



## MORGUARD REAL ESTATE INVESTMENT TRUST

### MANAGEMENT INFORMATION CIRCULAR

March 12, 2021

#### 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 and special meeting (“Meeting”) of unitholders (the “Unitholders”) of the Trust to be held on May 5, 2021 at 9:30 a.m. (local time) , by virtual meeting only via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1104> (Password: morguard2021) for the purposes set forth in the Notice of Meeting which accompanies this Circular, 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 proxy tabulator, TSX Trust Company, 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 12, 2021 unless otherwise indicated.

Copies of the Trust’s 2020 Annual Report and current Annual Information Form are available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, as established by the Canadian Securities Administrators) at [www.sedar.com](http://www.sedar.com) and on the Trust’s website at [morguard.com](http://morguard.com). In the alternative, copies will be provided upon request to the Trust (55 City Centre Drive, Suite 1000, Mississauga, ON L5B 1M3, Attention: Secretary).

##### Virtual Only Meeting

**This year, to proactively plan for the continuing public health impact and measures enacted related to the outbreak of the novel coronavirus (“COVID-19”), and to minimize the risks to the health and safety of our communities, Unitholders, employees and other stakeholders, the Trust will hold the Meeting in a virtual only format, Unitholders will not be able to attend the Meeting in person. It is the Trust’s intention to resume holding Unitholder meetings in person under normal circumstances in future years, however, the Trust has determined that holding this year’s Meeting in a virtual only format is a prudent step during the COVID-19 pandemic in light of restrictions on public gatherings and efforts to encourage social distancing by Canadian federal and provincial governments, as well as many municipalities. A summary of the information Unitholders will need to attend the Meeting online is provided below under the heading “How do I Attend and Participate at the Meeting?”**

##### How Will Unitholders Be Able to Participate at the Meeting?

Registered Unitholders and duly appointed proxyholders who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out below.

Non-Registered Unitholders (defined below) who have not duly appointed themselves as proxyholders may still attend the Meeting as guests. Guests will be able to listen to the Meeting but will not be able to vote at the Meeting.

Unitholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (including a Non-Registered Unitholder who wishes to appoint himself or herself to attend the virtual meeting) must carefully follow the instructions in the attached Information Circular and on their form of proxy or voting instruction form.

Additional instructions are provided in the enclosed Virtual Meeting Guide. If you have any questions or require further information with regard to voting your Units, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com).

### Eligibility for Voting

Only Unitholders of record at the close of business on March 15, 2021 (the "Record Date") are entitled to vote at the Meeting, even though they may have since that date disposed of their Units, and, except as otherwise determined from time to time by the Trustees, no Unitholder becoming such after the Record Date will be entitled to receive notice of and vote at such Meeting or any adjournment thereof or to be treated as a Unitholder of record for purposes of such other action.

### Appointment of Proxies

The persons named in the enclosed form of proxy are members of Management. **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 TSX Trust Company, 301-100 Adelaide Street W., Toronto ON M5H 4H1 Attention: Proxy Department, [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com), 1 866 600-5869 so as to arrive not later than 5:00 p.m. (local time) on May 3, 2021, or, if the Meeting is adjourned, no later than 5:00 p.m. (local time) on the second last business day before the date of the adjourned meeting.

### 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, 2020 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 TSX Trust Company, 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 12, 2021, the Trust had outstanding a total of 64,130,414 Units, each carrying the right to one vote per Unit. All Unitholders of record at the close of business on March 15, 2021 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	39,040,641	60.88

## MATTERS TO BE ACTED ON AT THE MEETING

### Audited Consolidated Financial Statements

The audited consolidated financial statements of the Trust for the fiscal year ended December 31, 2020 are mailed to Unitholders who requested to receive them with this Circular and are also available at [www.morguard.com](http://www.morguard.com) and [www.sedar.com](http://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 six. 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, 2019 and 2020:

Service Performed	2019	2020
Audit fees	\$ 344,000	\$ 358,000
Audit-related fees	33,000	40,000
Tax & other services	-	-
<b>Total fees</b>	<b>\$ 377,000</b>	<b>\$ 398,000</b>

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.

## **SPECIAL BUSINESS – AMENDMENTS TO DECLARATION OF TRUST**

The Trustees are proposing the following amendments to the Declaration of Trust. Capitalized terms used but not defined in this section "Special Business – Amendments to Declaration of Trust" shall have the meanings ascribed to them in the Declaration of Trust.

The Declaration of Trust sets out certain operating restrictions and policies that govern the manner in which the operations and affairs of the Trust are conducted. In light of the evolution of the Trust and changes in market and general business practice, the Trustees have reviewed the Trust's operating policies and are of the view that an amendment should be made to increase the maximum allowable amount of Indebtedness of the Trust as a percentage of Gross Book Value. Section 5.2(h) of the Declaration of Trust prohibits the Trust from incurring or assuming Indebtedness if, after giving effect to such Indebtedness, the amount of all Indebtedness would exceed 60% of the Gross Book Value of the Trust, subject to certain exceptions. It is proposed that the Declaration of Trust be amended to increase the maximum allowable amount of Indebtedness of the Trust as a percentage of Gross Book Value to 65%. The Board is of the view that such an amendment will provide the Trust with greater flexibility in its operating and indebtedness decisions and better aligns with the Trust's growth and investment objectives, in furtherance of Unitholder value.

Unitholders are also being asked to consider, and if thought advisable, to pass a special resolution to authorize and approve an amendment and modification to the Declaration of Trust to be reflected in an amendment to the Declaration of Trust (the “**Amendment**”). A copy of the Amendment is set out in Schedule B-1 to this Circular and a blackline of Section 5.2(h) of the Declaration of Trust is set out in Schedule B-2 to this Circular. Unitholders should carefully review Schedules B-1 and B-2 of this Circular in their entirety.

#### *Proposed Resolution*

At the Meeting, Unitholders will be asked to vote on the following resolution with or without variation:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION OF UNITHOLDERS THAT:**

1. *The amendment and modification to the amended and restated declaration of trust dated February 17, 2021 (the “Declaration of Trust”), substantially as described in the management information circular of the Trust dated March 12, 2021 (the “Circular”) and substantially as reflected in the draft amendment (the “Amendment”) attached thereto as Schedule B-1 and in the blackline of Section 5.2(h) of the Declaration of Trust attached thereto as Schedule B-1, is hereby authorized and approved.*
2. *The Amendment, amending the Declaration of Trust in the manner described in this resolution, together with any further changes necessary to reflect the amendment and modification described in the Circular is hereby authorized and approved.*
3. *Any trustee or officer of the Trust is authorized to execute or cause to be executed on behalf of the Trust and the trustees of the Trust or to prepare and deliver or cause to be prepared and delivered all such documents, agreements and instruments or cause to be done all such other acts and things as such trustee or officer shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolution and the matter authorized thereby, such determination to be conclusively evidenced by the execution or preparation and delivery of such document, agreement or instrument or the doing of any such act or thing.”*

Pursuant to Section 12.3 of the Declaration of Trust, an amendment to Section 5.2(h) of the Declaration of Trust requires an affirmative vote of at least two-thirds (66 2/3%) of the votes cast at a meeting of Unitholders duly called for that purpose. The Board believes that the passing of the above special resolution is in the best interests of the Trust and recommends that the Unitholders vote in favour of the special resolution. If the resolution approving the amendment to the Declaration of Trust is not approved by the affirmative vote of at least two-thirds (66 2/3%) of the votes cast at the Meeting, the Declaration of Trust will not be amended as described herein.

#### **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.

<b>Bart S. Munn</b> <i>Toronto, Ontario, Canada</i> Trustee since May 9, 2018  Independent	Mr. Munn, CPA, CA, has more than 20 years' experience as a financial and real estate executive and is formerly 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.				
	<b>Public company directorships in the past five years:</b>				
	None				
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	6 of 6	100%	10,000	450	\$99,380
Audit	4 of 4	100%			
<b>Timothy J. Murphy</b> <i>Toronto, Ontario, Canada</i> Trustee since May 6, 2020  Independent	Mr. Murphy is a partner with the law firm of McMillan LLP focusing on project finance and public/private partnership initiatives and also a managing director of McMillan Vantage Policy Group LP.				
	Mr. Murphy was Chief of Staff to the former Prime Minister of Canada and was Chief of Staff to Canada's former Minister of Finance. He has also been a Member of Provincial Parliament and Senior Advisor to both the Attorney General of Ontario and the Ontario Minister of Education. Mr. Murphy was also previously a partner at a major Canadian law firm.				
	He is the Chair of the Board of Directors of Toronto Community Housing Corporation and a member of the Board of Directors of Soulpepper Theatre.				
<b>Public company directorships in the past five years:</b>					
Morguard Corporation (2006 to present)					
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	3 of 3	100%	3,000	nil	\$16,380
Human Resources & Governance	1 of 1	100%			
<b>K. Rai Sahi</b> <i>Mississauga, Ontario, Canada</i> Trustee since November 10, 1998  Non-independent due to ownership/control of 6,691,000 Common Shares (approximately 60.3%) of Morguard Corporation <sup>(1)</sup> 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, FCA, FCGA, has many years of experience in public and private corporations including extensive experience dealing with financial reporting, standards, and policy				
	<b>Public company directorships in the past five years:</b>				
Morguard Corporation (1990 – present) TWC Enterprises Limited (1997 - present) Morguard North American Residential Real Estate Investment Trust (2012 – present) Temple Hotels Inc. (2015 – 2020)					
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	6 of 6	100%	2,196,427	nil	\$11,992,491

<b>Antony K. Stephens</b> <i>Toronto, Ontario, Canada</i> Trustee since June 18, 1997  Independent	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				
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	6 of 6	100%	56,250	nil	\$307,125
Human Resources & Governance	3 of 3	100%			
<b>Donald W. Turple</b> <i>Vancouver, British Columbia, Canada</i> Trustee since May 6, 2020  Independent	Mr. Turple, CPA, CA, is a real estate executive and consultant. He served as President of Aquilini Properties LP, a diversified real estate company based in Vancouver, British Columbia from 2008 to 2017. Prior to that time, Mr. Turple served as a consultant to Morguard Corporation holding a number of positions throughout his tenure including Vice President and Chief Financial Officer of TWC Enterprises Limited and Morguard Corporation.				
	Public company directorships in the past five years:				
	TWC Enterprises Limited (1998 – present) Temple Hotels Inc. (2018 to 2020)				
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	3 of 3	100%	nil	nil	nil
Audit	2 of 2	100%			
<b>Timothy J. Walker</b> <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					
<b>Board/Committee membership</b>	<b>Overall attendance</b>		<b>Securities held</b>		<b>Total value of stock</b>
			<b>Units</b>	<b>Debentures</b>	
Board	6 of 6	100%	28,300	nil	\$154,518
Audit	4 of 4	100%			
Human Resources & Governance	3 of 3	100%			

Notes:

- (1) Morguard Corporation and its affiliates beneficially own 39,040,641 Units (approximately 60.88%) 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 comprises independent trustees with the knowledge and expertise to oversee the executive compensation program effectively in the best interests of the Unitholders.

The Trustees considered the financial performance of the Trust in 2020, 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 2020, however the Trustees had approved a budget target for funds from operations for the Trust for 2020 which was not met.

As a policy, salaries and incentives are reviewed from time to time. For 2020, Named Executive Officers, received an average 2.5% base salary increase. Short-term incentives paid to NEOs and management, excluding the Chief Executive Officer, in 2020 averaged 42.0% (2019 –52.0%) of base salary.

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

## **COMPENSATION DISCUSSION AND ANALYSIS**

Certain executive officers of the Trust are employed by Morguard Corporation (“Morguard”) and the Trust does not directly or indirectly pay any compensation to them. Any variability in compensation paid by Morguard to the executive officers of the Trust has no impact on the Trust’s financial obligations. The total compensation received by the executive officers of the REIT that are employed by Morguard is determined by Morguard in accordance with its executive compensation philosophy. For a detailed discussion of the objectives and elements of Morguard’s compensation program, see the most recent Management Information Circular of Morguard (the “Morguard Circular”), which may be accessed electronically under Morguard’s profile on SEDAR at [www.sedar.com](http://www.sedar.com)

Additionally, the Trust’s management team is supported by contracted property management, leasing services, capital expenditure administration, information system services activities and risk management administration. The choice to contract for property management provides the Trust with a day-to-day operating platform that is both “best-in-class” and cost-effective. Property management and other services are delivered through a management agreement with a Morguard subsidiary. Morguard also provides advisory and management services to institutional and other investors not related to Morguard or the Trust.

### **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 Stock Appreciation Rights Plan (both defined below).

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

## 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:

Adgar Canada Inc.	Fengate Real Estate Investments	NorthWest Healthcare Properties REIT
Alberta Investment Management Corp.	First Capital Realty Inc.	ONE Properties
Artis REIT	Granite REIT	Oxford Properties Group Inc.
Aspen Properties	GWL Realty Advisors	Panattoni Development Company (Canada)
Bentall Kennedy Group/GreenOak	Hines Interests LP	Pure Industrial Real Estate Trust (PRIRET)
Broadwalk REIT	Hydro-Quebec Pension Fund	QuadReal Property Group
Brookfield Office Properties	InterRent REIT/CLV Group	Realstar Group
Cadillac Fairview Corporation Limited, The	Ivanhoé Cambridge	RioCan REIT
CBRE Limited	JLL Real Estate Services Canada Inc.	SmartCentres REIT/Penguin Investments Inc.
Centurion Asset Management	Killam Apartment REIT	Starlight Investments
Choice Properties REIT	LaSalle Investment Management	Strathallen Capital Corporation
CreateTO	Manulife Financial	Timbercreek Equities Corp
Crestpoint Real Estate Investments Ltd	Menkes Development Ltd.	Triovest Realty Advisors Inc.
Crombie REIT	Minto Group, The	WPT Industrial REIT
Crown Realty Partners	Nicola Wealth	
CT REIT	North American Development Group	
Cushman & Wakefield	Northview Apartment REIT	
EPIC Investment Services		

Third Party Surveys the Trust Participated in in 2020:

Due to conflicting priorities, the Trust did not actually participate in surveys in 2020, however results were purchased and used to complete the annual compensation review.

Purchased: REALPAC Canadian Real Estate Compensation Survey  
Aon Hewitt Global Total Compensation Measurement Survey – Canada

The services of an independent compensation consultant were not used in 2020.

### **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, where appropriate. 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.

The Trust has an integrated approach to talent management and succession planning, internally and in conjunction with related parties, including Morguard. 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. Of the six executive officers, there are currently 2 women (33%), 2 visible minorities (33%), zero aboriginal peoples (0%) and zero persons with disabilities (0%). (2019 –no change).

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. The President and Chief Executive Officer is not paid a short-term incentive by the Trust. For the 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 (the "Morguard Board"), may from time to time grant stock appreciation rights ("SARs") under Morguard's stock appreciation rights plan (the "Stock Appreciation Rights Plan"). The Trust is a related entity of Morguard and the officers of the Trust are permitted to participate in the Stock Appreciation Rights Plan.

Pursuant to Morguard's executive compensation plan, a stock appreciation right grants a participant the right to receive, from Morguard, 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 the common shares of Morguard less (ii) the fair market value of the common shares of Morguard 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 of Morguard on the Toronto Stock Exchange ("TSX") for the trading day immediately preceding the applicable date.

Morguard's Human Resources, Compensation and Pension Committee (the "Morguard HR Committee") may determine when any stock appreciation right 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. The Morguard HR Committee granted 10,000 stock appreciation rights to Mr. Tamlin in 2018 in connection with his services to the REIT. No stock appreciation rights were granted in 2019 and 2020 in connection with services to the REIT.

The costs of SARs awarded to employees of Morguard (and its wholly-owned subsidiaries) who also serve as management of the Trust will be borne by Morguard 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".

In 2020 and 2019, no Stock Appreciation rights were granted to individuals who were also NEOs of the Trust.

In 2018, 15,000 Stock Appreciation Rights were granted to individuals who were also NEOs of the Trust.

### **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, Tamlin (beginning November 19, 2018) and Ms. McLean (to November 19, 2018) qualify as NEOs of the Trust, compensation information is provided in this section. Ms. Flynn, Mr. Miatello, Ms. Sahi and Mr. Wright (retired on December 31, 2020), officers of the Trust, did not qualify as NEOs of the Trust in 2020; however, their compensation is expected to be consistent with the objectives and elements for Morguard's compensation program as discussed in the Morguard Circular. Additionally, Ms. Flynn, Mr. Miatello and Ms. Sahi are employed by Morguard and Mr. Wright was 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. For greater certainty, information contained on Morguard's profile on SEDAR at [www.sedar.com](http://www.sedar.com), including the Morguard Circular, is not incorporated by reference into this Circular.

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The following table provides a summary of compensation earned by each Named Executive Officer for the year ended December 31, 2020.

Name and Principal Position	Year	Annual Compensation		Long Term Compensation Awards				All Other Compensation (\$)	Total Compensation (\$) <sup>(1)</sup>
		Salary (\$)	Bonus (\$)	SARs Granted (#)	SARs Granted (\$)	LTIP Payout (\$)	Pension Value (\$)		
K. Rai Sahi, President & Chief Executive Officer	2020	100,000	-	-	-	-	-	-	100,000
	2019	100,000	-	-	-	-	-	-	100,000
	2018	100,000	-	-	-	-	-	-	100,000
Andrew Tamlin, Chief Financial Officer <sup>(2)(4)</sup>	2020	134,521	66,000	-	-	-	6,726	nil	207,247
	2019	124,138	66,000	-	-	-	6,207	nil	196,345
	2018	15,139	5,864	10,000	-	-	1,042	nil	19,735
Pamela McLean, Chief Financial Officer <sup>(2)(3)</sup>	2020	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-
	2018	224,751	112,375	5,000	-	-	11,237	12,739	361,102

Notes:

- (1) The portion of total compensation attributable to the Trust as determined by Morguard solely for the purposes of this table based on time spent, in respect of other executive officers, namely Ms. Flynn, Mr. Miatello and Ms. Sahi does not meet the definition of NEO under applicable Canadian securities law.
- (2) SARs granted to Ms. McLean and Mr. Tamlin 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.
- (3) Ms. McLean resigned as Chief Financial Officer effective November 19, 2018.
- (4) Mr. Tamlin was appointed Chief Financial Officer effective November 19, 2018. All compensation for Mr. Tamlin was not paid by the Trust. Mr. Tamlin acted in a variety of capacities for Morguard, the Trust and their respective affiliates, and accordingly, the total compensation that Mr. Tamlin received is not disclosed in this table, since total compensation is not solely attributable to the services that he provided to the Trust. The allocation of the total compensation disclosed in this table was determined by the Trust solely for the purposes of this table, based on the time that was spent by Mr. Tamlin (approximately 66%).

## 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, 2020.

Name	Number of securities underlying unexercised options – (SARs) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised options – SARs (\$)
K. Rai Sahi	-	-	-	-
Andrew Tamlin <sup>(2)</sup>	10,000	168.00	-	nil

Notes:

- (1) SARs based on common shares of Morguard (TSX: MRC). SARs granted to Ms. McLean and Mr. Tamlin are compensation for Morguard-related services and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard and there is no reimbursement by the Trust for such compensation.
- (2) Mr. Tamlin was appointed an officer of the Trust on November 19, 2018.

## 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, 2020, 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 <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – value earned during the year (\$) <sup>(2)</sup>
K. Rai Sahi	-	-
Andrew Tamlin	nil	100,000

Note:

- (1) SARs granted to Mr. Tamlin are compensation for Morguard-related services and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard and there is no reimbursement by the Trust for such compensation.
- (2) Amounts reflect total 2020 non-equity incentive plan compensation. All compensation for Mr. Tamlin was paid by Morguard, and there is reimbursement by the Trust for 66 percent such compensation

## Narrative Discussion

### *Stock Appreciation Rights*

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

A stock appreciation right grants a participant the right to receive, from Morguard, 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'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 may grant SARs to an eligible person, defined as a director, officer, employee or consultant of Morguard, an affiliate of Morguard Corporation or the Trust. Morguard (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 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 being the Trust's largest Unitholder). While Morguard may grant SARs to employees of the Trust under the Stock Appreciation Rights Plan, the costs of such participation are not borne by the Trust.

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. 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), Morguard 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'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 assets to its shareholders, or any other change in the capital of Morguard 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 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 (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 on such exercise.

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

## 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, Ms. McLean and Mr. Tamlin are members of pension plans offered by Morguard . The Trust reimbursed Morguard for contributions made for the benefit of Ms. McLean (ending in 2018) and Mr. Tamlin 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 2020 fiscal year.

### Defined Contribution Pension Plan

Effective January 1, 2008, the Defined Contribution Provision was added to the Morguard Corporation Employees’ Retirement Plan (“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 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 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 2020 contribution limit for a registered DC plan was \$27,830. 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.

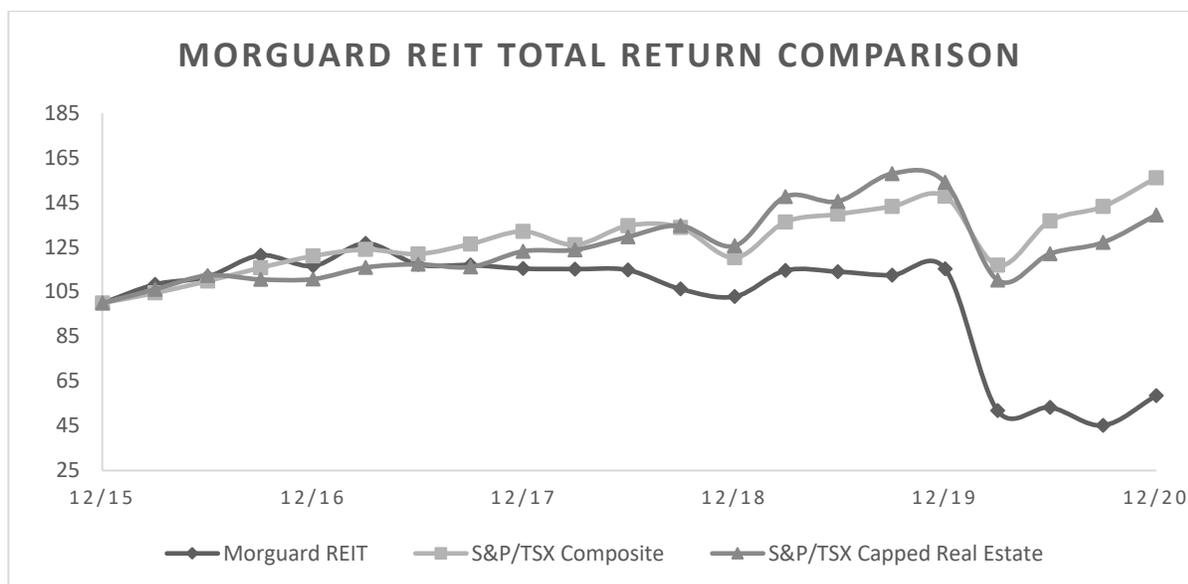
A member who retires may elect to receive his Member Voluntary Contributions Account Balance as a cash lump sum payment less any applicable withholding tax. The aggregate of company contributions and members voluntary contributions are subject to limits prescribed in the Income Tax Act.

At December 31, 2020 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)
Andrew Tamlin	14,948	10,191	2,184	27,323

## Performance Graph

The following graph shows a comparison over the five-year period ending December 31, 2020, 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:



	12/15	12/16	12/17	12/18	12/19	12/20
<b>Morguard REIT</b>	<b>100.00</b>	<b>116.67</b>	<b>115.45</b>	<b>102.91</b>	<b>115.32</b>	<b>58.51</b>
<b>S&amp;P/TSX Composite</b>	<b>100.00</b>	<b>121.08</b>	<b>132.08</b>	<b>120.34</b>	<b>147.83</b>	<b>156.11</b>
<b>S&amp;P/TSX Capped Real Estate (Industry Group)</b>	<b>100.00</b>	<b>110.75</b>	<b>123.17</b>	<b>125.65</b>	<b>154.10</b>	<b>139.45</b>

## 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, 2020, all Trustees who were not so employed except Mr. Sahi, received remuneration from the Trust in the amount of \$30,000 as an annual retainer. Also, each Trustee or committee member, other than a person employed by the Trust and Mr. Sahi, received \$1,000 per meeting attended, with an additional \$10,000 for the audit committee chair and \$2,500 for each other committee chair. 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, 2020, members of the Board of Trustees, except Mr. Sahi received compensation in accordance with the following remuneration schedule, which has been in effect since April 1, 2018.

Annual retainers and meeting fees	Amount
Chair retainer (inclusive, no additional compensation for meeting attendance) <sup>(1)</sup>	\$60,000
Trustee retainer	\$30,000
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

(1) Mr. Sahi was appointed Chairman effective May 9, 2018; however, he is not paid the Chair retainer.

The officers of the Trust are entitled to participate in Morguard's Stock Appreciation Rights Plan. A description of the plan can be found on page 15.

The Trust paid \$273,500 in 2020 (compared to \$278,500 for 2019) in respect of Trustee fees during the fiscal year ended December 31, 2020. The following table shows the amounts earned by individual non-management trustees during the fiscal year ended December 31, 2020.

Directors	Board retainer (\$)	Committee Chair retainer (\$)	Board attendance fees (\$)	Committee attendance fees (\$)	All other compensation (\$)	Total (\$)
Michael A. J. Catford	30,000	-	6,000	7,000	-	43,000
Graeme M. Eadie <sup>(1)(4)</sup>	15,000	-	3,000	2,000	51,500	71,500
Edward Kress <sup>(2)</sup>	15,000	-	3,000	4,000	-	22,000
Bart S. Munn	30,000	10,000	6,000	4,000	-	50,000
Timothy J. Murphy <sup>(3)(4)</sup>	22,500	-	3,000	1,000	23,500	50,000
Antony K. Stephens	30,000	-	6,000	3,000	-	39,000
Donald W. Turple <sup>(3)</sup>	22,500	-	3,000	2,000	10,937	38,437
Timothy J. Walker	30,000	2,500	6,000	7,000	-	45,500

Notes:

(1) Mr. Eadie retired on May 6, 2020.

(2) Mr. Kress retired on May 6, 2020.

(3) Messrs. Murphy and Turple were elected May 6, 2020.

(4) Amounts under "All other compensation" reflect that Mr. Eadie was compensated for services as a trustee of Morguard Real Estate Investment Trust until his retirement effective May 6, 2020, Mr. Murphy was compensated for services as a director of Morguard Corporation until his retirement effective May 6, 2020 and Mr. Turple was compensated for services as a director of Temple Hotels Inc. until his resignation effective March 4, 2020.

### 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, 2020 was \$136,602 (compared to \$105,345 for 2019).

### Incentive Plan Awards –Trustees

Non-management Trustees did not receive compensation under the Stock Appreciation Rights Plan except for Mr. Eadie.

The following table sets forth all option-based awards (SARs) outstanding for each director as of December 31, 2020.

Name	Number of securities underlying unexercised SARs	SAR exercise price (\$)	SAR expiration date	Value of unexercised in-the money SARs (\$)
Graeme M. Eadie <sup>(1)</sup>	20,000	163.59	n/a	nil

Note:

- (1) SARs granted to Mr. Eadie are compensation as a director of Morguard and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard and there is no reimbursement by the Trust for such compensation. Mr. Eadie retired on May 6, 2020.

The following table shows the value of option-based awards that vested during the fiscal year ended December 31, 2020, as well as the non-equity incentive plan compensation earned during the year for each Director.

Name	Option based awards (SARs) – value vested during the year (\$)	Non-Equity incentive plan compensation – value earned during the year (\$)
Graeme M. Eadie <sup>(1)</sup>	nil	-

Note:

- (1) SARs granted to Mr. Eadie are compensation as a director of Morguard and are included here for complete disclosure purposes only. All compensation related to SARs grants will be paid by Morguard and there is no reimbursement by the Trust for such compensation. Mr. Eadie retired on May 6, 2020.

### 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	-	-	N/A

### 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, please see the most recent Morguard Circular, which may be accessed electronically under Morguard's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the company's website at [www.morguard.com](http://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, 2020 that has materially affected or is reasonably expected to materially affect the Trust or any of its subsidiaries.

K. Rai Sahi (Trustee, Chairman, President and Chief Executive Officer of the Trust), Andrew Tamlin (Chief Financial Officer of the Trust), Beverley G. Flynn (Senior Vice President, General Counsel and Secretary of the Trust), Paul Miatello (Senior Vice President of the Trust), and Angela Sahi (Senior Vice President of the Trust) are employees of Morguard or a related party and have ongoing relationships with Morguard.

For a discussion of the arrangements with Morguard, please see the most recent Annual Information Form dated February 17, 2021, which may be accessed electronically under the REIT's profile on SEDAR at [www.sedar.com](http://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](http://www.morguard.com) and at [www.sedar.com](http://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.

### **Ethical Business Conduct**

The Board has adopted a written code of business conduct and ethics applicable to the Trustees, officers and employees of the Trust and its subsidiaries, as well as to the directors, officers and employees of Morguard GP. The code sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the Trust. The Board has established confidential reporting procedures in order to encourage individuals to raise concerns regarding matters addressed by the code on a confidential basis free from discrimination, retaliation or harassment. Those who violate the code may face disciplinary actions, including dismissal.

### **Board Oversight of Risk**

The Board of Trustees is responsible for identifying the principal risks of the business and ensuring these risks are being appropriately managed. The Board periodically discusses with management the Trust's guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures, and the steps management has taken to monitor and control any exposure resulting from such risks. The Board of Trustees relies upon the Chief Executive Officer, the Chief Financial Officer, and the Senior Vice President, General Counsel & Corporate Secretary to supervise day-to-day risk management, each of whom provides reports directly to the Board of Trustees and certain Board Committees, as appropriate.

### **Nominations and Assessment of Trustees**

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. Catford (retiring), , Murphy, Munn, Stephens, Turple and Walker. Mr. Sahi is the Chairman and Chief Executive Officer of Morguard. As he is not an independent Trustee, Mr. Munn acts as Lead trustee.

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.

The following are the number and proportion, expressed as a percentage, of members of the Trust's Board and executive officers, including all of the Trust's major subsidiaries (as that term is defined in National Instrument 55-104 *Insider Reporting Requirements and Reports Exemptions* and the *Canada Business Corporations Regulations, 2001*), who have self-identified as being a woman, visible minority, person with a disability or an aboriginal person (collectively, "**Designated Groups**"). There are currently zero woman (0%), 1 visible minority (14%), zero aboriginal peoples (0%) and zero persons with disabilities (0%) on the Board, and there is currently 2 women (33%), 2 visible minorities (33%), zero aboriginal peoples (0%) and zero persons with disabilities (0%) that are executive officers. The number and proportion of Trustees and members of senior management who have self-identified as being a member of a Designated Group have been furnished by the respective Trustees and members of senior management on a voluntary basis and such responses have not been independently verified by the Trust.

In assessing candidates and selecting nominees for the board and the appointment of executive officers, diversity, including representation by Designated Groups, 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. At this time, 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 diversity in the composition of the Board of Trustees, the Board has directed the HR Committee to consider the level of Designated Group 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. 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. Catford (retiring), Munn (Chairman), Turple and Walker. Additional information concerning the Trust's Audit Committee and its external auditors can be found in the Trust's Annual Information Form dated February 17, 2021. See "Audit Committee Mandate", "Audit Committee Compensation, Education and Expertise" and "Payments to the Trust's External Auditors".

### ***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, 2020.

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 Messrs. Catford (retiring), Murphy, Stephens and 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 the Trust, including human resources, risk management,

governance, reporting and accounting. Mr. Catford (retiring) 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. Murphy has gained experience in law, risk management, strategy, human resources, pension and compensation matters by serving in executive leadership positions such as Chief of Staff to the former Prime Minister of Canada and as Chief of Staff to Canada's former Minister of Finance. He is also a lawyer and has been a Member of Provincial Parliament and Senior Advisor to both the Attorney General of Ontario and the Ontario Minister of Education. 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 2020 and the attendance records of each of the Trustees nominated for election:

	Trustee Meetings	Audit Committee	HR
<b><u>Number of Meetings held in 2020</u></b>	<b>6</b>	<b>4</b>	<b>3</b>
Michael A. J. Catford	6	4	3
Graeme M. Eadie <sup>(1)</sup>	3	-	2
Edward C. Kress <sup>(1)</sup>	3	2	2
Bart S. Munn	6	4	-
Timothy J. Murphy <sup>(2)</sup>	3	-	1
K. Rai Sahi	6	-	-
Antony K. Stephens	6	-	3
Donald W. Turple <sup>(2)</sup>	3	2	-
Timothy J. Walker	6	4	3

Notes:

- (1) Messrs. Eadie and Kress retired on May 6, 2020.
- (2) Messrs. Murphy and Turple were elected May 6, 2020.

## 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, 2020, 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 audited consolidated financial statements for the financial year ended December 31, 2020 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, 2020 and this Circular are available on SEDAR at [www.sedar.com](http://www.sedar.com) as well as on the Trust's website at [www.Morguard.com](http://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 12th day of March, 2021.

By order of the Board of Trustees

*(Signed) "Beverley G. Flynn"*

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.

## SCHEDULE B-1

### AMENDMENT TO THE MORGUARD REAL ESTATE INVESTMENT TRUST AMENDED AND RESTATED DECLARATION OF TRUST

**THIS AMENDMENT** dated as of ●, 2021 (the “**Amendment**”) to the amended and restated declaration of trust of Morguard Real Estate Investment Trust (the “**Trust**”) dated as of February 17, 2021 (the “**Declaration of Trust**”) among the trustees of the Trust (the “**Trustees**”).

#### RECITALS:

- (a) The Trust was established for the principal purpose of providing Unitholders an opportunity to invest in an entity owning a diversified portfolio of primarily income-producing real property investments;
- (b) pursuant to Section 12.3 of the Declaration of Trust, the Unitholders, by special resolution passed at the annual general meeting of the Trust held on May [5], 2021, have approved certain amendments to the Declaration of Trust as set out herein (the “**Amendments**”); and
- (c) the Trustees wish to document and give effect to the Amendments.

In consideration of the foregoing, the Trustees, being all of the Trustees of the Trust, hereby confirm and declare that the Declaration of Trust be amended as set out herein:

#### ARTICLE 1 – DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

All capitalized terms used herein (including in the recitals above) and not otherwise defined in this Amendment shall have the meanings given to them in the Declaration of Trust.

#### ARTICLE 2 – AMENDMENTS TO THE DECLARATION OF TRUST

##### 2.1 Amendments to the Declaration of Trust

The Declaration of Trust is amended as follows:

1. Section 5.2(h) of the Declaration of Trust is hereby deleted and replaced with the following:
  - (h) the Trust shall not incur or assume any Indebtedness (excluding any Indebtedness secured against instalment receipts evidencing beneficial ownership of Units) if, after giving effect to incurring or assuming the Indebtedness, the amount of all Indebtedness of the Trust would be more than 65% of the Gross Book Value, unless a majority of the Trustees, in their discretion, determine that the maximum amount of Indebtedness shall be based on the appraised value of the assets of the Trust;

## **ARTICLE 3 – MISCELLANEOUS**

### **3.1 Continuance of Declaration of Trust**

Except as amended hereby, the Declaration of Trust shall continue in full force and effect, unamended, in accordance with its terms and provisions as modified by the applicable terms and provisions of this Amendment.

### **3.2 References to Declaration of Trust**

On and after the date of this Amendment, each reference in the Declaration of Trust to “this Declaration of Trust”, “hereunder”, “hereof”, or words of like import referring to the Declaration of Trust, and each reference in any related document to the “Declaration of Trust”, “thereunder”, “thereof”, or words of like import referring to the Declaration of Trust, shall mean and be a reference to the Declaration of Trust as amended hereby.

### **3.3 Counterparts**

This Amendment may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. A signed counterpart delivered electronically or by way of portable document format (pdf) shall be binding as an originally signed counterpart.

### **3.4 Governing Law**

This Amendment shall be interpreted and take effect in accordance with the laws of the Province of Ontario.

### **3.5 Severability**

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of this Declaration of Trust and shall not affect or impair any of the remaining provisions thereof.

## SCHEDULE B-2

### Section 5.2 Operating Policies

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

(...)

- (h) the Trust shall not incur or assume any Indebtedness (excluding any Indebtedness secured against instalment receipts evidencing beneficial ownership of Units) if, after giving effect to incurring or assuming the Indebtedness, the amount of all Indebtedness of the Trust would be more than ~~60~~65% of the Gross Book Value, unless a majority of the Trustees, in their discretion, determine that the maximum amount of Indebtedness shall be based on the appraised value of the assets of the Trust;

(...)