



MORGUARD REAL ESTATE INVESTMENT TRUST

MANAGEMENT INFORMATION CIRCULAR

March 20, 2018

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by or on behalf of management of Morguard Real Estate Investment Trust (the “Trust”) for use at the annual meeting (“Meeting”) of unitholders (the “Unitholders”) of the Trust to be held on May 9, 2018 at 9:45 a.m. (local time) at Rattlesnake Point Golf Club, 5407 Regional Road 25, Milton, Ontario L9T 2X5, and at all adjournments thereof. The solicitation will be made primarily by mail but proxies may also be solicited by telephone by employees of the Trust, board of trustees of the Trust (the “Board of Trustees” or “Board”, and each member of the Board a “Trustee”) or by the Trust’s transfer agent, Computershare Trust Company of Canada, at a nominal cost. The costs of solicitation will be borne by the Trust.

The information contained in this Circular is given as at March 20, 2018 unless otherwise indicated.

Appointment of Proxies

The persons named in the enclosed form of proxy are Trustees. **Each Unitholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a Unitholder, to represent the Unitholder at the Meeting.** This right may be exercised by inserting the name of the person to be appointed by the Unitholder in the space provided in the form of proxy or by completing another proper form of proxy.

Proxies must be deposited with the Trust, c/o Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, so as to arrive not later than 5:00 p.m. (local time) on May 8, 2018, or, if the Meeting is adjourned, no later than 5:00 p.m. (local time) on the last business day before the date of the adjourned meeting. Proxies may also be delivered to the Chair of the Meeting before the commencement of the Meeting or any adjournment thereof.

Voting of Units Represented by Proxy

On any ballot that may be called for, the persons designated in the enclosed form of proxy will vote for or against or withhold from voting the units in the Trust (the “Units”) in respect of which they are appointed by proxy in accordance with instructions of the Unitholder indicated on the proxy. **In the absence of instructions with respect to a particular resolution, the Units will be voted in favour of the resolution as indicated under the appropriate heading in this Circular.**

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the notice of meeting and other matters which may properly come before the Meeting. Management is not aware of any amendments, variations or other matters to come before the Meeting.

ATTENDANCE AND VOTING

Only registered holders of Units, or the persons they appoint as their proxies, are permitted to attend, speak at and vote on all matters that may properly come before the Meeting. Each Unit entitles the holder to one vote for each Unit held.

Non-Registered Holders

In many cases, Units beneficially owned by a Unitholder (a “Non-Registered Holder”) are registered either:

- (a) In the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Units, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans; or,
- (b) In the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101, the Trust has distributed copies of the notice of meeting, Circular, the form of proxy for Unitholders and the Trust’s annual consolidated financial statements for the year ended December 31, 2017 and management’s discussion and analysis (“MD&A”) (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as ADP Independent Investor Communications Corporation) to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders of Units who have not waived the right to receive Meeting Materials will either:

- (a) Be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Units beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need *not* be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada, as described above; or
- (b) More typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder of Units in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone or internet).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Units they beneficially own. Should a Non-Registered Holder of Units who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. ***In either case, Non-Registered Holders of Units should carefully follow the instructions of their Intermediaries and their service companies.***

Revocation of Proxies

A Unitholder who has given a proxy may revoke the proxy by an instrument in writing, including another proxy bearing a later date, duly executed by the Unitholder or by his or her attorney authorized in writing, deposited with the Trust as provided above. A Unitholder may also revoke a proxy in any other manner permitted by law.

A Non-Registered Holder of Units may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of voting instructions form or a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

On March 20, 2018, the Trust had outstanding a total of 60,698,202 (Units, each carrying the right to one vote per Unit. All Unitholders of record at the close of business on March 16, 2018, the record date established for the Meeting, will be entitled to vote at the Meeting, or any adjournment thereof, either in person or by proxy.

To the best of the knowledge of the Trustees and officers of the Trust, no person beneficially owns, directly or indirectly, or exercises control or direction over, Units carrying more than 10% of the votes attached to all Units, other than the following:

Unitholder	Approximate Number of Units Beneficially Owned or Over Which Control or Direction is Exercised	Approximate % of Outstanding Units
Morguard Corporation	33,997,978	56.01

MATTERS TO BE ACTED ON AT THE MEETING

Annual Consolidated Financial Statements

The annual consolidated financial statements of the Trust for the fiscal year ended December 31, 2017 are mailed to Unitholders who requested to receive them with this Circular and are also available at www.morguard.com and www.sedar.com.

Election of Trustees

Trustees are to be elected annually by resolution of a majority of votes cast at a meeting of Unitholders. The number of Trustees to be elected at the Meeting is eight. All of the nominees are currently Trustees of the Trust and have been Trustees since the dates indicated in the following tables.

The Board of Trustees has adopted a policy that entitles each Unitholder to vote for each nominee on an individual basis.

The Board has also adopted a policy stipulating that if the votes in favour of the election of a nominee at a Unitholders' Meeting represent less than a majority of the Units voted and withheld, the nominee will be expected to submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will then have 90 days to accept the resignation, during which time an alternate Board member may be appointed. The Board, however, may reject the resignation under extenuating circumstances.

The persons named in the enclosed form of proxy intend to vote for the election of the proposed nominees whose names are set out below, unless the Unitholder who has given such proxy has directed that the Units represented thereby be withheld from voting in the election of Trustees. Management does not contemplate that any of the proposed nominees will be unable to serve as Trustee, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each Trustee elected at the Meeting will hold office until the next annual meeting or until his or her successor is duly elected or appointed in accordance with the Trust's declaration of trust, as amended from time to time (the "Declaration of Trust").

Appointment of Auditors

The persons named in the enclosed form of proxy intend to vote in favour of the resolution appointing Ernst & Young LLP as auditors of the Trust, to hold office until the next annual meeting of Unitholders or until their successors are appointed, and authorizing the Trustees to fix the remuneration of the auditors, unless the Unitholder who has given the proxy has directed that the Units represented thereby be withheld from voting in respect of the appointment of auditors.

Ernst & Young LLP, Chartered Accountants, are the principal external auditor of the Trust and have served in that capacity since January 1, 2001. From time to time, Ernst & Young LLP also provides consulting and non-audit services to the Trust. It is the policy of the Audit Committee to pre-approve audit and audit-related services as well as non-audit services and to consider whether the provision of services other than audit services is compatible with maintaining the auditors' independence.

The following table sets forth the fees billed by Ernst & Young LLP to the Trust for the fiscal years ended December 31, 2016 and 2017:

Service Performed	2016	2017
Audit fees	\$ 298,900	\$ 345,338
Audit-related fees	15,100	15,450
Tax & other services	87,075	-
Total fees	\$ 401,175	\$ 360,788

Audit fees mean billings for professional services rendered by the Trust's external auditor for the audit and review of the Trust's consolidated financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.

Audit-related fees mean billings for assurance and related services that are reasonably related to performance of the audit or review of the Trust's consolidated financial statements, but not reported as audit fees. More specifically, these services would include, among others, employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, non-attest internal control reviews, attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards. Fees are typically captured on an annual basis coinciding with the Trust's fiscal year.

Tax fees mean billings for professional services for tax compliance, tax advice, and tax planning. Other services mean fees not meeting the other fee classifications. Fees are typically captured on an annual basis coinciding with the Trust's fiscal year.

Nominees for Election to the Board of Trustees

The following table sets out certain information with respect to the persons proposed for nomination for election as Trustees, including whether an individual is independent, the number of Units beneficially owned, or over which control or direction is exercised, as at the date of this Circular. Unless otherwise indicated, the persons named below have been in their principal occupations for more than five years.

Each Trustee elected at the Meeting will hold office until the next annual meeting or until his or her successor is duly elected or appointed in accordance with the Declaration of Trust.

<p>Michael A. J. Catford <i>Toronto, Ontario, Canada</i> Trustee since August 27, 1997</p> <p>Independent</p>	<p>Mr. Catford is a real estate advisor and consultant. He held the position of Vice-President, Real Estate with Healthcare of Ontario Pension Plan (HOOPP) for 18 years until his retirement in 2014. Prior to HOOPP, he held the position of Managing Director of Drivers Jonas Canada Limited, an independent real estate advisory practice.</p> <p>Mr. Catford has over 30 years' experience in the real estate industry.</p>				
	<p>Public company directorships in the past five years:</p>				
	<p>Summit Industrial Income REIT (2014 – current)</p>				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	12,250	nil	\$168,315
Audit	4 of 4	100%			
Human Resources & Governance	4 of 4	100%			
Special Committee	2 of 2	100%			
<p>Paul F. Cobb <i>Toronto, Ontario, Canada</i> Trustee since November 3, 2011</p> <p>Independent</p>	<p>Mr. Cobb, CPA, CA, retired from Deloitte & Touche LLP in 2011 after a career at the firm which spanned 38 years. He was Vice Chairman of the firm from 2007 until his retirement and a member of the Deloitte Board of Directors and the Board of the Deloitte Foundation. Throughout his career he provided a wide range of audit, taxation and financial advisory services to clients, predominately in the financial services, real estate and resource industries. In 2009, Mr. Cobb completed the Directors Education Program of The Institute of Corporate Directors and the Rotman School of Management.</p>				
	<p>Public company directorships in the past five years:</p>				
	<p>None</p>				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	7,500	nil	\$103,050
Audit	4 of 4	100%			
Human Resources & Governance	4 of 4	100%			
Special Committee	2 of 2	100%			
<p>Graeme M. Eadie <i>Toronto, Ontario</i></p> <p>Nominee</p> <p>Independent</p>	<p>Mr. Eadie is has spent more than 12 years at Canada Pension Plan Investment Board ("CPPIB") where he is currently a Senior Managing Director focusing on investment approval processes, notably within Private Investments. Previously, his role at CPPIB focused on leading and growing the real estate portfolio.</p> <p>Prior to joining CPPIB in June 2005, Graeme held multiple roles including Chief Financial Officer, Chief Operating Officer and President of Cadillac Fairview. Graeme has also held senior management positions with several entities in the retail and manufacturing areas and.</p> <p>Graeme earned his B. Comm. and M.Sc. (Business Administration) degrees from the University of British Columbia.</p>				
	<p>Public company directorships in the past five years:</p>				
	<p>Aliance Properties (2013 – 2017) Choice Properties REIT (2013 - present) Neiman Marcus Group (2017 – present)</p>				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	n/a	n/a	nil	nil	nil

Edward C. Kress <i>Toronto, Ontario, Canada</i> Trustee since July 31, 2008 Independent	Mr. Kress, CPA, CA, is Corporate Director, Brookfield Group and has 40 years of management experience with the Brookfield group of companies.				
	Public company directorships in the past five years:				
	Brookfield Investments Corporation (1991 – present) Halmont Properties Corporation (2007 – present) Wilmington Capital Management Inc. (2005 – present) Global Champions Split Corp. (2012 – 2016) Partners Value Fund Inc. (2009 – 2016) Partners Value Split Corp. (2009 – 2016)				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	1,000	nil	\$13,740
Audit	4 of 4	100%			
Human Resources & Governance	4 of 4	100%			
Special Committee	2 of 2	100%			
Bart S. Munn <i>Toronto, Ontario, Canada</i> Nominee Independent	Mr. Munn, CPA, CA, has more than 20 years' experience as a financial and real estate executive and is currently the Chief Financial Officer of Choice Properties. Mr. Munn has served as the Chief Financial Officer of Calloway Real Estate Investment Trust, Morguard Corporation and Morguard Real Estate Investment Trust.				
	Public company directorships in the past five years:				
	None				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	n/a	n/a	nil	nil	nil
K. Rai Sahi <i>Mississauga, Ontario, Canada</i> Trustee since November 10, 1998 Non-independent due to ownership/control of 6,691,000 Common Shares (approximately 58.3%) of Morguard Corporation ⁽¹⁾ and a member of management	Mr. Sahi is Chairman and Chief Executive Officer of Morguard Corporation, a major Canadian public real estate and property management company.				
	Mr. Sahi, FCPA, FCGA, has many years of experience in public and private corporations including extensive experience dealing with financial reporting, standards, and policy				
	Public company directorships in the past five years:				
Morguard Corporation (1990 – present) TWC Enterprises Limited (1997 - present) Morguard North American Residential Real Estate Investment Trust (2012 – present) Temple Hotels Inc. (2015 – present)					
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	2,071,927	nil	\$28,468,277

Antony K. Stephens <i>Toronto, Ontario, Canada</i> Trustee since June 18, 1997	Mr. Stephens is a corporate director. Mr. Stephens has more than 35 years of management experience in the real estate industry.				
	Public company directorships in the past five years:				
	None				
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	56,250	nil	\$772,875
Audit	4 of 4	100%			
Human Resources & Governance	4 of 4	100%			
Timothy J. Walker <i>Lefroy, Ontario, Canada</i> Trustee since May 14, 2014 Independent	Mr. Walker, a corporate director, retired from Morguard Real Estate Investment Trust, effective April 30, 2014. He joined the Morguard group in 1997 and has held several senior roles including, beginning September 1, 2004, Vice President and Chief Financial Officer of Morguard Real Estate Investment Trust.				
	Prior to joining Morguard, Mr. Walker was a Partner and Director of Gordon Capital Corporation and, previous to that Senior Vice President and Treasurer of Campeau Corporation (a real estate development corporation).				
	Public company directorships in the past five years:				
None					
Board/Committee membership	Overall attendance		Securities held		Total value of stock
			Units	Debentures	
Board	6 of 6	100%	42,000	nil	\$577,080
Human Resources & Governance	4 of 4	100%			

Notes:

- (1) Morguard Corporation and its affiliates beneficially own 33,997,978 Units (approximately 56.01%) of the Trust. Morguard Corporation holds \$60 million debentures of the Trust.

EXECUTIVE COMPENSATION

Executive compensation is the responsibility of the Trustees of the Trust, supported by the Human Resources and Governance Committee ("HR Committee"). The HR Committee is comprised of independent trustees with the knowledge and expertise to oversee the executive compensation program effectively in the best interests of the Unitholders.

The Trust's results in 2017 demonstrated solid financial performance meeting its core financial and operating targets. Total revenues reached \$279 million, slightly down from 2016; funds from operations were also lower year over year. In addition, management moved forward with a number of strategic opportunities related to asset enhancement and completed several intensification and remerchandising projects. These results reflects the Trust's primary business goal of accumulating a portfolio of high-quality real estate assets in order to deliver the benefits of such real estate ownership to unitholders: the primary benefit being reliable and, over time, increasing cash distributions.

The Trustees considered the financial performance of the Trust in 2017, in addition to relevant criteria described in more detail below and believe that the executive compensation decisions reached are appropriate. The President and Chief Executive Officer, Chief Financial Officer and the other qualifying most highly compensated executive officers (as defined in the regulation under the *Securities Act* (Ontario)

of the Trust (the “Named Executive Officers” or “NEOs”) did not have personal quantitative or qualitative goals set for 2017, however the Trustees had approved a budget target for funds from operations for the Trust for 2017 which was met.

As a policy, salaries and incentives are reviewed from time to time. For 2017, Named Executive Officers, except the President and Chief Executive Officer, received an increase of approximately 2.00%. Short-term incentives paid to NEOs, excluding the Chief Executive Officer, in 2017 averaged 60.0% (2016 – 55.0%) of base salary.

The Trust does not have any specific plan to alter its executive compensation strategy at this time.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Philosophy

The Trust’s executive compensation program is intended to attract, motivate and retain highly qualified and motivated executives and the key talent necessary for the Trust to be successful in the highly competitive environment in which it operates. This compensation is designed to reward the achievement of performance goals and align the interests of executives with the interests of the Trust’s Unitholders and will support the attraction and retention of qualified and experienced executives.

Incentive compensation plans are designed to reward executives based on performance. A portion of compensation in the form of long-term incentives ensures that executives are making prudent decisions to generate sustainable growth in Unitholder value. Additionally, long-term incentives are used selectively by the Board of Trustees and, to date, have only been granted on an intermittent basis. Short-term incentives are similarly based, linking individual performance with operating segment and overall Trust performance, with a portion of executive pay at risk when measured against financial results and operational objectives.

For the majority of executives, compensation is benchmarked using independently prepared compensation surveys and publicly disclosed information for executives with similar responsibilities, primarily in the real estate industry. To further encourage retention, grants of long-term incentives are forfeited should an executive leave the Trust prior to vesting. None of the Named Executive Officers are entitled by any contract or arrangement to termination or change of control benefits, except as discussed below under the Unit Option Plan and Stock Appreciation Rights Plan (both defined below).

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The major components of the executive compensation program are:

Compensation Element	Payment Method	Program Objectives
Annual Base Salary	Cash	<ul style="list-style-type: none"> Reward skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Annual Variable Short-term Incentive	Cash	<ul style="list-style-type: none"> Reward results during the current fiscal year based on contribution to a particular operating segment and the Trust's overall performance.
Long-term Incentive	Unit Options	<ul style="list-style-type: none"> Align with long-term performance and added incentive for enhancing Unitholder value. Encourage retention and reward contribution to the long-term performance of the Trust and demonstrated potential for future contribution.
	Morguard Stock Appreciation Rights	<ul style="list-style-type: none"> Align with long-term performance of the Trust and added incentive for enhancing Unitholder value. Provide compensation opportunities to attract retain and motivate executives.
Other Elements of Compensation		
Pension and Benefits		<ul style="list-style-type: none"> Provide pension and benefits that are comparable to peer companies
Perquisites		<ul style="list-style-type: none"> Part of overall competitive executive compensation package.

Competitive Benchmarks

Annually, the Trust reviews compensation relative to peer group companies in the real estate industry using independent surveys in which it participates and, where available, publicly disclosed information. Within the peer group, the Trust reviews compensation levels of comparable positions, and assesses relative performance and company size. Actual total compensation may be above or below the median based on individual, operating segment and overall Trust performance. The peer group consists of:

Alberta Investment Management Corp.	CT REIT	Minto Group
Allied Properties REIT	EPIC Realty Partners Inc.	Morguard Corporation
Artis REIT	Fengate Capital Management Ltd.	Northview Apartment REIT
Aspen Properties Ltd.	First Capital Realty Inc.	NorthWest Healthcare Properties REIT
Automotive Properties REIT	Forgestone Capital Management	Oxford Properties Group Inc.
Baybridge Seniors Housing Inc.	Greystone Managed Investments Inc.	Partners REIT
Bentall Kennedy Group	GWL Realty Advisors	Pure Industrial Real Estate Trust (PRIRET)
Boardwalk REIT	Homestead Land Holdings Ltd.	RBC Capital Markets Real Estate Group
Brookfield Office Properties	InnVest REIT	Realstar Group
Cadillac Fairview Corporation Limited	Ivanhoe Cambridge	RioCan REIT
CBRE Limited	JLL Real Estate Services Canada Inc.	SmartCentres Inc.
Choice Properties REIT	LaSalle Investment Management	Smart REIT
Colliers International Inc.	Matco Development Corporation	Strathallen Capital Corp.
CREIT (Canadian REIT)	MCAN Mortgage Corporation	Triovest Realty Advisors Inc.
Crestpoint Real Estate Investments Ltd.	Menkes Development Ltd.	WPT Industrial REIT
Crombie REIT		
Crown Realty Partners		

Third Party Surveys the Trust Participated in in 2017:

REALPAC Canadian Real Estate Compensation Survey
Aon Hewitt Global Total Compensation Measurement Survey – Canada
ICSC (International Council of Shopping Centers) North American Compensation Survey – Canada
CFAA (Canadian Federation of Apartment Associations) Compensation & Benefits Survey

The services of an independent compensation consultant were not used in 2017.

Compensation Process

Annually the HR Committee reviews and recommends to the Independent Trustees the approval of compensation for the President and Chief Executive Officer. The President and Chief Executive Officer reviews and approves the compensation of other senior executives, including the Named Executive Officers. The HR Committee reviews the compensation of the other senior executives and may confirm or amend it, as appropriate.

Risk Management

Effective risk management is achieved through the active engagement of the Trustees and executive officers in the identification of risks faced by the Trust, and the implementation of appropriate strategies to prevent and mitigate them. In respect of executive compensation, the HR Committee strives to ensure that the program's overall design and constituent elements incorporate prudent risk management principles, compensation-related risk is considered as part of the decision-making process, and the program is subject to periodic review in relation to emerging risk management principles.

The HR Committee seeks to ensure the compensation program incorporates measures that discourage undue risk taking by executive officers that could have a material adverse impact on the Trust. These measures include the use of long-term incentives vesting over time and short-term incentive awards that are subject to "caps" (maximum amounts of compensation) that can be received in the event performance targets are exceeded. This minimizes any incentive to enter into transactions with excessive risk for the purpose of attempting to generate substantial short-term gains.

Compensation risk is also mitigated through compensation governance measures which include prohibitions on hedging of equity awards and securities for the Trust's executive officers and safeguards in respect of insider trading. Additionally, the structure of the compensation program does not differ significantly among the Trust's executive officers (excluding the President and Chief Executive Officer).

The Trust has an integrated approach to talent management and succession planning, internally and in conjunction with related parties, including Morguard Corporation. The Trust places focus on identification, assessment and development of executives and high-potential talent to build leadership capability and strengthen overall succession, ensuring there are future leaders to drive both short and long-term performance. While, the Trust has not adopted a target regarding the representation of women in executive officer positions, the Trust believes that diversity is embedded in our talent management practices and is focused on the development and advancement of women and visible minorities and other aspects of diversity. In terms of gender diversity, currently 40 percent of executives at the Trust are women (2 of 5).

Our philosophy of development and promotion from within strengthens our values and culture, aids in retention of talent and provides more options for succession. We complement this practice with selective external hiring to benefit from diverse experiences and fresh perspectives. The Trust does not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for executive officers. However, the Trust is mindful of the benefit of diversity in the workplace and has adopted a written policy regarding diversity of executive officers; accordingly, both the level of female representation and diversity are considered as essential considerations in the selection process for new executive officers, in addition to the expertise and experience required. Annually, the Board reviews and discusses CEO and group executive succession.

Base Salary

Base salary of executive officers is designed to be competitive and is determined by their relative worth and value to the organization. Jobs are evaluated using compensable job factors found in the Hay Method of job evaluation as well as against the Trust's peer group. These factors serve as the criteria for assessing and comparing job values internally, and for external competitiveness through market pricing of selected

key or benchmark jobs within a geographic area. Base salary is reviewed annually as base salary adjustments are not automatic.

Short-Term Incentives

Short-term incentive cash compensation is incremental compensation paid by the Trust and is based on achieving corporate and individual annual performance objectives set at the beginning of each fiscal year. An award under the short-term incentive plan is determined as a percentage of base salary by reference to individual performance and contribution as well as to Trust performance, such as return on net assets. For each of the President and Chief Executive Officer and Chief Financial Officer the short-term component is capped at 60 percent of base salary. Vice Presidents are in the 40 to 50 percent range.

In setting these performance goals, consideration is given to corporate and financial objectives – including past corporate and operating group performance and budget targets for the current fiscal year and revenue growth and cost containment.

An award may be adjusted to reflect the effect of extraordinary, unusual or non-recurring items or to reflect an adjustment related to the degree of difficulty of activities undertaken by an individual.

Long-Term Incentives

Stock Appreciation Rights

The HR Committee, in its discretion and in consultation with the Board of Directors of Morguard Corporation (the “Morguard Board”), may from time to time grant stock appreciation rights (“SARs”) under Morguard Corporation’s stock appreciation rights plan (the “Stock Appreciation Rights Plan”). The Trust is a related entity of Morguard Corporation and the officers of the Trust are permitted to participate in the Stock Appreciation Rights Plan.

Under the Stock Appreciation Rights Plan, Morguard Corporation may grant SARs to an eligible person, defined as a director, officer, employee or consultant of Morguard Corporation, an affiliate of Morguard Corporation or the Trust. Morguard Corporation (a related company to the Trust) grants the SARs under its plan in order to provide long-term incentives to the Trustees and officers of the Trust which would not otherwise be available under the Unit Option Plan due to the nature of the Units. Morguard Corporation provides these incentives to officers of the Trust in order to ensure an industry competitive management team is in place with the Trust and to protect its investment in the Trust (Morguard Corporation being the Trust’s largest Unitholder). Morguard Corporation grants SARs to employees of the Trust under the Stock Appreciation Rights Plan, the costs of such participation are normally borne by Morguard Corporation. All SARs awarded to employees of the Trust are approved by the Board of Trustees at the time of the grant. The costs of SARs awarded to employees of Morguard Corporation (and its wholly-owned subsidiaries) who also serve as NEOs of the Trust will be borne by Morguard Corporation and the Board of Trustees are not required to approve such awards.

Details relating to the Stock Appreciation Rights Plan are contained in the section below entitled “Incentive Plan Awards”.

Under the Stock Appreciation Rights Plan, 1,000,000 SARs were reserved for issuance. A total of 200,000 SARs were granted during 2008 and 107,500 remain outstanding; 30,000 of which were granted to individuals who at that time were also NEOs of the Trust and 7,500 remain outstanding. In 2010, 55,000 SARs were granted and 45,000 remain outstanding; none were granted to individuals who at that time were also NEOs of the Trust. In 2014, a total of 25,000 SARs were granted and are outstanding; 15,000 of which were granted to individuals who at that time were also NEOs of the Trust and 10,000 remain outstanding. In 2015, a total of 10,000 SARs were granted and are outstanding; none were granted to individuals who were also NEOs of the Trust. In 2017, a total of 90,000 SARs were granted and are outstanding, 5,000 of which were granted to individuals who at that time were also NEOs of the Trust.

Unit Options

No options have been granted under the Unit Option Plan since 1999 and there are currently no options outstanding.

The Trust's Unit option plan (the "Unit Option Plan") is designed to provide each participant with a significant incentive to contribute to the growth and development of the Trust from the perspective of an owner with an equity stake in the business, to attract and retain individuals with experience and ability, and to reward individuals for current and expected future contribution.

The selection of optionees, and the extent of their participation, is reviewed by the HR Committee, upon the recommendation of the Chief Executive Officer. When options are granted, the HR Committee takes into account the number and terms of options already granted to an individual pursuant to stated guidelines. Our Unit option granting practices comply with TSX requirements. Unit options are not backdated and no participant can be granted more than 5 percent of the Trust's outstanding Units.

Details relating to the Trust's Unit Option Plan are contained in the section below entitled "Incentive Plan Awards".

Compensation of the President and Chief Executive Officer

The President and Chief Executive Officer is paid a fixed annual amount of \$100,000 as compensation by the Trust, which is reviewed from time to time by the HR Committee.

Mr. Sahi, Chief Executive Officer since July 31, 2001, was appointed President of the Trust on October 21, 2005. He did not receive additional compensation for duties as a Trustee.

Statement of Executive Compensation

As Messrs. Sahi, Levac (to December 8, 2016) and Ms. McLean qualify as NEOs of the Trust, compensation information is provided in this section. Ms. Flynn and Messrs. Miatello and Wright, officers of the Trust, did not qualify as NEOs of the Trust in 2017; however, their compensation is expected to be consistent with the objectives and elements for Morguard's compensation program as discussed in the Morguard Corporation Circular. Additionally, Ms. Flynn and Mr. Miatello are employed by Morguard and Mr. Wright is a consultant to Morguard, and the Trust does not determine the amounts payable to them or, directly or indirectly, pay any compensation to them.

During the most recently completed financial year, the NEOs and Trustees were not permitted to purchase financial instruments designed to hedge or offset a decrease in market value of the Units, or securities convertible into Units, granted as compensation or held, directly or indirectly, by the particular NEO or Trustee.

All references to stock appreciation rights and pensions in this section are in respect of Morguard Corporation. For greater certainty, information contained on Morguard Corporation's profile on SEDAR at www.sedar.com, including the Morguard Corporation Circular, is not incorporated by reference into this Circular.

The following table provides a summary of compensation earned by each Named Executive Officer for the year ended December 31, 2017.

Name and Principal Position	Year	Annual Compensation		Long Term Compensation Awards					Total Compensation (\$) ⁽¹⁾
		Salary (\$)	Bonus (\$)	SARs Granted (#)	SARs Granted (\$)	LTIP Payout (\$)	Pension Value (\$)	All Other Compensation (\$)	
K. Rai Sahi, President & Chief Executive Officer	2017	100,000	-	-	-	-	-	-	100,000
	2016	100,000	-	-	-	-	-	-	100,000
	2015	100,000	-	-	-	-	-	-	100,000
John Levac, Vice President, Asset Management ⁽²⁾⁽³⁾	2017	-	-	-	-	-	-	-	-
	2016	179,282	95,327	-	-	38,090	-	16,431	233,803
	2015	173,321	93,687	10,000	-	-	-	11,023	279,671
Pamela McLean, Chief Financial Officer ⁽³⁾	2017	249,084	149,450	5,000	nil	-	12,454	13,364	424,352
	2016	244,200	134,310	-	-	-	12,210	16,047	406,767
	2015	240,000	120,000	-	-	-	12,000	12,050	384,050

Notes:

- The portion of total compensation attributable to the Trust as determined by Morguard Corporation solely for the purposes of this table based on time spent, in respect of other executive officers, namely Ms. Flynn, Mr. Miatello and Mr. Wright, does not meet the definition of NEO under applicable Canadian securities law.
- Mr. Levac resigned as Vice President, Asset Management of the Trust effective December 8, 2016.
- SARs granted to Ms. McLean and Mr. Levac are compensation for Morguard-related services and are included here for complete disclosure purposes only. All compensation related to SARs grants is paid by Morguard and there is no reimbursement by the Trust for such compensation.

Incentive Plan Awards

Outstanding Option Based Awards

The following table sets forth all option-based awards outstanding for each Named Executive Officer as of December 31, 2017.

Name	Number of securities underlying unexercised options – (SARs) ⁽¹⁾	Option exercise price (\$)	Option expiration date	Value of unexercised options – SARs (\$)
K. Rai Sahi	-	-	-	-
John Levac ⁽²⁾	-	-	-	-
Pamela McLean	10,000	30.74	-	1,487,400
	5,000	137.90	-	207,900
	5,000	179.95	-	Nil

Notes:

- SARs based on common shares of Morguard Corporation (TSX: MRC). SARs granted to Ms. McLean are compensation for Morguard Corporation-related services and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard Corporation and there is no reimbursement by the Trust for such compensation.
- Mr. Levac ceased being an officer of the Trust on December 8, 2016.

Incentive Plan awards – Value Vested or Earned During the Year

The following table shows the value of option-based awards that vested during the fiscal year ended December 31, 2017, as well as the non-equity incentive plan compensation earned during the year for each Named Executive Officer.

Name	Option-based awards – value vested during the year SARs ⁽¹⁾ (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
K. Rai Sahi	-	-
John Levac ⁽²⁾	-	-
Pamela McLean	169,530	149,450

Note:

- (1) SARs granted to Ms. McLean and Mr. Levac are compensation for Morguard Corporation-related services and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard Corporation and there is no reimbursement by the Trust for such compensation.
- (2) Mr. Levac ceased being an officer of the Trust on December 8, 2016.

Narrative Discussion

Stock Appreciation Rights

The Morguard Corporation Board approved the Stock Appreciation Rights Plan on March 20, 2008.

A stock appreciation right grants a participant the right to receive, from Morguard Corporation, a cash payment per right in an amount equal to the excess, if any, of: (i) the fair market value as of the date redeemed of Morguard Corporation's common shares (the "Common Shares") less (ii) the fair market value of the Common Shares underlying the rights on the date of the grant and any amount required to be withheld by applicable law. Fair market value is defined as the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") for the trading day immediately preceding the applicable date.

Under the Stock Appreciation Rights Plan, Morguard Corporation may grant SARs to an eligible person, defined as a director, officer, employee or consultant of Morguard Corporation, an affiliate of Morguard Corporation or the Trust. Morguard Corporation (a related company to the Trust) grants the SARs under its plan in order to provide long-term incentives to the Trustees and officers of the Trust which would not otherwise be available under the Unit Option Plan due to the nature of the Units. Morguard Corporation provides these incentives to Trustees and officers of the Trust in order to ensure an industry competitive management team is in place with the Trust and to protect its investment in the Trust (Morguard Corporation being the Trust's largest Unitholder). While Morguard Corporation grants SARs to employees of the Trust under the Stock Appreciation Rights Plan, the costs of such participation be borne by the Trust. Pursuant to an agreement between the Trust and Morguard Corporation the Trust is required to reimburse Morguard Corporation for the cash value of SARs awarded to each Trust participant when such awards become payable to the participant. All SARs awarded to employees of the Trust are approved by the Board of Trustees at the time of the grant.

Morguard Corporation's Human Resources, Compensation and Pension Committee (the "HR Committee") may determine when any SAR will become vested, however, in the absence of any other determination, vesting occurs: (i) as to one-tenth, on the first anniversary of the date of grant; and (ii) as to an additional one-tenth, on each of the second through tenth anniversaries of the date of grant.

Unvested SARs will be immediately terminated and be null and void if the participant's employment with the Trust is terminated for cause and the rights will be cancelled by Morguard Corporation. If the holder of SARs is terminated without cause, vested SARs will be paid in accordance with the Stock Appreciation

Rights Plan and unvested SARs will vest as determined by the HR Committee. If the holder of SARs voluntarily resigns, all unvested rights will cease vesting and expire and terminate on the date of termination, while vested rights will be reduced by 50% and be paid according to the Stock Appreciation Rights Plan. If the holder's employment is terminated for any other reason (including death or disability) the holder's SARs that have not become vested as of the date of termination will accelerate and immediately vest on such date and, in the case of SARs granted to the Trust's eligible participants (Trustees, officers of the Trust or employees or consultants of the Trust), the Trust shall make payment according to the Stock Appreciation Rights Plan. The HR Committee shall have the authority to amend, suspend or terminate the Stock Appreciation Rights Plan or any SAR granted thereunder without obtaining the approval of Morguard Corporation's shareholders in order to: (i) amend any terms relating to the granting or exercise of SARs, including the terms relating to the eligibility for and limitations or condition on participation in the Stock Appreciation Rights Plan, the amount and payment of the exercise price (other than a reduction thereof) or the vesting, exercise, expiry (subject to certain exceptions) of the SARs; (ii) make changes that are necessary or desirable to comply with applicable laws, rules or regulations of any applicable governmental entity or stock exchange having jurisdiction; correct or rectify any ambiguity, defective provision, error or omission in the Stock Appreciation Rights Plan or in any SAR or make amendments of a "housekeeping" nature; (iii) amend any terms relating to the administration of the Stock Appreciation Rights Plan; and (iv) make any other amendment that does not require shareholder approval by virtue of the Stock Appreciation Rights Plan, applicable laws or applicable requirements of any stock exchange or governmental entity, provided such amendment, suspension or termination does not adversely alter or impair any previously granted SAR without such holder's consent, and is made in compliance with applicable laws, rules, regulations, by-laws and policies of, and receipt of any required approvals from, any applicable governmental entity or stock exchange having jurisdiction.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Morguard's Corporation's assets to its shareholders, or any other change in the capital of Morguard Corporation affecting Common Shares, the HR Committee will make such proportionate adjustments, if any, as the HR Committee in its discretion may deem appropriate to reflect such change (for the purpose of preserving the value of the SARs), with respect to previously granted SARs.

In the event of a merger, amalgamation, or other transaction pursuant to which the Common Shares are converted into other property, whether in the form of securities of another corporation, cash or otherwise, (each a "Substitution Event"), then any surviving or acquiring corporation or entity shall assume any SAR outstanding under the Stock Appreciation Rights Plan or shall substitute similar SARs (including an award to acquire the same consideration paid to the securityholders in the transaction effecting the Substitution Event) for those SARs outstanding under the Stock Appreciation Rights Plan. In the event any surviving corporation or acquiring corporation or entity refuses to assume such SARs or to substitute similar stock or unit options for those SARs outstanding under the Stock Appreciation Rights Plan, then with respect to such SARs, the vesting of such SARs (and, if applicable, the time during which such SARs may be exercised) shall be accelerated in full, and the SARs shall terminate if not exercised (if applicable) at or prior to such event.

Notwithstanding any other provision of the Stock Appreciation Rights Plan, in the event of a potential Substitution Event, the Morguard Board shall have the power to make such changes to the terms of the SARs, as it considers fair and appropriate in the circumstances, including but not limited to: (i) accelerating the date on which SARs, become exercisable; (ii) otherwise modifying the terms of the SARs, to assist such holders in participating in any arrangement leading to a Substitution Event; and thereafter; (iii) terminating, conditionally or otherwise, the SARs, not exercised following successful completion of the Substitution Event. If the Substitution Event is not completed within the time specified (as the same may be extended), the accelerated SARs which vested will be reinstated as unvested SARs and if such SARs were exercised the amount paid by Morguard Corporation on exercise of the SARs will be reimbursed by the previous holder of the SARs, and the original terms applicable to such SARs will be reinstated.

Should there be a change of control of Morguard Corporation (excluding increased ownership by Paros Enterprises Limited, K. Rai Sahi or related parties) vesting of all outstanding SARs will accelerate in full. If the change of control or potential change of control is not completed within the time specified therein (as the same may be extended), the accelerated SARs which vested will be reinstated as unvested SARs and if any such SARs were exercised, the previous holder of such SARs shall reimburse any amount paid by Morguard Corporation on such exercise.

At this time, the HR Committee does not intend to grant SARs on an annual basis.

Unit Options

There are 2,290,000 Unit options available for future issuance under the Unit Option Plan should the Board of Trustees determine it is in the best interests of the Trust to reinstate the use of this compensation incentive in the future. There are currently no plans to do so.

The Trust's Unit Option Plan is available to Trustees, officers and employees of the Trust and the personal holding companies, or registered retirement savings plans of any eligible person. The Trustees will establish the exercise price of an option at the time each option is granted on the basis of the closing market price of the Units on the TSX on the last trading date preceding the date of the grant. If there is no trading of Units on that date, the exercise price will be the weighted average trading price of the Units on the five trading days preceding the date of grant.

The Trustees may determine when any option granted will become exercisable, however any options granted must be exercised no later than five years after the date of grant. The total number of Units reserved for issuance to any one eligible person will be 5 percent of the Units outstanding at the time of the grant (on a non-diluted basis), or any lesser number that may be required by any applicable regulatory authority from time to time. Options are personal and non-transferrable.

The Unit Option Plan is administered by the Trustees or the HR Committee. The Board of Trustees or the HR Committee, as applicable, has the authority to (i) grant options to purchase Units to eligible person; (ii) issue Units upon the exercise of options as provided in the Unit Option Plan; (iii) determine the term, including limitations, restrictions and conditions, if any, upon option grants, which terms need not be identical; (iv) interpret the Unit Option Plan and adopt, amend and rescind any administrative guidelines and other rules relating to the Unit Option Plan, subject to the required prior approval by any applicable regulatory authority; and (v) make all other determinations and take all other actions in connection with the implementation and administration of the Unit Option Plan as may be necessary or advisable.

If a participant's employment is terminated in the event of death or disability, the holder's options will immediately become fully exercisable and may be exercised on the earlier of 365 days and the original term of the option. Upon the expiration of the 365 day period or the term of the option (whichever is earliest), the option will terminate. Unless otherwise determined by the Trustees, options granted to a participant will be terminated if the participant's employment is terminated for cause before the expiry date of all such options. If the participant's employment is terminated for reasons other than for cause or death or disability, then such options will remain in full force and be exercisable for such period and to the extent specified by the Trustees, but in any event such period will not exceed the lesser of the remaining term of the optionee's grant or 365 days following the date of such termination. In the event the Trustees do not specify the period during which the participant's options will remain exercisable, such period will be the lesser of the remaining term of the optionee's grant or 60 days following the date of such termination. At the end of such period, all of the participant's options, whether vested or unvested, will terminate.

In the event of any proposed sale or conveyance of all or substantially all of the property and assets of the Trust or any proposed merger, consolidation, amalgamation or offer to acquire all of the outstanding Units of the Trust (a "Proposed Transaction"), the Trust may give written notice to all optionees advising that the respective options held by such optionees may be exercised only within 30 days from the date of the notice and not thereafter, and that all options will terminate at the end of the 30-day period, provided that

the Proposed Transaction is completed within 180 days after the date of the notice. If the Proposed Transaction is not completed within the 180-day period, no right under any option will be affected by the notice, except that the options may not be exercised between the date of expiration of the 30-day period and the day after the expiration of the 180-day period.

If there is any change in the outstanding Units by reason of a distribution payable to Unitholders in Units or a subdivision, recapitalization, consolidation, combination or exchange of outstanding Units, or other change affecting the capital structure of the Trust, the Trustees, subject to any prior approval required of any applicable regulatory authority, will make an appropriate substitution or adjustment in:

- a) the number or kind of Units or other securities reserved for issuance pursuant to the Unit Option Plan; and
- b) the number and kind of Units subject to unexercised options granted under the Unit Option Plan, and the exercise price of those unexercised options.

No substitution or adjustment will oblige the Trust to issue or sell fractional Units. In the event of a reorganization of the Trust or an amalgamation or consolidation of the Trust with another corporate entity or trust, the Trustees may make any provision for the protection of optionees as the Trustees in their discretion deem appropriate, and such determination will be final and binding on all parties.

Pension Plan Benefits

Registered Retirement Savings Plan

Trust employees are permitted to invest up to 5 percent of earnings in a structured group registered retirement savings plan ("RRSP") which contributions are matched by the Trust. The Trust is not liable for guaranteeing a specific amount of income when an employee retires and does not receive reports on return on investment related to the RRSP.

The Trust does not offer employer sponsored pension plan benefits, however, Mr. Levac (prior to his resignation) and Ms. McLean as employees of Morguard Investments Limited ("MIL") (a related company to the Trust) remain members of pension plans offered by Morguard Corporation (a related company to MIL and the Trust). The Trust reimburses Morguard Corporation for contributions made for the benefit of Mr. Levac and Ms. McLean under the Defined Contribution Provision (defined in the section below entitled "Defined Benefit Pension Plan" and outlined in the section below entitled "Defined Contribution Pension Plan").

Defined Benefit Pension Plan

The Defined Benefit Plans Table discloses the normal retirement benefits payable to each Named Executive Officer ("NEO") and the change in the accrued benefit obligation during the 2017 fiscal year.

Mr. Sahi is accruing benefits under the Morguard Corporation Employees' Retirement Plan ("MC Plan") while Ms. McLean is a member of the Morguard Investments Limited Employees' Retirement Plan ("MIL Plan").

The Defined Benefit Provision of the MC Plan provides defined retirement benefits for covered salaried employees and is registered under the *Income Tax Act (Canada)* (the "Tax Act") and the Pension Benefit Act (Ontario). Participants in the MC Plan vest immediately. The Retirement Plan provides for normal retirement benefits beginning at age 65 with reduced benefits payable for any participant who elects early retirement. The normal annual retirement benefits are equal to 1.8 percent of the participant's average of the best 3 of the last 7 years earnings multiplied by the participant's years of credited service, less the participant's Canada Pension Plan benefits multiplied by a ratio (not exceeding 1) of the participant's years of credited service to 35 years, and not exceeding the maximum amount permitted to

be paid under the Tax Act. The 2017 maximum annual benefit payable to a participant under the MC Plan is \$2,914,44 for each year of credited service (not exceeding 35 years in respect of service prior to January 1, 1992). The MC Plan was amended effective January 1, 2008 to add new defined contribution provisions and:

- Designate Morguard Investments Limited as participating employer in the MC Plan.
- Provide that existing members of the MC Plan as at December 31, 2007 shall continue to participate in the defined benefit provisions of the MC Plan.
- Provide that Employees hired by the Company on and after January 1, 2008, employees of the Company who are former employees of Morguard Residential Inc. and all current and future employees of Morguard Investments Limited shall be eligible to participate under the new defined contribution provisions of the MC Plan on and after January 1, 2008.

The MIL Plan provides defined retirement benefits.

For Ms. McLean the pension income earned upon normal retirement at age 65 is the sum of a, b, c and d:

- The amount of annual pension under the prior plan ("Morguard Group Limited Employees' Retirement Plan") in respect of credited service prior to January 1, 1992.
- 1.35% of earnings in the year up to the Yearly Maximum Pensionable Earnings ("YMPE") for that year, plus 2% of that portion, if any, of earnings in the year which are in excess of the YMPE, for each year of credited service after 1991 and prior to 1996.
- 1.4% of 1996 earnings up to the 1996 YMPE, plus 2% of that portion, if any, of 1996 earnings which are in excess of the 1996 YMPE, for credited service during 1996.
- 0.7% of earnings in the year up to the YMPE for that year, plus 2% of that portion, if any, of earnings in the year which are in excess of the YMPE, for each year of credited service after 1996.

Effective January 1, 2008 the MIL Plan was amended to provide that:

- All members of the Plan cease to accrue defined benefits under the MIL Plan and commence participation under the new defined contribution provisions of the MC Plan for service on and after January 1, 2008.
- Employees hired by the Company on and after July 1, 2007 are not permitted to join the MIL Plan but shall be eligible to participate under the new defined contribution provisions of the MC Plan.
- All benefits accrued under this MIL Plan to December 31, 2007 will remain in the Plan and will be payable upon members' termination, death or retirement.

As a result Ms. McLean has pension benefits under both the MIL Plan and the Defined Contribution Provision of the MC Plan.

Plan	Name (a)	Number of years credited service (#)(b)	Annual benefits payable \$(c)		Accrued obligation at start of year \$(d)	Compensatory change \$(e)	Non- compensatory change \$(f)	Accrued obligation at year end \$(g)
			At year end (c1)	At age 65(c2)				
MIL	Pamela McLean	14.417	20,792	20,792	311,222	-	36,282	347,504

Defined Contribution Pension Plan

Effective January 1, 2008, the Defined Contribution Provision was added to the MC Plan. Members of the MIL Plan ceased to accrue benefits under the MIL Plan and commenced participation under the new Defined Contribution Provision.

The Defined Contribution Provision provides a retirement benefit of an annual pension in the form of payment elected by the member of the MC Plan (a "Member") in the amount which can be purchased from an insurer by Morguard Corporation on the Member's behalf with the account balance, at the election of the Member, at the time of his/her retirement. The normal retirement age is 65.

Morguard Corporation shall contribute to the Company Contributions Account of each participating NEO an amount equal to 5% of each NEO's Defined Contribution Earnings, up to the DC maximum contribution limit for the year. The 2016 contribution limit for a registered DC plan was \$26,230. Defined Contribution Members are not required to contribute. Defined Contribution Member may elect to contribute a percentage of his Defined Contribution Earnings to his Voluntary Contributions Account.

A member who retires may elect to receive his Member Voluntary Contributions Account Balance as a cash lump sum payment less any applicable withholding tax. The aggregate of company contributions and members voluntary contributions are subject to limits prescribed in the Income Tax Act.

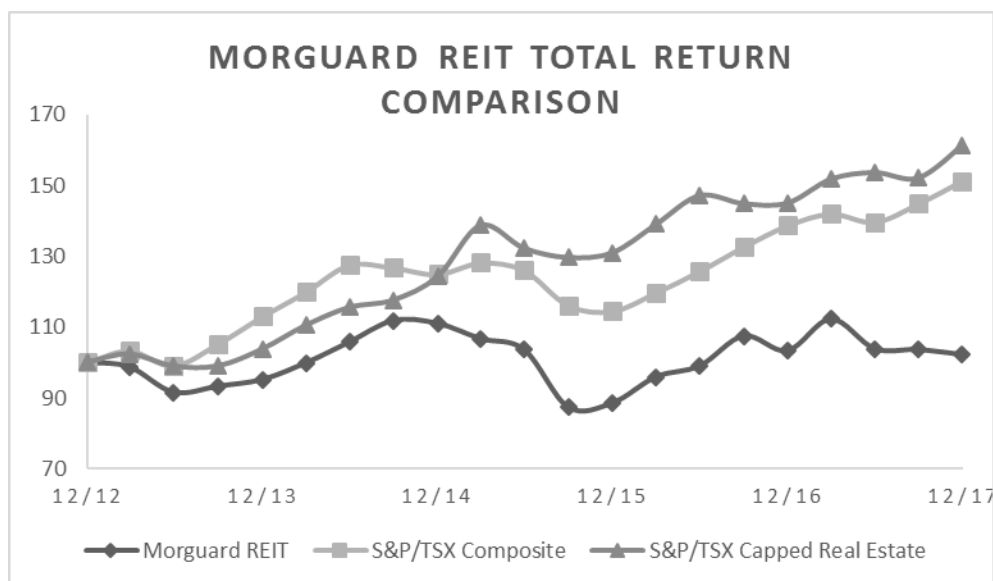
At December 31, 2017 the NEOs that participated in the Defined Contribution Provision of the MC Plan had the following accumulated benefits:

Name (a)	Accumulated value at start of year (\$)(b)	Compensatory change (\$)(c)	Non- compensatory change (\$)(d)	Accumulated value at year end (\$)(e)
Pamela McLean	126,817	12,454	7,995	147,266

[Remainder of page intentionally left blank.]

Performance Graph

The following graph shows a comparison over the five year period ending December 31, 2017, of the value of \$100 originally invested in the Units with the cumulative returns of the TSX/S&P Composite Index, the TSX/S&P Real Estate Index and the TSX/S&P Capped REIT Index:



	12/12	12/13	12/14	12/15	12/16	12/17
Morguard REIT	100.00	95.18	111.011	88.53	103.29	102.21
S&P/TSX Composite	100.00	112.98	124.90	114.50	138.64	151.22
S&P/TSX Capped Real Estate	100.00	103.75	124.22	131.00	145.09	161.36

REMUNERATION OF TRUSTEES

A person who is employed by and receives a salary from the Trust does not receive any remuneration from the Trust for serving as a Trustee. During the fiscal year ended December 31, 2017, all Trustees who were not so employed except Messrs. Sahi and King, received remuneration from the Trust in the amount of \$22,000 per year as an annual retainer. Also, each Trustee or committee member, other than a person employed by the Trust and Messrs. Sahi and King, received \$1,000 per meeting attended, with an additional \$10,000 for the audit committee chair and \$2,500 for each other committee chair. During the fiscal year ended December 31, 2017, Mr. King, the Chairman of the Board of Trustees, received a flat annual fee of \$60,000. The Trustees are entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the Trust.

The HR Committee reviews Trustee compensation annually and makes recommendations on remuneration to the Board of Trustees. In reviewing Trustee compensation, the HR Committee considers the responsibilities and time commitment of the Trustees and benchmarks compensation at comparable Canadian real estate investment trusts in the real estate industry.

Trustees who are also employees of the Trust receive no remuneration as Trustees. During the year ended December 31, 2017, members of the Board of Trustees, except Mr. Sahi received compensation in accordance with the following remuneration schedule, which has been in effect since 2005.

Annual retainers and meeting fees	Amount
Chair retainer (inclusive, no additional compensation for meeting attendance)	\$60,000
Director retainer	\$22,000
Additional retainers:	
Chair of the Audit Committee	\$10,000
Chairs of other Board committees	\$ 2,500
Meeting fees	
Each Board/committee meeting attended (except Chair)	\$ 1,000

The Trustees and officers of the Trust are entitled to participate in the Trust's Unit Option Plan and officers of the Trust are entitled to participate in Morguard Corporation's Stock Appreciation Rights Plan. A description of the plan can be found on page 11 and 14, respectively.

The practice of granting of options under the Unit Option Plan was discontinued in 2000. No unexercised options granted to Trustees prior to the moratorium remain outstanding.

The Trust paid \$291,500 in 2017 (compared to \$298,500 for 2016) in respect of Trustee fees during the fiscal year ended December 31, 2017. The following table shows the amounts earned by individual non-management trustees during the fiscal year ended December 31, 2017.

Directors	Board retainer (\$)	Committee Chair retainer (\$)	Board attendance fees (\$)	Committee attendance fees (\$)	All other compensation (\$)	Total (\$)
Fraser R. Berrill	22,000	-	5,000	10,000	-	37,000
Michael A. J. Catford	22,000	-	6,000	10,000	-	38,000
Paul F. Cobb	22,000	10,000	6,000	10,000	-	48,000
David A. King	60,000	-	-	-	-	60,000
Edward Kress	22,000	-	6,000	10,000	-	38,000
Antony K. Stephens	22,000	-	6,000	8,000	-	36,000
Timothy J. Walker	22,000	2,500	6,000	4,000	-	34,500

Trustees' and Officers' Liability Insurance

The Trust maintains insurance for the benefit of its Trustees, officers and executives against liabilities incurred by them in such capacities, excluding liabilities brought about or contributed to by dishonesty of the insured or based upon or attributable to any property or advantage gained by the insured and to which the insured was not legally entitled. The policy covers claims made against the insured during the policy period with a limit of \$30,000,000 during the policy year and a limit of \$30,000,000 in respect of each claim. The premium payable by the Trust for this coverage for the year ended December 31, 2017 was \$98,493 (compared to \$103,150 for 2016).

Incentive Plan Awards –Trustees

Non-management Trustees did not receive compensation under the Unit Option Plan or Stock Appreciation Rights Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

Plan Category	Number of securities to be issued upon the exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	-	-	2,290,000 – Unit Options

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

No Trustees, executive officers or proposed nominees for election as Trustees (or any associates thereof) are indebted to the Trust and the Trust has not guaranteed or otherwise agreed to provide assistance in the maintenance or servicing of any indebtedness of any Trustee, executive officer or proposed nominee for election as a Trustee (or any associates thereof). For discussion of indebtedness of certain directors and officers of Morguard Corporation, please see the most recent Management Information Circular of Morguard Corporation, which may be accessed electronically under Morguard Corporation's profile on SEDAR at www.sedar.com and on the company's website at www.morguard.com.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, there are no material interests, direct or indirect, of any Trustee or executive officer of the Trust, any Unitholder that beneficially owns, or controls or directs, (directly or indirectly) more than 10% of the Units of the Trust, or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2017 that has materially affected or is reasonably expected to materially affect the Trust or any of its subsidiaries.

K. Rai Sahi (Trustee, President and Chief Executive Officer of the Trust), Pamela McLean (Chief Financial Officer of the Trust) Paul Miatello (Vice President of the Trust), Beverley G. Flynn (Secretary and Vice President, General Counsel of the Trust) and John Levac (Vice President of the Trust (until his resignation on December 8, 2016) are employees of Morguard Corporation or a related party and have ongoing relationships with Morguard Corporation. In addition, Robert Wright (Vice President of the Trust) has a consulting agreement with Morguard Corporation. Morguard Corporation holds a significant effective interest in the Trust.

For a discussion of the arrangements with Morguard, please see the most recent Annual Information Form dated February 22, 2018, which may be accessed electronically under the REIT's profile on SEDAR at www.sedar.com.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Trustees believe that sound governance practices are essential to the well-being of the Trust and its Unitholders and that these practices should be reviewed regularly to ensure that they are appropriate. This Statement of Corporate Governance Practices has been prepared by the HR Committee and has been approved by the Board of Trustees.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada requiring issuers to disclose corporate governance

practices and providing guidance on such practices. In addition, the Trust is subject to Multilateral Instrument 52-110 *Audit Committees*.

The Trust has adopted Codes of Conduct and Conflict of Interest Guidelines that govern the behaviour of its Trustees, officers and employees. The standards are available on the Trust's website at www.morguard.com and at www.sedar.com. The HR Committee is responsible for monitoring compliance with the standards.

The corporate governance practices adopted by the Trust are set out below.

Board of Trustees

The primary responsibility of the Board of Trustees is to foster the long-term success of the Trust consistent with the Board's responsibility to the Unitholders to maximize value. The Board facilitates its exercising of independent supervision of the Trust's management through frequent meetings, both with and without members of the Trust's management (including members of management that are also Trustees) being in attendance. In fulfilling its mandate, the Board, among other things, has the following duties and objectives:

- assessing the effectiveness of the Board, Committees and Trustees;
- planning for succession for the Trust including appointing and monitoring of senior management;
- developing and maintaining written position descriptions for the President and Chief Executive Officer, Committee Chairs, and committees of the Board;
- adopting a strategic planning process for the Trust;
- providing oversight to the integrity of the Trust's internal control and management information systems; and
- providing oversight to the identification of the principal risks of the Trust's business and ensuring the implementation of appropriate systems to manage these risks.

The Board of Trustees has adopted the formal mandate set out in Schedule A to this Information Circular.

New Trustees are provided with an orientation and education program that includes information regarding the duties and obligations of Trustees, the business and operations of the Trust, documents from recent Trustee meetings and opportunities for meetings and discussion with senior management of the Trust and other Trustees. In addition to having extensive discussions with the Chairman of the Board, new Trustees receive governance policies and historical public information and minutes of prior meetings of the Trustees and applicable committees. The orientation is further tailored to that Trustee's individual needs and areas of interest. The Trust encourages its Trustees to take advantage of continuing education opportunities, provides information and updates to Trustees on relevant topics, has management and, where advantageous, outside experts, give presentations and will, upon request, reimburse Trustees for continuing education programs attended.

The Board of Trustees consists of six independent Trustees, Messrs. Berrill (retiring effective May 9, 2018), Catford, Cobb, Kress, Stephens and Walker. Mr. Sahi is the Chairman and Chief Executive Officer of Morguard Corporation. Mr. King is not independent as he is the Chairman of the Board of Trustees; however, he holds this role in a non-executive, part-time capacity.

The independent Trustees meet four times per year and additional times as they deem necessary. The Board facilitates open and candid discussion amongst its independent members by providing telecommunication technologies which allow each Trustee to communicate on an ad-hoc basis as needed and by encouraging Trustees to inform themselves of current trends in corporate governance with a focus on the role of independent directors/trustees and corporate fiduciary responsibilities.

Please see the table under Matters to be Acted upon at the Meeting, for each Trustee who is presently a director (or similar capacity) of another reporting issuer.

It is the responsibility of the Chief Executive Officer to report to the Board of Trustees, and maintain open communication with the Trustees. In fulfilling his mandate, the Chief Executive Officer, has responsibilities including implementing Board initiatives, developing a strategic plan for the Trust and providing leadership in the operational running of the business.

The process undertaken by the Board to identify potential candidates for nomination as Trustees will include assessing the skill sets required by the Board in general to enable it to function effectively and properly, evaluating the skills possessed by the then current Trustees and identifying gaps in the skills represented on the Board, seeking individuals who possess the skills required by the Board (either through referrals by colleagues or, if necessary, by using professional search firms), interviewing candidates who express an interest in joining the Board to determine whether the candidate would be a positive addition to the Board, and, upon determining acceptable candidates, recommending them for nomination.

There are currently no women on the Board (0%). In assessing candidates and selecting nominees for the board, diversity, including gender, is an important factor considered by the HR Committee. At this time the Board has not adopted targets regarding women on the Board, however a written policy relating to the identification and nomination of women trustees was adopted during 2017. The Board does not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for trustees. However, having assessed the benefit of gender diversity in the composition of the Board of Trustees, the Board has directed the HR Committee to consider the level of female representation and diversity as essential considerations, in addition to required expertise and experience, in evaluating potential candidates for nomination.

The Trust has not adopted term limits for trustees. At this time, the Trust believes that term limits have the potential to cause the loss of key Board contributors with a proven track record who possess valuable institutional memory. Instead, the Trust believes that less rigid mechanisms of Board renewal are more suitable. Annually, the HR Committee undertakes an evaluation of board performance, including performance of individual trustees, to ensure that each trustee continues to be effective and have the necessary skills and experience required by the Trust for an appropriate composition of the Board. Additionally, Unitholders can evaluate and vote on all trustee nominees annually at the Meeting.

All governance policies are reviewed and assessed by the Board of Trustees on an annual basis.

See “Human resources and Governance Committee” below for further discussion of the process for identifying and nominating new directors.

Board Committees

The Trust has two standing committees: Audit, and Human Resources and Governance; and in 2017, one special committee. The Trustees may create additional committees as they determine necessary or desirable for the purposes of properly governing the affairs of the Trust. From time to time, ad hoc committees of the Board of Trustees may be appointed. Each committee chair has a written position description, detailing the chair’s responsibilities in ensuring the committee mandate is implemented and responsible items are completed and reported back to the Board regularly.

Audit Committee

The Audit Committee assists the Board of Trustees in fulfilling its financial oversight responsibilities. The Audit Committee reviews the financial statements, the adequacy of the system of internal control, the financial reporting process and management of financial risks, the nature and scope of the audit process as proposed by the auditors and the Trust’s disclosure controls and procedures. The roles and responsibilities of the Audit Committee are specifically defined to provide appropriate guidance to

committee members as to their duties. The Committee provides and facilitates communication between the Trust's internal and external auditors and the Board to discuss and review specific issues as appropriate.

The Audit Committee is composed entirely of independent Trustees. The members of the Audit Committee are Messrs. Berrill, Catford, Cobb (Chair), Kress, and Stephens. Additional information concerning the Trust's Audit Committee and its external auditors can be found in the Trust's Annual Information Form dated February 14, 2018. See "Audit Committee Mandate", "Audit Committee Compensation, Education and Expertise" and "Payments to the Trust's External Auditors".

Special Committee

The Special Committee was established to consider, and provide a recommendation for a particular related party transaction on behalf of the Board of Trustees. It was within the mandate of the Special Committee to determine when and whether its responsibilities have been performed and are at an end. The Committee ultimately did not provide a recommendation and, to date, the transaction is not intending to move forward.

In carrying out its responsibilities, the Special Committee was mandated to co-ordinate and consult (both directly and through its professional advisors) with the Board of Trustees, management and professional advisors of and to the Trust but the Special Committee had control of the timing and manner of such co-ordination and consultation and it shall establish its own procedures including the timing and place of meetings and such other procedures as it considers necessary or advisable.

The Committee met two times during 2017 and consisted of independent trustees. The members of the committee are Messrs. Berrill (Chairman), Catford, Cobb and Kress.

Human Resources and Governance Committee

The purpose of the HR Committee is to provide a focus on governance that will enhance the Trust's performance and to assist the Board in fulfilling their obligations relating to human resources and compensation, and to establish a plan of continuity and development for the Trust.

The HR Committee reviews its mandate annually and is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2017.

The HR Committee is responsible for developing the Trust's approach to matters of governance, reviewing the mandates of the Trustees and its committees, and administering the Trust's long-term incentive plans. It also reviews and makes recommendations to the Trustees relating to the appointment of Trustees and the compensation of the Trustees, officers and employees of the Trust. The HR Committee will report to the Trustees, at least annually, on these matters and other reports in accordance with the compensation disclosure rules prescribed by applicable legislation.

The HR Committee is further responsible for preparing and recommending to the Trustees annually a "Statement of Governance Practices" and disclosure relating to compensation, to be included in the Trust's annual report or information circular. The HR Committee also approves the engagement by individual Trustees of outside advisors at the expense of the Trust in appropriate circumstances. At this time, the HR Committee has not retained a compensation consultant. The Committee receives updates from legal counsel on recent developments in corporate governance and disclosure.

The Board routinely conducts both formal and informal assessments of its committees, members and the Board as a whole. Overall performance is measured by issues such as revenue, profitability, staff turnover, costs, administrative efficiency and other applicable initiatives being undertaken in the year, which should provide future Unitholder benefit. To the extent applicable, the Board seeks to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect individual performance in the

context of the overall performance of the Trust. Participation in the Unit Option Plan and the Stock Appreciation Rights Plan, as applicable, reflects the level of responsibility and level of contribution of participants within the Trust. The HR Committee members are Fraser R. Berrill, Michael A. J. Catford, Paul F. Cobb, Edward C. Kress, Anthony K. Stephens and Timothy J. Walker (Chairman). All Committee members are independent trustees.

Each of the HR Committee members has direct experience relevant to their responsibilities in overseeing the executive compensation program. With collective professional experience in areas including accounting, business, human resources, compensation, finance, strategy and risk management, the Committee members have the requisite knowledge and expertise to make informed decisions on compensation matters. More specifically, Mr. Walker, Chairman of the Committee has many years business experience gained in senior management roles, including with Morguard REIT, including human resources, risk management, governance, reporting and accounting. Mr. Berrill is a lawyer, has experience in governance, risk management, human resources, compensation through his experience as a business owner and as a chief executive of public companies and as a Board director. Mr. Catford has gained experience in pension finance, business, governance and risk matters by serving as Vice President of Real Estate, Healthcare of Ontario Pension Plan in addition to previous private sector leadership roles. Mr. Cobb has completed the Directors Education Program of the Institute of Corporate Directors and the Rotman School of Management and has a long career in governance, risk management, accounting and reporting as a CPA, CA and a member of the Deloitte & Touche LLP board of directors. Mr. Kress, with 30 years of management experience with the Brookfield group of companies – many in senior roles, has experience and knowledge with internal risk management and reporting, governance, management and accounting. Mr. Stephens has many years of business and management experience gained in senior roles in the real estate industry, including human resources, and compensation.

The Board is confident that the HR Committee members have the necessary experience and skills to conduct their duties effectively and in the best interests of unitholders. In addition to its regular meetings, the HR Committee meets in-camera, without management present.

The following chart sets out the total number of Trustee and committee meetings held in 2017 and the attendance records of each of the Trustees nominated for election:

	Trustee Meetings	Audit Committee	HR	Special Committee
Number of Meetings held in 2017	6	4	4	2
Fraser R. Berrill	5	4	4	2
Michael A. J. Catford	6	4	4	2
Paul F. Cobb	6	4	4	2
David A. King	4	-	-	-
Edward C. Kress	6	4	4	2
K. Rai Sahi	6	-	-	-
Antony K. Stephens	6	4	4	-
Timothy J. Walker	6	-	4	-

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, the Trust is not aware of any material interest of any current or proposed Trustee or officer of the Trust in any transaction since January 1, 2017, or in any proposed transaction that has materially affected or will materially affect the Trust.

OTHER BUSINESS

The Trustees know of no matter to come before the Meeting other than the matters referred to in the accompanying Notice of Meeting.

ADDITIONAL INFORMATION

Copies of the Trust's latest annual information form (together with the documents incorporated therein by reference), the comparative financial statements for the financial year ended December 31, 2017, together with a report of the auditors thereon, management's discussion and analysis of the Trust's financial condition and results of operations for the financial year ended December 31, 2017, and this Circular are available on SEDAR at www.sedar.com as well as on the Trust's website at www.Morguard.com and otherwise are available upon request from the Trust.

TRUSTEES' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Trustees.

DATED as of the 20th day of March, 2018.

By order of the Board of Trustees



BEVERLEY G. FLYNN
Secretary

SCHEDULE A

TRUSTEES' MANDATE

Trustees' Responsibilities

The Trustees are explicitly responsible for the stewardship of the REIT. To discharge this obligation, the Trustees shall:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Review and approve management's strategic plans.
- Review and approve the REIT's financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor the REIT's performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the REIT's businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer ("CEO") and other senior executives, and ensure management succession.
- Approve a position description for the CEO including limits to management's responsibilities and corporate objectives which the CEO is responsible for meeting, all upon recommendation from the HR Committee.

Integrity

- Ensure the integrity of the REIT's internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the REIT's own governing documents.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.

Monitoring Trustees' Effectiveness

- Assess its own effectiveness in fulfilling the above and Trustees' responsibilities, including monitoring the effectiveness of individual Trustees.

Other

Perform such other functions as prescribed by law or assigned to the Trustees in the REIT's Declaration of Trust.