

# 2019 Annual Information Form

**Cominar Real Estate  
Investment Trust**

Year ended December 31, 2019  
March 27, 2020



## Table of Contents

<b>PART 1 – Date of Annual Information Form .....</b>	<b>3</b>
<b>PART 2 – Structure of the REIT .....</b>	<b>3</b>
<b>PART 3 – General Development of the Business.....</b>	<b>4</b>
3.1 Overview of the REIT.....	4
3.2 Objectives and Strategy.....	4
3.3 Three Year History .....	5
<b>PART 4 – Description of the Business .....</b>	<b>7</b>
4.1 Investment Guidelines and Operating Policies .....	7
4.2 Borrowing.....	9
4.3 Employees.....	10
4.4 Operating Revenues.....	10
4.5 Investments in Joint Ventures.....	11
4.6 Social Responsibility, Environmental Management and Policies.....	11
<b>PART 5 – Properties .....</b>	<b>14</b>
5.1 Overview of the Portfolio .....	14
5.2 Description of the REIT's 10 Major Properties in Terms of Value as at December 31, 2019 .....	18
<b>PART 6 – Contract of Trust.....</b>	<b>19</b>
<b>PART 7 – Risk Factors .....</b>	<b>22</b>
7.1 Risk Factors Related to the Business of the REIT.....	22
7.2 Risk Factors Related to the Ownership of Units .....	26
7.3 Risk Factors Related to the Ownership of Senior Debentures.....	28
<b>PART 8 – Distributions.....</b>	<b>29</b>
8.1 General.....	29
8.2 Computation of Distributable Income for Distribution Purposes .....	30
8.3 Computation of Net Realized Capital Gains and Net Recapture Income.....	30
8.4 Tax Deferral on 2019 Distributions .....	30
8.5 Distributions during the Last Three Fiscal Years .....	30
<b>PART 9 – Capital Structure .....</b>	<b>30</b>
9.1 General Description of Capital Structure.....	30
9.2 Issuance of Units .....	31
9.3 Take-Over Bid.....	31
9.4 Restrictions on the Issue and Transfer of Units .....	31
9.5 Normal Course Issuer Bid.....	31
9.6 Equity Incentive Plan.....	32
9.7 Credit Ratings .....	32
<b>PART 10 – Distribution Reinvestment Plan.....</b>	<b>33</b>
<b>PART 11 – Market for Securities of the REIT .....</b>	<b>33</b>
11.1 Market for Units .....	33
11.2 Market for Senior Debentures .....	34
<b>PART 12 – Trustees and Officers of the REIT .....</b>	<b>34</b>
12.1 Information Concerning Trustees .....	34
12.2 Information Concerning Non-Trustee Officers .....	35
12.3 Independence .....	36
12.4 Audit Committee.....	36
12.5 Cease Trade Orders, Bankruptcies, Penalties or Sanctions .....	38
<b>PART 13 – Legal Proceedings and Regulatory Actions.....</b>	<b>39</b>
<b>PART 14 – Interest of Management and Other Informed Persons in Material Transactions .....</b>	<b>39</b>
<b>PART 15 – Transfer Agent and Registrar .....</b>	<b>39</b>
<b>PART 16 – Material contracts .....</b>	<b>40</b>
<b>PART 17 – Interest of Experts.....</b>	<b>40</b>
<b>PART 18 – Additional Information .....</b>	<b>40</b>
<b>SCHEDULE “A” – Description of the Income Properties .....</b>	<b>41</b>
<b>SCHEDULE “B” – Audit Committee.....</b>	<b>58</b>

## Glossary

The following terms used in this AIF have the meanings set out below:

"2019 MD&A" means the management discussion and analysis of Cominar for the year ended December 31, 2019;

"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 REIT in respect of its properties, calculated in accordance with IFRS;

"Atlantic Provinces": includes the Provinces of New-Brunswick, Nova Scotia and Newfoundland and Labrador;

"Board Refreshment Agreement": means the board refreshment agreement entered into as of December 4, 2018, by and between Cominar, FrontFour, Westdale and K2;

"CBCA": means the Canada Business Corporation Act, as amended;

"Cominar" or the "REIT": means Cominar Real Estate Investment Trust and the corporations or limited partnerships wholly-owned by Cominar or Cominar's interest in joint ventures;

"Contract of Trust": means the contract of trust made as of March 31, 1998, governed by the laws of the Province of Québec, pursuant to which the REIT was established, as amended, supplemented or restated as of May 8, 1998, May 13, 2003, May 11, 2004, May 15, 2007, May 14, 2008, May 18, 2010, May 16, 2012 and May 16, 2018;

"Dalcon": means Dalcon Inc.;

"DBRS": means DBRS Limited;

"Distributable Income": means the amount of cash available to be distributed by the REIT, calculated in the manner set forth under "PART 8 – Distributions – 8.2 Computation of Distributable Income for Distribution Purposes";

"Distribution Reinvestment Plan" or "DRIP": means the REIT distribution reinvestment plan set forth under "PART 10 – Distribution Reinvestment Plan";

"EBITDA ratio" or "Debt to EBITDA": means the debt to earnings before interest, taxes, depreciation and amortization;

"Equity Incentive Plan": means the REIT's equity-based incentive plan;

"FFO" or "Funds from Operations": means a non-IFRS measure which represents a standard real estate benchmark used to measure an entity's performance, and is calculated by Cominar as defined by REALpac as net income (calculated in accordance with IFRS) adjusted for, among other things, changes in the fair value of investment properties, deferred taxes and income taxes related to a disposition of properties, derecognition and impairment of goodwill, initial and re-leasing salary costs, adjustments relating to the accounting of joint ventures and transaction costs incurred upon a business combination or a disposition of properties.

"FrontFour": means FrontFour Capital Group LLC;

"Gross Book Value": means, at any time, the book value of the assets of the REIT, as shown on its then most recent balance sheet;

"Groupe Dallaire": means Groupe Dallaire Inc.;

"IFRS": means the generally accepted accounting principles determined with reference to International Financial Reporting Standards, as defined by the International Accounting Standard Board, and which have been prescribed as being Canadian generally accepted accounting principles for publicly accountable enterprises by the Accounting Standards Board of the Canadian Institute of Chartered Accountants for financial years beginning on or after January 1, 2011;

"Immovable Hypothec": means a secured interest in an Immovable Property under the applicable laws in the province where the Immovable Property is situated;

"Immovable Property": means an immovable property under the applicable laws in the province where it is situated;

"Income Properties": means properties generating revenues for the REIT;

"Income Tax Act" or "Tax Act": means the Income Tax Act (Canada) R.S.C., 1985, c. 1 (5th supp.), as amended from time to time;

"Independent Trustee": means a Trustee who has no direct or indirect material relationship with the REIT. A "material relationship" is one that could, in the view of the Board of Trustees, be reasonably expected to interfere with the exercise of a Trustee's independent judgment;

"Investment Properties": means, collectively, the Income Properties, Properties Under Development, land held for future development and investment properties held for sale;

"K2": means K2 & Associates Investment Management Inc.;

"Management": means the management of the REIT;

"Montréal Area": includes the area generally known as Greater Montréal, which comprises, the island of Montréal, the City of Laval, the North Shore of Montréal and the South Shore of Montréal;

"NCIB": means the normal course issuer bid of the REIT, which expired on December 11, 2019;

"Net Operating Income" or "NOI": means the REIT's operating income before the change in fair value of Investment Properties, financial charges, REIT administrative expenses, share in joint ventures' net income, transaction costs, impairment and derecognition of goodwill and income tax;

"Ottawa Area": means the City of Ottawa and for the purposes of this AIF, it includes the Gatineau region;

"Province of Ontario" or "Ontario Area" or "Ontario": means the Province of Ontario and for the purposes of this AIF, it includes the Gatineau region;

"Province of Québec" or "Québec": means the Province of Québec, but excluding the Gatineau region;

"Properties Under Development": means properties in the construction phase;

"Québec City Area": includes the area generally known as the Communauté métropolitaine de Québec and other regions of Québec, with the exceptions of the Montréal Area and the Gatineau region;

"SEDAR": means the System for Electronic Document Analysis and Retrieval;

"Senior Debentures": means, collectively, the Series 3 4.00%, the Series 4 4.94%, the Series 8 4.25%, the Series 9 4.164%, the Series 10 4.247% and the Series 11 4.50% senior unsecured debentures of the REIT;

"SIFT": means "specified investment flow-through" trust, as defined in the Tax Act;

"SIFT Rules": means the provisions of the Income Tax Act which address the taxation of SIFTs and their unitholders;

"Toronto Area": includes the City of Toronto and its metropolitan area;

"Trustees": means the trustees of the REIT and "Trustee" means any one of them;

"Unit": means a unit of interest in the REIT issued from time to time in accordance with the Contract of Trust and includes, without limitation and, where the context so requires, units of the REIT issued pursuant to the Equity Incentive Plan or the Distribution Reinvestment Plan, and includes a fraction of a unit of the REIT;

"Unitholder": means a holder of REIT Units; and

"Westdale": means Westdale Construction Co. Limited.

## Forward-Looking Statements

This Annual Information Form (the “AIF”) 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 is subject to risks and uncertainties which may cause actual results of the REIT to be materially different from results expressed or implied in these forward looking statements. 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, disease and epidemics, access to capital and debt financing, the effects of general economic and business conditions, risks associated with the ownership of the immovable properties, including climate change, industry competition, inflation, currency and interest rate fluctuations, risks associated with future property acquisitions, dispositions or developments, the recruitment and retention of employees and executives, legislative and/or regulatory developments, compliance with environmental laws and regulations, increases in maintenance and operating costs, limits on activities of the REIT, general uninsured losses, potential conflicts of interest, security threats and reliance on technology and related cybersecurity risk. For further details regarding the risk factors related to the business of the REIT, the ownership of Units and the ownership of Senior Debentures, see “PART 7 – Risk Factors.”

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 under “Risk Factors” or incorporated by reference in this AIF. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to the REIT, investors and others should carefully consider the foregoing factors, as well as other factors and uncertainties. Unless otherwise stated, all forward-looking statements are valid only as at the date of this AIF. The REIT assumes no obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

## PART 1 – Date of Annual Information Form

This AIF is dated March 27, 2020. Unless otherwise noted, the information contained in this AIF is stated as at December 31, 2019.

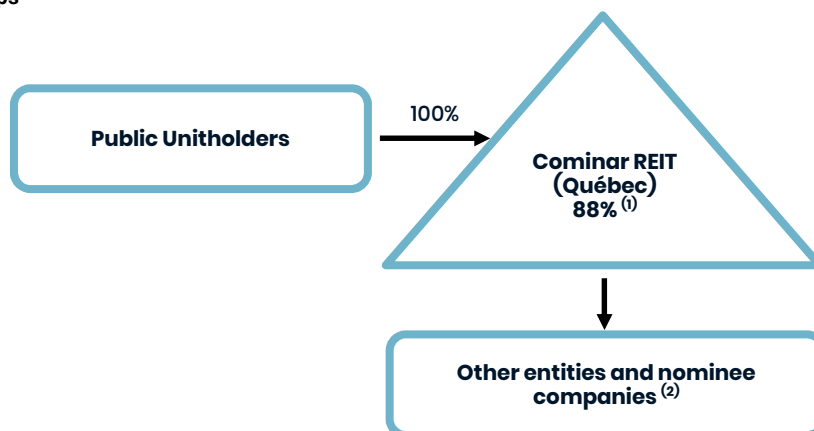
## PART 2 – Structure of the REIT

Cominar Real Estate Investment Trust is an unincorporated closed-end investment trust created by the Contract of Trust under, and governed by, the laws of the Province of Québec. The Contract of Trust is available electronically on the REIT’s website and under the REIT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). For further details concerning the Contract of Trust, see “PART 6 – Contract of Trust.” The REIT was established on March 31, 1998 and began its activities on May 21, 1998, at the time of the completion of its initial public offering.

The head office of the REIT is located at Complexe Jules-Dallaire – T3, 2820 Laurier Boulevard, Suite 850, Québec, Québec, G1V 0C1, phone number (418) 681-8151. Cominar’s website address is [www.cominar.com](http://www.cominar.com).

Unless otherwise noted or the context otherwise requires, references to the “REIT” or to “Cominar” in this AIF are to Cominar Real Estate Investment Trust and its wholly-owned corporations, limited partnerships and interest in joint ventures, as the case may be.

## Intercorporate Relationships



(1) The REIT holds 88% of the assets within the real estate investment trust structure.

(2) Approximately 12% of the REIT's assets are held in entities and nominee companies, the largest of which represents 6.7% of the REIT's assets. Some of these assets are held through a co-ownership arrangement. See Section 4.5 "Investments in Joint Ventures".

## PART 3 – General Development of the Business

### 3.1 Overview of the REIT

Cominar owns and manages a diversified portfolio consisting of office, retail, industrial and residential properties located primarily in the Province of Québec and in the Ottawa Area. As at December 31, 2019, the REIT owned 317 properties, of which 198 were located in the Greater Montréal Area, 100 were located in the Greater Québec City Area and 19 were located in the Ottawa Area.

The REIT's portfolio includes approximately 11.1 million square feet of office space, 9.5 million square feet of retail space, 15.4 million square feet of industrial and flex space, totalling approximately 35.9 million square feet of leasable area. As at December 31, 2019, the REIT's portfolio was approximately 95.1% leased.

Cominar's focus is on growing Net Operating Income and net asset value and exploiting, when economically viable, expansion or redevelopment opportunities that provide attractive risk adjusted returns. Growth in cash flows from existing properties in the portfolio is expected to be achieved by: (i) increases in rental rates on new and existing leases; (ii) improved occupancy and retention rates, as well as proactive leasing strategies, (iii) sound management of operating costs; and (iv) disciplined allocation of capital and rigorous control of capital expenditures.

### 3.2 Objectives and Strategy

In 2019, Cominar completed a detailed strategic review of its operations and began the implementation of a clearly defined plan, presented to investors in October 2019, to solidify Cominar's financial position, create value for Unitholders and position the REIT for growth.

Cominar's initiatives in 2019 have allowed it to make significant progress toward these goals. The REIT's transformation plan aims to deliver operating efficiencies, accelerate NOI growth and crystallize untapped portfolio value in order to generate value for its Unitholders.

The plan includes:

- A series of concrete actions to add additional revenue streams, reduce operating costs and streamline general and administrative expenses. Initiatives include new sources of revenue, workforce optimization, outsourcing arrangements, operating cost reductions, process automation, leveraging technology and lease auditing among others. These initiatives are targeted to increase FFO by approximately \$15 million and in 2019 \$10 million was realized on a run rate basis.
- Creation of a dedicated asset management platform to maximize portfolio returns and enhance the investment decision making process. The asset management team is in place and has completed a thorough review of the majority of the portfolio.

- A focus on further strengthening and de-risking the balance sheet and a commitment to prudent management of the capital structure. Cominar is targeting a disciplined reduction in leverage through growing EBITDA, higher retained cash flow, driving growth in the portfolio value and selective dispositions. As at December 31, 2019, the debt ratio was 51.4% (55.3% at December 31, 2018) and Debt to EBITDA was 10.6x (10.3x at December 31, 2018).
- Strategic refinancing and multi-year planning, including the repayment of low loan-to-value and high interest rate mortgages to improve credit metrics and drive FFO. The unencumbered asset ratio was 1.82:1 at December 31, 2019 up from 1.53:1 at December 31, 2018.
- A responsible approach to capital expenditures aimed at creating value with a targeted run rate of \$125 million per year. Capital expenditures for 2019 totaled \$134 million excluding development, down from \$221 million in 2018 excluding development.
- Targeted dispositions, including the reduction of Cominar's exposure to lower-quality non-core assets, include the disposition of fully valued liquid assets at historically low cap rates to provide price discovery and unlock trapped equity value. In 2019 Cominar disposed of 46 non-core properties for gross proceeds of \$260.6 million, 54% of which were retail properties. The asset strategy also includes the exploration of joint venture opportunities to capitalize on interest in the strong Quebec market.

The plan is being executed, Cominar is building momentum through quick wins and its team of seasoned leaders is committed to the new strategic direction.

### 3.3 Three Year History

#### Acquisitions

Cominar completed \$70.7 million of acquisitions over the last three years, outlined in summary form below:

- During the first quarter of 2017, Cominar acquired an additional 25% ownership interest from Groupe Dallaire in its Ilot Mendel development site in Québec City for an amount of \$10.0 million, increasing its ownership interest from 75% to 100%.
- During the second quarter of 2017, Cominar acquired from Groupe Dallaire an additional 25% ownership interest in Société en commandite Complexe Jules-Dallaire for an amount of \$21.2 million, increasing its ownership interest in the Complexe Jules-Dallaire in Québec City to 75%.
- During the second quarter of 2018, Cominar acquired a former Sears building totalling approximately 144,000 square feet in Trois-Rivières, which is connected to its Les Rivières shopping centre in Trois-Rivières, Québec, for an amount of \$3.5 million.
- During the third quarter of 2018, Cominar acquired the land and superficies rights (the equivalent of air rights under Québec Law) related to a property in which Cominar had been leasing the superficies rights associated with its office building, for an amount of \$36.0 million.
- Cominar did not make any acquisitions in 2019.

#### Dispositions

Over the past three years, the REIT disposed of approximately \$1.5 billion of Investment Properties. Dispositions completed in the last three years are outlined in summary form below:

- In 2017, Cominar sold a total of 17 properties located in the Provinces of Québec and Ontario, and in the Atlantic Provinces for total gross proceeds of approximately \$105.5 million.
- On March 27, 2018, Cominar sold 95 non-core properties, which were located in the provinces of Alberta, Manitoba, Ontario, and in the Atlantic Provinces, for total gross proceeds of \$1.14 billion.
- On August 31, 2018, Cominar sold an industrial and flex property located in the Québec City Area, for total gross proceeds of \$2.9 million.
- On December 13, 2018, Cominar sold an office property located in the Montréal Area, for total gross proceeds of \$8.2 million.
- In 2019, Cominar sold 46 properties for total gross proceeds of \$260.6 million.
- Subsequent to year end, Cominar completed the sale of three investment properties, for total gross proceeds of \$2.7 million.

**Development**

Over the past three years, Cominar's investment in Properties Under Development decreased to \$41.5 million from \$45.8 million as at December 31, 2016 (excluding amounts invested in Espace Bouvier, which is a joint venture with Groupe Dallaire). Over this period \$57.8 million has been invested in development properties and \$62.1 million was transferred from Properties Under Development to income producing properties. Key projects completed or in progress over the last three years include Palladium (Ford), Ilot Mendel, and Espace Bouvier, an office and retail project in Québec City.

During the third quarter of 2019, Cominar commenced the development of 800 Palladium Drive which is part of the Palladium Campus in Kanata, Ontario. This 100,000 square foot office building project is now 100% leased, of which 96% will be occupied by Ford Canada to house an expansion of its connected city and innovation center. The completion of the building is scheduled for Fall 2020.

Cominar continues to review its alternatives for the development of Ilot Mendel, a 2.0 million square foot retail development site located at the intersection of Highways 40 and 540, two of the main arteries of Québec City. Ilot Mendel is located next to Québec city's IKEA store, which occupies just over 1 million square feet, including the parking areas. In September 2019, a 57,000 square feet Decathlon sporting goods store opened to the public. The Decathlon store construction cost was \$12.6 million. As announced by the competent authorities, the site will eventually be served by the new public transit network (Tramway) with a station directly on site. A densification study is ongoing to evaluate the possibility of adding other uses at the site, including residential. Further development of this site will depend on market conditions, tenant demand and zoning changes, if applicable. Discussions are on-going with the City of Québec in that regard. In addition, Cominar owns land located south of the retail project that is intended, among other things, for industrial purposes, with a potential developable area of 250,000 square feet, for which a zoning change is necessary. See "Properties Under Construction and Development Projects" in the 2019 MD&A which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Financing, Rating and Equity Activities**

On August 3, 2017, the REIT announced the temporary suspension of the Distribution Reinvestment Plan. The DRIP remains suspended as of this day. For details concerning the Distribution Reinvestment Plan, see "PART 10 – Distribution Reinvestment Plan."

On March 7, 2018, Cominar announced a decrease of the monthly distribution from \$0.095 per Unit to \$0.06 per Unit beginning with the March 2018 distribution paid in April 2018.

During the fiscal year ended on December 31, 2018, the REIT repurchased and cancelled 2,709,500 Units for total cash consideration of \$39.5 million under its NCIB, at a weighted average price of \$14.58 per Unit. Under the NCIB, the REIT repurchased a total of 3,440,400 Units at an average price of \$14.50, for total consideration of \$49.9 million paid cash. The NCIB expired on December 11, 2019. No purchases of Units were made under the NCIB in 2019.

On May 15, 2019 Cominar issued \$200 million of 4.5% Series 11 senior unsecured debentures with a maturity date on May 15, 2024.

On June 21, 2019, Cominar reimbursed at maturity its Series 7 senior unsecured debentures totaling \$300 million and bearing interest at 3.62%.

On July 23, 2019, Cominar closed on an unsecured renewable credit facility of up to \$400 million maturing in July 2021.

On September 20, 2019, Cominar entered into a 4-year agreement for a new secured credit facility maturing in September 2023. As at December 31, 2019, \$180 million was drawn on the secured credit facility.

On September 26, 2019, Cominar redeemed its \$300 million 4.23% Series 2 debentures due in December 2019.

On November 29, 2019, DBRS Limited (DBRS Morningstar) confirmed its rating on Cominar's Senior Unsecured Debentures at BB (high) with a Stable trend. Since then, there has been no change in Cominar's credit rating. For details concerning credit ratings, see "PART 9 – Capital Structure – 9.7 Credit Ratings."

In 2019, 8 mortgage financings were put in place totaling \$666 million, at a weighted average contractual rate of 3.72% an average term of 8.6 years and an effective weighted average interest rate of 3.87%.

Subsequent to year end, on March 3, 2020, Cominar contracted a new mortgage of \$83.4 million with a term of 5.5 years and bearing interest at 2.86%.

On March 3, 2020, Cominar refinanced a mortgage having a balance of \$5.4 million, maturing in November 2024 and bearing interest at 3.90% with a new mortgage of \$20 million maturing in March 2027 and bearing interest at 3.48%.



## PART 4 – Description of the Business

### 4.1 Investment Guidelines and Operating Policies

#### 4.1.1 Investment Guidelines

The Contract of Trust provides for certain guidelines on investments, which may be made by the REIT. The assets of the REIT may be invested only in accordance with the following guidelines:

- (i) the REIT shall focus its direct and indirect acquisition activities on existing income-producing properties that are capital property of the REIT, including office, retail, industrial and mixed use properties, and assets ancillary thereto necessary for the ownership, utilization or operation of same;
- (ii) notwithstanding anything in the Contract of Trust to the contrary, the REIT shall not make any investment or take any action or omit to take any action that would result in: (a) 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; (b) Units not being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans; (c) the REIT being liable to pay a tax imposed under paragraph 122(1)(b) of the Tax Act; or (d) the REIT paying a tax under the registered investment provisions of the Tax Act imposed for exceeding certain investment limits;
- (iii) the REIT may, directly or indirectly, invest in a joint venture arrangement or similar arrangement (including, without limitation, a co-ownership, corporation, general partnership, limited 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 REIT, 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 REIT, liabilities in respect of third party liabilities, and management of the interest, as applicable;
- (iv) 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 REIT herein, the REIT 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 REIT, and other than for any other purpose relating to the activities of the REIT, and provided further that, notwithstanding anything contained in this Contract of Trust to the contrary, the REIT may acquire securities of other real estate investment trusts or real estate operating companies;
- (v) except as otherwise prohibited in this Contract of Trust, the REIT 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 REIT;
- (vi) the REIT 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 REIT;
- (vii) the REIT shall not invest in operating businesses unless such investment is incidental to a transaction or purpose (a) where revenue will be derived, directly or indirectly, principally from Immovable Property, or (b) 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);
- (viii) the REIT 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 (a) renovating or expanding existing facilities that are capital property of the REIT or (b) developing new facilities which will be income producing and constitute capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land will not exceed 5% of the Adjusted Unitholders' Equity;
- (ix) the REIT 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:
  - (a) the Immovable Property which is security therefor is income-producing Immovable Property which otherwise meets the general investment guidelines of the REIT adopted by the Trustees from time to time in accordance with the Contract of Trust and the restrictions set out therein;
  - (b) 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;

- (c) 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
- (d) the aggregate value of the investments of the REIT in such hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;
- (x) the REIT 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 REIT and provided the aggregate value of the investments of the REIT in these hypothecs and mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity; and
- (xi) subject to paragraph (ii), the REIT 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 REIT and secured by a hypothec or mortgage on such property) of up to 15% of the Adjusted Unitholders' Equity of the REIT in investments or transactions which do not comply with paragraphs (iv), (v), (ix) and (x) under the heading "Investment Guidelines and Operating Policies – Investment Guidelines" or paragraph (iii) under the heading "Investment Guidelines and Operating Policies – Operating Policies."

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

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

#### 4.1.2 Operating Policies

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

- (i) the REIT 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;
- (ii) any written instrument creating an obligation which is or includes the granting by the REIT of a hypothec or mortgage, and 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 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 Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof shall be bound; the REIT, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of Immovable Property;
- (iii) 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 REIT;
- (iv) the limitations contained in paragraph (iii) 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:
  - (a) 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;
  - (b) any corporation, the bonds, debentures or other evidences of indebtedness of, or guaranteed by, 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
  - (c) a Canadian chartered bank registered under the laws of a province of Canada;

- (v) title to each Immovable Property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, the REIT or a corporation or other entity owned, in whole or in part, directly or indirectly, by the REIT, or jointly by the REIT with other persons, including in co-ownership with other persons;
- (vi) the REIT shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the REIT would be more than 60% of the Gross Book Value (65% if convertible debentures of the REIT 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 REIT are outstanding, including the full face value of any convertible debentures) is exceeded, the REIT 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;
- (vii) the REIT 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 REIT holds, directly or indirectly, an interest or an investment, or in respect of an entity in which the REIT holds an interest or an investment, directly or indirectly, or by an entity jointly owned by the REIT, directly or indirectly, with others or in respect of an immovable co-owned by the REIT, directly or indirectly, with others, where such indebtedness, if granted by the REIT directly, would not cause the REIT to otherwise contravene the restrictions set out under the heading “Investment Guidelines and Operating Policies”;
- (viii) the REIT shall obtain or review an independent appraisal of each property that it intends to acquire;
- (ix) the REIT shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the REIT 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
- (x) the REIT 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 REIT 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 REIT shall be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in Immovable Property shall 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 REIT.

### 4.1.3 Amendments to Investment Guidelines and Operating Policies

Pursuant to the Contract of Trust, all of the investment guidelines set out under the heading “Investment Guidelines and Operating Policies – Investment Guidelines” and the operating policies contained in paragraphs (v), (vi), (vii), (viii), (ix) and (x) under the heading “Investment Guidelines and Operating Policies – Operating Policies” may be amended only if such amendment is approved by two-thirds of the votes cast by Unitholders of the REIT at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended if such amendment is approved by the Trustees by ordinary resolution at a meeting called for such purpose.

## 4.2 Borrowing

As at December 31, 2019, the REIT’s debt ratio stood at 51.4%. The REIT’s indebtedness consists of mortgage and hypothecary loans, Senior Debentures and bank borrowings. Mortgage and hypothecary loans payable represented approximately 58.5% of total indebtedness, Senior Debentures represented approximately 36.5% of total indebtedness and bank borrowings represented approximately 5.0% of total indebtedness. As at December 31, 2019, the weighted average contractual interest rate of mortgage and hypothecary loans payable was 3.84% per year, and the weighted average remaining term of such loans was 4.8 years. The weighted average contractual interest rate stood at approximately 4.41% for Senior Debentures.

### 4.2.1 Bank Borrowings

The REIT has an unsecured renewable credit facility of up to \$400 million maturing in July 2021 which remained undrawn with \$400 million available at December 31, 2019. In 2019, the REIT entered into a 4-year agreement for a new secured credit facility maturing in September 2023. As at December 31, 2019, \$180 million was drawn on the secured credit facility. This secured credit facility is secured by immovable hypothecs on investment properties with a book value of \$298.8 million.

## 4.2.2 Hypothecs

The following table outlines mortgages payable and their contractual maturity dates for the specified years:

### CONTRACTUAL MATURITIES OF MORTGAGES PAYABLE

For the years ending December 31	Repayment of principal (\$)	Balances at maturity (\$)	Total (\$)	Weighted average contractual rate
2020	51,680,000	80,974,000	132,654,000	4.34%
2021	46,186,000	307,862,000	354,048,000	4.16%
2022	44,607,000	184,248,000	228,855,000	3.35%
2023	42,611,000	104,292,000	146,903,000	3.91%
2024	41,111,000	255,750,000	296,861,000	3.47%
2025	31,466,000	127,490,000	158,956,000	3.47%
2026	18,716,000	288,510,000	307,226,000	3.52%
2027	17,319,000	50,968,000	68,287,000	3.85%
2028	14,470,000	30,836,000	45,306,000	4.48%
2029	11,857,000	122,134,000	133,991,000	3.56%
2030 and thereafter	7,928,000	240,762,000	248,690,000	4.01%
<b>Total</b>	<b>327,951,000</b>	<b>1,793,826,000</b>	<b>2,121,777,000</b>	<b>3.84%</b>

## 4.2.3 Debentures

The following table outlines the Senior Debentures:

### OUTSTANDING SENIOR DEBENTURES AS AT DECEMBER 31, 2019

	Date of issuance	Contractual Interest rate	Effective Interest rate	Maturity date	Par value as at December 31, 2019
Series 3	May 2013	4.00%	4.24%	November 2020	100,000,000
Series 4	July 2013 <sup>(1)</sup>	4.94%	4.81%	July 2020	300,000,000
Series 8	December 2014	4.25%	4.34%	December 2021	200,000,000
Series 9	June 2015	4.16%	4.25%	June 2022	300,000,000
Series 10	May 2016	4.25%	4.34%	May 2023	225,000,000
Series 11	May 2019	4.50%	4.82%	May 2024	200,000,000
		4.41%	4.49%		1,325,000,000

(1) Re-opened in January 2014 (\$100,000) and March 2014 (\$100,000).

For further details regarding the Senior Debentures, see Section 7.1.2 – “Risk Factors - Debt Financing.”

## 4.3 Employees

As at December 31, 2019, the REIT had 756 employees (547 full time, 68 part time, 36 temporary and 105 construction workers), the majority of which were located in the Québec City and Montréal Areas. The 105 construction workers may be returned to the labour pools managed by the Commission de la Construction du Québec (CCQ) on 48-hours notice.

## 4.4 Operating Revenues

For the fiscal year ended December 31, 2019, the REIT had operating revenues of \$704 million and Net Operating Income of \$358.3 million compared to \$734.7 million and \$372.5 million, respectively, for the previous year. This decrease in operating revenues and Net Operating Income is directly attributable to the sale of 46 properties in 2019 for a total amount of \$260.6 million. The REIT's total assets as at December 31, 2019 stood at \$6.9 billion.

## 4.5 Investments in Joint Ventures

In the past, the REIT has co-invested with Groupe Dallaire in three joint ventures, whose business objective is the ownership, management and development of real estate projects. The three joint ventures are outlined below.

### 4.5.1 Société en commandite CJD

Société en commandite CJD owns and operates the Complexe Jules-Dallaire, located in Québec City. The REIT owns a 75% interest in Société en commandite CJD, with the remaining 25% owned by Groupe Dallaire.

### 4.5.2 Société en commandite Bouvier-Bertrand

Société en commandite Bouvier-Bertrand was created for the purpose of developing retail land located along Highway 40, one of Québec City's main highways. It is expected that, upon completion, Espace Bouvier will consist of an office building of 80,000 square feet and five retail buildings totalling approximately 191,500 square feet. Each of the REIT and Groupe Dallaire own a 50% interest in Société en commandite Bouvier-Bertrand.

### 4.5.3 Société en commandite Marais

The REIT and Groupe Dallaire are also limited partners in Société en Commandite Marais, in which the REIT owns a 75% interest and Groupe Dallaire owns a 25% interest. This limited partnership was created to carry out the development of 1,542,000 square feet of retail land located in Québec City, at the junction of Robert-Bourassa and Félix-Leclerc highways. The development of this site will depend on market conditions and zoning changes, if required.

For additional details regarding the rights and obligations of each of the limited partners under these joint ventures see "PART 14 – Interest of Management and Other Informed Persons in Material Transactions."

## 4.6 Social Responsibility, Environmental Management and Policies

In a constantly changing world, Cominar believes that, in its role as property manager, it needs to set an example in terms of sustainability, while making sure it continues to act in the best interests of its clients, customers, employees and society as a whole.

The REIT cares about the well-being of the communities where it operates and is committed to building a better future for everyone. That is why Cominar places a great deal of importance on sustainability, the environment, energy efficiency, water consumption, volunteer engagement, corporate donations and sponsorships, and health and safety. This environmentally and socially responsible approach is the common thread that runs through all the projects and activities at Cominar.

Through concrete action, Cominar can improve the status quo and do its part to create a better world. Building on this idea, various strategies were put in place and a number of initiatives were launched in the past few years. A committee to develop and implement an action plan targeting the short, medium and long term was formed. The committee's mission will be to define and achieve a set of objectives and incorporate sustainability minded practices into every aspect of the business. These initiatives are directly related to the Corporate Social Responsibility and Environmental Sustainability policy (the "CSR Policy") that the Board of Trustees adopted in 2018. The committee is specifically tasked with examining various environmental, social and governance (ESG) issues and coming up with lasting solutions that will help Cominar and its clients face the climate and social challenges of today and tomorrow. Cominar has its sights set on becoming an industry leader in this field. As such, the REIT keeps a close eye on market trends that can be used to stay ahead of the curve. Cominar is committed to taking innovative action to strengthen its societal impact and ensure long-term stability and growth.

### 4.6.1 Social Responsibility

#### Social engagement

Social engagement has always been a priority at Cominar. The REIT encourages its employees to give back to their community in a variety of ways and is proud to contribute to the causes that are near and dear to their hearts.

Cominar's volunteering program *Once a volunteer, always a volunteer!* lets staff members use some of their paid personal time off to lend a hand to a charitable organization. They can also request up to \$500 in financial assistance on behalf of a cause they actively support. Cominar matches employee contributions made during its annual Centraide/United Way campaigns, which in turn are used to back a wide range of community organizations serving disadvantaged segments of the population.

The REIT is especially partial to causes dedicated to health and children. As part of its ongoing partnership with Opération Enfant Soleil, Cominar asked clients and shoppers in its retail properties to support the work they do. Cominar is also actively involved in the Grand défi Pierre Lavoie: it has a team in place for the 1,000 KM event, one of the members of which is CEO Sylvain Cossette, and several of Cominar's employees have signed up for an activity known as the Loop. A few are also on the organization's school tour team, helping to encourage children and youth to take part in regular physical activity. This is a particularly rewarding way for volunteers to appreciate the impact of their efforts.

Cominar's rooftop gardens, launched by its maintenance teams in 2018, was expanded in 2019, with the active participation of the management team. Some 60 kilograms of produce was donated to community organizations as a result.

Also in 2019, some 40 of the REIT's employees hiked a total of close to 65,000 metres on Mont-Sainte-Anne, near Québec City, during the Défibrose fundraiser for cystic fibrosis. Besides raising a substantial amount of money for a cause that is important to the REIT's employees, the event allowed them to combine physical activity and teamwork – a perfect reflection of Cominar's social engagement philosophy.

#### **4.6.2 Environmental Management**

The REIT's environmental management program aims to safeguard its assets and occupants and to ensure its properties comply with applicable environmental standards. Its teams regularly monitor the situation and perform the necessary due diligence prior to acquiring, financing or selling a property, or applying for a municipal permit. The REIT works with external experts to conduct the required environmental assessments.

Accordingly, Cominar carried out approximately 125 site and soil assessments in 2019, set up a regulatory groundwater monitoring process and performed environmental rehabilitation work on certain properties. It also started an environmental registry so it can quickly and easily identify environmental issues in its portfolio. This registry has allowed the REIT to be proactive in detecting properties that may be at risk because of their permitted use or where tenants are involved in activities considered as high risk under the law, as well as those where mechanisms are required to monitor water and biogases, those where preventive action is needed and other environmental liabilities.

Adopting good environmental management practices in its properties and with its tenants lets Cominar be proactive and step in before an incident occurs. As a result, the REIT can be more thorough in monitoring its assets and come up with effective, innovative environmental solutions for all of its properties.

##### **Environmentally responsible property management**

Management continually introduces new environmentally responsible practices to reduce the REIT's carbon footprint, achieve energy savings, reduce operating expenses and improve the comfort of tenants. The long-term benefits of these initiatives are multiple. The improved energy efficiency in the properties, for one, has a positive impact on the properties' sustainability and value. The modernization and optimization of electromechanical systems not only increases tenants' well-being, but they also make the properties more appealing and increase the useful life of the equipment, all while reducing greenhouse gas emissions.

##### **Green practices**

Several initiatives rolled out in recent years are helping to make Cominar's properties more environmentally responsible every day. For example, in an effort to shrink its carbon footprint, Rockland Centre set up a comprehensive six-pronged program covering energy, water, waste reduction, emissions and effluents, indoor environment and the centre's environmental management system. Rockland Centre has successfully diverted 91% of waste from landfill, including 200 tonnes of organic waste that is turned into compost every year and used to enrich the soil of local farms. Additionally, there are no conventional waste bins at Rockland Centre – only a central sorting station, which attendants use to separate the various materials and maximize the compostability of uneaten food in the new dining hall (La Cuisine Rockland). Efforts at Rockland Centre are ongoing from year to year to ensure the management of this Montreal based shopping centre continues to be respectful of the environment.

In Laval, Centropolis is also leading the way in sustainable development. Its strategy is built around several core commitments and a desire to be a local pioneer in incorporating sustainability into urban planning practices. Its carbon footprint reduction initiatives include an ornamental vegetable garden in the heart of its central plaza, which was set up in 2009. Not only does this garden need a minimal amount of water to operate, but the food it produces is put to good use by the Centre de bénévolat et moisson Laval. Vegetables are harvested two to three times a year, for an annual yield of approximately 100 kilograms. An open-air retention pond, comparable to a natural pond, has also been built to collect rainwater in large quantities. Its innovative design means that some of the water is absorbed and filtered by herbaceous perennials, while some is released into the air through evapotranspiration. Any leftover water is sent to a municipal wastewater facility where it is filtered and treated. This retention pond is a thriving green space that contributes to local biodiversity by providing a habitat for birds and other animals. In addition, the more than 1,500 trees around the site help to beautify pedestrian spaces and counter the heat island effect. In addition, 3055 Saint-Martin Boulevard West, one of the buildings in the complex, is certified LEED-CS Gold in recognition of its responsible use of energy, materials and water.

In Québec City, innovative landscape irrigation practices were introduced at Complexe Jules-Dallaire to curtail, and even eliminate, the need to water the grounds. The LEED Gold-certified complex has a reservoir to collect runoff water from the roof and non-irrigated surfaces. This is then used to meet 10% to 40% of the watering needs for the property's green spaces, as a complement to natural rainfall.

On Montreal's South Shore, two beehives were set up at Place Longueuil in 2018. The 50,000 to 80,000 bees that live in them help pollinate the trees and flowers within a five kilometre radius. In 2019, the honey harvested during the summer months produced no fewer than 200 jars of honey, 100 beeswax candles, 100 bars of soap and 100 tubes of lip balm. Proceeds from the sale of these items went to the Fondation du Centre jeunesse de la Montérégie.

### **Environmentally friendly systems and products**

Of the many measures undertaken in the REIT's properties systems in 2019 to promote environmentally responsible management, a few stand out from the rest. For example, Cominar installed a heat recovery chiller at Place de la Cité in Québec City and optimized the control sequences of the electromechanical systems. These two actions alone were responsible for cutting energy consumption by more than 20%. In Montreal, a chiller at 2001 McGill College was replaced with a higher-performance model. The result: lower energy consumption and maintenance bills and a smaller carbon footprint. In the Ottawa Area, the electromechanical and lighting system controls at 1 Antares Road, in Nepean, were upgraded which yielded annual energy savings of 8%. The 59 electric vehicle charging stations in the REIT's properties were used 34,609 times during the year. The Electrobac bins installed in many of the properties helped collect metals, plastics and other recyclables and use them to make new products. Any electronic devices recovered through the Electrobac program that can still be used are refurbished after undergoing extensive testing and having their data wiped. As a result, 41,039 devices were kept out of landfill sites in 2019. All in all, this works out to the equivalent of 3,113 mature trees, 51,700 litres of petroleum and 116,607 plastic bottles saved.

Lastly, Cominar makes it a point to use 100% environmentally friendly and biodegradable cleaning products in most of its properties. Many of the food courts in its shopping centres now have composting programs and facilities in place for consumer and restaurateur use. The REIT also recycles restaurant grease in several of its malls. Specialized contractors are hired to recover and treat used oil and ensure it is recycled properly. Moreover, some of the retail properties are now equipped with low-flow toilets and urinals, as well as sensor-controlled sinks, to help reduce the amount of potable water used.

### **Energy efficiency**

The REIT keeps a close eye on the energy consumption in all its properties in order to reduce energy and maintenance costs without compromising on occupant comfort. Monitoring energy use patterns is also a great way to zero in on efficiency problems and introduce measures to address them. The REIT's strategy in this regard is based on a series of low-cost energy savings initiatives. Its participation in energy providers' efficiency programs helped optimize the return on investment of its projects.

- Modernization of LED lighting systems in certain properties, reducing energy costs by 11%.
- Installation of variable frequency drives on fans at 2 Place Laval, generating more than 5% in yearly energy savings.
- Preparation of a study on energy savings potential at 979 De Bourgogne Avenue in Québec City.
- Participation in the Hydro-Québec demand response (DR) program which is designed to reduce spikes in demand after a DR notice is issued during the winter season.

Overall, 92% of the energy consumed in the portfolio of properties comes from a renewable source. The remaining 8% is non-renewable energy (natural gas). Cominar is equipped to monitor and analyze energy consumption in almost all of its properties. This allows the REIT to quantify the efficiency of its initiatives and propose solutions aimed at optimizing its results. In 2019, the results of these energy-efficiency efforts translated to a reduction of more than 30% in energy use compared to the 2017 reference year.

### **Workplace**

The REIT is committed to provide a work environment free of any form of discrimination, intimidation, vilification or harassment (including sexual harassment). Every individual is entitled to receive the same treatment and same opportunities, regardless of age, gender, sexual orientation, ethnic origin, beliefs, religion, nationality, marital status, disability or impairment. To support its commitment, a policy for a harassment-free workplace and a policy for a violence-free workplace were adopted.



### 4.6.3 Corporate Social Responsibility and Environmental Sustainability 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.

## PART 5 – Properties

### 5.1 Overview of the Portfolio

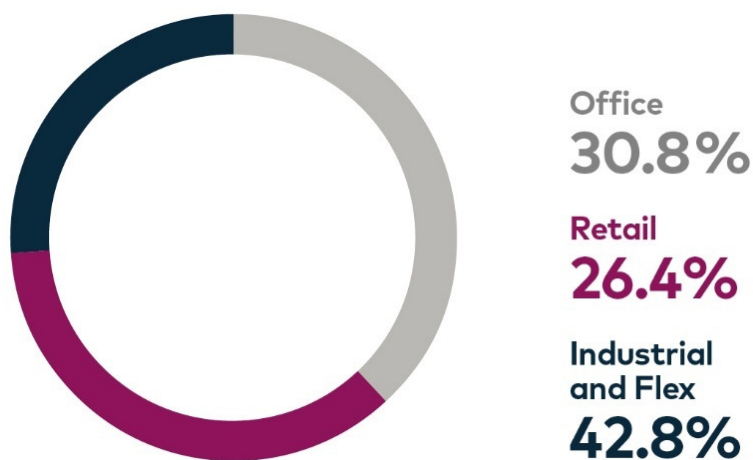
Cominar owns and manages a diversified portfolio consisting of office, retail, industrial and residential properties located primarily in the Province of Québec and in the Ottawa Area. Further details concerning the portfolio are highlighted in Schedule "A" attached to this AIF.

#### 5.1.1 Summary by Property Type

The following tables and charts summarize the REIT's portfolio by property type as at December 31, 2019:

As at December 31, 2019	Number of properties	Leasable area (sq. ft.)	Committed Occupancy rate (%)
Office	80	11,056,000	92.9
Retail	46	9,488,000	94.1
Industrial and Flex	191	15,351,000	97.1
<b>Total</b>	<b>317</b>	<b>35,895,000</b>	<b>95.1</b>

Distribution of Leasable Area of Investment Properties by Property Type for 2019





### Distribution of NOI of Investment Properties by Property Type for 2019



Office  
**38.2%**

Retail  
**35.7%**

Industrial  
and Flex  
**26.1%**

### 5.1.2 Summary by Geographic Market

The following tables and charts summarize the REIT's portfolio by geographic market as at December 31, 2019:

As at December 31, 2019	Number of properties	Leasable area (sq. ft.)
Montréal Area	198	23,690,000
Québec City Area	100	9,763,000
Ottawa Area	19	2,442,000
<b>Total overall markets</b>	<b>317</b>	<b>35,895,000</b>

### Distribution of Leasable Area of Investment Properties by Geography for 2019

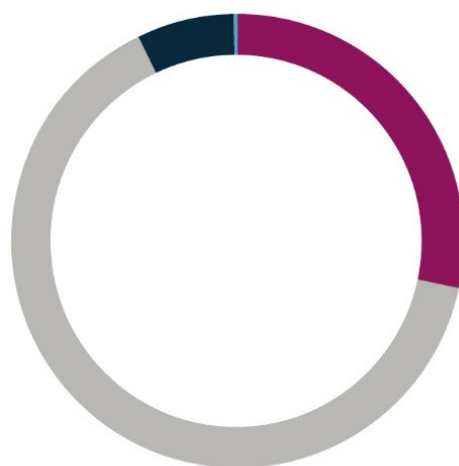


Montreal  
**66.0%**

Québec City  
**27.2%**

Ottawa  
**6.8%**

### Distribution of NOI of Investment Properties by Geography for 2019



Montreal  
**64.4%**

Québec City  
**28.6%**

Ottawa  
**6.9%**

Atlantic  
Provinces  
**0.1%**

### 5.1.3 Top Ten Clients

The following table presents the REIT's top ten clients by percentage of operating revenues and percentage of total leasable area as at December 31, 2019:

Client	Area leased (square feet)	% of the total leasable area of the REIT	% of operating revenues
Société Québécoise des Infrastructures	1,761,523	5.4	5.8
Public Works Canada	1,258,393	3.8	4.1
Canadian National Railway Company	571,615	1.7	3.4
Infra MTL Inc. <sup>(1)</sup>	995,283	3.0	2.2
Desjardins Real Estate Group	240,015	0.7	0.8
Winners	231,157	0.7	0.7
Marie-Claire Boutiques <sup>(2)</sup>	104,154	0.3	0.7
Dollarama	187,782	0.6	0.7
Société des alcools du Québec	99,443	0.3	0.7
Shoppers Drug Mart	91,282	0.3	0.7
<b>Total</b>	<b>5,540,647</b>	<b>16.8</b>	<b>19.8</b>

(1) Infra MTL Inc. is a wholly owned subsidiary of the Caisse de dépôt et placement du Québec.

(2) Approximately 40 leases.

### 5.1.4 Leasing Activity

The following table summarizes the REIT's leasing activity in 2019:

	Office	Retail	Industrial and Flex	Total
<b>Leases that matured in 2019</b>				
Number of clients	193	525	195	913
Leasable area (sq. ft.)	1,368,000	1,571,000	1,915,000	4,854,000
<b>Renewed leases in 2019</b>				
Number of clients	130	303	133	566
Leasable area (sq. ft.)	1,016,000	1,221,000	1,514,000	3,751,000
<b>New leases in 2019</b>				
Number of clients	71	70	78	219
Leasable area (sq. ft.)	606,307	471,011	891,884	1,969,202
<b>Unexpected departures</b>				
Number of clients	18	39	27	84
Leasable area (sq. ft.)	113,377	88,749	232,352	434,478

### 5.1.5 Lease Maturities

The following table summarizes the REIT's lease maturities for the next five years:

For the years ending December 31	2020	2021	2022	2023	2024
<b>Office</b>					
Leasable area (sq. ft.)	1,420,000	1,414,000	891,000	1,108,000	1,259,000
Average minimum rent (\$/sq. ft.)	17.37	18.55	17.25	19.90	18.40
% of portfolio in terms of sq. ft. – Office	12.8%	12.8%	8.1%	10.0%	11.4%
<b>Retail</b>					
Leasable area (sq. ft.)	1,536,000	1,044,000	812,000	866,000	913,000
Average minimum rent (\$/sq. ft.)	20.80	21.37	23.36	16.94	19.79
% of portfolio in terms of sq. ft. – Retail	16.2%	11.0%	8.6%	9.1%	9.6%
<b>Industrial and Flex</b>					
Leasable area (sq. ft.)	3,184,000	1,887,000	2,263,000	1,906,000	1,507,000
Average minimum rent (\$/sq. ft.)	6.66	6.77	6.52	7.73	8.08
% of portfolio in terms of sq. ft. – Industrial and Flex	20.7%	12.3%	14.7%	12.4%	9.8%
<b>Portfolio total</b>					
Leasable area (sq. ft.)	6,140,000	4,345,000	3,966,000	3,880,000	3,679,000
Average minimum rent (\$/sq. ft.)	12.67	14.11	12.38	13.26	14.52
% of portfolio in terms of sq. ft.	17.1%	12.1%	11.0%	10.8%	10.2%

## 5.2 Description of the REIT's 10 Major Properties in Terms of Value as at December 31, 2019

### Alexis Nihon Complex

**3400 de Maisonneuve Blvd. West, Montréal, Québec, and**

**1500 Atwater Ave., Montréal, Québec**

Located in downtown Montréal, the Alexis Nihon Complex consists of a shopping centre, two office towers, a residential tower, and a parking area. The office space represents leasable area of approximately 610,000 square feet and the shopping centre totals 411,000 square feet. The residential tower contains 426 units of various sizes and layouts. The three-tier parking area contains 1,091 spaces.

The shopping centre has four main tenants, Winners, FGL Sports, Canadian Tire and Sobeys Québec, and a mix of national and local tenants. The two office towers are classified as Class A and major tenants include Hapag Lloyd (Canada), Dale Parizeau Morris MacKenzie, Paysafe Services (Canada) Inc., Tecsys, Xerox Canada, Oceanwide, Société de Services Financiers and Fédération des médecins omnipraticiens du Québec. The shopping centre was built in 1968, the residential tower was built in 1971, the office tower located at 1 Place Alexis Nihon (Xerox Tower) was built in 1987–1988 and the office tower located at 2 Place Alexis Nihon was completed in 1986. Overall, the occupancy rate of the Alexis Nihon Complex was 95.2% as at December 31, 2019.

### Complexe de la Gare Centrale

**895 De La Gauchetière Street West, Montréal, Québec**

The Complexe de la Gare Centrale is located in downtown Montréal, in the heart of the business district. The complex consists of an office tower, a shopping centre, CN central station, parking spaces and railway spaces. The 649,000 square-foot office tower is mainly occupied by Canadian National Railway Company (CN) headquarters, which occupies about 572,000 square feet. Major tenants include CN, Infra MTL inc., Via Rail, Exo, Adacel and Cologix. The shopping centre is approximately 88,000 square feet, which is set up as a food court (Halles de la Gare). The main retail client in the shopping centre is Bureau en Gros (Staples). The complex also includes 1,623 parking spaces and a railway lease of about 989,000 square feet. The property was built in several phases, beginning with CN central station in 1929, followed by several expansions in 1943, 1961, 1981 and 1995. The office tower was completely renovated between 1999 and 2005. Overall, the occupancy rate of the complex was 99.9% as at December 31, 2019. The property is also projected to be a REM station site.

### Place de la Cité

**2590-2640 Laurier Blvd., Québec, Québec**

Place de la Cité in Québec City is a fully-integrated mixed-use office and retail complex totalling 1.03 million square feet built between 1964 and 2004, which comprises approximately 718,000 square feet of Class "A" office space and 307,000 square feet of retail space, including a 40,000 square foot medical clinic. Place de la Cité enjoys a prime location on Laurier Boulevard, the most important thoroughfare in the Sainte-Foy-Sillery Borough, which runs into Québec City, and is strategically situated between two major shopping centres comprising approximately 1.7 million square feet of retail space. Université Laval, which is attended by approximately 43,000 students, is in the immediate vicinity. Major tenants include the Société québécoise des infrastructures (SQI), the Autorité des marchés financiers (AMF) and a Canadian chartered bank. Overall, the occupancy rate of Place de la Cité was 97.1% as at December 31, 2019.

### Rockland Centre

**2305 Rockland Road, Town of Mount Royal, Québec**

This 646,000 square-foot regional shopping centre is erected on 940,223 square feet of land and includes 2,720 outdoor parking spaces. The property was built in 1959 and renovated in 1983, 2005 and 2018. In 2018, a fresh new foodhall concept was completed where shoppers can enjoy restaurant-inspired counters, celebrity chef cooking demos, a playground for children, a bar and a stage for live entertainment. Strategically located along Highway 40 in Town of Mount Royal, Rockland Centre enjoys excellent visibility. The building was 97.3% leased as at December 31, 2019. Main tenants included YM, FGL Sports, Zara Canada, Linen Chest, Nautilus Plus inc., Hudson's Bay Company, SAQ, Shoppers Realty and Hennes & Mauritz.

### 2001 McGill College Avenue, Montréal, Québec

This 24-storey office building totalling approximately 512,000 square feet was built in 1982 on 50,973 square feet of land. This building has approximately 305 indoor parking spaces and is located at the corner of McGill College Avenue and Sherbrooke Street West, in the heart of the business district. As at December 31, 2019, the occupancy rate was 98.5%. Major tenants include SITA (Société internationale de télécommunications aéronautiques), McGill University, a Canadian chartered bank, the Lucie and André Chagnon Foundation, State Street Trust Company Canada, Eidos Interactive Corporation and BFL Canada Risk and Insurance.

**Centropolis****1731-1799, avenue Pierre-Péladeau, Laval, Québec and****2777, boulevard Saint-Martin Ouest, Laval, Québec**

Located in Laval, Centropolis is a mixed-use office and retail asset totalling 803,000 square-foot erected on 3,979,089 square feet of land and includes 5,013 parking spaces with 50 indoor parking spaces. It consists of multiple retail and office properties, which offer customers upscale shopping, gourmet experiences, unique entertainment and must-see events. The office space represents leasable area of approximately 255,000 square feet and the retail space totals 548,000 square feet. The occupancy rate as at December 31, 2019 was 98.6%. The main tenants include Famous Players Co. (Colossus), Fruiterie 440, Meloche Monnex inc., Kiewit Construction Cie., et J.M. Clément Ltée.

**Galeries Rive-Nord****100 Brien Blvd., Repentigny, Québec**

This 575,000 square-foot regional shopping centre is located in the City of Repentigny on Montréal's North Shore. Built in 1974, Galeries Rive-Nord has been renovated in several phases, particularly in 1975, 1982, 1984 and 1990. In 1999, a second storey was built above a portion of the mall. The food court was completely renovated in 2005. Facing Highway 40, Galeries Rive-Nord is strategically situated on Brien Boulevard in the City of Repentigny. The property is located in the most active commercial area in the City of Repentigny and was 98.5% leased as at December 31, 2019. The main tenants include Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz and Groupe Jean Coutu (PJC) Inc.

**Centre Les Rivières****4125-4575 des Forges Blvd., Trois-Rivières, Québec**

This 520,000 square-foot regional shopping centre is erected on 1,594,005 square feet of land and includes 3,467 outdoor parking spaces. Centre Les Rivières is the largest enclosed shopping centre along the Québec-Montréal corridor and constitutes the main shopping destination in the Mauricie region. The building is located at the corner of des Forges Boulevard and Rigaud Boulevard, two of Trois-Rivières' commercial arteries from which the property has great visibility. It was built in 1971 and extended in 1981 and 2001. As at December 31, 2019, the building was 94.6% leased and the main tenants were Sobeys Québec, Toys "R" Us, FGL Sports, Linen Chest, Dollarama and Société des alcools du Québec.

**Centre Laval****1600, Boulevard le Corbusier, Laval, Québec**

This 698,000 square-foot shopping centre opened in 1967 has been extensively expanded and modernized since 1998. It has over 130 retail stores, big-box stores and services, as well as a large parking lot. Located along Highway 15 and less than 10 km north of Montréal, Centre Laval is easily accessible by public transit, including through the Montmorency Metro station. As at December 31, 2019, the building was 92.3% leased and its major tenants were Best Buy Canada, The Brick Warehouse, Hudson's Bay Company, Sportium, Marshalls and Avril.

**Complexe Jules-Dallaire****2820-2828, boulevard Laurier, Québec, Québec**

Complexe Jules-Dallaire, in which Cominar owns a 75% interest, is a class A office building totalling 536,000 square feet of leasable area located at the intersection of route de l'Église and Laurier Boulevard at the entrance of the city of Québec. This LEED Gold building was built in two phases, 2010 and 2013, and comprises seventeen and thirteen storeys respectively, as well as five (5) levels of underground parking totalling 1,195 spaces. Major tenants include Groupe Dallaire, Gestion LKD, Les services administratifs Cominar, CIBC World Markets, Corporation BCF Québec, Services OR, a Canadian chartered bank, Société québécoise des infrastructures (SQI), RGN Québec III and RBC Dominion Securities. As at December 31, 2019, the property was 99.5% leased.

**PART 6 – Contract of Trust****6.1.1 Meetings of Unitholders**

The Contract of Trust provides that meetings of Unitholders must be called and held for the election or removal without cause of Trustees, the appointment or removal of the auditors of the REIT, the approval of amendments to the Contract of Trust (as described below in 6.1.3 under "Amendments to Contract of Trust"), the sale of the assets of the REIT as an entirety or substantially as an entirety other than as part of an internal reorganization of the assets of the REIT as approved by the Trustees and to require that all of the property of the REIT be distributed. Meetings of Unitholders will be called and held annually for the election of the Trustees and the appointment of auditors of the REIT.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of registered holders of Units to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of the Unitholders whether in person or by proxy and a proxy need not be a Unitholder.

### 6.1.2 Information and Reports

The REIT furnishes to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act or equivalent provincial legislation.

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

### 6.1.3 Amendments to Contract of Trust

The Contract of Trust may be amended or altered from time to time. Certain amendments must be approved by at least two-thirds of the votes cast at a meeting of the Unitholders called for such purpose. These include:

- (i) any amendment to change a right with respect to any outstanding Units of the REIT, to reduce the amount payable thereon upon termination of the REIT or to diminish or eliminate any voting rights pertaining thereto;
- (ii) any amendment to the duration or term of the REIT;
- (iii) any amendment to increase the maximum number of Trustees (to more than eleven Trustees) or to decrease the minimum number of Trustees (to less than nine Trustees), or any change by the Unitholders in the number of Trustees within the minimum and maximum number of Trustees provided in the Contract of Trust;
- (iv) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;
- (v) 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);
- (vi) any approval regarding the distribution to Unitholders of all the REIT's property; and
- (vii) any amendment to the investment guidelines and operating policies set forth in sections 5.1 and 5.2.6 to 5.2.10 of the Contract of Trust, except when such amendment is made for any reason provided for in section 13.1 of same or in order to resolve a conflict with any law, regulation or other requirement.

Other amendments to the Contract of Trust may be made by ordinary resolution of the Unitholders.

The Trustees may, without the approval of, or any notice to, Unitholders, make certain amendments to the Contract of Trust, including amendments:

- (i) 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 REIT, its status as a "unit trust", a "mutual fund trust" and a "registered investment" under the Tax Act or the distribution of Units;
- (ii) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (iii) 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;
- (iv) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws;

- (v) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in accounting standards;
- (vi) 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
- (vii) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to issue Units for which the purchase price is payable on an instalment basis.

#### 6.1.4 Sale of Assets

Any sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT as approved by the Trustees) shall occur only if approved by at least two-thirds of the votes cast at a meeting of the Unitholders called for such purpose.

#### 6.1.5 Term of the REIT

The REIT has been established for a term to continue until no property of the REIT is held by the Trustees. The distribution of all of the property of the REIT may be required by the affirmative vote of two-thirds of the votes cast at a meeting of Unitholders called for such purpose.

#### 6.1.6 Determination of Trustees

The Contract of Trust provides that all determinations of the Trustees which are made in good faith with respect to any matters relating to the REIT, including whether any particular investment or disposition meets the requirements of the Contract of Trust, shall be final and conclusive and shall be binding upon the REIT 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 Tax Act, or such other fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the REIT shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

#### 6.1.7 Unitholders rights and remedies

The Contract of Trust was amended in 2018 to, *inter alia*, extend to the Unitholders certain rights available to shareholders of corporations incorporated under the CBCA.

##### Oppression Remedy

A right was introduced for Unitholders and 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 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.

##### Dissent/Appraisal Rights

A right was introduced to grant Unitholders dissent and appraisal rights in connection with certain fundamental transactions, including:

- (i) 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;
- (ii) the carrying out of a going-private or squeeze-out transaction in respect of the REIT; or
- (iii) 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 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 right, 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 provisions 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. If the REIT fails to make an offer or an offer is failed to be accepted, a dissenting Unitholder has the ability to apply to the court for purposes of the court fixing a fair value for the Units of any dissenting Unitholder.

## PART 7 – Risk Factors

Like all real estate entities, the REIT is exposed, in the normal course of business, to various risk factors that may have an impact on its ability to attain strategic objectives, despite all the measures implemented to counter them. Accordingly, Unitholders should consider the following risks and uncertainties when assessing Cominar's outlook in terms of investment potential.

### DISEASE AND EPIDEMICS

Disease and epidemics may have a negative impact on the REIT and its performance and financial position. Namely, the COVID-19 coronavirus declared a pandemic by The World Health Organization on March 11, 2020 could result in a general decline in economic activity in the regions where the REIT holds assets. Operational issues resulting from the rapid spread of this contagious virus may have a material adverse effect on the REIT's business, results of operations or reputation. Namely quarantine or contamination of one or more of its assets may have negative impacts. Similarly, closure of retail establishments, offices or other businesses, travel restrictions, telecommuting, curtailment or cessation of travel, and other restrictions required by the situation or imposed by governmental authorities to mitigate the adverse effects of this coronavirus may have negative impacts. It could also be expected that the situation will exacerbate the business and operational challenges faced by certain clients of the REIT which may have negative effects on leasing revenues and activities. The extent to which COVID-19 (or any other disease or epidemics) impacts business activity or financial results will depend on future developments. It is also anticipated that COVID-19 may negatively impact other risk factors described in this Part 7.

## 7.1 Risk Factors Related to the Business of the REIT

### 7.1.1 Access to Capital and Debt Financing, and Current Global Financial Conditions

The real estate industry is capital intensive. The REIT requires access to capital to maintain its properties, as well as to fund its growth strategy and its significant capital expenditures from time to time. There can be no assurances that the REIT will have access to sufficient capital (including debt financing) on terms favourable to the REIT for future property acquisitions and developments, for the financing or refinancing of properties, for funding operating expenses or for other purposes. In addition, the REIT may not be able to borrow funds under its unsecured revolving credit facility or other sources due to limitations on the REIT's ability to incur debt set forth in the Contract of Trust or conditions in its debt instruments. The REIT's access to the unsecured debenture market and the cost of the REIT's borrowings under the unsecured revolving credit facility are also dependent on its credit rating. A negative change in its credit rating would materially adversely impact the REIT. See "PART 7 – Risk Factors – 7.3 Risk Factors Related to the Ownership of Senior Debentures – 7.3.1 Credit Ratings."

Market events and conditions, including disruptions that sometimes affect international and regional credit markets and other financial systems and global economic conditions, could impede the REIT's access to capital (including debt financing) or increase the cost of such capital. Failure to raise or access capital in a timely manner or under favourable terms could have a material adverse effect on the REIT's financial position and results of operations, including on its development program.



### 7.1.2 Debt Financing

The REIT has substantial outstanding consolidated borrowings comprised primarily of hypothecs, mortgages, debentures, and borrowings under its unsecured revolving credit facility and its secured credit facility. The REIT intends to finance its growth strategy, including developments and acquisitions, through a combination of asset sales, its working capital and liquidity resources, including cash flows from operations, additional borrowings and public or private sales of equity or debt securities. The REIT's activities are therefore partially dependent upon the interest rates applied to its existing debt. The REIT may not be able to refinance its existing debt or renegotiate the terms of repayment at favourable rates. In addition, the terms of the REIT's indebtedness provide that, upon an event of default, such indebtedness becomes immediately due and payable and distributions that may be made by the REIT may be restricted. Therefore, upon an event of default under such borrowings, or inability to renew same at maturity, the REIT's ability to make distributions will be adversely affected.

A portion of the REIT's cash flows is dedicated to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flows from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional financing, including equity or debt financing.

The unsecured revolving credit facility in the current stated amount of \$400 million is repayable in July 2021. As at December 31, 2019, it was undrawn. In 2019, the REIT entered into a 4-year agreement for a new secured credit facility maturing in September 2023. As at December 31, 2019, \$180 million was drawn on the secured credit facility.

Between July 2020 and May 2024, \$1.325 billion of Senior Debentures will come to maturity, with \$300.0 million aggregate principal amount of Series 4 Senior Debentures due in July 2020 and \$100.0 million aggregate principal amount of Series 3 Senior Debentures due in November 2020. The REIT is exposed to debt financing risks, including the risk that the existing hypothecary borrowings secured by its properties, the unsecured revolving credit facility, the secured credit facility, or the Senior Debentures cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of the existing loans.

A downgrade of the credit rating assigned by DBRS to the REIT and to the unsecured debentures could materially adversely impact the REIT. See "PART 7 – Risk Factors – 7.3 Risk Factors Related to the Ownership of Senior Debentures – 7.3.1 Credit Ratings."

### 7.1.3 Ownership of Immovable Property

All Immovable Property investments are subject to risk exposures. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other vacant premises, municipal valuations and assessments, and various other factors.

The value of Immovable Property and improvements thereto may also depend on the solvency and financial stability of tenants, the economic environment in which they operate and the increase in interest rates. Due to difficult conditions in the Canadian retail environment, certain retailers have announced the closure of their stores. Other retailers may follow. The REIT's income and Distributable Income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in the REIT's properties cannot be leased on economically favourable lease terms, or simply re-leased. In the event of default by a tenant, delays or limitations may be experienced in enforcing the REIT's rights as a lessor and substantial costs may be incurred to protect the REIT's investment. The ability to rent unleased space in the REIT's properties will be affected by many factors, including the level of general economic activity and competition for tenants by other similar properties. The failure to rent unleased space on a timely basis or at all or at rents that are equivalent to or higher than current rents would likely have an adverse effect on the REIT's financial position and the value of its properties.

Certain significant expenditures, including property taxes, operating and maintenance costs, capital repairs and enhancements, hypothecary payments, insurance costs and related charges must be made throughout the period of ownership of Immovable Property regardless of whether the property is producing any income. In order to retain desirable rentable space and to generate adequate revenue over the long term, the REIT must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which the REIT may not be able to recover from its tenants. In addition, property tax reassessments based on updated appraised values may occur, which the REIT may not be able to recover from its tenants. As a result, the REIT could have to bear the economic cost of such operating costs and/or taxes which may adversely impact the REIT's financial condition and results from operations and decrease the amount of cash available for distribution to Unitholders. Numerous factors, including the age of the relevant building, the materials used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization. The timing and amount of capital expenditures may indirectly affect the amount of cash available for distributions to Unitholders. In addition, if the REIT is unable to meet mortgage payments on a property, a loss could be sustained as a result of the mortgage creditor's exercise of its hypothecary remedies.

Immovable Property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with the demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the REIT's ability to make changes to its portfolio promptly in response to changing economic or investment conditions. If the REIT were to be required to liquidate its Immovable Property investments, the proceeds to the REIT might be significantly less than the aggregate carrying value of its properties.

Leases for the REIT's properties, including those of significant tenants, will mature from time to time over the short and long term. There can be no assurance that the REIT will be able to renew any or all of the leases upon maturity or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the REIT's financial position and results of operations.

#### **7.1.4 Environmental Matters**

Environmental and ecological legislation and policies have become increasingly important in recent years. As an owner or operator of real property, the REIT could, under various federal, provincial and municipal laws, become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, or address such matters through alternative measures prescribed by the governing authority, may adversely affect the REIT's ability to sell such real estate or to borrow using such real estate as collateral, and could potentially also result in claims against the REIT by private plaintiffs or governmental agencies. The REIT is not currently aware of any material non-compliance, liability or other claim in connection with any of its properties, nor is the REIT aware of any environmental condition with respect to any of its properties that it believes would involve material expenditures by the REIT, other than in respect of remediation expenditures taken into consideration as part of the acquisition of properties.

Pursuant to the REIT's operating policies, the REIT shall obtain or review a Phase I environmental audit of each Immovable Property to be acquired by it. See "PART 4 – Description of the Business – 4.1 Investment Guidelines and Operating Policies– 4.1.2 Operating Policies."

#### **7.1.5 Climate Change**

Climate change continues to attract the focus of governments, the scientific community and the general public as an important threat, given the emission of greenhouse gases and other activities continue to negatively impact the planet. As a real estate property owner and manager, the REIT faces the risk that its properties will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on its operational flexibility. To the extent any such initiative would require the REIT to ensure its tenants compliance and/or constrain their activities in any way, this could have an undesirable effect on the REIT's ability to successfully pursue its leasing strategy. Furthermore, the REIT's properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and serious weather conditions. Such events could interrupt the REIT's operations and activities, damage its properties, diminish traffic and require the REIT to incur important additional expenses. The REIT's financial position and results from operations, as well as its ability to secure and maintain leases, would be adversely affected by the materialization of any of the risks identified herein related to climate change.

#### **7.1.6 Legal Risks**

The REIT's operations are subject to various laws and regulations across all of its operating jurisdictions and the REIT faces risks associated with legal and regulatory changes and litigation.

#### **7.1.7 Competition**

The REIT competes for suitable Immovable Property investments with individuals, corporations, pension funds and other institutions (both Canadian and foreign) which are presently seeking, or which may seek in the future, Immovable Property investments similar to those desired by the REIT. Many of those investors have greater financial resources than the REIT, or operate without the investment or operating restrictions applicable to the REIT or under more flexible conditions. An increase in the availability of investment funds and heightened interest in Immovable Property investments could increase competition for Immovable Property investments, thereby increasing the purchase prices of such investments and reducing their yield.

In addition, numerous property developers, managers and owners compete with the REIT in seeking tenants. The existence of competing developers, managers and owners and competition for the REIT's tenants could have an adverse effect on the REIT's ability to lease space in its properties and on the rents charged, and could adversely affect the REIT's revenues and, consequently, its ability to meet its debt obligations.

### **7.1.8 Property Development Program**

Information regarding the REIT's development projects, development costs, capitalization rates and expected returns are subject to change, which may be material, as assumptions regarding items such as, but not limited to, tenant rents, building sizes, leasable areas, project completion timelines and project costs, are updated periodically based on revised site plans, the REIT's cost tendering process, continuing tenant negotiations, demand for leasable space in the REIT's markets, the obtaining of required building permits, ongoing discussions with municipalities and successful property re-zonings. There can be no assurance that any assumptions in this regard will materialize as expected and any changes in these assumptions could have a material adverse effect on the REIT's development program, asset values and financial performance.

The feasibility, timing and profitability of certain of the REIT's intensification and densification opportunities may be affected by the completion of certain mass transit initiatives such as the Réseau express métropolitain, the extension of the Montréal Metro, tramways and trambuses, and light rail trains. There can be no assurance that any such initiatives will be completed or as to the timing thereof. Such intensification and development initiatives may also be impacted by escalating construction costs and development charges, required zoning changes and availability of skilled trades. There can be no assurance that any such zoning changes can be obtained. Special taxes, levies and assessments may be incurred by the REIT in respect of such developments.

### **7.1.9 Recruitment and Retention of Employees and Executives**

Management depends on the services of certain key personnel. Competition for qualified employees and executives is intense. If the REIT is unable to attract and retain qualified and capable employees and executives, the conduct of its activities may be adversely affected.

### **7.1.10 Government Regulation**

The REIT and its properties are subject to various government statutes and regulations. Any change in such statutes or regulations that is adverse to the REIT and its properties could affect the REIT's operating results and financial performance. See "PART 7 – Risk Factors – 7.1 Risk Factors Related to the Business of the REIT – 7.1.4 Environmental Matters".

### **7.1.11 Limit on Activities**

In order to maintain its status as a "mutual fund trust" under the Tax Act, the REIT cannot carry on most active business activities and is limited in the types of investments it may make. The Contract of Trust contains restrictions to this effect. The Contract of Trust is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **7.1.12 General Uninsured Losses**

The REIT carries a blanket comprehensive general liability and a property policy including insurance against fire, flood, extended coverage and rental loss insurance, with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as wars or environmental contamination) which are either uninsurable or not insurable on an economically viable basis. The REIT also carries insurance for earthquake risks, subject to certain policy limits and deductibles, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but the REIT would continue to be obligated to repay any hypothecary recourse or mortgage indebtedness on such properties.

Many insurance companies have eliminated coverage for acts of terrorism from their policies, and the REIT may not be able to obtain coverage for terrorist acts at commercially reasonable rates or at any price. Damage to a property sustained as a result of an uninsured terrorist or similar act would likely adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

### **7.1.13 Cybersecurity Events**

The REIT faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the REIT's ability to operate. The REIT's operations require it to use and store personally identifiable and other sensitive information of its tenants and employees. The collection and use of personally identifiable information is governed by Canadian federal and provincial laws and regulations. Privacy and information security laws continue to evolve and may be inconsistent from one jurisdiction to another. The security measures put in place by the REIT in that regard cannot provide absolute security, and the REIT's information technology infrastructure may be vulnerable to cyberattacks, including without limitation, malicious software, attempts to gain unauthorized access to data hereinabove mentioned, and other electronic security breaches that could lead to disruptions in critical systems, corruptions of data and unauthorized release of confidential or otherwise protected information. The occurrence of one of these events could cause a substantial decrease in revenues, increased costs to respond or other financial

loss, damage to reputation, increased regulation or litigation or inaccurate information reported by the REIT's operations. These developments may subject the REIT's operations to increased risks, as well as increased costs, and, depending on their ultimate magnitude, could have a material adverse effect on the REIT's financial position and results of operations.

The REIT has developed an IT security risk management program based on the NIST framework and focuses across a broad spectrum of preventative and protective measures. These measures include, but are not limited to, security awareness and training programs for all employees, patch and technological debt management, identity and access control, regular security posture assessment performed by specialized third parties and various monitoring activities. The overall strategic security plan focuses on identifying the REIT's risk profile and prioritizing the appropriate security measures and its threat management initiatives.

## 7.2 Risk Factors Related to the Ownership of Units

### 7.2.1 Market Price

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the initial appraisal of the value of its properties or the value of such properties from time to time.

Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions are not assured. The actual amount distributed will depend on numerous factors including, but not limited to, the REIT's financial performance, debt covenants and obligations, working capital requirements and future capital requirements. The market price of the Units may deteriorate if the REIT is unable to meet its cash distribution targets in the future.

The after-tax return from an investment in Units to Unitholders subject to Canadian income tax will depend, in part, on the composition for tax purposes of distributions paid by the REIT (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to Unitholders.

Factors that may influence the market price of the Units include the annual yield on the Units, the number of Units issued and outstanding and the REIT's payout ratio. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield which could adversely affect the market price of the Units. Unlike fixed-income securities, there is no obligation for the REIT to distribute to Unitholders any fixed amount and reductions in, or suspensions of, distributions may occur that would reduce yield based on the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities, changes in the economic environment and numerous other factors beyond the control of the REIT.

### 7.2.2 Structural Subordination of Securities

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those subsidiaries before any assets are made available for distribution to the holders of securities. The securities will be effectively subordinated to most of the other indebtedness and liabilities of the REIT and its subsidiaries. Neither the REIT nor any of its subsidiaries will be limited in their ability to incur additional secured or unsecured debts.

### 7.2.3 Availability of Cash Flow

Distributable Income may exceed actual cash available to the REIT from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The unsecured revolving credit facility in the current stated amount of \$400 million is repayable in July 2021. As at December 31, 2019, it was undrawn. In 2019, the REIT entered into a 4-year agreement for a new secured credit facility maturing in September 2023. As at December 31, 2019, \$180 million was drawn on the secured credit facility. See "PART 7 – Risk Factors – 7.3 Risk Factors Related to the Ownership of Senior Debentures – 7.3.1 Credit Ratings."

The REIT may need to refinance its debt obligations from time to time, including upon expiration of its debt. There could be a negative impact on Distributable Income if debt obligations of the REIT are replaced with debt that has less favourable terms or if the REIT is unable to refinance its debt. In addition, loan and credit agreements with respect to debt obligations of the REIT, include, and may include in the future, certain covenants with respect to the operations and financial condition of the REIT and Distributable Income may be restricted if the REIT is unable to maintain any such covenants.

## 7.2.4 Unitholder Liability

The Contract of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as Trustee or carrier (an “annuitant”) will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the REIT or of the Trustees. Only assets of the REIT are intended to be subject to levy or execution.

The Contract of Trust further provides that certain written instruments signed by the REIT (including all Immovable Hypothecs and, to the extent the Trustees determine to be practicable and consistent with their obligation as Trustees to act in the best interests of the Unitholders, other written instruments creating a material obligation of the REIT) shall contain a provision or be subject to an acknowledgment to the effect that such obligation will not be binding upon Unitholders or annuitants personally. Except in case of bad faith or gross negligence on their part, no personal liability will attach under the laws of the Province of Québec to Unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

However, in conducting its affairs, the REIT will be acquiring Immovable Property investments, subject to existing contractual obligations, including obligations under hypothecs or mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, the REIT may not be able to obtain such modification in all cases. If a claim is not satisfied by the REIT, there is a risk that a Unitholder or annuitant will be held personally liable for the performance of the obligations of the REIT where the liability is not disavowed as described above. The possibility of any personal liability attaching to Unitholders or annuitants under the laws of the Province of Québec for contract claims where the liability is not so disavowed is remote.

The REIT uses all reasonable efforts to obtain acknowledgments from the hypothecary creditors under assumed hypothecs that assumed hypothec obligations will not be binding personally upon the Trustees or the Unitholders.

Claims against the REIT may arise other than under contracts, including claims in delict, claims for taxes and possibly certain other statutory liabilities. The possibility of any personal liability of Unitholders for such claims is considered remote under the laws of the Province of Québec and, as well, the nature of the REIT’s activities are such that most of its obligations arise by contract, with non-contractual risks being largely insurable. In the event that payment of the REIT’s obligation were to be made by a Unitholder, such Unitholder would be entitled to reimbursement from the available assets of the REIT.

Article 1322 of the Civil Code of Québec RLRQ, c. CCQ-1991 effectively states that the beneficiary of a trust is liable towards third persons for the damage caused by the fault of the Trustees of such trust in carrying out their duties only up to the amount of the benefit such beneficiary has derived from the act of such Trustees and that such obligations are to be satisfied from the trust patrimony. Accordingly, although this provision remains to be interpreted by the courts, it should provide additional protection to Unitholders with respect to such obligations.

The Trustees will cause the activities of the REIT to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any material risk of liability on the Unitholders for claims against the REIT.

## 7.2.5 Dilution

The number of Units the REIT is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units in other circumstances. Additional Units may also be issued pursuant to the DRIP (which is currently suspended), the Equity Incentive Plan and any other incentive plan of the REIT. Any issuance of Units may have a dilutive effect on Unitholders.

## 7.2.6 Restrictions on Certain Unitholders and Liquidity of Units

The Contract of Trust imposes restrictions on non-resident Unitholders, who are prohibited from beneficially owning more than 49% of the Units. These restrictions may limit the rights of certain Unitholders, including non-residents of Canada, to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units held by the public. Unitholders who are non-residents of Canada are required to pay all withholding taxes payable in respect of distributions by the REIT. The REIT withholds such taxes as required by the Income Tax Act and remits such payment to the tax authorities on behalf of the Unitholder. The Income Tax Act contains measures to subject to Canadian non-resident withholding tax on certain otherwise non-taxable distributions of Canadian mutual funds to non-resident Unitholders. This may limit the demand for Units and thereby affect their liquidity and market value.

## 7.2.7 Cash Distributions are not Guaranteed

There can be no assurance regarding the amount of income to be generated by the REIT's properties. The ability of the REIT to make cash distributions, and the actual amounts distributed, will be entirely dependent on the operations and assets of the REIT and its subsidiaries, and will be subject to various factors including financial performance and results of operations, obligations under applicable credit facilities, fluctuations in working capital, the sustainability of income derived from anchor tenants and capital expenditure requirements. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. For details concerning the reduction in the monthly distribution occurred in fiscal 2017 and concerning the reduction in the monthly distribution occurred in the first quarter of fiscal 2018 see, "PART 3 – General Development of the Business – 3.3 Three Year History – Financing, Rating and Equity Activities."

## 7.2.8 Status for Tax Purposes

The REIT is considered a mutual fund trust for income tax purposes. Pursuant to the Contract of Trust, the Trustees intend to distribute or designate all taxable income directly earned by the REIT to Unitholders and to deduct such distributions and designations for income tax purposes. In the context of the sale of a significant part of its Investment Properties, the REIT could end up with a substantial taxable profit that would require it to make a sizeable additional special distribution to avoid having to pay taxes itself.

Certain of the REIT's subsidiaries are subject to tax on their taxable income under the Income Tax Act and the Taxation Act (Québec) RLRQ, c. I-3.

A special tax regime applies to trusts that are considered SIFT entities as well as those individuals who invest in SIFTs. Under the SIFT Rules, a SIFT is subject to tax in a manner similar to corporations on income from business carried on in Canada and on income (other than taxable dividends) or capital gains from "non-portfolio properties" (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation.

The SIFT Rules apply unless (among other exceptions not applicable here) the trust qualifies as a "real estate investment trust" for the year (the "Real Estate Investment Trust Exception"). If the REIT fails to qualify for the Real Estate Investment Trust Exception, the REIT will be subject to the tax regime introduced by the SIFT Rules.

Management believes that the REIT currently meets all the criteria required to qualify for the Real Estate Investment Trust Exception, as per the Real Estate Investment Trust Exception currently in effect. As a result, Management believes that the SIFT Rules do not apply to the REIT. Management intends to take all the necessary steps to meet these conditions on an on-going basis in the future. Nonetheless, there is no guarantee that the REIT will continue to meet all the required conditions to be eligible for the Real Estate Investment Trust Exception for the remainder of fiscal 2020 and any other subsequent year.

## 7.3 Risk Factors Related to the Ownership of Senior Debentures

### 7.3.1 Credit Ratings

The credit rating assigned by DBRS to the REIT and to the Senior Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. Prospective investors should consult with DBRS with respect to the interpretation and implications of the rating. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed or withdrawn. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS usually provides broader contextual information regarding securities in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases.

The REIT's rating has remained BB (high) with a Stable trend since August 2017, as provided for in DBRS' rating report dated December 11, 2019. Any further downgrade of the credit rating assigned by DBRS to the REIT and to the Senior Debentures could have a material adverse effect on the REIT.

### 7.3.2 Trading Market for Senior Debentures

There is currently no trading market for Senior Debentures. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including the liquidity of these securities,

prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and Cominar's financial position, historic financial performance and future prospects.

### 7.3.3 Market Price or Value Fluctuation

If the Senior Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Senior Debentures depends on many factors, including liquidity of the Senior Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and the REIT's financial condition, historic financial performance and prospects. Assuming all other factors remain unchanged, the market price or value of the Senior Debentures, which carry a fixed interest rate, will likely decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the REIT may have a material effect on the business, financial condition, liquidity and results of operations of the REIT. In recent years, financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values or prospects of such issuers. There can be no assurance that such fluctuations in price and volume will not occur in the future. Accordingly, the market price of the Senior Debentures may decline even if the REIT's operating results, underlying asset values or prospects have not changed. In periods of increased levels of volatility and market turmoil, the REIT's operations could be adversely impacted and the market price of the Senior Debentures may be adversely affected.

### 7.3.4 Senior Debentures Redemption Right Risk

The REIT may choose to redeem the Senior Debentures prior to maturity, in whole or in part, at any time or from time to time, especially when prevailing interest rates are lower than the rate borne by the Senior Debentures. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Senior Debentures being redeemed.

### 7.3.5 Inability of the REIT to Purchase Senior Debentures on a Change of Control

The REIT may be required to purchase all outstanding Senior Debentures upon the occurrence of a change of control. However, it is possible that following a change of control, the REIT will not have sufficient funds at that time to make any required purchase of outstanding Senior Debentures or that restrictions contained in other indebtedness will restrict those purchases.

## PART 8 – Distributions

The following outlines the distribution policy of the REIT as contained in the Contract of Trust. The distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of Unitholders.

### 8.1 General

The REIT may distribute to Unitholders monthly, on or about the 15<sup>th</sup> day in each calendar month (other than January) and on December 31 in each calendar year, 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 REIT may also distribute to Unitholders on December 31 of each year (i) the net realized capital gains of the REIT and the net recapture income of the REIT for the year ended and (ii) any excess of the income of the REIT 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 the DRIP (if in force), the Equity Incentive Plan and any other distribution reinvestment plans or Unit purchase or incentive plans adopted by the Trustees, as the case may be. 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 the Contract of Trust. 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 income account of the REIT to permit distributions so determined by them, if any, to be effected.

If the Trustees anticipate a cash shortfall and determine that it would be in the best interests of the REIT, they may reduce for any period the percentage of Distributable Income to be distributed to Unitholders.



Monthly distributions will be based on the Trustees' estimate of yearly Distributable Income, subject to adjustment from time to time throughout the year.

## 8.2 Computation of Distributable Income for Distribution Purposes

The Distributable Income of the REIT is calculated based on the REIT's income determined in accordance with the provisions of the Income Tax Act, subject to certain adjustments as set out in the Contract of Trust, including that capital gains and capital losses be excluded, net recapture income be excluded, no deduction 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 leasehold and client improvements be amortized. Distributable Income so calculated may reflect any other adjustments determined by the Trustees in their discretion and may be estimated whenever the actual amount has not been fully determined. Such estimates will be adjusted as of the subsequent Distribution Date when the amount of Distributable Income has been finally determined.

## 8.3 Computation of Net Realized Capital Gains and Net Recapture Income

The net realized capital gains of the REIT for any year means the amount, if any, by which the capital gains of the REIT for the year exceed the aggregate of (i) the amount of any capital losses of the REIT for the year and (ii) the amount of any net capital losses of the REIT from prior years to the extent not previously deducted. The net recapture income of the REIT for any year means the amount, if any, by which the amount required to be included in the income of the REIT for income tax purposes for such year in respect of recapture of capital cost allowance previously claimed by the REIT exceeds terminal losses realized by the REIT in the year.

## 8.4 Tax Deferral on 2019 Distributions

The distributions made by the REIT to Unitholders in 2019 were 10.65% tax-deferred by reason of the REIT's ability to claim capital cost allowance and certain other deductions. In the year of acquisition of a property, capital cost allowance is restricted to one-half of the normal annual rates. The adjusted cost base of Units held by a Unitholder will generally, subject to certain conditions under the Tax Act, be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount.

## 8.5 Distributions during the Last Three Fiscal Years

The following table presents the distributions per Unit made by the REIT for the last three fiscal years ending on December 31.

Year	Distribution per Unit (\$)
2019	0.7200
2018	0.7900
2017	1.3325

# PART 9 – Capital Structure

## 9.1 General Description of Capital Structure

The ownership interests in the REIT constitute a single class of Units. Units represent a Unitholder's proportionate undivided ownership interest in the REIT. The aggregate number of Units that the REIT may issue is unlimited. As at December 31, 2019, there were 182,111,365 Units outstanding. No Unit has any preference or priority over another. No Unitholder has or is deemed to have any right of ownership in any of the assets of the REIT. Each Unit confers the right to one vote at any meeting of Unitholders and to participate equally and ratably in any distributions by the REIT and, in the event of any required distribution of all of the property of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are issued in registered form, are non-assessable when issued and are transferable. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. No certificates for fractional Units will be issued and fractional Units will not entitle the holders thereof to vote.



A Unitholder does not hold a share of a body corporate. The Units are issued upon the terms and subject to the conditions of the Contract of Trust, which Contract of Trust is binding upon all Unitholders. The Contract of Trust is available on SEDAR at [www.sedar.com](http://www.sedar.com). By acceptance of a certificate representing Units, the Unitholder thereof agrees to be bound by the Contract of Trust. As holders of Units, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. There is no statute governing the affairs of the REIT equivalent to the CBCA, which sets out the rights, and entitlements of shareholders of a corporation in various circumstances.

## 9.2 Issuance of Units

The REIT may issue new Units from time to time and in such manner and for such consideration and to such persons as the Trustees in their sole discretion may determine. Unitholders do not have any pre-emptive rights whereby additional Units proposed to be issued are first offered to existing Unitholders. In addition to Units which may be issued pursuant to the Equity Incentive Plan, the DRIP or other distribution or issuance plans, new Units may be issued for cash through public offerings, through rights offerings to existing Unitholders (i.e., in which Unitholders receive rights to subscribe for new Units in proportion to their existing holdings of the Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing Unitholders). In certain instances, the REIT may also issue new Units as consideration for the acquisition of new properties or assets. In connection with the offering of Units, the price or the value of the consideration for which Units may be issued will be determined by the Trustees, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with such offerings of Units.

## 9.3 Take-Over Bid

The Contract of Trust contains provisions to the effect that if a take-over bid is made for Units within the meaning of the *Securities Act* (Québec) and 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 associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the offer either, at the election of such Unitholders, on the terms offered by the offeror or at the fair value of such Unitholders' Units determined in accordance with the procedures set out in the Contract of Trust.

## 9.4 Restrictions on the Issue and Transfer of Units

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 and the Trustees have informed 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 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 direction and suitable indemnity from the Trustees, send a notice to non-resident Unitholders, 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 affected holders shall cease to be Unitholders and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificate representing such Units. See “Risk Factors Related to the Ownership of Units – Restrictions on Certain Unitholders and Liquidity of Units.”

## 9.5 Normal Course Issuer Bid

On December 10, 2018, the REIT's Normal Course Issuer Bid (the “NCIB”) was renewed for an additional year. This permitted the REIT to purchase Units from time to time in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases would have constituted an “issuer bid” under Canadian securities legislation and must be conducted in accordance with the applicable requirements thereof. The bid expired on December 11, 2019. No purchases of Units were made under the NCIB.

## 9.6 Equity Incentive Plan

Under the Equity Incentive Plan, the REIT granted Unit Options, Performance Units, Deferred Units and Restricted Units to management and employees.

SUMMARY		
Plan provision	Limit	Available for issuance and outstanding
Maximum Award size to any Participant	5% of the issued and outstanding Units	5,922,093
Maximum Units reserved for issuance	16,819,525 Units	16,395,538 Units (9.0% of issued and outstanding units)
Maximum Units issuable pursuant to PU's, RU's or DU's	1,500,000 Units	1,143,313 Units (0.8% of issued and outstanding units)
Maximum annual award value available to a Non-employee member of the Board	\$100,000	n/a
Maximum securities issuable to all Non-Employee Board members	1% of issued and outstanding Units	n/a

The Equity Incentive Plan is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## 9.7 Credit Ratings

On December 11, 2019, DBRS issued a credit rating on the REIT's Senior Debentures as BB (high) with a Stable trend. The credit rating has remained unchanged since August 2017.

DBRS provides credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS. DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings are opinions based on the quantitative and qualitative analysis of information sourced and received by DBRS, which information is not audited or verified by DBRS. DBRS cautions that no two issuers possess exactly the same characteristics, nor are they likely to have the same future opportunities. Consequently, two issuers with the same rating should not be considered to be of exactly the same credit quality.

The DBRS long-term rating scale provides an opinion on the risk of default, that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued.

The BB (high), with a Stable trend, rating assigned by DBRS to the REIT and the Senior Debentures is the fifth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BB are of speculative credit quality, where the degree of protection afforded interest and principal is uncertain.

DBRS uses "rating trends" for its ratings in, among other areas, the real estate investment trust sector. DBRS' rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, and such rating trends fall into one of three categories: "Positive," "Stable" or "Negative." The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. In general, DBRS' view is based primarily on an evaluation of the issuer, but may also include consideration of the outlook for the industry or industries in which the issuer operates. A "Positive" or "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned. A Stable outlook represents no imminent changes in the ratings issued, thus meaning that DBRS noted that there is evidence of stabilization in the REIT's financial profile.

The credit rating assigned by DBRS to the REIT and the Senior Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating

symbols as a simple and concise method of expressing its opinion to the market, although DBRS ratings usually consist of broader contextual information regarding the security provided by DBRS in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases. For further details, see "PART 7 – Risk Factors– 7.3 Risk Factors Related to the Ownership of Senior Debentures – 7.3.1 Credit Ratings."

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT and the Senior Debentures, and it will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings for purposes of its prospectuses and prospectus supplements thereto, or in connection with credit ratings to be assigned to the debt securities of the REIT, if any, which may be offered for sale from time to time in the future. The REIT did not make any payments to DBRS in respect of any other service provided to the REIT by DBRS during the last two years.

## PART 10 – Distribution Reinvestment Plan

On August 3, 2017, the REIT announced the suspension of the DRIP until further notice. If the REIT elects to reinstate the DRIP in the future, Unitholders that were enrolled in the DRIP at suspension and remain enrolled at reinstatement will automatically resume participation in the DRIP. The DRIP currently remains suspended.

Subject to the aforementioned DRIP suspension, the REIT has a DRIP, pursuant to which Unitholders may elect to have all cash distributions of the REIT automatically reinvested in additional Units at a price per Unit calculated by reference to the weighted average of the trading price of Units on the Toronto Stock Exchange for the twenty trading days immediately preceding the relevant Distribution Date. Prior to the DRIP suspension, no brokerage commissions were payable in connection with the purchase of Units under the DRIP and all administrative costs were borne by the REIT. Proceeds received by the REIT upon the issuance of additional Units under the DRIP were used by the REIT for property acquisitions, capital improvements and working capital. Prior to the DRIP suspension, in order to encourage participation, the Unitholders who participated in the DRIP were granted the right to receive an additional number of Units equal to 3% of the distributions to which they were entitled.

Unitholders who reside in the United States or who are United States citizens were not entitled to participate in the DRIP.

## PART 11 – Market for Securities of the REIT

### 11.1 Market for Units

The REIT's Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "CUF.UN." The following table sets forth the market price range and trading volumes of Units on the TSX for each of the twelve months of the most recently completed fiscal year.

CUF.UN			
		TSX	
Fiscal year ended December 31, 2019	High (\$)	Low (\$)	Total Trading Volumes
January	\$12.45	\$11.10	9,237,451
February	\$12.10	\$11.42	10,519,324
March	\$12.20	\$11.21	15,228,869
April	\$12.12	\$11.20	7,733,760
May	\$12.37	\$11.24	8,782,690
June	\$12.61	\$12.17	5,883,786
July	\$12.72	\$12.43	4,510,564
August	\$12.60	\$12.15	7,121,013
September	\$13.34	\$12.38	6,969,962
October	\$13.90	\$12.91	8,864,930
November	\$14.44	\$13.20	6,745,467
December	\$14.72	\$13.82	5,731,657

## 11.2 Market for Senior Debentures

There is no trading market for Senior Debentures and the REIT has no intention of requesting a TSX listing for its Senior Debentures.

## PART 12 – Trustees and Officers of the REIT

### 12.1 Information Concerning Trustees

The REIT believes that the diversity of members on the Board of Trustees enhances the quality of discussions, and therefore recognizes the importance of increasing diversity, including the number of women acting as trustees, and of improving gender balance on the Board. The Trustees and management recognize 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. The ability to draw on a wide range of viewpoints, backgrounds, perspectives, skills and experience arising from gender diversity is critical to the REIT's success. Trustees and management support the belief that diversity is an important attribute of a well-functioning Board.

In April 2018, the Nominating and Governance Committee recommended, and the Board approved, a policy regarding the diversity on the Board (the "Diversity Policy"). The Diversity Policy outlines the REIT's approach to achieving and maintaining diversity on its Board, and in executive positions, namely in considering factors such as gender, age, ethnicity, disability, sexual orientation, place of residence, invalidity. The Nominating and Governance Committee and the President and Chief Executive Officer are responsible for recommending qualified persons for the Board. In the appointment processes for the Board, 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. In connection with its efforts to create and maintain 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 Trustee position in order to support the specific objective of gender diversity. 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, while taking into account age, ethnicity, disability, sexual orientation, place of residence, invalidity, and monitor implementation of the Diversity Policy.

As at March 27, 2020, two of nine (22%) members of the Board of Trustees were women and the REIT intends to continue its efforts to identify female candidates who meet various selection criteria. The REIT aspires to have women comprise at least 30% of the board by December 31, 2021.

The following table sets forth the name of each current Trustee, their city, and province or state of residence, the positions and offices within the REIT currently held by them, their principal occupations and their employment during the last five (5) years, the period during which each served as Trustee of the REIT and the approximate number of Units they beneficially own, directly or indirectly, by them or over which they exercise control or direction as at March 27, 2020:

Name, municipality of residence and office	Principal occupation	Period during which served as a Trustee	Number of units beneficially owned or over which control or direction is exercised <sup>(1)</sup>
<b>René Tremblay</b> <sup>(3) (4) (7)</sup> Montreal, Quebec Independent Trustee	Corporate director President at Taubman Asia: 2010 – 2016	Since 2018	21,500 Units
<b>Luc Bachand, ICD.D.</b> <sup>(2) (3)</sup> Montreal, Quebec Independent Trustee	Corporate director: current Vice-Chairman and Head of BMO Capital Markets, Québec: 2006 – 2016	Since 2016	20,936 Units
<b>Christine Beaubien</b> <sup>(2) (4)</sup> Montreal, Quebec Independent Trustee	Corporate director: current President, Groupe BSC: 2013 - current	Since 2019	5,757 DUs
<b>Paul D. Campbell</b> <sup>(3) (4)</sup> Toronto, Ontario Independent Trustee	Chief Executive Officer, VersaCold Logistics: 2019 – current Royal York Hotel Project Lead for KingSett Capital: 2014 – current	Since 2018	21,600 Units

Name, municipality of residence and office	Principal occupation	Period during which served as a Trustee	Number of units beneficially owned or over which control or direction is exercised <sup>(1)</sup>
<b>Mitchell Cohen</b> <sup>(3) (5)</sup> Toronto, Ontario Independent Trustee	Chief Operating Officer, Westdale Construction Co. Limited: 2005 - current Chief Executive Officer, Urbanfund Corp: 2005 – current	Since 2019	16,800 Units 5,962 DUs
<b>Sylvain Cossette</b> Montreal, Quebec Non-Independent Trustee, President and Chief Executive Officer of the REIT	President and Chief Executive Officer, Cominar REIT: 2018 – current President and Chief Operating Officer, Cominar REIT: 2016 – 2018 Executive Vice President and Chief Operating Officer: 2012 – 2016	Since 2018	45,418 Units 188,088 DUs 181,029 PUs
<b>Zachary R. George</b> <sup>(3) (5)</sup> New Canaan, Connecticut, USA Independent Trustee	Co-founder and portfolio manager, FrontFour Capital Group: 2006 - current Chief Executive Officer, Sundial Growers inc.: 2020- current	Since 2019	14,577,843 Units 8,441 DUs
<b>Johanne Lépine</b> , FCIP, ICD.D. <sup>(4) (5)</sup> Montreal, Quebec Independent Trustee	Corporate director - current President and Chief Executive Officer, Aon Parizeau Inc.: 2002–2019 Executive Vice-President and Chair of the Board of Aon Reed Stenhouse 2015–2019	Since 2013	28,240 Units
<b>Michel Thérour</b> , FCPA, FCA <sup>(2) (5) (6)</sup> Boucherville, Quebec Independent Trustee	Corporate director: 2013 - current	Since 2015	s/o

**Notes:**

- (1) Each Trustee has furnished information as to the Units beneficially owned by him/her or over which he/she exercises control or direction.  
(2) Member of the Audit Committee.  
(3) Member of the Investment Committee.  
(4) Member of the Human Resources Committee.  
(5) Member of the Nominating and Corporate Governance Committee.  
(6) Since his appointment as Trustee of the REIT on May 12, 2015, Mr. Thérour does not, directly or indirectly, hold any interest in the REIT in the form of Units issued, in accordance with the Contract of Trust, which stipulates that, at all times, at least one trustee cannot hold Units.  
(7) Mr. Tremblay participates in the Audit and Nominating and Corporate Governance committee on an ad hoc basis.

The foregoing disclosure is derived from information provided by Trustees. In accordance with privacy legislation, such information was collected on a voluntary basis, and where a particular individual chose not to respond, Cominar did not make assumptions or otherwise assign data to that individual.

All the Trustees serve until the next annual meeting of Unitholders or until his/her successor has been elected or appointed.

## 12.2 Information Concerning Non-Trustee Officers

Non-Trustee Officer as at March 27, 2020	Office with the REIT	Province and Country of Residence
Marie-Andrée Boutin	Executive Vice President, Retail and Chief Development Officer	Québec, Canada
Heather C. Kirk	Executive Vice President and Chief Financial Officer	Ontario, Canada
Bernard Poliquin	Executive Vice President, Office and Industrial and Chief Real Estate Operations Officer	Québec, Canada
Wally Commisso	Executive Vice President, Operations and Property Management	Québec, Canada
Jean Laramée	Executive Vice President, Development	Québec, Canada
Michael Racine	Executive Vice President, Leasing – Office and Industrial	Québec, Canada
Brigitte Dufour	Vice President, Legal Affairs and Corporate Secretary	Québec, Canada
Carl Pepin	Vice-President, Finances and Accounting	Québec, Canada

Each of the non-trustee officers of the REIT has held his or her present principal office or position with the REIT for the five (5) preceding years, with the exception of: (i) Marie-Andrée Boutin, Executive Vice President, Retail Strategy and Operations, who was previously at Aldo Group, as Vice-President – Real Estate, between 2001 and 2018, and was also Vice-President – Real Estate, for Sweetpark Holdings, the Bensadoun family's real estate holding company, between 2009; (ii) Heather C. Kirk, Executive Vice President and Chief Financial Officer, who was previously at BMO Capital Markets, as Managing Director of Canadian Real Estate Equity Research from 2013 to 2018 and with National Bank Financial from 2002 to 2013, in REIT equity research and real estate investment banking; (iii) Bernard Poliquin, Executive Vice-President, Office and Industrial and Chief Real Estate Operations Officer who was previously at Ivanhoé Cambridge as Principal Vice President, Office - Québec region, from 2015 to 2019, with Mouvement Desjardins as Vice President, real estate services, from 2010 until 2015 and with Avison Young as President – Québec region, from 2009 to 2010; (iv) Wally Commisso, Executive Vice President, Operations and Property Management, who was previously Vice President, Operations and Property Management of Cominar, between 2006 and December 2017; and (v) Brigitte Dufour, Vice President, Legal Affairs and Corporate Secretary who was previously Director, Administration and Corporate Affairs, Corporation des Pilotes du Saint-Laurent Central Inc in 2019 and Vice president Legal Affairs and Corporate Secretary, The Jean Coutu (Group) (PJC) Inc. between 2012 and 2018.

As at March 27, 2020, the executive officers and Trustees of the REIT, directly or indirectly, beneficially owned or exercised direction or control over 14,988,688 Units, in the aggregate which represents 8.2% of the issued and outstanding Units.

## 12.3 Independence

The REIT considers that the Independent Trustees are "independent" within the meaning of Regulation 58-101 respecting Disclosure of Corporate Governance Practices and that the members of the Audit Committee are "independent" within the meaning of Regulation 52-110 respecting Audit Committees.

## 12.4 Audit Committee

### 12.4.1 Mandate of the Audit Committee

The mandate of the Audit Committee is to assist the Board of Trustees of the REIT in fulfilling its oversight responsibilities. As such, the Audit Committee reviews the financial reporting process, the system of internal controls, the management of financial risks, the audit process and the REIT's process for monitoring compliance with laws and regulations and its own general policies. The Audit Committee maintains effective working relationships with the Board of Trustees, Management and external auditors. The mandate of the Audit Committee is attached hereto as Schedule "B."

### 12.4.2 Education and Experience of Audit Committee Members

The REIT has an Audit Committee which, as at March 27, 2020, consists of Messrs. Michel Thérout (chair), Luc Bachand and Christine Beaubien; René Tremblay attends on an *ad hoc* basis. All the members of the Audit Committee are Independent Trustees and are considered "independent" and "financially literate" within the meaning of Regulation 52-110 respecting Audit Committees.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its annual and interim financial statements.

Name of Audit Committee Member	Relevant Education and Experience
Michel Th��roux, FCPA, FCA (President)	<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 served 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 is a member of the Board of Directors and of the audit committee of Optimum Group Inc. Since 2015, Mr. Th��roux has been a member and treasurer of Fondation Yvon Deschamps Centre-Sud.</p> <p>Mr. Th��roux obtained a license in commerce and accounting from the ��cole des Hautes ��tudes Commerciales (HEC) in 1970. He became 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 ��cole Polytechnique de Montr��al from 1972 to 1974.</p> <p>He was an accountant and then a director and partner in the taxation department at Samson, B��lair/Deloitte &amp; Touche from 1972 to 1988.</p>
Luc Bachand, ICD.D.	<p>Luc Bachand was Vice-Chairman and the Head of BMO Capital Markets in Qu��bec 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 ��cole des Hautes ��tudes 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 ��cole des Hautes ��tudes Commerciales (HEC), the Fondation Jeunes en T��te, the Institute of Corporate Directors of Canada, the J. Armand Bombardier Foundation as well as Morneau Sheppel Ltd. where he also sits on the Audit Committee and HR Committee. He is also a past director of the Investment Industry Regulatory Organization of Canada, the Montreal Exchange, the Investment Dealers Association of Canada (Qu��bec Section) and the F��d��ration des chambres de commerce du Qu��bec.</p>
Christine Beaubien, ICD.D	<p>Christine Beaubien is a corporate director and strategic advisor to corporate executives. Ms. Beaubien has held senior positions in a variety of organizations, including the Soci��t�� G��n��rale de Financement du Qu��bec (SGF), Bombardier Capital, Export Development Canada (EDC), Qu��bec's Department of International Affairs, Desjardins, and BNP Paribas Bank in Paris. As its President, she managed the operations of Versus, an information technology company that has been recognized as one of the fastest growing companies in Canada.</p> <p>Ms. Beaubien served on the board of H��ma-Qu��bec from 2011 to 2018 and is currently serving on the board of Oxfam Qu��bec. Ms. Beaubien is also a board member of Fonds de solidarit�� FTQ since 2013.</p> <p>Ms. Beaubien holds a Bachelor's degree in Computer Science from Universit�� de Sherbrooke, a Master's degree in Business Administration (MBA) from the ��cole des Hautes ��tudes Commerciales (HEC) and the ICD.D designation of the Institute of Corporate Directors.</p>
Ren�� Tremblay	<p>Ren�� Tremblay's was Chairman of the Board of Taubman Asia, the Asian arm of U.S. NYSE listed Taubman Centres until 2017. From 2010 to 2016, he held the position of President at Taubman Asia. Prior to joining Taubman, he was the Executive Vice-President of the Real Estate Group of the Caisse de d��p��t et placement du Qu��bec during 2009 and 2010. Mr. Tremblay was Chief Executive Officer of Ivanho�� Cambridge from 1995 to 2009.</p> <p>Mr. Tremblay has served on various boards of directors, such as Ivanho�� Cambridge, Ot��ra Capital, Ancar Ivanho�� and SITQ Immobilier. Mr. Tremblay has also been a member of the Board of The Real Estate Roundtable.</p> <p>Mr. Tremblay holds a Bachelor's degree in Business Administration from Universit�� Laval.</p>

Each of the Audit Committee members understands the accounting principles used by the REIT to prepare its financial statements and has the capacity to generally assess the application of the accounting principles related to the accounting of estimates, accounts receivable, accounts payable and reserves. Mr. Th  roux, Mr. Bachand, Ms. Beaubien and Mr. Tremblay all have experience in the preparation, audit, analysis and assessment of financial



statements containing accounting issues of a generally similar scope and complexity as can reasonably be expected to be raised by the REIT's financial statements. All members of the Audit Committee understand internal controls and disclosure controls and procedures.

### 12.4.3 External Auditor Service Fees

The following table shows fees accrued and paid to the external auditors in the past two fiscal years for various services provided to the REIT:

	Year ended December 31, 2019 (\$)	Year ended December 31, 2018 (\$)
Audit fees	533,760	529,163
Audit-related fees	102,500	160,425
Tax compliance and tax consulting fees	209,963	249,592
All other fees	27,133	–
<b>Total</b>	<b>873,356</b>	<b>939,180</b>

#### Audit Fees

These fees include professional services rendered by the external auditors for audits of financial statements or services usually provided by external auditors for regulatory filings and engagements.

#### Audit Related Fees

These fees include fees paid to external auditors for professional services rendered in connection with contractual obligations to certify the operating costs of investment properties.

#### Fees Related to Fiscal Services

These fees include the total fees paid to the auditors for professional services related to tax compliance, tax advice and tax planning.

#### Other Fees

These fees include fees paid to external auditors for professional services rendered regarding real estate advice.

### 12.4.4 Procedures for the Engagement of Audit and Non-Audit Services

The Audit Committee approves all audit and non-audit services.

## 12.5 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Trustees and officers of the REIT and according to information provided to the REIT, none of the candidates proposed for election at the next annual general meeting as Trustee of the REIT or executive officers are as at the date of this AIF or have been, within the ten years before such date, a director, trustee, chief executive officer or chief financial officer or, in respect of subsection (iii) below, an executive officer of a company which, while the candidate was acting in such capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (ii) was, after the director or executive officer ceased to be a director or executive officer, the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days as a result of an event which occurred while the director or executive officer was acting in such capacity; or
- (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.



In addition, in the fiscal year ended December 31, 2019, to the knowledge of the Trustees and officers of the REIT and according to the information provided to the REIT, the REIT has not been subject to any penalties or sanctions imposed by a court pursuant to securities legislation or by a regulatory authority or any penalties or sanctions that a reasonable investor would consider significant and that were imposed by a court or regulatory body or any settlement agreements pertaining to such penalties or sanctions.

### 12.5.1 Personal Bankruptcies

To the knowledge of the Trustees and officers of the REIT and according to the information provided to the REIT, no Trustee or executive officer has within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

## PART 13 – Legal Proceedings and Regulatory Actions

The REIT is involved in various claims and litigation as a regular part of its business. Management believes that the resolution of these claims and litigation (which in certain cases are subject to applicable deductibles covered by insurance) will not have a material adverse effect on its financial position or results of operations.

As at the date hereof, there are no legal proceedings to which the REIT is a party involving claims for damages exclusive of interest and costs, in excess of 10% of its current assets.

## PART 14 – Interest of Management and Other Informed Persons in Material Transactions

In 2016, 2017 and 2018, the REIT entered into material transactions with Groupe Dallaire and Dalcon in the normal course of business. During fiscal 2018, and prior to changes that occurred in the first quarter of 2018, Mr. Michel Dallaire and Mr. Alain Dallaire were Trustees and members of Management and they exercised indirect control over the activities of Groupe Dallaire and Dalcon (the “related companies”). On January 1, 2018, Mr. Michel Dallaire ceased to be President and Chief Executive Officer of the REIT and a Trustee. Mr. Alain Dallaire ceased to be Chief Operating Officer of the REIT on November 8, 2019. Although Mr. Alain Dallaire had a passive indirect economic interest in Groupe Dallaire, he was neither an employee nor a director of Groupe Dallaire. Consequently, as of February 12, 2018, Groupe Dallaire and Dalcon were no longer considered related companies.

In 2019, the REIT implemented a new business model aiming to diversify its sources of construction suppliers and to create new partnerships with leaders in the field, and consequently, the business relationship with Groupe Dallaire and Dalcon for construction services, leasehold improvement, repair and maintenance work were terminated in an orderly manner.

As at December 31, 2019, Groupe Dallaire and its affiliated companies occupied 60,639 square feet of office space at Complexe Jules-Dallaire, in Québec City.

Except for the former relationships with Groupe Dallaire and Dalcon, the joint venture holdings which are described under “Description of the Business, Investment in Joint Ventures” and Unitholdings described under “Trustees and Officers of the REIT - Information Concerning Trustees,” no trustee, officer of the REIT, or unitholder that beneficially owns, or controls or directs more than 10% of the REIT Units, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any transaction within the last three years, or any proposed transaction, that has materially affected or would materially affect the REIT or any of the REIT Subsidiaries.

## PART 15 – Transfer Agent and Registrar

The REIT’s transfer agent and registrar is Computershare Trust Company of Canada. The register of transfers is located at its offices in Montréal, Québec.

## PART 16 – Material contracts

The following are the only material contracts, other than contracts entered into in the ordinary course of business, that were entered into by the REIT and which were still in effect as of the date of this AIF.

1. Board Refreshment Agreement dated December 4, 2018, by and between Cominar, FrontFour, Westdale and K2;
2. Contract of Trust made as of March 31, 1998, governed by the laws of the Province of Québec, pursuant to which the REIT was established, as amended, supplemented or restated as of May 8, 1998, May 13, 2003, May 11, 2004, May 15, 2007, May 14, 2008, May 18, 2010, May 16, 2012 and May 16, 2018;

Each of the Contract of Trust and the Board Refreshment Agreement is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## PART 17 – Interest of Experts

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. are the external auditors of the REIT who issued the Independent Auditor's Report to the Unitholders dated March 3, 2020 with respect to the consolidated annual financial statements of the REIT for the fiscal year ended December 31, 2019. PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. are independent with respect to the REIT within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

## PART 18 – Additional Information

Additional information with respect to the REIT may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including Trustees and officers' remuneration, principal holder of the REIT's Units and Units authorized for issuance under the Equity Incentive Plan, where applicable, is contained in the REIT's information circular for its most recent annual meeting of Unitholders that involves the election of Trustees, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the REIT's financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2019 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## SCHEDULE “A”

### Description of the Income Properties

As at December 31, 2019

The following table summarizes certain aspects of each of the REIT's Income Properties <sup>(1)</sup>:

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
<b>OFFICE PROPERTIES</b>				
<b>Québec City Area</b>				
5055 Wilfrid-Hamel Boulevard West Québec City, Quebec	1979/1996	29,000	90.2	Cyber Cat inc.
5073-5075-5079 Wilfrid-Hamel Boulevard West Québec City, Quebec	1980/1994	30,000	82.5	Au Vieux Duluth (restaurant)
2014 Cyrille-Duquet Street Québec City, Quebec	1979/1997	64,000	100.0	InnovMetric Logiciels
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Quebec	1964/1970/1982/ 1988/1993/ 2003/2004	718,000	98.9	Société québécoise des infrastructures (SQI), a Canadian chartered bank, Sépaq, Autorité des marchés financiers (AMF)
455 du Marais Street Québec City, Quebec	1977/1997	63,000	91.5	Société québécoise des infrastructures (SQI)
3175 des Quatre-Bourgeois Road Québec City, Quebec	1990	102,000	97.3	Coveo Solutions
979 de Bourgogne Avenue Québec City, Quebec	1976/1988/1996	68,000	96.5	WSP Arpenteurs Géomètres
Place de la Capitale 150 René-Lévesque Boulevard East Québec City, Quebec	1973/1999	222,000	98.1	Société québécoise des infrastructures (SQI)
1255-1267 Charest Boulevard West Québec City, Quebec	1975/2002	142,000	98.9	Société québécoise des infrastructures (SQI)
565-585 Charest Boulevard East Québec City, Quebec	1950/1999/2000	102,000	100.0	Ubisoft
6777 Guillaume-Couture Boulevard Lévis, Quebec	2007	80,000	100.0	Desjardins General Insurance Group
888 Saint-Jean Street Québec City, Quebec	1981/2003	76,000	99.9	Canada Broadcasting Corporation
Complexe Jules-Dallaire <sup>(3)</sup> 2820-2828 Laurier Boulevard Québec City, Quebec	2008/2010/2014	403,000	99.5	Groupe Dallaire, Gestion LKD, Les services administratifs Cominar, CIBC World Markets, Corporation BCF Québec, Services OR, a Canadian chartered bank, Société québécoise des infrastructures (SQI), RGN Québec III, RBC Dominion securities
Place Hauteville 654 and 700 René-Lévesque Boulevard East Québec City, Quebec	1976	270,000	100.0	Société québécoise des infrastructures (SQI)
1020 Bouvier Street Québec City, Quebec <sup>(4)</sup>	2015	40,000 <sup>(4)</sup>	98.4	Société en commandite RGN Québec IX (REGUS)
<b>Sub-total</b>		<b>2,409,000</b>		
<b>Montreal Area</b>				
3100 de la Côte-Vertu Boulevard Montreal, Quebec	1983	95,000	92.6	Aerotek ULC

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
9800 Cavendish Boulevard Montreal, Quebec	1989	102,000	98.8	Fedex Trade Networks Transport & Brokerage (Canada), Kativik School Board
Centropolis – Bâtiment T 3055 Saint-Martin West Boulevard Laval, Quebec	2014	116,000	100.0	RGN Québec VII limited Partnership
Centropolis – Bâtiment D 2968-3000 Pierre-Péladeau Avenue Laval, Quebec	2006	64,000	100.0	TD Meloche Monnex
255 Crémazie Boulevard East Montreal, Quebec	1967/2002	241,000	99.1	Ordre des travailleurs sociaux et des thérapeutes du Québec, GESTION D'ACTIFS FONDS IMMOBILIER DE SOLIDARITÉ FTQ SEC (F.T.Q.), City of Montréal
3400 Jean-Béraud Avenue Laval, Quebec	2001	154,000	96.5	Hey Majesty the Queen
201 Laurier Avenue East Montreal, Quebec	1916/1989/2001	132,000	100.0	City of Montréal, Société québécoise des infrastructures (SQI), Concentrix
1080 Beaver Hall Hill Montreal, Quebec	1968/2000	307,000	99.6	Stantec, TEVA Canada innovation, AC Nielsen, Société de transport de Montréal
4700 de la Savane Street Montreal, Quebec	1988/1998/1999	184,000	66.6	Presagis Canada
9900 Cavendish Boulevard Montreal, Quebec	1987	83,000	87.4	Cantrex Nationwide
9999 Cavendish Boulevard Montreal, Quebec	1988	51,000	79.8	Famic Technologies, Intertape Polymer Inc.
9960-9970 de la Côte-de-Liesse Road Montreal, Quebec	1983	25,000	26.8	High Liner Foods
1 Place Laval Laval, Quebec	1965/1989	109,000	49.6	Groupecho Canada
2 Place Laval Laval, Quebec	1965/1989	100,000	71.8	Utopia
3 Place Laval Laval, Quebec	1965/1989	186,000	45.5	City of Laval, Société québécoise des infrastructures (SQI), Sa Hey Majesty the Queen
4 Place Laval Laval, Quebec	1965/1989	138,000	93.2	Société québécoise des infrastructures (SQI)
5 Place Laval Laval, Quebec	2014	321,000	100.0	Société québécoise des infrastructures (SQI)
3080 du Carrefour Boulevard Laval, Quebec	1990	87,000	89.4	Co-operators Financial Services Limited
3090 du Carrefour Boulevard Laval, Quebec	1986	72,000	92.8	London Life Insurance Company
3100 du Carrefour Boulevard Laval, Quebec	1988	76,000	84.9	A Canadian chartered bank, Investors Group
2525 Daniel-Johnson Boulevard Laval, Quebec	1977	109,000	83.2	WSP Canada
1111 Dr.-Frederik-Philips Boulevard Montreal, Quebec	1990	102,000	95.9	Makivik Corporation
3300 de la Côte-Vertu Boulevard Montreal, Québec	1976	98,000	86.8	Gamma Entertainment
2001 McGill College Avenue Montreal, Quebec	1982	512,000	98.5	SITA (Société internationale de télécommunications aéronautiques), McGill University, a Canadian chartered bank, Joli-Cœur Lacasse, Fondation Lucie et André Chagnon, State Street Trust Company Canada, Corporation Interactive Eidos, BFL Canada risk and insurance

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
9955 Châteauneuf Street Brossard, Quebec	2004/2006	90,000	91.1	Voith Hydro, Bombardier
5100 Sherbrooke Street East Montreal, Quebec	1985/1986	373,000	100.0	Société de gestion du réseau informatique, Tetra Tech, Nordia
2405 Fernand-Lafontaine Boulevard Longueuil, Quebec	1966	33,000	100.0	ITR Acoustique
895 de la Gauchetière Street West Montreal, Quebec	1929/1943/1961/ 1981/1999-2005	649,000	100.0	Canadian National Railway Company, Intelrad Medical Systems Incorporated, Adacel, Les Services Financiers Gemco
3400 De Maisonneuve Boulevard West Montreal, Quebec	1967/1971/1986/ 1987/1988	609,000	93.1	Hapag Lloyd (Canada), Dale Parizeau Morris Mackenzie, KSH solutions, AGA Benefit Solutions, Tecsys, Xerox Canada, Oceanwide, Fédération des médecins omnipraticiens du Québec
1717 René-Lévesque Boulevard East Montreal, Quebec	1981/2010	70,000	100.0	Bell Média
1200 Papineau Avenue Montreal, Quebec	1988/2010	93,000	89.9	Productions J
3669-3681 des Sources Boulevard Dollard-des-Ormeaux, Quebec	1981	24,000	79.0	Moksha Yoga West Island
480 Armand-Frappier Boulevard Laval, Quebec	2003	51,000	100.0	City of Laval
420 Armand-Frappier Boulevard Laval, Quebec	2002	51,000	100.0	City of Laval, TCR Agency
440 Armand-Frappier Boulevard Laval, Quebec	1999	50,000	94.0	ProMetic Life Sciences
400 Armand-Frappier Boulevard Laval, Quebec	2003	49,000	85.9	Technologies 20-20
1301 Gay-Lussac Street Boucherville, Quebec	1999	15,000	100.0	Clark, Drouin, Lefebvre
85 J.-A.-Bombardier Street Boucherville, Quebec	2003	26,000	38.9	PLB International Inc.
9975-9995 Châteauneuf Street Brossard, Quebec	2004	123,000	95.9	Tyco Safety Products Canada
2 Place du Commerce Brossard, Quebec	1976	36,000	49.7	Hélène Bousquet, Steven Beaudry, Louis Morin et Dr. Michel Samson Inc.
5 Place du Commerce Brossard, Quebec	1981	20,000	100.0	DuFour, Charbonneau, Brunet & ass.
8 Place du Commerce Brossard, Quebec	1981	31,000	50.3	Financial Horizons Group
1 Place du Commerce Brossard, Quebec	1978	44,000	74.3	Société québécoise des infrastructures (SQI)
11 Place du Commerce Brossard, Quebec	1976/2004	41,000	79.2	Société québécoise des infrastructures (SQI)
3 Place du Commerce Brossard, Quebec	1978	28,000	67.4	Skratch Bar
7450 Galeries-d'Anjou Boulevard Montreal, Quebec	1986	66,000	93.0	Caisse Desjardins d'Anjou-Tétreauville
7400 Galeries-d'Anjou Boulevard Montreal, Quebec	1988	116,000	99.0	A Canadian chartered bank, TETRA TECH QI INC.
8200 Décarie Boulevard Montreal, Quebec	1982	61,000	57.6	Gestion Financière MD INC.
8250 Décarie Boulevard Montreal, Quebec	1989	83,000	81.1	Berger Emrich Valencak

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
1-243 Place Frontenac Pointe-Claire, Quebec	1977	66,000	59.8	Les centres de la jeunesse et de la famille Batshaw
1000 Saint-Jean Boulevard Pointe-Claire, Quebec	1976	110,000	73.7	Société québécoise des infrastructures (SQI)
1555 Carrie-Derick Street Montreal, Quebec	2005	82,000	100.0	Tata Communications
<b>Sub-total</b>		<b>6,554,000</b>		
<b>Ontario Area</b>				
550 de la Cité Boulevard Gatineau, Quebec	2003	321,000	100.0	Her Majesty the Queen
480 de la Cité Boulevard Gatineau, Quebec	2003	45,000	65.0	WSP Canada INC.
400 Cooper Street Ottawa, Ontario	1974/1998	185,000	94.3	Centretown Community Health Centre, Red Cross Society
975 Saint-Joseph Boulevard Gatineau, Quebec	1983/1999	195,000	100.0	Her Majesty the Queen
1145 Hunt Club Road Ottawa, Ontario	1990	90,000	97.3	SNC-Lavalin, Ottawa Hospital
110 O'Connor Street Ottawa, Ontario	1970/1999/2010	189,000	2.2	Development
222-230 Queen Street Ottawa, Ontario	1972/1991/2002	205,000	84.4	Her Majesty the Queen, a Canadian chartered bank
171 Slater Street Ottawa, Ontario	1970/2011	153,000	73.4	Her Majesty the Queen
2465 Saint-Laurent Boulevard Ottawa, Ontario	1987/2001	58,000	100.0	Her Majesty the Queen
1000 Innovation Drive Kanata, Ontario	2000	141,000	100.0	Entrust Limited
21 Fitzgerald Road Nepean, Ontario	1986/1996	39,000	100.0	Her Majesty the Queen
25 Fitzgerald Road Nepean, Ontario	1998	114,000	94.4	Her Majesty the Queen
35 Fitzgerald Road Nepean, Ontario	2001	64,000	100.0	Her Majesty the Queen
1 Antares Road Nepean, Ontario	1989	72,000	99.8	Synopsys Canada ULC, N. Harris Computer
700 Palladium Drive Ottawa, Ontario	2001	62,000	100.0	Ford Motor Company
750 Palladium Drive Ottawa, Ontario	2001	81,000	100.0	Skywave Mobile Communications
770 Palladium Drive Ottawa, Ontario	2001	79,000	96.1	Calian Ltd.
<b>Sub-total</b>		<b>2,093,000</b>		
<b>TOTAL OFFICE PROPERTIES</b>		<b>11,056,000</b>		

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
<b>RETAIL PROPERTIES</b>				
<b>Québec City Area</b>				
3345 du Carrefour Street Québec City, Quebec	2005	25,000	76.1	Caisse Desjardins du Vieux-Moulin
2200 Cyrille-Duquet Street Québec City, Quebec	1965/1986/ 1996/2018	31,000	0.0	Development
5600 Guillaume-Couture Boulevard Lévis, Quebec	2005	10,000	100.0	Société des alcools du Québec
2160 Cyrille-Duquet Street Québec City, Quebec	1965/1981/ 1994/2018	45,000	35.6	Continental
2180 Cyrille-Duquet Street Québec City, Quebec	1969/1984/ 1997/2003	20,000	100.0	Tesla Motors
Halles Fleur de Lys 245 Soumande Street Québec City, Quebec	1978/1984/1994	103,000	85.1	Dollarama, Michael Rossy
Place de la Cité 2590-2640 Laurier Boulevard Québec City, Quebec	1964/1970/ 1982/1993	305,000	92.9	Caisse Desjardins de Sainte-Foy, YM, La Cité Médicale
Carrefour Charlesbourg 8500 Henri-Bourassa Boulevard Québec City, Quebec	1976/1988/1995/ 1996/2004	319,000	84.9	Métro Québec Immobilier, Michael Rossy
355 du Marais Street Québec City, Quebec	1990	38,000	100.0	Maximus
325 du Marais Street Québec City, Quebec	1991	80,000	96.0	Restaurant Tomas Tam
3323 du Carrefour Street Québec City, Quebec	2006	4,000	100.0	A Canadian chartered bank
550 du Marais Street Québec City, Quebec	1995	17,000	91.5	Écho Sport
Les Promenades Beauport 3333 du Carrefour Street Québec City, Quebec	1978/2002/2004/ 2008/2009	547,000	95.5	Winners, Sports Experts/Atmosphère, Léon's furniture, Magasins Hart, Quilles Univers Beauport, L'Aubainerie concept mode, Énergie Cardio
1295 Charest Boulevard West Québec City, Quebec	1982/2007	28,000	100.0	Continental Capital Investements
Place Lévis 50 Président-Kennedy Road Lévis, Quebec	1970/1995	216,000	80.6	Provigo Distribution
3319 du Carrefour Street Québec City, Quebec	2003	3,000	100.0	Tim Hortons
1269-1283 Charest Boulevard West Québec City, Quebec	1975/2002	63,000	48.7	Dollarama
950 Jutras Boulevard East Victoriaville, Quebec	2012	4,000	100.0	Coco Frutti
230 des Bois-Francis Boulevard South Victoriaville, Quebec	1986	8,000	86.8	Burger King
Galleries Shawinigan 3353-3493 Royal Boulevard Shawinigan, Quebec	1988/2006	24,000	66.4	Bouclair
La Plaza de la Mauricie 3103 Royal Boulevard Shawinigan, Quebec	1974/2000/ 2002/2006	222,000	93.7	Métro Richelieu, Bureau en Gros, Pharmaprix, Hart Stores, L'Aubainerie, Intersport



Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
3321 du Carrefour Street Québec City, Quebec	2013	5,000	100.0	Développements Ben & Florentine
3315-3317 du Carrefour Street Québec City, Quebec	1989	17,000	100.0	Bouclair
Carrefour Frontenac 805 Frontenac Boulevard East Thetford Mines, Quebec	1959	180,000	96.3	Rona, Provigo Distribution
Carrefour Saint-Georges 8585 Lacroix Boulevard Saint-Georges, Quebec	1974/1978/ 1992/2002	303,000	97.5	Bureau en Gros, Métro, Surplus R.D.
Centre commercial Rivière-du-Loup 298 Armand-Thériault Boulevard Rivière-du-Loup, Quebec	1973/2005	303,000	94.3	Métro Québec immobilier
252 Hôtel-de-Ville Boulevard Rivière-du-Loup, Quebec	1997	7,000	100.0	Hart Stores
95 Cerisiers Street Rivière-du-Loup, Quebec	2008	6,000	100.0	Restaurant Bon Voyage RDL
Carrefour Rimouski 419 Jessop Boulevard Rimouski, Quebec	1978	341,000	98.7	Canadian Tire, Provigo Distribution
Les Rivières 4125-4575 des Forges Boulevard Trois-Rivières, Quebec	1971/1981/2001	487,000	94.6	Toys "R" Us, FGL Sports, Rona
3925 des Forges Boulevard Trois-Rivières, Quebec	2000	38,000	100.0	Sobeys Québec
1000 des Basses-Terres Street <sup>(4)</sup> Québec City, Quebec	2015	33,000	100.0	Sportium
1033 des Rocailles Street Québec City, Quebec	2016	13,000	100.0	Avril
1016 Bouvier Street Québec City, Quebec <sup>(4)</sup>	2016	5,000	100.0	Claude et Marcel Martin Inc.
3390 Blaise-Pascal Avenue Québec City, Quebec	2020	56,000	100.0	Décathlon
4675 des Forges Boulevard Trois-Rivières, Quebec	2016	7,000	100.0	Société des alcools du Québec
<b>Sub-total</b>		<b>3,913,000</b>		
<b>Montréal Area</b>				
Carrefour Lachenaie 400 Montée des Pionniers Terrebonne, Quebec	2003	6,000	100.0	Groupe TDL
330-334 Montée des Pionniers Terrebonne, Quebec	2004	6,000	100.0	La Belle Province
310-322 Montée des Pionniers Terrebonne, Quebec	2003	19,000	85.2	Dormez-vous
250-302 Montée des Pionniers Terrebonne, Quebec	2005	77,000	100.0	The Brick Warehouse
216-220 Montée des Pionniers Terrebonne, Quebec	2008	13,000	100.0	J.M. Clément
Mail Champlain 2151-2153 Lapinière Boulevard Brossard, Quebec	1975/1977/1988/ 1990/1994/2009	704,000	96.4	Décathlon Canada, Hudson's Bay Company, FGL Sports, Hennes & Mauritz, G.L.A.M, Archambault

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
Centre Rockland 2305 Rockland Road Town of Mount Royal, Quebec	1959/1983/2005	619,000	97.3	FGL Sports, Hudson's Bay Company, Hennes & Mauritz, Société des alcools du Québec, Propriétés Shoppers, Hennes & Mauritz, Zara Canada, The Linen Chest
Galleries Rive-Nord 100 Brien Boulevard Repentigny, Quebec	1974/1982/1984/ 1990/1999	555,000	98.5	Walmart Canada, FGL Sports, Toys "R" Us, Hennes & Mauritz
Centropolis – Building A 2888 du Cosmodôme Avenue Laval, Quebec	2000	73,000	100.0	Fruiterie 440
Centropolis – Building C 1731-1799 Pierre-Péladeau Avenue and 2777 Saint-Martin Boulevard West Laval, Quebec	2000	69,000	100.0	La Cordée plein air
Centropolis – Building Ea 2900-2940 Pierre-Péladeau Avenue and 101 du Centropolis Promenade Laval, Quebec	2003	22,000	100.0	The 3 Brewers
Centropolis – Building Eb 105-165 du Centropolis Promenade Laval, Quebec	2003	19,000	100.0	Putting Edge
Centropolis – Building Fa 1820-1880 Pierre-Péladeau Avenue Laval, Quebec	2001	18,000	100.0	Jack Astor's (Laval) Realty
Centropolis – Building Fb 100-140 du Centropolis Promenade Laval, Quebec	2001	15,000	100.0	Développement Allô mon Coco
Centropolis – Building G 1730-1798 Pierre-Péladeau Avenue et 2929-2981 Saint-Martin Boulevard West Laval, Quebec	2001	60,000	99.6	Énergie Cardio
Centropolis – Building H 175-245 du Centropolis Promenade Laval, Quebec	2001	40,000	100.0	Restaurant Zibo, Balthazar
Centropolis – Building I 485-575 du Centropolis Promenade Laval, Quebec	2004	46,000	97.5	Neptune Technologies & Bioressources
Centropolis – Building Ja 150-190 du Centropolis Promenade Laval, Quebec	2001	17,000	100.0	Espace Ricardo
Centropolis – Building Jb 200-250 du Centropolis Promenade Laval, Quebec	2001	19,000	100.0	Société des alcools du Québec
Centropolis – Building K 450-510 du Centropolis Promenade Laval, Quebec	2004	19,000	100.0	Boston Pizza
Centropolis – Building Pa 580-590 du Centropolis Promenade et 1825-1955 Saint-Martin Boulevard West Laval, Quebec	2006	34,000	100.0	J.M. Clément
Centropolis – Building Pb 520-572 du Centropolis Promenade Laval, Quebec	2006	13,000	100.0	Les Entreprises Zouki's
Centropolis – Building R 595-655 du Centropolis Promenade et 2005-2105 Saint-Martin Boulevard West Laval, Quebec	2006	56,000	82.6	A Canadian chartered bank

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
Centropolis – Colossus 2800 du Cosmodôme Avenue Laval, Quebec	2009	100,000	100.0	Famous Players
600-660 Le Corbusier Boulevard Laval, Quebec	2008	59,000	100.0	Dollarama
690 Le Corbusier Boulevard Laval, Quebec	2008	43,000	100.0	Nordia
720 Le Corbusier Boulevard Laval, Quebec	2009	9,000	100.0	A Canadian chartered bank
760-800 Le Corbusier Boulevard Laval, Quebec	2008	12,000	100.0	Urbania
830-850 Le Corbusier Boulevard Laval, Quebec	2008	10,000	100.0	Panda d'Or
900-950 Le Corbusier Boulevard Laval, Quebec	2009	61,000	100.0	Indigo Books & Music, Golf Town, Jysk Linen'n furniture
1020-1050 Le Corbusier Boulevard Laval, Quebec	2008	10,000	100.0	Allstate compagnie d'assurance
1090-1130 Le Corbusier Boulevard Laval, Quebec	2008	12,000	100.0	Kanda Sushi bar
1310 Le Corbusier Boulevard Laval, Quebec	2008	31,000	100.0	Winners
1340-1350 Le Corbusier Boulevard Laval, Quebec	2008	8,000	100.0	Centre Hi-Fi
1160-1170 Le Corbusier Boulevard Laval, Quebec	2011	12,000	100.0	A Canadian chartered bank
99 Saint-Jean-Baptiste Boulevard Châteauguay, Quebec	1991/2006	4,000	100.0	Pizza Hut
155 25 <sup>th</sup> Avenue Saint-Eustache, Quebec	1989	7,000	81.2	Boulangerie pâtisserie fine douceur RGC
Place Longueuil 825 Saint-Laurent Street West Longueuil, Quebec	1966/1981/1986	408,000	93.3	Sobeys Québec, Société québécoise des infrastructures (SQI), FGL Sports, Winners
2054 Curé-Labelle Boulevard Saint-Jérôme, Quebec	1990/2007	4,000	100.0	Pizza Hut
670 Principale Street Sainte-Agathe-des-Monts, Quebec	1990/2009	4,000	0	Vacant
1600 Le Corbusier Boulevard Laval, Quebec	1967/1998/ 2003/2005	695,000	92.3	Best Buy Canada, The Brick Warehouse, Hudson's Bay Company, Bureau en Gros, Sportium, Winners
2001 Victoria Avenue Saint-Lambert, Quebec	1986	43,000	54.2	The Jean Coutu Group (PJC)
8 Bromont Boulevard Bromont, Quebec	1989/1993	4,000	100.0	9341-0108 Québec (La petite grenouille)
378-380 Harwood Boulevard Vaudreuil-Dorion, Quebec	1996	14,000	100.0	The Jean Coutu Group (PJC)
425-443 Adolphe-Chapleau Street Bois-des-Filion, Quebec	1986	40,000	87.0	The Jean Coutu Group (PJC), Dollarama
895 De La Gauchetière Street West Montreal, Quebec	1929/1943/1961/ 1981/1999-2005	87,000	98.0	Bureau en Gros
Alexis Nihon Complex 1500 Atwater Avenue Montreal, Quebec	1967/1971/1986/ 1987/1988	403,000	98.6	Winners, FGL Sports, Canadian Tire, Sobeys Québec
736 King Street East Sherbrooke, Quebec	1986/1988	4,000	0.0	Vacant

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
3500 de la Côte-Vertu Boulevard and 850-980 Beaulac Street Montreal, Quebec	1999-2002	4,000	100.0	McDonald restaurant
3330 de la Côte-Vertu Boulevard Montreal, Quebec	1999-2002	5,000	100.0	Souvlaki Bar
3310 de la Côte-Vertu Boulevard Montreal, Quebec	1999-2002	6,000	100.0	Groupe Sportscène
3450 de la Côte-Vertu Boulevard Montreal, Quebec	1999-2002	6,000	100.0	Dormez-vous
3550 de la Côte-Vertu Boulevard Montreal, Quebec	2003	3,000	100.0	Harvey's
1165 du Tremblay Road Longueuil, Quebec	2003	5,000	100.0	Barbies
1175 du Tremblay Road Longueuil, Quebec	2003	22,000	100.0	Caisse Desjardins Pierre-Boucher
2401 Roland-Therrien Boulevard Longueuil, Quebec	1989/2003	30,000	74.2	The Jean Coutu Group (PJC)
2140 King Street East Sherbrooke, Quebec	2000	1,000	100.0	Subway
2110 King Street East Sherbrooke, Quebec	1999-2002	4,000	100.0	McDonald restaurant
Mail Montenach 600 Sir-Wilfrid Laurier Boulevard Beloeil, Quebec	1975/1989/ 2012	360,000	95.4	Canadian Tire, Métro Richelieu 2000, Librairie papeterie Citation, Olympia Sports, Winners
560 Sir-Wilfrid Laurier Boulevard Beloeil, Quebec	2005	8,000	100.0	Société des alcools du Québec
546 Sir-Wilfrid Laurier Boulevard Beloeil, Quebec	2005	4,000	100.0	A Canadian chartered bank
<b>Sub-total</b>		<b>5,226,000</b>		
<b>Ontario Area</b>				
120 de l'Hôpital Boulevard Gatineau, Quebec	1996	66,000	89.1	Cinéma 9
Galleries de Hull 320 Saint-Joseph Boulevard Gatineau, Quebec	1972	275,000	91.1	Shoppers Realty, Original Baked Quality Pita
350 Saint-Joseph Boulevard Gatineau, Quebec	2008	8,000	100.0	Bâton Rouge (restaurant)
<b>Sub-total</b>		<b>349,000</b>		
<b>TOTAL RETAIL PROPERTIES</b>		<b>9,488,000</b>		
<b>INDUSTRIAL AND FLEX PROPERTIES</b>				
<b>Québec City Area</b>				
2381-2393 Watt Avenue Québec City, Quebec	1973/1981	66,000	100.0	Boulangerie Pâtisserie Dumas
2345-2349 Dalton Avenue Québec City, Quebec	1973/1981	54,000	100.0	VAST Auto distribution, Clé du découpage
830 Godin Avenue Québec City, Quebec	1978/1994	49,000	100.0	Iron Mountain Canada

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
1165 Lomer-Gouin Street Québec City, Quebec	1941/1978/1993	72,000	100.0	Produits Capital, L'Usine Création
1990 Cyrille-Duquet Street Québec City, Quebec	1976/1977/ 1995/1996	91,000	90.0	Vigneault Chocolatier, Mission-HGE
2006–2010 Lavoisier Street Québec City, Quebec	1976	68,000	100.0	NAPA Auto Parts
2022 Lavoisier Street Québec City, Quebec	1978	59,000	99.1	Consulair, Pâtes Partout
2025 Lavoisier Street Québec City, Quebec	1978/1983/1990	37,000	100.0	Cristal Contrôles
2015 Lavoisier Street Québec City, Quebec	1974	2,000	100.0	Eurotek Mécanique Spécialisée
5130 Rideau Street Québec City, Quebec	1988	24,000	100.0	Toromont Industries
2955 Kepler Avenue Québec City, Quebec	1978	15,000	100.0	Groupe conseil en croissance urbaine
1400 Saint-Jean-Baptiste Avenue Québec City, Quebec	1979/1995	106,000	95.8	Meubles Zip International, Mega Fitness Gym
1515 Saint-Jean-Baptiste Avenue Québec City, Quebec	1979/1989	62,000	100.0	Fixatech, Carquest Canada
955 Saint-Jean-Baptiste Avenue Québec City, Quebec	1978/1991	33,000	94.5	Location Brossard
2020 Cyrille-Duquet Street Québec City, Quebec	1968	41,000	100.0	Quillorama Duplessis
2100 Cyrille-Duquet Street Québec City, Quebec	1962/1975/1995	32,000	100.0	Weston Foods (Canada)
2150 Cyrille-Duquet Street Québec City, Quebec	1970/1985/1994	22,000	100.0	Nutaq Innovation
310 Métivier Street Québec City, Quebec	1972/1991	19,000	100.0	Centre Hydraulique GMB
454-456 Marconi Avenue Québec City, Quebec	1984	16,000	100.0	Information communication services (ICS)
1730-1790 Newton Avenue Québec City, Quebec	1987	62,000	100.0	Her Majesty the Queen, Veritiv Canada
5000 Rideau Street Québec City, Quebec	1995	2,000	100.0	Her Majesty the Queen
5125 Rideau Street Québec City, Quebec	1987/1997	12,000	100.0	United Parcel Service Canada
4975 Rideau Street Québec City, Quebec	1990	33,000	91.8	Café G.A.R., Feldan Bio
2755 Dalton Avenue Québec City, Quebec	1971/1989	23,000	100.0	Spicers Canada
120 de New York Street Saint-Augustin-de-Desmaures, Quebec	2006	34,000	100.0	Équipement SMS
650 Godin Avenue and 460 Desrochers Street Québec City, Quebec	1967/1975/1977	189,000	100.0	Société québécoise des infrastructures (SQI), Imprimerie Solisco
625 Godin Avenue Québec City, Quebec	1989/1990	61,000	100.0	Messageries Dynamiques, a division of Communications Quebecor, Controlab Manufacture
579 Godin Avenue Québec City, Quebec	1981/1999/2007	22,000	100.0	Linde Canada
2700 Jean-Perrin Street Québec City, Quebec	1987/1998	129,000	95.3	Société canadienne des postes

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
2181–2211 Léon-Harmel Street Québec City, Quebec	1974/2003	72,000	98.2	CNESST, Optelvision
445 Saint-Jean-Baptiste Avenue Québec City, Quebec	1986/2003	92,000	100.0	Gentec Électro-Optique
450-500 Saint-Jean-Baptiste Avenue Québec City, Quebec	1987	87,000	95.8	Fiso Technologies
5275 Wilfrid-Hamel Boulevard Québec City, Quebec	1981	30,000	90.7	Acousti-Plus
1670 Semple Street Québec City, Quebec	1972/2000	90,000	99.2	Impecca image et impression, Distribution Vieux-Port
2500 Jean-Perrin Street Québec City, Quebec	1998	76,000	94.4	Proludik
2600 Jean-Perrin Street Québec City, Quebec	2001	49,000	100.0	Laboratoires Choisy
765 Godin Avenue Québec City, Quebec	1976/1989	15,000	100.0	Tyco
1041 Pierre-Bertrand Boulevard Québec City, Quebec	1963/2002	115,000	100.0	Boulangerie Canada Bread, Suppléments K.D.
989 Pierre-Bertrand Boulevard Québec City, Quebec	1974/1994	38,000	87.4	Impression Pro-design
955 Pierre-Bertrand Boulevard Québec City, Quebec	1995	43,000	100.0	PMT/Roy assurances et services financiers
1080 des Rocailles Street Québec City, Quebec	1995	48,000	100.0	Wolseley Canada
235 Fortin Street Québec City, Quebec	1996	26,000	100.0	Frito-Lay/Pepsico
275 Métivier Street Québec City, Quebec	2003	39,000	100.0	Descair
300 Métivier Street Québec City, Quebec	2004	29,000	100.0	Metro to Home Logistics
1255 des Artisans Street Québec City, Quebec	2007	44,000	100.0	Contreplaqué & Placage Canada
275 Saint-Sacrement Avenue Québec City, Quebec	1949/2006	61,000	100.0	City of Québec
1775 Léon-Harmel Street Québec City, Quebec	2004	22,000	100.0	Wolseley Canada
2600 Saint-Jean-Baptiste Avenue Québec City, Quebec	2004	35,000	88.4	Telops
2800 Saint-Jean-Baptiste Avenue Québec City, Quebec	2004	103,000	98.0	Groupe immobilier Desjardins
3000 Saint-Jean-Baptiste Avenue Québec City, Quebec	2004	47,000	100.0	Société québécoise des infrastructures (SQI)
1990 5 <sup>th</sup> Street Lévis, Quebec	2008	51,000	100.0	Société québécoise des infrastructures (SQI)
1986 5 <sup>th</sup> Street Lévis, Quebec	2015	33,000	100.0	Groupe immobilier Desjardins
1984 5 <sup>th</sup> Street Lévis, Quebec	2014	74,000	100.0	Maibec, Le Groupe Master
795 J.-Ambroise-Craig Street Lévis, Quebec	1997/1999	23,000	100.0	Mitten
820 Alphonse-Desrochers Street Lévis, Quebec	2004	212,000	100.0	Groupe Colabor

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
1010 Godin Avenue Québec City, Quebec	1985	56,000	100.0	ID Biomédical Corporation of Québec
125 Fortin Street Québec City, Quebec	2013	49,000	100.0	SGS Canada
155 Fortin Street Québec City, Quebec	2016	46,000	100.0	Goodman Manufacturing, Siemens
185 Fortin Street Québec City, Quebec	2015	6,000	100.0	Isaute Québec, Shred-it
30-56 Jacques-Nau Street Lévis, Quebec	1990/1994	79,000	93.7	Distribution de Pièces D'Auto Rive-Sud
750 des Oliviers Road Lévis, Quebec	1992-1994	25,000	68.4	Manac
5205 Rideau Street Québec City, Quebec	1994	24,000	100.0	Federal Express Canada
336 Montée Industrielle Rimouski, Quebec	1996	4,000	100.0	Air Liquide Canada
505 du Parc-Technologique Boulevard Québec City, Quebec	2002	102,000	88.8	Englobe, Ciena Canada
<b>Sub-total</b>		<b>3,441,000</b>		
<b>Montréal Area</b>				
2125 23 <sup>rd</sup> Avenue Montreal, Quebec	1974	199,000	100.0	Domtar
2177 23 <sup>rd</sup> Avenue Montreal, Quebec	1977	221,000	100.0	Pival
5205 Fairway Street Montreal, Quebec	1959	288,000	100.0	Remco, GTI Storage & Handling
8288 Pie-IX Boulevard Montreal, Quebec	1989	120,000	100.0	Belron Canada
1415 32 <sup>nd</sup> Avenue Montreal, Quebec	1989/1993	72,000	100.0	C.A.C. 3000
1455 32 <sup>nd</sup> Avenue Montreal, Quebec	2001	33,000	100.0	GGI International
1475 32 <sup>nd</sup> Avenue Montreal, Quebec	1988	92,000	100.0	Pneutech-Rousseau Group, Airport Steel and Tubing
3300 Jean-Baptiste-Deschamps Boulevard Montreal, Quebec	1989	19,000	100.0	J. Can Express
9100 du Parcours Street Montreal, Quebec	1998/2000	199,000	100.0	Nortek Air Solutions Québec
10550 Parkway Boulevard Montréal, Quebec	1964/1972	116,000	100.0	Bestseller wholesale Canada
2103-2167 Dagenais Boulevard West Laval, Quebec	1999/2003	277,000	100.0	Dura Housewares, Groupe Opex
894-930 Bergar Street Laval, Quebec	1989	33,000	100.0	Linde Canada, Composants Industriels Wajax
901-937 Michelin Street Laval, Quebec	1988	43,000	100.0	KOP Turbines, MégaLab
3370-3418 Industrial Boulevard Laval, Quebec	1986	55,000	92.5	Franklin Empire
3401-3421 Industrial Boulevard Laval, Quebec	1986	56,000	100.0	Rexel Canada, ATMPROQ



Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
1405-1453 Bergar Street Laval, Quebec	1988	33,000	100.0	Liftow
3424-3428 Francis-Hughes Avenue Laval, Quebec	2003	16,000	100.0	Trane Québec
40 du Tremblay Road Boucherville, Quebec	1991/2006	143,000	100.0	Groupe BMR inc.
620-650 Giffard Street Longueuil, Quebec	1980	53,000	94.7	Sonepar Canada
667-687 Giffard Street Longueuil, Quebec	1980	43,000	83.7	Carrosserie R.D.M., Trane Canada ULC
784-818 Guimond Boulevard Longueuil, Quebec	1988	82,000	91.4	Les Technologies Clemex, Groupe Conseil Génicom
9101-9175 des Sciences Boulevard Montreal, Quebec	1999/2000	71,000	100.0	Hibbert International, Lallemand, Collection Tuff Avenue
1675 de Montarville Boulevard Boucherville, Quebec	1989/2003	142,000	100.0	Groupe Master
5250 Armand-Frappier Street Longueuil, Quebec	1992	59,000	100.0	Hydro-Québec
1405-1495 55 <sup>th</sup> Avenue Dorval, Quebec	2001	66,000	100.0	International paint division of Akzo Nobel Coatings, Château Manis électroniques
4500-4536 Louis-B.-Mayer Street Laval, Quebec	2004	47,000	100.0	Les Services EXP
2900-2976 Joseph-A.-Bombardier Street Laval, Quebec	2006	108,000	100.0	Caterpillar du Canada, Mitek Canada, SynerGX Technologies
3025 Joseph-A.-Bombardier Street Laval, Quebec	2006/2007	78,000	100.0	Camfil Canada, Star Pipe Canada
4451-4479 Laval Highway West Laval, Quebec	2004	115,000	94.1	Centre sportif extrême évolution
330 Avro Avenue Pointe-Claire, Quebec	1991/1998	89,000	100.0	Motion Industries (Canada)
940 Bergar Street Laval, Quebec	1987	15,000	100.0	Brite-Lite Maintenance
11000-11020 Parkway Boulevard Montreal, Quebec	1965	217,000	100.0	Cryopak Industries (2007), Réfrigération Métropolitaine
20 Hymus Boulevard Pointe-Claire, Quebec	1986	61,000	100.0	Diversifié Ulbrich du Canada
2156-2168 de la Province Street Longueuil, Quebec	1990	40,000	100.0	Kanzy Medipharma, Équipement d'essai aérospatial
2170 de la Province Street Longueuil, Quebec	1990	23,000	100.0	Exprolink
715 Delage Street Longueuil, Quebec	1990	42,000	96.3	Équipement d'essai aérospatial
6445 de la Côte-de-Liesse Road Montréal, Quebec	1980/1999	50,000	100.0	Servicorp Industrial Supplies
19100-19180 Trans-Canada Highway Baie-D'Urfé, Quebec	1987	25,000	75.0	G Production
3600 Matte Boulevard Brossard, Quebec	1988	27,000	81.4	La boutique Le Tambourin, Nasuco Canada
3650 Matte Boulevard Brossard, Quebec	1987	43,000	91.3	Polycontrôles Technologies
115 de Vaudreuil Street Boucherville, Quebec	1987	16,000	27.4	Planète Courrier

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
4140-4150 de Portland Boulevard Sherbrooke, Quebec	2000	67,000	74.7	Bombardier recreational products
3071-3075 Louis-A.-Amos Street and 1922-1996 Onésime-Gagnon Street Montreal, Quebec	1987	164,000	80.5	GE Lighting Solutions, Elrora, Import Export
1615-1805 55 <sup>th</sup> Avenue Dorval, Quebec	1990	158,000	100.0	John L. Schultz, Transport Midland, Transkid
3339-3403 Griffith Street Montreal, Quebec	1987	117,000	94.7	Henry Schein Ash Arcona
8100 Cavendish Boulevard Montreal, Quebec	1981	115,000	100.0	Pretium Canada Company
1949 Onésime-Gagnon Street Montreal, Quebec	1988	96,000	100.0	Richards Packaging
2260 32 <sup>nd</sup> Avenue and 3142-3190 Joseph-Dubreuil Street Montreal, Quebec	1983	92,000	100.0	Rogers Communications, Andritz Paper Machinery, Ceva Freight Canada
2102-2150 32 <sup>nd</sup> Avenue Montreal, Quebec	1984	77,000	100.0	Grimco, NSK Canada
2024-2080 32 <sup>nd</sup> Avenue Montreal, Quebec	1984	68,000	100.0	Freeman Audio Visual
6320-6380 de la Côte-de-Liesse Road Montreal, Quebec	1955/1981/1990	58,000	81.4	Groupe Immobilier Desjardins
2025 de la Metropole Street Longueuil, Quebec	1977/1993	201,000	100.0	Les métaux Tremblay, Solution extrême
1925-1975 Hymus Boulevard Dorval, Quebec	1988	104,000	94.0	Apple Express Courier, PNH Enterprises, Canaflex
80-140 Lindsay Avenue Dorval, Quebec	1986	44,000	100.0	Centre de conformité ICC
8411-8453 Dalton Road Town of Mount Royal, Quebec	1975	30,000	100.0	Sigvaris Corporation
8459-8497 Dalton Road Town of Mount Royal, Quebec	1975	41,000	72.0	CBM N.A.
8545-8579 Dalton Road Town of Mount Royal, Quebec	1987	38,000	100.0	Schindler Elevator Corporation
8605-8639 Dalton Road Town of Mount Royal, Quebec	1986	36,000	100.0	Enviroair Industries
7527-7583 Henri-Bourassa Boulevard Montreal, Quebec	1975	111,000	98.4	M. Ralph Di Orio, M. François Perrier, M. Mathieu Riel, M. Marc Beaulieu
8552-8648 Pie-IX Boulevard Montreal, Quebec	1988	141,000	64.7	Memtronik Innovations
8740-8878 Pie-IX Boulevard Montréal, Quebec	1992	164,000	96.5	Peerless clothing, Commonwealth Home Fashions
7075 Robert-Joncas Place Montreal, Quebec	1975	218,000	85.3	Solaria Management, Purolator Courier
1225 Volta Street Boucherville, Quebec	1988/1991	226,000	100.0	Sysco
2000 Halpern Street Montreal, Quebec	1977	527,000	100.0	LDC Logistics Development
1111 46 <sup>th</sup> Avenue Montreal, Quebec	1973	107,000	100.0	Corporation Transport Vitesse
1200 55 <sup>th</sup> Avenue Montreal, Quebec	1987	68,000	100.0	Diversitech Equipment & Sales

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
5055 Lévy Street Montreal, Quebec	1989/1990	61,000	83.0	TI-Titanium
243 Hymus Boulevard Pointe-Claire, Quebec	1969	40,000	100.0	Peloton Pharmaceuticals
2555 Pitfield Boulevard Montreal, Quebec	2003	99,000	100.0	Arden Holdings
731-749 Meloche Avenue and 11450 de la Côte-de-Liesse Road Dorval, Quebec	1979	36,000	69.0	Sabot Universel
703-729 Meloche Avenue Dorval, Quebec	1980	32,000	100.0	True World Foods of Canada
679-701 Meloche Avenue and 135-137 Lindsay Avenue Dorval, Quebec	1981	35,000	61.0	Les produits d'ingénierie North Star
1730-1850 55 <sup>th</sup> Avenue and 5435 François-Cusson Street Montreal, Quebec	1986	77,000	86.7	Ventes Créatives Graham, Planète Courrier
1520-1660 55 <sup>th</sup> Avenue and 5430 Fairway Street Montreal, Quebec	1986	79,000	100.0	Extal installation et réaménagement de bureau
1875 55 <sup>th</sup> Avenue and 20-62 Lindsay Street Dorval, Quebec	1988	82,000	100.0	Autoindex, Opportun International Clothing, Der Graphics and Custom Filling
72 Tremblay Road Boucherville, Quebec	2008	29,000	100.0	Société en commandite Strongco
3855 Matte Boulevard Brossard, Quebec	2009	31,000	100.0	Nortrax Canada
2705 Francis-Hughes Avenue Laval, Quebec	1975	35,000	100.0	Mecanorack Industries
2745 Francis-Hughes Avenue Laval, Quebec	1999/2002	31,000	100.0	Ovation Logistics Canada
4141-4149 Highway 440 Laval, Québec	1977/1986	195,000	89.8	Staples Canada, Facc Solutions
4200 Louis-B.-Mayer Street Laval, Quebec	2016	130,000	100.0	Wolseley
730 Industrial Boulevard Blainville, Quebec	2000	43,000	100.0	Xebec Adsorption
895 de la Gauchetière Street West Montreal, Quebec	1929/1943/1961/ 1981/1999/2005	995,000	100.0	Inframtl
5200 J.-A.-Bombardier Street Longueuil, Quebec	2006	46,000	100.0	Lapaco Paper Products
2789-2855 Corbusier Boulevard Laval, Quebec	1981	59,000	100.0	S.D. Variations
900-950 Saint-Martin Boulevard West Laval, Quebec	1975/1988	143,000	100.0	Comark, Pelican International
1415-1531 Berlier Street Laval, Quebec	1981/2002	70,000	86.2	Le Groupe Master
982-1002 Jean-Neveu Street Longueuil, Quebec	1988	29,000	100.0	Location Luber
938-952 Jean-Neveu Street Longueuil, Quebec	1989	28,000	79.9	Macpek, Lavage Industriel Alimentaire
908-926 Jean-Neveu Street Longueuil, Quebec	1989	28,000	100.0	Gestion d'achats RAM

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
874-896 Jean-Neveu Street Longueuil, Quebec	1994	29,000	56.6	SP International
601-623 Breton Street Longueuil, Quebec	1975	49,000	100.0	Serdy Média
2115-2147 Province Street Longueuil, Quebec	1987	48,000	100.0	Go Le Grand Défi
601-631 Bériault Street Longueuil, Quebec	1989	49,000	93.8	La Maison D.F.
1351 Gay-Lussac Street Boucherville, Quebec	1995	13,000	100.0	Sinclair dental
25 Lauzon Street Boucherville, Quebec	1989	43,000	100.0	Graymont (QC)
35 Lauzon Street Boucherville, Quebec	1990	29,000	100.0	Denson Automatisation, AquaFab Distribution
90 Marie-Victorin Boulevard Boucherville, Quebec	1998	25,000	100.0	Vacant
1550 de Coulomb Street Boucherville, Quebec	1994/1998	10,000	100.0	Keystone Manufacturing (Plastics)
10 Place du Commerce Brossard, Quebec	2001	18,000	100.0	Canada Post
7 Place du Commerce Brossard, Quebec	1977	32,000	100.0	Marché C&T
9 Place du Commerce Brossard, Quebec	1976	51,000	88.1	Invention Maison, XTrade
290-316 Benjamin-Hudon Street Montreal, Quebec	1975	67,000	100.0	Prosol Distribution, Davflo Management
605-607 Deslauriers Street Montreal, Quebec	1972	44,000	100.0	Cominar Construction
295-371 Deslauriers Street Montreal, Quebec	1973	135,000	100.0	Essilor Canada, Métaux Satellite
375-455 Deslauriers Street Montreal, Quebec	1972	139,000	96.4	Graphiques Cosmex, Distributeur H. Miron
457-485 and 491-533 Deslauriers Street Montreal, Quebec	1972	135,000	100.0	Rideau Recognition Solutions
555 and 604-678 Deslauriers Street Montreal, Quebec	1971	66,000	100.0	Armen industries, Luxia innovation
295-341 Benjamin-Hudon Street and 255 Deslauriers Street Montreal, Quebec	1972	53,000	100.0	Jirstrek Fruits, Robert Charbonneau Fruits & Légumes
600-610 Bériault Street Longueuil, Quebec	1974/2008	56,000	93.8	Groupe Emballage Spécialisé, s.e.c.
2044 Province Street Longueuil, Quebec	1987	50,000	100.0	Kosma-Kare Canada
2060-2068 de la Province Street Longueuil Québec	1984	45,000	100.0	Multotec Canada
2089-2111 de la Province Street Longueuil Quebec	1974	51,000	100.0	Coalision Inc., Moderco Inc.
789-799 Jean-Paul-Vincent Boulevard Longueuil, Quebec	1982/1987	125,000	98.4	Germain Larivière, SOSAG
839-859 Jean-Paul-Vincent Boulevard Longueuil, Quebec	1985	90,000	83.1	Promotion Lépine

Income Properties	Year Built/ Renovated	Leasable Area (sq.ft)	% Leased	Selected Clients <sup>(2)</sup>
877 Jean-Paul-Vincent Boulevard Longueuil, Quebec	1986/1989	106,000	97.9	Atelier de la flèche de fer, Jimexs
2099-2109 Fernand-Lafontaine Boulevard Longueuil, Quebec	1988/1993	65,000	100.0	Exide Technologies Canada, Groupe Hélios
2177 Fernand-Lafontaine Boulevard Longueuil, Quebec	2000/2008	74,000	100.0	Aliments Ultima
2199 Fernand-Lafontaine Boulevard Longueuil, Quebec	2002	209,000	100.0	Yves Rocher Amérique du Nord, SCI Logistics
2525 Fernand-Lafontaine Boulevard Longueuil, Quebec	1991/1992	72,000	100.0	Commission scolaire Marie-Victorin
730 Delage Street Longueuil, Quebec	2004/2011	62,000	100.0	Contreplaqué & placage Canada
830 Delage Street Longueuil, Quebec	2000	50,000	85.6	Solution Extrême
770 Guimond Boulevard Longueuil, Quebec	1975/2009	117,000	100.0	Les Promotions Atlantiques
2625 Jacques-Cartier Boulevard Longueuil, Quebec	2012	63,000	95.1	Lennox Industries (Canada), Métaux solutions
1280, rue Nobel Boucherville, Quebec	1972/1991/1994	52,000	89.9	V. Boutin Express
1201-1203 Marie-Victorin Street Saint-Bruno-de-Montarville, Quebec	1991	140,000	100.0	AV&R Vision & Robotiques
3300 Trans-Canada Highway Pointe-Claire, Quebec	1975/1980/ 1983/1998	221,000	100.0	Groupe Emballage Spécialisé
3000 Trans-Canada Highway Pointe-Claire, Quebec	1960	199,000	100.0	Chrysler Canada
<b>Sub-total</b>		<b>11,910,000</b>		
<b>Total Industrial and Flex Properties</b>		<b>15,351,000</b>		
<b>Total Portfolio</b>		<b>35,895,000</b>		

**Notes:**

- (1) These figures are as at December 31, 2019 and are calculated on a per square foot basis of occupied space (and in the case of retail space, calculated in commercial retail units (CRU)) as at such date.
- (2) Client with a leasable area of more than 15,000 square feet or main client of the property.
- (3) Corresponds to the REIT's interest (75%) in Société en commandite CJD.
- (4) Corresponds to the REIT's interest (50%) in Société en commandite Bouvier-Bertrand.

## SCHEDULE “B”

### Audit Committee

#### CONSTITUTION

The Board of Trustees (the “**Board**”) has by resolution set up an Audit Committee (the “**Committee**”) made up of at least four independent trustees (as such term is defined in the Standards Applicable to Audit Committees) who are financially literate.

The Board appoints the members and designates the Committee Chair. The Committee may from time to time invite other persons it considers advisable to attend its meetings and participate in deliberations and discussions on the various matters transacted by the Committee. Any person invited to attend Committee meetings who is not a member of the Committee is not entitled to vote on decisions made thereat.

#### RESPONSIBILITIES OF THE CHAIR OF THE COMMITTEE

The Chair of the Committee is responsible for the following:

- (i) scheduling Committee meetings;
- (ii) in consultation with the Executive Vice-President and CFO and the Committee Secretary, preparing the agenda for Committee meetings and ensuring that relevant documentation is made available in a timely manner;
- (iii) chairing Committee meetings;
- (iv) ensuring that the Committee fulfils its responsibilities as per its Charter and complies with the terms thereof; and
- (v) reporting to the Board of Trustees on all matters transacted by the Committee.

#### QUORUM

A majority of the Committee members constitutes the quorum. At a meeting, all questions are decided by a majority of the members. However, if one of the members is absent, all questions must be decided upon unanimously.

#### MEMBER TERMS

Members appointed to the Committee hold office until the first meeting of the Board following the annual general meeting of Unitholders where they are elected members of the Board or until they resign or are removed. Any member who ceases to be a Trustee shall cease to be a member of the Committee and may also be removed from office at any time by the Board.

#### PROCEDURE

The Committee follows the same procedure for calling and holding its meetings as the Board does with regard to such issues. The Board secretary also serves as secretary of the Committee.

#### MEETINGS

The Committee meets as often as circumstances require but it must hold at least four regularly scheduled meetings per year. After each of these meetings, the members meet the external auditor and Management separately and hold a meeting in the absence of Management.

#### PRESENCE OF EXTERNAL AUDITOR

The external auditor attends all Committee meetings. The Committee Chair shall call a meeting of the Committee when so required by the external auditor.

#### POWERS OF THE COMMITTEE

The Committee exercises all powers and duties conferred upon it under the Contract of Trust governing the REIT and the laws and regulations governing the REIT.

In the exercise of its duties, the Committee or its representative is authorized to access the books, ledgers and accounts of the REIT and its subsidiaries, and to discuss any question concerning the financial situation and financial results of the REIT and its subsidiaries with the officers and the internal and external auditors of the REIT and its subsidiaries.

The Committee also has the authority to conduct investigations or have investigations conducted on any question falling within its authority. It is authorized to:

- use the services of external advisors, accountants or other experts to advise the Committee or to help it conduct any investigation. However, should the amounts incurred exceed \$100,000 during a given fiscal year, the Committee shall obtain approval from the Board of Trustees in the form of a resolution adopted to this effect;
- ask to staff for any information that it may need;
- meet, as often as circumstances require, the officers, the external and internal auditor or the external advisors.

#### **PURPOSE OF THE COMMITTEE**

The Committee assists the Board in fulfilling its responsibility to oversee the financial management of the REIT, the financial information presentation process, the internal control system, the internal and external auditing process, the identification and management of financial and operational risks and the procedures set up to ensure compliance with the code of ethics and professional conduct and the laws and regulations governing the REIT. In performing its duties, the Committee shall promote good relations with the Board, Management and the external auditor, and the internal auditor, if any.

Management is responsible for the preparation, presentation and integrity of financial statements, as well as for the efficient functioning of the internal controls system respecting disclosure of financial information. Management and the internal audit department, if any, are responsible for implementing and applying appropriate accounting and financial principles and policies respecting the disclosure of financial information and internal controls and procedures in accordance with accounting standards and practices and in compliance with the relevant laws and regulations.

The external auditor is responsible for planning and conducting a review of the REIT's quarterly financial statements and an audit of the REIT's annual financial statements, in accordance with Canadian generally accepted auditing standards, which are intended among other things to establish with reasonable assurance that the financial information set forth in the financial statements is free from important inaccuracies pursuant to generally accepted accounting principles. The external auditor must also inform the Committee of any deficiency that he may find during his annual audit regarding the internal controls system and its functioning, such as the disclosure of financial information.

Unless otherwise and that the Committee members are aware of it, in which case they must promptly inform the Board, they are entitled to rely on the integrity of the persons or organizations that provide them with internal and external information, on the accuracy of the financial and other information that the Committee members receive from such persons or organizations and on statements made by Management and the external auditor regarding non-audit services provided by the external auditor.

#### **MANDATE**

1. Recommend to the Board the choice of external auditor and when appointed, remind the latter that it is not Management but the unitholders who are its client;
2. Recommend to the Board the remuneration to be paid to the external auditor as well as the terms and conditions of the auditor's mandate;
3. Determine and confirm the independence of the external auditor;
4. Review with the external auditor the approach and scope of its mission plan, oversee the auditor's work and report to the Board on material qualifications that the Committee may have or that the external auditor may have formulated;
5. Give prior approval to all non-audit services desired to be referred to the external auditor to the extent the remuneration paid for these services does not exceed 5% of the total remuneration paid by the REIT and its subsidiaries to the external auditor during the fiscal year in which the services are rendered and provided that the Audit Committee is kept informed thereof at each meeting;



In addition, the Committee may, subject to certain conditions, adopt specific policies and procedures to delegate prior approval authority. It may also delegate this authority to Management provided that said Management informs the Committee at its next regular meeting following the approval;

6. Oversee performance of the work of the external auditor;
7. Conduct quarterly review of operating budget;
8. Review the quarterly unaudited financial statements and notes thereto, the management discussion and analysis, the external auditor's report, the press release, the message to Unitholders and any other written communications related to the Committee's mandate intended for the public, the regulatory authorities, etc. and recommend their approval to the Board;
9. Review the annual audited consolidated financial statements and recommend their approval to the Board, as well as all financial statements and reports that may require review by the Committee pursuant to applicable laws and regulations or in response to a request from the Board. The Committee is also responsible for reviewing all related financial information, including the financial information contained in the annual report, the management discussion and analysis, the annual information form and any prospectus, etc.;

In performing this task, the Committee shall discuss with the external auditor such issues as the acceptability and quality of the accounting principles and practices applied, underlying assumptions and important judgments affecting the REIT's financial statements, while ensuring that there is no disagreement between the external auditor and Management concerning the financial statements. Should a disagreement arise, the Committee is responsible for resolving it;

10. Receive at each regular meeting a certificate signed by the President and Chief Executive Officer and the Chief Financial Officer to the effect that the quarterly and annual consolidated financial statements and the related management discussion and analysis are free of false or misleading information and that they fairly reflect the REIT's financial situation, operating results and cash flow for the period in question;
11. Receive and examine the internal auditor's and, if any, the external auditor quarterly report as well as those that the latter may produce following its quarterly review and year-end audit or for any other purpose and the auditor's letter to Management together with Management's comments on each point raised;
12. Following a review of the external auditor's comments and suggestions after its audit, report to the Board on the following matters:
  - the pertinence of accounting records and how they are kept;
  - the pertinence and efficiency of the accounting, internal control and information systems as well as the extent to which they are properly and uniformly applied; and
  - the competency and efficiency of the personnel assigned to accounting, financial and internal control tasks and if the number of people working in each of these areas is sufficient.
13. Assess the performance of the external auditor;
14. Following consultation with the external and internal auditors, if any, request that Management indicate to the Committee the major risks to which the REIT is exposed and the actions taken to minimize them, and report to the Committee thereon at each regular meeting, the latter, upon review and if required, shall make any modifications deemed necessary;
15. Following the periodic evaluation of the competency, performance and independence of the external auditor, recommend to the Board renewal or, if deemed appropriate, termination of the auditor's mandate either by recommending that the mandate not be renewed or by recommending that a meeting of the Unitholders be held to consider the auditor's removal;
16. Periodically assess the need to set up an internal audit program. Where such a function exists or is created:
  - determine how the work it includes will be carried out;
  - examine the approach and scope of the program, the mission plan and the budget;
  - review quarterly the reports issued together with comments from Management;

- remain current of projects and activities related to this program;
  - assess its performance;
  - ensure that Management follows up on the recommendations it and the Committee have accepted; and
  - ensure the best possible match between the external auditor's and the internal auditor's mission plans.
17. Obtain at each quarterly meeting an officer certificate stating that the REIT complies with all applicable laws and regulations, and to rules of corporate governance, that there are no off-balance sheet activities and that the REIT is not in default under any of its loans or contracts and that it has complied with the policy, if any, regarding foreign currency hedging;
  18. Review the efficiency of the system implemented to ensure that the REIT complies with all applicable laws and regulations and review the results of any investigations that Management conducted and ensure that the Committee is informed of any fraudulent activity or accounting or financial irregularities;
  19. Review at each regular meeting, the report of pending and ongoing litigation or actions, indicating to the Committee if there is any case or major litigation that may have occurred since the reporting date;
  20. Review once a year the policies and procedures in place for approval of the expenses and bonuses of officers;
  21. Periodically address important accounting issues and review the manner in which the most recent reports and statements, both professional and regulatory, are presented;
  22. Ensure that the general insurance portfolio for the REIT and its subsidiaries is adequate and make appropriate recommendations to the Board while ensuring that the recovery plan in the event of disaster is appropriate;
  23. Review and report to the Board on contingent liabilities and commitments of the REIT and its subsidiaries, as well as off-balance sheet transactions;
  24. Resolve any disputes arising between Management and the external auditor regarding the disclosure of financial information, financial statements, internal controls or any question about accounting or finance;
  25. Ensure that adequate procedures were implemented to review procedures related to the disclosure of financial information and periodically assess if these procedures are adequate;
  26. Be informed of and discuss with Management any legal question and any regulatory or compliance with laws and regulations issue that could have a material effect on the REIT's financial situation or business;
  27. Review any pro forma publication of financial statements or financial information that is non-compliant with accounting principle and practices used by the REIT;
  28. Obtain and receive on a quarterly basis the certificate produced by Management on the internal control, management information, internal audit, important information and documents, relevant facts, prosecution and risks;
  29. Ensure that the rotation of the external auditor's associates is done according to standards;
  30. Update and monitor the policy for the confidential or anonymous communication of complaints about accounting, financial and internal audit matters;
  31. Review and update, when necessary, the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor;
  32. Establish the list of questions to be submitted in writing at the end of the year to the external auditor and Management and review the responses received when reviewing the audited consolidated financial statements for the fiscal year;
  33. Ensure that the Committee's Charter is disclosed when required, including in the management proxy circular and in the annual information form;

34. Review the findings of any investigation conducted by any regulatory authorities;
35. Assess Management's performance of its responsibilities respecting the security of computer systems and applications, and its emergency plans for handling financial information in the event of a system breakdown;
36. Review and closely monitor proposals that are made or may be made by Canada's or Québec's Ministers of Finance pertaining to the taxation system applicable to trusts and partnerships and report thereon to the Board, if applicable;
37. Meet separately, after each meeting with the internal auditor, if any, the external auditor and Management, as well as any time that circumstances require so. In addition, at each meeting, the members of the Committee will meet in the absence of Management;
38. Review once a year and update the Committee's Charter and its work program, as required;
39. Assess the performance of the Committee and its members at least once a year and inform the Board thereof;
40. Confirm each year to the Board that the Committee has fulfilled its responsibilities as per its Charter;
41. Perform all other tasks related to the Charter as the Board may request.

**ANNUAL WORK PROGRAM**

The annual work program is appended hereto.

**MINUTES**

Minutes are prepared for each Committee meeting.

**REPORT TO BOARD**

The Committee must report on its proceedings at the following Board meeting.

**REMUNERATION**

The Committee members receive remuneration as fixed by the Board for their services.

Revised: August 2018

**COMINAR REAL ESTATE INVESTMENT TRUST**  
(the "REIT")

**AUDIT COMMITTEE**  
(the "COMMITTEE")

**Annual Work Program**

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
Recommend the choice of the external auditors, the terms and conditions of the mandate, compensation, renewal or dismissal, as the case may be.	✓			
Determine and confirm the independence of the external auditor	✓			
Review the mission plan: approach, scope, time required, audit team, professional fees				✓
Pre-approve all non-audit services entrusted to the external auditor to the extent that the fees paid do not exceed 5% of the total amount of fees paid by the REIT and its subsidiaries during the fiscal year in which the services are rendered, in so far as the Audit Committee is informed at each meeting; adopt as needed specific procedures to delegate pre-approval.	✓	✓	✓	✓
Oversee the work of the external auditor	✓	✓	✓	✓
Conduct quarterly review of operating budget	✓	✓	✓	✓
Review the quarterly consolidated financial statements, the notes and Management's Discussion and Analysis	✓	✓	✓	✓
Review the disclosed financial information intended for Unitholders, the business sector and other persons such as press releases, information to Unitholders and others written communications related to the Audit Committee's mandate and regulatory authorities and recommend their approval to the Board.	✓	✓	✓	✓
Review the annual consolidated financial statements (recommend its approval to the Board), the notes and Management's Discussion and Analysis	✓			
Review with the external auditors, the acceptability and the quality of the accounting principles and practices applied, underlying assumptions and important judgments affecting the financial statements, and ensure that there is no disagreement between Management and the external auditor regarding the financial statements	✓	✓	✓	✓
Review the annual financial reports submitted to the <i>Autorité des marchés financiers</i> and other regulatory authorities i.e. Annual Information Form, etc.	✓			
Receive the certificate signed by the President and CEO and CFO concerning the quarterly and annual consolidated financial statements to ensure they do not contain any false or misleading information and to reflect a faithful picture of the financial situation.	✓	✓	✓	✓
Review the external and internal auditor's quarterly reports and those of the year-end audit together with Management's comments, if any, on each of the points raised that concern it.	✓	✓	✓	✓
Following a review of the external auditor's comments and suggestions, report to the Board on the appropriateness of accounting records and how they are kept, the pertinence and effectiveness of the accounting, internal control and information systems and the quality of how they are applied and the competence of the personnel assigned to accounting, financial and internal control tasks and if the number of them is sufficient.	✓	✓	✓	✓
Assess the performance of the external auditor	✓			
Review the major risks to which the REIT is exposed and the actions taken to minimize them while ensuring that the implemented risk- management system is adequate	✓	✓	✓	✓

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
Periodically assess the need to set up an internal audit program. If so, determine the scope thereof, how the work will be done, by whom, etc.	✓			
Review the internal audit approach, scope and plan	✓			
Receive the Officer certificate with respect to compliance with laws and regulations, including corporate governance, off-balance sheet transactions and defaults on loans, and review the findings of investigations that Management may have conducted and make sure to be informed of any fraudulent or irregular activity.	✓	✓	✓	✓
Receive the Officer certificate produced by Management on the internal control, management information, internal audit, important information and documents, relevant facts, prosecution and risks.	✓	✓	✓	✓
Receive the report on pending and ongoing litigation or actions and indicate, as the case may be, all major litigation or actions that occurred after the reporting date	✓	✓	✓	✓
Review the policies and procedures in place for the approval of the expenses and bonuses of officers			✓	
Review the new accounting standards and practices and the contemplated changes to existing standards and practices	✓	✓	✓	✓
Annually review all general insurance portfolio items in terms of coverage, premiums and the quality of the insurer	✓			
Review the contingent liabilities and off-balance sheet activities	✓	✓	✓	✓
Resolve any disagreement between Management and the external auditor	✓	✓	✓	✓
Verify the implementation and adequacy of procedures for reviewing public disclosure of financial information excerpted from or resulting from financial statements		✓		✓
Be informed of and discuss with Management any legal or regulatory issue or issues pertaining to legislative and regulatory compliance that could have a major impact on the REIT's financial situation or activities	✓	✓	✓	✓
Review every use of pro-forma financial statements or financial information that is not in compliance with the accounting standards and practices of the REIT	✓	✓	✓	✓
Ensure external auditor's partners are rotated in accordance with applicable standards	✓			
Establish, update when needed and monitor the implementation of procedures for the confidential and anonymous communication of employees' concerns about questionable matters relating to accounting or audit and receiving such communications	✓	✓	✓	✓
Review and update when needed the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor, ensure their compliance with corporate governance rules and guidelines and implementation and ensure that the Committee is informed of any such hiring	✓	✓	✓	✓
Establish questions to be transmitted to the external auditors and Management and examine the responses received	✓			✓
Annually review the Committee's charter and its Annual Work Program, update them as required and ensure that the charter is disclosed when required			✓	
Review the findings of any investigation conducted by any regulatory authorities	✓	✓	✓	✓
Review the emergency plans for handling financial information in the event of a computer system and applications breakdown	✓			✓
Remain current of any changes regarding the taxation system applicable to trusts and report to the Board, if appropriate	✓	✓	✓	✓
Meet separately with external and internal auditors and then with the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer	✓	✓	✓	✓

<b>Regular Committee meetings</b>	<b>March</b>	<b>May</b>	<b>August</b>	<b>November</b>
Meeting between the members of the committee in the absence of the members of the management	✓	✓	✓	✓
Assess the performance of the Committee and its members and confirm that the Committee fulfils its responsibilities as per its Charter	✓			
Receive the report from the Executive Vice-President and CFO on provisions and adjustments made, the acquisition and disposal of assets, elements of risks that could affect the financial results or the financial structure of the REIT, the redemption of units, etc.	✓	✓	✓	✓
Receive the report on cash and investments.	✓	✓	✓	✓
On a yearly basis, review the list of work entrusted to other accounting firms	✓			
Examine all problems with material consequences that could arise at year end pertaining to write-offs, general and special provisions, regularization, goodwill, etc.				✓
Examine the changes contemplated being made to the presentation of audited financial statements and the notes thereto as well as to Management's Discussion and Analysis (MD&A)				✓
Annually review the financial and accounting staff, from a qualitative and quantitative perspective		✓		
Examine any major financing proposal and its impact on the REIT's financial performance, financial situation and activities	✓	✓	✓	✓

*Revised – August 2018*