplemental list may also require the Trust to include in that list the name and address of any known holder of an option or right to acquire Units.

Section 16.15 Affidavits.

An affidavit required pursuant to section 16.13 or section 16.14 shall state: (i) the name and address of the applicant; (ii) the name and address for service of the body corporate, if the applicant is a body corporate; and, if applicable, (iii) that the information contained in the Register obtained pursuant to subsection 16.13.1 or the basic list and any supplemental lists obtained pursuant to subsection 16.13.3, as the case may be, will not be used except as permitted under section 16.16.

Section 16.16 Use of Information.

A list of Unitholders or information from the Register obtained under section 16.13 or section 16.14 shall not be used by any person except in connection with: (i) an effort to influence the voting of Unitholders of the Trust; (ii) an offer to acquire securities of the Trust; or (iii) any other matter relating to the affairs of the Trust.

Section 16.17 ~~Section 15.14~~ Execution and Effect of Restated Contract of Trust.

Subject to Article 1~~2~~³, a restated Contract of Trust, setting forth the terms of this Contract of Trust, as amended to the time of execution, may be executed at any time or from time to time by the Trustees and such restated Contract of Trust as so executed shall thereafter be effective and may thereafter be referred to in lieu of the original Contract of Trust as so amended; provided, however, that no such execution of a restated Contract of Trust shall be deemed to constitute a termination of the Trust or this Contract of Trust.

Section 16.18 ~~Section 15.15~~ Consolidations.

Any one or more Trustees or the Secretary may prepare consolidated copies of the Contract 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 Contract of Trust, as amended or amended and restated.

Section 16.19 ~~Section 15.16~~ Counterparts.

This Contract 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.

Section 16.20 ~~Section 15.17~~ Severability.

The provisions of this Contract 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 Contract of Trust and shall not affect or impair any of the remaining provisions thereof. If any provision of this Contract 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 Contract of Trust in any jurisdiction. Notwithstanding the provisions of section 2.10, but without limiting the generality of the foregoing provisions of this section [16.20](#), to the extent any provision hereof contravenes a requirement of public order contained in the *Civil Code*, such provision hereof shall be severed as aforesaid from this Contract of Trust without thereby affecting or impairing any remaining provision hereof and should any applicable provision of public order contained in the *Civil Code* not be included herein, such provision shall nonetheless apply hereto, the whole without in any way affecting or impairing any other provision hereof which is not in contravention of such provision of public order.

[Section 16.21](#) ~~[Section 15.18](#)~~ Headings for Reference Only and Preamble.

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Contract of Trust. The preamble and recitals hereto (and all definitions therein contained) shall form an integral part of this Contract of Trust.

[Section 16.22](#) ~~[Section 15.19](#)~~ Successors and Assigns.

The provisions of this Contract of Trust shall enure to the benefit of, and be binding upon, the parties and their heirs, executors, administrators, personal representatives, successors and assigns.

[Section 16.23](#) ~~[Section 15.20](#)~~ Time of the Essence.

Time shall be of the essence of this Contract of Trust. The mere lapse of time in the performance of the terms of this Contract of Trust by any person shall have the effect of putting such person in default in accordance with Articles 1594 to 1600 of the *Civil Code*.

[Section 16.24](#) ~~[Section 15.21](#)~~ Language.

The parties acknowledge that they have requested that this agreement and all documents, notices, correspondence and legal proceedings arising from this agreement or relating hereto be drawn up in English. *Les parties reconnaissent qu'elles ont exigé que cette convention ainsi que tout document, avis, correspondance et procédure légale découlant de cette convention soient rédigés en anglais.*

[Section 16.25](#) ~~[Section 15.22](#)~~ Governing Law.

This Contract of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Québec. Any and all disputes arising under this Contract of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Québec 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.

| Section 16.26 ~~Section 15.23~~ Transition.

| Notwithstanding any other provision hereof, the approval of the Investment Committee shall not be required, and the provisions of sections 4.7 and 9.2 shall not be operative or effective, with respect to the entering into of ~~any~~ any material contract or transaction or proposed material contract or transaction disclosed under the heading “Material Contracts” in the Prospectus.

IN WITNESS WHEREOF each of the undersigned caused these presents to be executed as of May 16, 2012.

~~(signed) Lyne Morin~~

Witness

~~(signed) Gérard Coulombe~~
Gérard Coulombe

Alban D'Amours

~~(signed) Lyne Morin~~

Witness

~~(signed) Alain Dallaire~~
Alain Dallaire

Luc Bachand

~~(signed) Lyne Morin~~

Witness

~~(signed) Michel Dallaire~~
Michel Dallaire

Paul Campbell

~~(signed) Lyne Morin~~

Witness

~~(signed) Alban D'Amours~~
Alban D'Amours

Sylvain Cossette

~~(signed) Lyne Morin~~

Witness

~~(signed) Robert Després~~
Robert Després

Claude Dussault

(signed) Lyne
Morin

Witness

(signed) Dino Fuoco
Dino Fuoco

Heather Kirk

(signed) Lyne
Morin

Witness

(signed) Pierre Gingras
Pierre Gingras

Johanne M. Lépine

(signed) Lyne
Morin

Witness

(signed) Ghislaine Laberge
Ghislaine Laberge

Michel Thérout

(signed) Lyne
Morin

Witness

(signed) Michel Paquet
Michel Paquet

René Tremblay

(signed) Lyne
Morin

Witness

3466736 CANADA INC., as Intervenant

Per: (signed) Michel Dallaire
Michel Dallaire
President and Sole Director

Per: _____
Name: _____
Title : _____

Questions? Need Help Voting?

Please contact our Strategic Shareholder Advisor and Proxy Solicitation Agent, Kingsdale Advisors

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