



MORGUARD CORPORATION

MANAGEMENT INFORMATION CIRCULAR

March 12, 2020

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (“Circular”) is forwarded to holders of common shares (“Common Shares”) of Morguard Corporation (hereinafter called “Morguard” or the “Corporation”) in connection with the solicitation of proxies by the management of the Corporation from the holders of Common Shares (“Shareholders”) for use at the annual meeting (“Meeting”) of Shareholders to be held on Wednesday, May 6, 2020 at the hour of 10:30 a.m. (local time), at Rattlesnake Point Golf Club, 5407 Regional Road 25, Milton, Ontario, L9T 2X5, for the purposes set forth in the Notice of Meeting which accompanies this Circular, and at any adjournment thereof. The solicitation of proxies by this Circular is being made by or on behalf of management of the Corporation and the total cost of solicitation will be borne by the Corporation.

The information contained in this Circular is given as at March 12, 2020, unless otherwise indicated.

APPOINTMENT OF PROXIES

The persons named in the accompanying form of proxy are representatives of management and are directors of the Corporation (“**Management Nominees**”). **Each Shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a Shareholder of the Corporation, to represent the Shareholder at the meeting or any adjournment thereof.** This right may be exercised by inserting the name of such person in the blank space provided in the form of proxy.

To be valid, proxies must be executed legibly by a registered Shareholder and deposited with Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, not later than 5:00 p.m. (local time) on May 5, 2020, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, or any adjournment thereof.

VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXY

The Management Nominees designated in the enclosed form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the direction of the Shareholder as indicated on the proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of instructions with respect to a particular resolution, the Common Shares 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 such amendments, variations or other matters to come before the Meeting.

ATTENDANCE AND VOTING

Only registered holders of Common Shares, 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 Common Share entitles the holder to one vote for each Common Share held.

While as of the date of this Circular, we are intending to hold the Meeting in physical face to face format, we are continuously monitoring the current coronavirus (COVID-19) outbreak. In light of the rapidly evolving news and guidelines related to COVID-19, we ask that, in considering whether to attend the Meeting in person, Shareholders follow, among other things, the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>) and any applicable additional provincial and local instructions. You should not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact with has travelled to/from outside of Canada within the 14 days prior to the Meeting. All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described in the form of proxy enclosed with this Circular.

We reserve the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak including, if we consider necessary or advisable, providing a webcast version of the Meeting and/or hosting the Meeting solely by means of remote communication. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Please monitor our Company press releases as well as our Company website at www.morguard.com for updated information. We advise you to check our Company website one week prior to the Meeting date for the most current information. We do not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

Non-Registered Holders

In many cases, Common Shares beneficially owned by a shareholder (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 shares, such as, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSPs, RRIAs, 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 Corporation has distributed copies of the notice of meeting, Circular, the form of proxy and the Corporation’s annual consolidated financial statements for the year ended December 31, 2019 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 who have not waived the right to receive them. Typically, Intermediaries will use a service company to forward Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders of Common Shares 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 (often by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada, as described above; or

- b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder of Common Shares 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 and internet).

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder of Common Shares 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 Common Shares should carefully follow the instructions of their Intermediaries and their service companies.***

REVOCATION OF PROXIES

A registered Shareholder 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 Shareholder or by his or her attorney authorized in writing, deposited with the Corporation as provided above. A Shareholder may also revoke a proxy in any other manner permitted by law.

A Non-Registered Holder 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 for or 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 SHARES AND PRINCIPAL HOLDERS THEREOF

As of March 12, 2020, 11,259,061 Common Shares are outstanding, each carrying the right of one vote per Common Share, and may be voted at the Meeting. All shareholders of record at the close of business on March 13, 2020, 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 knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all issued Common Shares, other than Paros Enterprises Limited ("**Paros**") and S.N.A. Management Limited ("**SNA**") being corporations controlled by Mr. K. Rai Sahi, a director, Chairman and Chief Executive Officer of the Corporation, which beneficially owns or exercises control or direction over 6,691,000 Common Shares carrying approximately 59.4% of the votes attached to the outstanding Common Shares.

BUSINESS OF THE MEETING

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2019 are mailed to Shareholders who requested to receive them with this Circular and are available at www.morguard.com and www.sedar.com.

ELECTION OF DIRECTORS

Directors are to be elected annually by resolution of a majority of votes cast at a meeting of Shareholders. The number of Directors to be elected at the Meeting is nine. Of the nominees, eight are currently directors of the Corporation and have been Directors since the dates indicated in the following charts.

The Board of Directors of the Corporation (the “**Board**”) has adopted a policy that entitles each Shareholder 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 Shareholders’ meeting represent less than a majority of the Common Shares 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 Shareholder who has given such proxy has directed that the Common Shares represented thereby be withheld from voting in the election of directors. Management does not contemplate that any of the proposed nominees will be unable to serve as director, 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 director 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 Corporation’s by-laws, as amended from time to time (the “**By-laws**”).

APPOINTMENT OF AUDITORS

The Management Nominees intend to vote in favour of reappointing Ernst & Young LLP as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are appointed, and authorizing the Board of Directors of the Corporation to fix the remuneration to be paid to the auditor.

Ernst & Young LLP is the principal external auditor of the Corporation and has served in that capacity since 1996. From time to time, Ernst & Young LLP also provides consulting and non-audit services to the Corporation and its subsidiaries. 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 auditor’s independence.

The following table sets forth the fees billed by Ernst & Young LLP to the Corporation for the fiscal years ended December 31, 2019 and 2018:

Service Performed	2019	2018
Audit fees ⁽¹⁾	\$1,010,700	\$1,111,500
Audit-related fees ⁽²⁾	44,500	43,500
Tax & Other ⁽³⁾	-	-
Total fees	\$1,155,200	\$1,155,000

Notes:

- (1) Audit fees mean billings for professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s consolidated financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. Fees are captured as they relate to the most recent auditor’s opinion (not the Corporation’s fiscal year).
- (2) Audit-related fees mean billing for assurance and related services that are reasonably related to performance of the audit or review of the Corporation’s 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 Corporation’s fiscal year.
- (3) Tax fees mean billings for professional services for tax compliance, tax advice and tax planning. Other service fees mean fees not meeting the other fee classifications. Fees are typically captured on an annual basis coinciding with the Corporation’s fiscal year.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The articles of the Corporation provide that the Corporation shall have a minimum of six (6) directors and a maximum of twenty-one (21) directors. The Board currently consists of nine (9) directors elected annually. The board of directors has resolved to fix the Board size at nine (9) directors and proposes to nominate nine (9) persons for election as directors at the Meeting. In accordance with the provisions of the articles of the Corporation, the directors may, between annual meetings of shareholders, appoint one or more directors, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders. The Board reserves this right to appoint, however, there is no intention at this time to do so.

The Corporation entered into an agreement (the "**Paros Agreement**") dated July 20, 1990 with Paros Enterprises Limited, pursuant to which Paros purchased 2,824,486 Common Shares. The Paros Agreement provides that for so long as Paros beneficially owns or exercises control over not fewer than 2,687,575 Common Shares, Paros has the right to nominate for election or appointment to the Board such number of nominees (the "**Paros Nominees**") as will result in the Paros Nominees comprising that percentage of the directors of the Corporation that is equal to the percentage of the issued Common Shares held by Paros. As at the date of the Circular, Paros beneficially owns or exercises control over 6,691,000 Common Shares and is therefore entitled to nominate five of the nine directors. Paros has elected not to exercise this right at the Meeting.

The following sets out information with respect to the proposed nominees for election as directors. The term of office for each director is from the date of the Meeting at which he/she is elected until the close of the next annual meeting of Shareholders or until his/her successor is duly elected.

In the table following, Shares and SARs are based on Common Shares of the Corporation. SARs are stock appreciation rights and are fully described on page 16 and are included below at a fully vested value. MRC B Debentures are the 4.013% series B unsecured senior debentures due on November 18, 2020. MRC C Debentures are the 4.333% series C unsecured senior debentures due on September 15, 2022. MRC D Debentures are the 4.085% series D unsecured senior debentures due on May 14, 2021. MRC E Debentures are the 4.715% series E unsecured senior debentures due on January 25, 2024. MRC F Debentures are the 4.204% series F unsecured senior debentures due on November 27, 2024. MRG Units are the trust units of Morguard North American Residential Real Estate Investment Trust, MRG Debentures are the 4.50% unsecured convertible subordinated debentures due March 31, 2023 issued by Morguard North American Residential Real Estate Investment Trust, MRT Units are trust units of Morguard Real Estate Investment Trust and MRT Debentures are the 4.50% unsecured convertible subordinated debentures due December 31, 2021 issued by Morguard Real Estate Investment Trust.

Morguard and its affiliates beneficially own approximately 58.5% of the outstanding MRT Units, 44.7% of the outstanding MRG Units, 34.3% of the outstanding MRT Debentures and 5.8% of the MRG Debentures. The total value of securities held is as at March 12, 2020.

William J. Braithwaite <i>Toronto, Ontario, Canada</i> Nominee Independent		Mr. Braithwaite is a retired partner of Stikeman Elliott LLP and was Chair of the firm from 2012 to 2018. Mr. Braithwaite is a past chair of the Advisory Committee of the Ontario Securities Commission. He has also been a special lecturer in Osgoode Hall Law School's part-time LL.M. program and has authored numerous articles on mergers and acquisitions, corporate and securities law. Mr. Braithwaite is also Chair of the board of directors of Computershare Trust Company of Canada and Chair, Governance Committee of Canada Company, Many Ways to Serve (military charity).						
		Public company directorships in the past five years:						
		Aberdeen Asia-Pacific Income Investment Company Limited, Chair (2018 – present)						
Board/ Committee membership	Overall attendance	Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held	
Board	n/a	500	nil	24,000	nil	nil	\$477,610	
Chris J. Cahill <i>Paris, France</i> Director since May 13, 2015 Independent		Chris J. Cahill is Deputy Chief Executive Officer responsible for Hotel Operations for AccorHotels. He joined AccorHotels' Executive Committee in July, 2016 as Chief Executive Officer, Luxury Brands. Mr. Cahill has almost 40 years' experience in the hotel industry, serving in senior management roles in several international hotel companies, recently as Executive Vice President of Global Operations of Las Vegas Sands Corp. and President and Chief Operating Officer of Fairmont Raffles Hotels International. Mr. Cahill has previously served as a trustee of Legacy Hotels Real Estate Investment Trust and a board member of the Canadian Tourism Commission, a public private partnership. Mr. Cahill has a Bachelor of Social Sciences degree and a Bachelor of Education from the University of Ottawa and an M.B.A. from the University of Toronto.						
		Public company directorships in the past five years:						
		Temple Hotels Inc. (2015 – 2020)						
		Securities held						
Board/ Committee membership	Overall attendance		Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held
Board C&G	8 of 8 3 of 3	100% 100%	3,000	20,000	nil	nil	nil	\$895,600

<p>Graeme M. Eadie ⁽¹⁾ <i>Toronto, Ontario</i></p> <p>Director since May 9, 2018</p> <p>Independent</p>	<p>Mr. Eadie retired in April 2018 as a Senior Managing Director of the Canada Pension Plan Investment Board (CPPIB) where he was responsible for the Real Assets department, which encompassed Real Estate (both equity and debt investments), Infrastructure, and Agricultural investments. He is currently acting as a Senior Advisor on a consulting basis to the CPPIB participating in their Executive and Private Equity investment committees.</p> <p>Prior to joining CPPIB in June 2005, Mr. Eadie held multiple roles including Chief Financial Officer, Chief Operating Officer and President of Cadillac Fairview, one of North America's largest owners, operators and developers of commercial real estate. He has also held senior management positions with a number of entities in the retail and manufacturing areas and formerly was a director of the Ontario Realty Corporation and Aliance Shopping Centres Brazil. Mr. Eadie holds B. Comm. and M.Sc. (Business Administration) degrees from the University of British Columbia.</p>							
Public company directorships in the past five years:								
<p>Aliance Properties (2013 – 2017) Choice Properties REIT (2013 – present) Morguard Real Estate Investment Trust (2018 – present) Neiman Marcus Group (2017 – present) GLP JM Holdings Limited (2018 – present)</p>								
Securities held								
Board/ Committee membership	Overall attendance		Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held
Board Audit HR, Comp	6 of 8 1 of 2 1 of 2	75% 50% 50%	nil	20,000	nil	10,000	nil	\$427,500
<p>David A. King ⁽²⁾ <i>Victoria, British Columbia, Canada</i></p> <p>Director since August 31, 1990</p>	<p>Mr. King is a corporate director and is President of DKC Holdings Ltd, a private investment company. Mr. King has a long history in North American real estate markets, holding several executive positions throughout his career. In addition, Mr. King has more than three decades experience serving on several public and private boards.</p>							
Public company directorships in the past five years:								
<p>TWC Enterprises Limited (1997 - 2018) Morguard Real Estate Investment Trust (1999 - 2018)</p>								
Securities held								
Board/ Committee membership	Overall attendance		Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held
Board HR, Comp Investment	8 of 8 4 of 4 -	100% 100% -	78,356	15,000	3,000	26,875	nil	\$15,204,522

<p>Michael S. Robb <i>Newport Coast, California, U.S.</i></p> <p>Director since May 14, 2013</p> <p>Independent</p>	<p>Mr. Robb is senior special consultant to the Center for Real Estate at The Paul Merage School of Business at the University of California and is a member of the Policy Advisory Board at the Fisher Center for Real Estate & Urban Economics at the University of California, Berkeley Haas School of Business.</p> <p>Mr. Robb retired in 2012 after 37 years with Pacific Life Insurance Company, serving in many senior roles including head of the Real Estate Division, Executive Vice President and as a member of Pacific Life's Management Investment Committee and Corporate Management Committee.</p> <p>Mr. Robb holds the professional designations of Certified Real Estate Financier (CRF) and Certified Review Appraiser (CRA); he is a director on the Life Mortgage & Real Estate Officers Council, a Senior Member of the National Association of Review Appraisers and Mortgage Underwriters and a long time member of the Mortgage Bankers Association, International Council of Shopping Centers, Commercial Mortgage Securities Association and the Urban Land Institute.</p>							
Public company directorships in the past five years:								
Columbia Property Trust (2015 – present)								
Securities Held								
Board/ Committee membership	Overall attendance		Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held
Board Audit C&G	8 of 8 4 of 4 3 of 3	100% 100% 100%	nil	20,000	nil	nil	nil	\$513,300
<p>Bruce K. Robertson⁽³⁾ <i>Toronto, Ontario, Canada</i></p> <p>Director since May 18, 2010 Lead Director</p> <p>Independent</p>	<p>Mr. Robertson has served since September 2013, as Vice President, Investments of The Woodbridge Company Limited. Mr. Robertson's prior experience includes acting as a principal of Grandview Capital, a Canadian merchant bank and as Senior Managing Partner of Brookfield Asset Management Inc., a specialty asset management company listed on the New York Stock Exchange and the TSX. Mr. Robertson received his Bachelor of Commerce (Honours) degree from Queen's University in 1988.</p> <p>Mr. Robertson has served on the boards of directors of both private and publicly-listed companies. In January 2012, consistent with the business of Grandview Capital, Mr. Robertson was appointed to the board of Yellow Media Inc. and was also appointed Chairman of the Financing Committee. In December 2012, Yellow Media successfully completed a Plan of Arrangement pursuant to the <i>Canada Business Corporations Act</i>. Upon completion of the arrangement, Mr. Robertson resigned from the board of directors.</p>							
Public company directorships in the past five years:								
Morguard North American Residential Real Estate Investment Trust (2012 – present) Acadian Timber Corp. (2018-present)								
Securities held								
Board/ Committee membership	Overall attendance		Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held
Board Audit HR, Comp Investment	8 of 8 4 of 4 2 of 2 -	100% 100% 100% -	8,506	20,000	392,969	23,700	nil	\$9,547,894

<p>Angela Sahi <i>Mississauga, Ontario, Canada</i></p> <p>Director since May 10, 2017</p> <p>Non-independent</p>		<p>Ms. Sahi is a Senior Vice President, Corporate Development for Morguard. Since 2005, Ms. Sahi has had various responsibilities including oversight of the management and operation of Morguard's Canadian multi-residential portfolio. Prior to joining Morguard, Ms. Sahi was a Consultant with both Ernst & Young LLP's Real Estate Advisory Group and Business Risk Services Group. She also worked in Ernst & Young LLP's Audit and Tax groups.</p> <p>Ms. Sahi has a Bachelor of Arts (Honors) and Gold Medal from the University of Western Ontario and holds a Certified Public Accountant designation.</p>						
		Public company directorships in the past five years:						
		TWC Enterprises Limited (2018 – present)						
		Securities held						
Board/ Committee membership	Overall attendance	Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held	
Board	8 of 8	100%	nil	20,000	10,000	nil	nil	\$499,600
<p>K. Rai Sahi <i>Mississauga, Ontario, Canada</i></p> <p>Director since August 31, 1990 Chairman</p> <p><i>Non-independent due to ownership/control of 59.4% of the outstanding shares of the Corporation⁽³⁾ and member of management.</i></p>		<p>Mr. Sahi is Chairman and Chief Executive Officer of Morguard Corporation.</p> <p>Mr. Sahi, FCPA, FCGA, has many years' experience in public and private corporations including extensive experience dealing with financial reporting, standards, and policy.</p>						
		Public company directorships in the past five years:						
		<p>TWC Enterprises Limited (1997 - present)</p> <p>Morguard Real Estate Investment Trust (1998 -present)</p> <p>Morguard North American Residential Real Estate Investment Trust (2012 – present)</p> <p>Temple Hotels Inc. (2015 – 2020)</p>						
		Securities held						
Board/ Committee membership	Overall attendance	Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held	
Board Investment	8 of 8 -	100% -	6,691,000	nil	931,077	2,196,427	MRC E \$12,500,000	\$1,255,535,551

Leonard Peter Sharpe ⁽⁵⁾ <i>Toronto, Ontario, Canada</i> Director since November 2, 2010 Independent		Mr. Sharpe is a senior executive with 25+ years of experience in the real estate industry in both a domestic and global commercial environment. Mr. Sharpe previously served as President and Chief Executive Officer of The Cadillac Fairview Corporation Limited for over 10 years. Mr. Sharpe also serves as a director of The Sunnybrook Foundation, board member of International Council of Shopping Centres, Multiplan (Rio de Janeiro, Brazil), Postmedia Network Canada Corp. and First Industrial Real Estate Trust. Mr. Sharpe has served on the boards of directors of both private and publicly-listed companies.						
		Public company directorships in the past five years: Postmedia Network Canada Corp. (2011 – present) Allied Properties Real Estate Investment Trust (2012 – present)						
Board/ Committee membership	Overall attendance	Shares	SARs	MRG Units	MRT Units	MRC/ MRT/MRG Debentures	Total value of securities held	
Board	8 of 8	100%	3,000	20,000	nil	nil	\$1,999,900	
Audit	4 of 4	100%						
C&G	1 of 1	100%						
HR, Comp	2 of 2	100%						
Investment	-	-						

Notes:

- (1) Mr. Eadie was appointed to the Audit and HR, Comp committees on May 8, 2019. His attendance reflects the number of meetings held after his appointment.
- (2) Mr. King ceased as Vice-Chair effective May 8, 2019.
- (3) Mr. Robertson was appointed Lead Director and ceased as a member of the HR, Comp committee effective May 8, 2019. His attendance reflects the number of meetings prior to the change in committee membership.
- (4) Beneficially owned by Mr. Sahi through Paros. See the description of the Paros Agreement on page 3.
- (5) Mr. Sharpe ceased as a member of the C&G committee and was appointed to the HR, Comp committee on May 8, 2019. His attendance reflects the number of meetings held after the changes in committee membership.

STATEMENT OF EXECUTIVE COMPENSATION

Executive compensation is the responsibility of the Board of Directors of Morguard, supported by the Human Resources, Compensation and Pension Committee (“**Compensation Committee**”). The Corporation delivered strong results in 2019, demonstrating solid operational and financial performance surpassing its core financial and operating targets. Total revenues increased by 3% to \$1.2 billion, net operating income increased by 1.5% to \$556 million, and funds from operations per common share increased to \$22.23 or 9.4% over the prior year. The Corporation’s primary business strategy is to acquire a diversified portfolio of commercial and multi-suite residential real estate assets both for its own account and for its institutional clients and to generate stable and increasing cash flow and asset value by improving the performance of its real estate investment portfolio.

The Compensation Committee considered the financial performance of the Corporation in 2019, in addition to relevant criteria described in more detail below and believe that the executive compensation decisions reached are appropriate. The 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 Corporation (the “**Named Executive Officers**” or “**NEOs**”) did not have personal quantitative or qualitative goals set for 2019; however the Board had approved 2019 budget targets in line with the 2018 results for the Corporation which were exceeded on most measures.

As a policy, salaries and incentives are reviewed from time to time. For 2019, Named Executive Officers received an increase of approximately 2.50 percent. Short term incentive targets remained at their 2018 levels of 150 percent of base for the Chief Executive Officer and up to 60 percent of base salary for the Chief Financial Officer and other NEOs.

During the most recently completed financial year, the NEOs and Directors were not permitted to purchase financial instruments designed to hedge or offset a decrease in market value of the Common Shares, or

securities convertible into Common Shares, granted as compensation or held, directly or indirectly, by the particular NEO or Director.

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

COMPENSATION DISCUSSION AND ANALYSIS

Executive Compensation Philosophy

Morguard's executive compensation program is intended to attract, motivate and retain highly qualified and motivated executives and the key talent necessary for the Corporation 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 Corporation's Shareholders and 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 shareholder value. Additionally, long-term incentives are used selectively and, to date, have only been paid on an intermittent basis. Short-term incentives are similarly based, linking individual performance with operating group and overall Morguard performance, with a portion of executive pay at risk when measured against financial results and operational objectives.

Compensation is competitively positioned to align with each executive's role and responsibilities and the relevant markets in which we compete for talent. 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 Corporation prior to vesting. Neither the Chief Executive Officer, Chief Financial Officer nor the other 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.

The major components of the executive compensation program are:

Compensation element	Payment method	Program Objectives
Annual Base salary	Cash	<ul style="list-style-type: none"> Reward skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive
Annual variable short-term incentive	Cash	<ul style="list-style-type: none"> Reward results during the current fiscal year based on contribution to a particular operating segment and the Corporation's overall performance
Long-term incentive		
	Stock Appreciation Rights	<ul style="list-style-type: none"> Align with long-term performance of the Corporation and added incentive for enhancing shareholder value. Provide compensation opportunities to attract, retain and motivate executives
Other elements of compensation		
Pension and benefits		<ul style="list-style-type: none"> Provide pension and benefits that are comparable to peer companies
Perquisites		<ul style="list-style-type: none"> Part of overall competitive executive compensation package.
Share loan		<ul style="list-style-type: none"> Encourage share ownership Align interests of executive and shareholders

COMPETITIVE BENCHMARKS

Annually, Morguard 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 companies, Morguard 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 Corporation performance. The peer group consisted of:

Alberta Investment Management Corp.	Crombie REIT	Minto Group, The
Altus Group Limited	CT REIT	Nicola Wealth
Amica Mature Lifestyles	Cushman & Wakefield	Northview Apartment REIT
Artis REIT	Dorsay Development Corp.	NorthWest Healthcare Properties REIT
Aspen Properties Ltd.	Dream	Oxford Properties Group Inc.
Automotive Properties REIT	EPIC Investment Services	Primaris
Bentall Kennedy Group	Fengate Capital Management Ltd	Pure Industrial Real Estate Trust (PRIRET)
Brookfield Office Properties	First Capital Realty Inc.	QuadReal Property Group
Canadian Urban Limited	GWL Realty Advisors	Realstar Group
CanFirst Capital Management	Hines Interests LP	RioCan REIT
CBRE Limited	Homestead Land Holdings Ltd.	Sienna Senior Living
Choice Properties REIT	InterRent REIT/CLV Group	SmartCentres Inc.
Colliers International Inc.	Ivanhoé Cambridge	Strathallen Capital Corporation
Cominar REIT	JLL Real Estate Services Canada Inc.	Triovest Realty Advisors Inc.
Concert Properties	Killam Apartment REIT	WPT Industrial REIT
CreateTO	LaSalle Investment Management	
CREIT (Canadian REIT)	Manulife Financial	
Crestpoint Real Estate Investments Ltd	Menkes Development Ltd.	

Third Party Surveys the Corporation Participated in 2019:

REALPAC Canadian Real Estate Compensation Survey
Aon Hewitt Global Total Compensation Measurement Survey – Canada
Canadian Federation of Apartment Associations – Rental Housing Industry Compensation & Benefits Survey

The services of an independent compensation consultant were not used in 2019.

COMPENSATION PROCESS

Annually the Compensation Committee reviews and recommends to the Independent Directors the approval of compensation for the Chief Executive Officer. The Compensation Committee also reviews the compensation of other senior executives (approximately 19 people) which includes the Named Executive Officers. The Chief Executive Officer reviews and approves the compensation of other senior executives.

Risk Management

Effective risk management is achieved through the active engagement of the Directors and executive officers in the identification of risks faced by the Corporation, and the implementation of appropriate strategies to prevent and mitigate them. In respect of executive compensation, the Compensation 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 Compensation 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 Corporation. 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 Corporation's executive officers and safeguards in respect of insider trading. Additionally, the structure of the compensation program does not differ significantly among the Corporation's executive officers.

Morguard has an integrated approach to talent management and succession planning. The Company 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 Company has not adopted a target regarding the representation of women in executive officer positions, the Company believes that diversity is embedded in our talent management practices and is focused on the development and advancement of women and visible minorities and other aspects of diversity. In terms of gender diversity, currently 21 percent of executive officers at the Company, including its major subsidiaries, are women (4 of 19).

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. Morguard 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 Company is mindful of the benefit of diversity in the workplace; 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 Chief Executive Officer 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 Morguard'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 Corporation and its subsidiaries 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 corporate performance, such as return on net assets, with the benchmark being set by the Chief Executive Officer in consultation with the Compensation Committee. For each of the President, Chief Financial Officer, Executive Vice Presidents and Senior Vice Presidents the short-term component is capped at 60 percent of base salary. Vice Presidents are in the 40 to 50 percent range. Average bonus levels for 2019 (excluding the Chief Executive Officer) were 44% (2018 - 42%).

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 Compensation Committee, in its discretion, may from time to time grant stock appreciation rights ("SARs") under the Corporation's stock appreciation rights plan (the "Stock Appreciation Rights Plan") to directors, officers and employees of, or consultants to, the Corporation and its Affiliates.

Details relating to Morguard's Stock Appreciation Rights Plan are contained in the section below entitled "Incentive Plan Awards".

Under the Stock Appreciation Rights Plan, 1,000,000 SARs were reserved for issuance. As of March 12, 2020 a total of 397,500 SARs are outstanding.

Compensation of the Chief Executive Officer ("CEO")

Summary and Philosophy

A critical function of the Compensation Committee is to monitor and assess the CEO's performance and recommend his compensation to the Board for approval. The CEO's compensation is based on the same underlying philosophy upon which other executive compensation is based and is directly related to the

overall current performance of the Corporation and its potential for future growth. In determining recommendations for the CEO's total compensation, the Compensation Committee considers the absolute and relative performance of Morguard, the CEO's individual performance against objectives set at the beginning of the fiscal year and comparison with similar roles within the Corporation's peer group.

The CEO participates in the same compensation programs as other executives of the Corporation detailed on the preceding pages of this Circular.

The Compensation Committee reviews the CEO's total compensation on an annual basis, after analyzing market data on CEO remuneration for companies in the peer group. The CEO's base salary is reviewed and determined as for other executives.

The CEO's compensation for short-term awards is comprised of two parts and determined by:

- (1) a bonus of up to 100 percent of base salary based on (i) actual versus budgeted performance on four factors: funds from operations ("FFO") of Morguard; FFO of Morguard Real Estate Investment Trust ("Morguard REIT"); FFO of Morguard North American Residential REIT ("Morguard Residential REIT") and business unit income of Morguard Investments Limited and (ii) actual share performance of the Corporation versus the prior year. The maximum points allocated to each factor is 20, which means, for example, if actual FFO of the Company was 80 percent of budgeted FFO, then the CEO would get 16 points for that factor; and
- (2) a supplementary bonus, not to exceed 50 percent of base salary, based on the CEO's performance in regard to mergers, acquisitions, dispositions, financings, strategic objectives, human resources and other major activities undertaken by the operating subsidiaries.

2019 Compensation

The Compensation Committee considered the Corporation's absolute and relative performance, the achievement of strategic objectives and the competitive salary levels of CEOs in the peer group. In determining the funding of Mr. Sahi's incentive awards, the Compensation Committee considers the Corporation's performance against financial performance targets set at the beginning of the fiscal year. For 2019, FFO of Morguard and Morguard Residential REIT and other factors exceeded budget. Overall, Morguard achieved positive financial results. During 2019, the Corporation continued its development and acquisitions programs, ending 2019 with \$21 billion of assets under management. Also, in 2019, Morguard was recognized by the Thomson Reuters Awards program as Canada's Safest Employer achieving a seventh consecutive Award and issued its annual Corporate Sustainability report. These factors, among others, all contributed to the determination of the CEO's supplementary bonus.

Based on financial performance and on Mr. Sahi's substantial contribution as CEO of Morguard, recognizing his steady and focused leadership, his role in enhancing Morguard's profile and growing the business interests across Canada and the United States and his vision in consolidating the Morguard group of companies and building a strong capital base ensuring short term stability and long-term growth, the Board awarded the short-term incentive of \$1,645,699.

The Compensation Committee did not award any long-term incentive to the CEO in 2019.

SUMMARY OF COMPENSATION OF NAMED EXECUTIVE OFFICERS

The following table sets forth all compensation paid to the Named Executive Officers.

Name and Principal Position		Annual Compensation		Long Term Compensation			Pension Value ⁽³⁾ (\$)	All Other Compensation ⁽¹⁾ (\$)	Total Compensation (\$)
		Salary (\$)	Bonus (\$)	SARS ⁽²⁾ Granted (#)	SARS ⁽²⁾ Granted (\$)	LTIP pay-out (\$)			
K. Rai Sahi Chairman and Chief Executive Officer, Morguard Corporation	2019	1,158,943	1,645,699	nil	nil	nil	74,198	110,769	2,989,609
	2018	1,130,676	1,605,560	nil	nil	nil	73,735	112,089	2,809,971
	2017	1,108,506	1,462,333	nil	nil	nil	44,577	111,783	2,727,199
Paul Miatello Chief Financial Officer and Senior Vice President Morguard Corporation	2019	300,000	180,000	nil	nil	nil	14,500	8,070	502,570
	2018	254,066	139,736	10,000	nil	nil	12,703	5,550	412,055
	2017	249,084	149,450	10,000	nil	nil	12,454	5,550	416,538
Scott MacDonald Executive Vice President, Retail Asset Management, MIL	2109	336,174	168,087	nil	nil	nil	27,230	18,548	550,039
	2018	327,975	131,190	5,000	nil	nil	26,500	13,121	498,786
	2017	321,544	144,695	5,000	nil	nil	26,230	15,105	507,574
Gordon Vollmer⁽⁴⁾ Executive Vice President, Office/Industrial Asset Management, MIL	2019	-	-	-	-	-	-	-	-
	2018	270,209	94,573	nil	nil	2,313,15	13,511	14,971	2,706,414
	2017	264,911	119,210	nil	nil	nil	13,245	12,401	409,767
John Talano⁽⁵⁾ Senior Vice President, Morguard Management Company	2019	361,263	180,631	nil	nil	nil	17,638	15,584	575,116
	2018	325,952	146,678	5,000	nil	nil	15,990	14,760	503,380
	2017	-	-	-	-	-	-	-	-
David Wyatt⁽⁶⁾ Senior Vice President Retail Leasing and Operations, MIL	2019	300,000	150,000	nil	nil	nil	14,336	10,774	475,100
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-

Notes:

- (1) Perquisites for each of the NEOs in the periods covered did not exceed the lesser of \$50,000 and 10% of total salary and bonus for the respective year. Included in other annual compensation is imputed, where applicable, interest benefit from loans provided to officers of the Corporation identified in the Section entitled "Indebtedness of Directors, Executive Officers and Senior Officers.
- (2) On May 8, 2018 each of the CFO and certain NEOs were granted SARs in the amounts of 10,000 to Mr. Miatello, 5,000 to Mr. MacDonald, and 5,000 to Mr. Talano, each SAR has an exercise price of \$163.59 (being the closing price on the TSX the day immediately preceding the grant) and having a grant date value of nil. As of March 12, 2020, the value of each SAR granted in 2018 is \$16.91.

Details of the SARs Plan can be found on page 16. The fair value of the award included in the Corporation's consolidated financial statements was determined in accordance IFRS 2, "Share-based Payment".
- (3) Included amounts from column (e) of the defined benefit plan table and column (c) of the defined contribution plan table from Pension Plan Benefits section below. For Mr. Sahi in 2017 Pension includes \$38,432 of contributions and \$6,145 of pension benefit received; in 2018 Pension includes pension benefits received.
- (4) Mr. Vollmer retired effective June 30, 2019. He did not qualify as an NEO for the period in 2019 prior to his retirement.
- (5) All compensation for Mr. Talano is converted from United States dollars to Canadian dollars using the average exchange rate for the year ended December 31, 2019 of US\$0.77. Actual amounts paid are Salary US\$271,627, Bonus US\$135,813, Pension US\$13,581, and All other compensation US\$12,000, for Total Compensation US\$426,231. Prior to 2018, Mr. Talano did not qualify as an NEO.
- (6) Mr. Wyatt met the definition of NEO under applicable Canadian Securities law for the first time in 2019.

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, 2019.

Name	Number of securities underlying unexercised options SARs #	SARs exercise price \$	SARs expiry	Value of unexercised options/SARs (\$)
K. Rai Sahi	-	-	-	-
Paul Miatello	15,000	30.74	n/a	2,553,900
	10,000	43.39	n/a	1,576,100
	10,000	179.95	n/a	210,500
	10,000	163.59	n/a	374,100
Scott MacDonald	20,000	30.74	n/a	3,405,200
	5,000	179.95	n/a	105,250
	5,000	163.59	n/a	187,050
John Talano	10,000	179.95	n/a	210,500
	5,000	163.59	n/a	187,050
David Wyatt	10,000	179.95	n/a	210,500
	5,000	163.59	n/a	187,050

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, 2019, as well as the non-equity incentive plan compensation earned during the year for each Named Executive Officer.

Name	Option based awards (SARs) – value vested during the year (\$)	Non-Equity incentive plan compensation – value earned during the year (\$)
K. Rai Sahi	nil	1,645,699
Paul Miatello	471,460	180,000
Scott MacDonald	351,045	168,087
John Talano	53,910	US135,831
David Wyatt	39,755	150,000

NARRATIVE DISCUSSION

Stock Appreciation Rights

The Board approved the Stock Appreciation Rights Plan on March 20, 2008. At this time, the Compensation Committee does not intend to grant SARs on an annual basis.

A stock appreciation right grants a participant the right to receive, from the Corporation, a cash payment per right in an amount equal to the excess, if any, of: (i) the fair market value as of the date redeemed of 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 TSX for the trading day immediately preceding the applicable date.

The Compensation 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 Corporation is terminated for cause and the rights will be cancelled by the Corporation. If the holder of SARs is terminated without cause vested SARs will be paid in accordance with the Stock Appreciation

Rights Plan and unvested SARs will vest as determined by the Compensation Committee. If the holder of SARs voluntarily resigns, all unvested SARs 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 the Corporation shall make payment according to the Stock Appreciation Rights Plan.

The Compensation Committee shall have the authority to amend, suspend or terminate the Stock Appreciation Rights Plan or any SAR granted thereunder without obtaining Shareholder approval 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 the Corporation's assets to Shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Compensation Committee will make such proportionate adjustments, if any, as the Compensation 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 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 refuses to assume such SARs or to substitute similar stock 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 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 SAR, become exercisable; (ii) otherwise modifying the terms of the SAR, to assist such holders in participating in any arrangement leading to a Substitution Event; and thereafter; (iii) terminating, conditionally or otherwise, the SAR, 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 the Corporation on exercise of the SARs will be reimbursed by the previous holder of the SARs, and the original terms applicable to such SARs will be reinstated.

Should there be a change of control of the Corporation (excluding increased ownership by Paros, 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 the Corporation on such exercise.

PENSION PLAN BENEFITS

Defined Benefit Pension Plans

The Defined Benefit Plans Table discloses the normal retirement benefits payable to each Named Executive Officer and the change in the accrued benefit obligation during the 2019 fiscal year.

There are no NEOs accruing benefits under the Morguard Corporation Employees' Retirement Plan ("**MC Plan**") while Mr. MacDonald, is a member of the Morguard Investments Limited Employees' Retirement Plan ("**MIL Plan**").

The Defined Benefit Provision of the MC Plan provides defined retirement benefits for covered salaried employees and is registered under the *Income Tax Act (Canada)* (the "**Tax Act**") and the Pension Benefit Act (Ontario). Participants in the MC Plan vest immediately. The Retirement Plan provides for normal retirement benefits beginning at age 65 with reduced benefits payable for any participant who elects early retirement. The normal annual retirement benefits are equal to 1.8 percent of the participant's average of the best 3 of the last 7 years earnings multiplied by the participant's years of credited service, less the participant's Canada Pension Plan benefits multiplied by a ratio (not exceeding 1) of the participant's years of credited service to 35 years, and not exceeding the maximum amount permitted to be paid under the Tax Act. The 2019 maximum annual benefit payable to a participant under the MC Plan is \$3,025.56 for each year of credited service (not exceeding 35 years in respect of service prior to January 1, 1992).

The MC Plan was amended effective January 1, 2008 to add new defined contribution provisions and:

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

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

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

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

- All members of the Plan cease to accrue defined benefits under the MIL Plan and commence participation under the new defined contribution provisions of the MC Plan for service on and after January 1, 2008.

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

As a result, Mr. MacDonald has pension benefits under both the MIL Plan and the Defined Contribution Provision of the MC Plan.

At December 31, 2019 the NEOs that participated in either the Defined Benefit Provision of the MC Plan or of the MIL Plan had the following accrued Defined Benefit annual benefits:

Plan	Name (a)	Number of years credited service (#)(b)	Annual benefits payable (\$)(c)		Accrued obligation at start of year (\$)(d)	Compensatory change (\$)(e)	Non-compensatory change (\$)(f)	Accrued obligation at year end (\$)(g)
			At year end (c1)	At age 65(c2)				
MIL	Scott MacDonald	25.16	43,331	43,331	645,387	0	74,350	719,737

Defined Contribution Pension Plan

Effective January 1, 2008, a Defined Contribution Provision was added to the MC Plan.

The Defined Contribution Provision provides a retirement benefit of an annual pension in the form of payment elected by the Member, in the amount which can be purchased from an Insurer by the Company 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.

The Company shall contribute to the Company Contributions Account of each NEO an amount equal to 5% of each NEO's Defined Contribution Earnings, up to the DC maximum contribution limit for the year. The 2019 contribution limit for a registered DC plan was \$27,230.

Defined Contribution Members are not required to contribute.

Defined Contribution Member may elect to contribute a percentage of his Defined Contribution Earnings to his Voluntary Contributions Account.

A member who retires may elect to receive his Member Voluntary Contributions Account Balance as a cash lump sum payment less any applicable withholding tax.

The aggregate of company contributions and members voluntary contributions are subject to limits prescribed in the Tax Act.

At December 31, 2019 the NEOs that participated in the Defined Contribution Provision of the MC Plan had the following accumulated benefits:

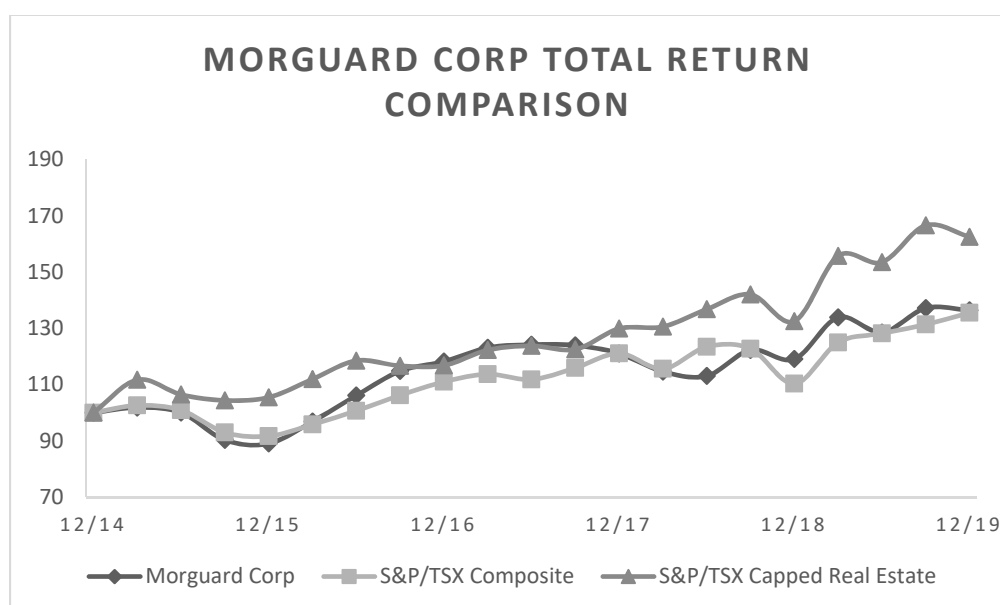
Name (a)	Accumulated value at start of year (\$)(b)	Compensatory change (\$)(c)	Non-compensatory change (\$)(d)	Accumulated value at year end (\$)(e)
Paul Miatello	124,153	15,000	23,643	162,796
Scott MacDonald	310,964	27,230	59,018	397,213
David Wyatt	46,614	14,336	22,860	83,811

401K

Certain US employees are permitted to invest up to 5 percent of earnings in a structured registered retirement account (401K) which contributions are matched by Morguard. Morguard 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 401K. For the year ending December 31, 2019, the Company had contributed the amount of US\$13,581 matching Mr. Talano's personal contributions.

SHARE PERFORMANCE GRAPH

The following graph shows a comparison over the five year period ending December 31, 2019 of the value of \$100 originally invested in Common Shares with the cumulative return of the S&P/TSX Composite and the TSX Capped Real Estate Index, in each case assuming reinvestment of dividends.



	12/14	12/15	12/16	12/17	12/18	12/19
Morguard Corporation	100.00	89.04	118.20	121.01	119.08	136.40
S&P/TSX Composite	100.00	91.67	111.00	121.08	110.32	135.52
S&P/TSX Capped Real Estate (Industry Group)	100.00	105.45	116.79	129.89	132.50	162.50

DIRECTOR COMPENSATION

The Compensation Committee reviews director compensation annually and makes recommendations on remuneration to the Board. In reviewing directors' compensation, the Committee considers the responsibilities and time commitment of the directors and benchmarks compensation at comparable Canadian corporations in the real estate industry.

Directors who are also employees of the Corporation receive no remuneration as directors. During the year ended December 31, 2019, eligible members of the Board received compensation in accordance with the following remuneration schedule, which has been in effect since April 1, 2018.

Annual retainers and meeting fees	Amount (\$)
Board retainer	30,000
Additional retainers:	
Vice Chair/Lead Director	8,000
Chair of the Audit Committee	8,000
Chairs of other Board committees	4,000
Meeting fees	
Each Board/committee meeting attended	1,500
Each Board/committee phone meeting or meeting less than 15 minutes in duration attended	500

The directors are additionally entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in connection with the Corporation.

Share Ownership Guideline

With a view to aligning director compensation with shareholder interests, directors are encouraged to hold a minimum of 3,000 Common Shares and to reach this level within five years of initial appointment.

Stock Plans

The directors and officers of the Corporation are entitled to participate in the Corporation's Stock Appreciation Rights Plan. A description of both plans can be found on page 16.

The granting of SARs under the Stock Appreciation Rights Plan was initiated in 2008 and have been granted to new directors upon joining the board and to all directors on an ad hoc basis.

The Corporation paid \$369,240 (\$356,352 in 2018) in Canadian dollars in respect of directors' fees during the fiscal year ended December 31, 2019.

The following table shows the amounts earned by individual directors, Named Executive Officers, during 2019.

Directors	Board retainer (\$)	Committee Chair retainer (\$)	Board attendance fees (\$)	Committee attendance fees (\$)	SARs (#)	SARs (\$)	LTIP Payout (\$)	All other compensation (\$)	Total (\$)
Chris J. Cahill ⁽¹⁾	30,000	n/a	10,000	4,500	nil	nil	-	49,812	94,312
Graeme M. Eadie ⁽¹⁾	30,000	n/a	8,000	3,000	nil	nil	-	40,000	81,000
David A. King	30,000	4,000	10,000	6,000	nil	nil	-	nil	50,000
Timothy J. Murphy	30,000	4,000	8,500	7,500	nil	nil	-	nil	50,000
Michael S. Robb ⁽²⁾	30,000	2,000	10,000	10,500	nil	nil	-	nil	52,500
Bruce K. Robertson ⁽¹⁾	30,000	13,165	10,000	9,000	nil	nil	-	42,000	104,165
Angela Sahi ⁽³⁾	nil	n/a	nil	nil	nil	nil	-	402,641	402,641
Leonard Peter Sharpe	30,000	2,000	10,000	10,500	nil	nil	-	nil	52,500

Notes:

- (1) Amounts under "All other compensation" reflect that Messrs. Cahill, Eadie and Robertson were compensated for services as trustees or directors, as applicable, of subsidiaries of the Corporation.
- (2) Amount paid to Mr. Robb are in \$US.
- (3) Amounts under "All other compensation" reflect that Ms. Sahi was compensated as an employee of the Corporation but is not a NEO.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors and officers liability insurance for the benefit of its directors and officers against liabilities incurred by them in such capacities, excluding liabilities brought about or contributed to by fraud or 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 (subject to the policy terms and conditions) during the policy period with a total aggregate limit of \$30 million during the policy year and a limit of \$30 million in respect of each loss/claim. The premium payable by the Corporation for this coverage during the fiscal year ended December 31, 2019 was \$124,261 (compared to \$115,591 for 2018).

OUTSTANDING OPTION BASED AWARDS FOR DIRECTORS

The following table sets forth all option-based awards (SARs) outstanding for each director as of December 31, 2019.

Name	Number of securities underlying unexercised SARs	SAR exercise price (\$)	SAR expiration date	Value of unexercised in-the money SARs (\$)
Chris J. Cahill	10,000	153.82	n/a	471,800
	5,000	179.95		105,250
	5,000	163.59		187,050
Graeme M. Eadie	20,000	163.59	n/a	748,200
	5,000	43.39		788,050
David A. King	5,000	179.95	n/a	105,250
	5,000	163.59		187,050
	5,000	43.39		788,050
Timothy J. Murphy	10,000	30.74	n/a	1,702,600
	5,000	179.95		105,250
	10,000	43.39		1,576,100
Bruce K. Robertson	5,000	179.95	n/a	105,250
	5,000	163.59		187,050
	20,000	163.59		748,200
Angela Sahi	10,000	43.39	n/a	1,576,100
	5,000	179.95		105,250
	5,000	163.59		187,050
Leonard Peter Sharpe	10,000	137.90	n/a	631,000
	5,000	179.95		105,250
	5,000	163.59		187,050
Michael Robb	10,000	137.90	n/a	631,000
	5,000	179.95		105,250
	5,000	163.59		187,050

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR FOR DIRECTORS

The following table shows the value of option-based awards that vested during the fiscal year ended December 31, 2019, 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 (\$)
Chris J. Cahill	76,410	nil
Graeme M. Eadie	74,820	nil
David A. King	89,330	nil
Timothy J. Murphy	89,330	nil
Bruce K. Robertson	186,840	nil
Angela Sahi	74,820	137,500
Leonard Peter Sharpe	186,840	nil
Michael Robb	92,330	nil

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	nil	n/a	n/a

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

The aggregate maximum amount of indebtedness outstanding as at March 12, 2020 of all current and former officers, directors and employees of the Corporation and its subsidiaries in connection with the purchase of common shares of the Corporation or any of its subsidiaries was \$5,356,918 (\$5,249,851 as at December 31, 2019). No amounts were forgiven during the year ending December 31, 2019 (2018 – nil).

The Corporation's employee stock loan plan entitles an employee to borrow up to a maximum of \$3.00 from the Corporation for each \$1.00 funded to purchase public equity or debt issued by the Company or its related public entities (specifically, Morguard REIT, Morguard North American Residential REIT). The loan is secured against the purchased equity or debt, which is held by the Corporation, and is evidenced by a five-year promissory note bearing interest per annum at prime rate, as posted from time to time by the Royal Bank of Canada. The Corporation does not offer other programs.

The following table sets out certain particulars with respect to such indebtedness for purchases of Morguard Corporation common shares (TSX: MRC), Morguard North American Residential REIT (TSX: MRG.UN) and Morguard Real Estate Investment Trust units (TSX: MRT.UN).

TABLE OF INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS UNDER THE SECURITIES PURCHASE PROGRAM

Name & Principal Position	Involvement of Issuer or Subsidiary ⁽¹⁾	Largest Amount Outstanding as at December 31, 2019(\$)	Amount Outstanding as at March 12, 2020 (\$)	Financially Assisted Securities Purchased During Fiscal 2019 (#)	Security for Indebtedness Number of Common Shares Pledged ⁽²⁾
K. Rai Sahi ⁽³⁾ Chairman and Chief Executive Officer	Loan from Corporation	4,280,052	4,196,125	nil	465,700 MRC
Paul Miatello Senior Vice President, Chief Financial Officer	Loan from Corporation	356,212	356,212	nil	10,314 MRC 2,500 MRT.UN 23,000 MRG.UN
Beverley G. Flynn Senior Vice President, General Counsel & Secretary	Loan from Corporation	370,665	352,025	nil	4,000 MRC 7,800 MRT.UN 30,000 MRG.UN
Robert D. Wright Vice President	Loan from Corporation	229,500	225,000	nil	300 MRC E Debentures
Pamela McLean Senior Vice President, Finance & CFO (MIL)	Loan from Corporation	120,489	120,489	nil	10,000 MRC 3,000 MRG.UN

Notes:

- (1) Employee loans were provided under the Morguard Corporation Employee Stock Loan Plan (the "Employee Stock Loan Plan"). The Employee Stock Loan Plan is available to selected employees of the Corporation provided, among other things, he or she has the funds available to fund at least \$1.00 for every \$3.00 of employee loan.
- (2) Security for indebtedness is as at March 12, 2020.
- (3) Mr. Sahi is nominated as a director of the Corporation.

OTHER INDEBTEDNESS OF DIRECTORS AND OFFICERS (HOME RELOCATION LOANS)

Name & Principal Position	Involvement of Issuer or Subsidiary	Largest Amount Outstanding During Fiscal 2019 (\$)	Amount Outstanding as at December 31, 2019 (\$)	Security for Indebtedness
John Talano Vice President, Operations (U.S.) Morguard Management Company Inc.	Loan from Subsidiary of Corporation	1,000,000	1,000,000	Mortgage Interest rate 1% 5 year I/O period Maturity Nov 10, 2047

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular, the Corporation is not aware of any material interest of any current or proposed director or officer of the Corporation in any transaction since January 1, 2019 or in any proposed transaction that has materially affected or will materially affect the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Morguard is committed to the highest standards of corporate governance. The directors believe that sound corporate governance practices are essential to the well being of the Corporation and its Shareholders and the Board and committees of the Corporation review and refine these practices regularly in light of Canadian regulatory initiatives.

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. Effective January 1, 2020, amendments to the *Canada Business*

Corporations Act (“**CBCA**”) came into effect requiring CBCA-incorporated issuers to include prescribed diversity disclosure in their annual proxy circulars. In addition, Morguard is subject to National Instrument 52-110 *Audit Committees*.

Morguard has adopted Codes of Conduct and Conflict of Interest Guidelines that govern the behaviour of its directors, officers and employees. The standards are available on the Corporation’s website at www.morguard.com and at www.sedar.com. The Corporate Governance and Compensation Committee is responsible for monitoring compliance with the standards and annually requires the guidelines be reviewed and signed by all directors, officers and employees.

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

Board of Directors and Executive Officers

The primary responsibility of the Board is to foster the long-term success of the Corporation consistent with the Board’s responsibility to the Shareholders to maximize Shareholder value. The Board facilitates its exercising of independent supervision of the Corporation’s management through frequent meetings, both with and without members of the Corporation’s management (including members of management that are also directors) 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 Directors;
- planning for succession for the Corporation including appointing and monitoring of senior management;
- developing and maintaining written position descriptions for the Chief Executive Officer, the Lead Director and Committees of the Board;
- adopting a strategic planning process for the Corporation;
- providing oversight to the integrity of the Corporation’s internal control and management information systems;
- adopting of a communications policy for the Corporation;
- reviewing management authority and establishing limits based on the size and nature of proposed transactions; and
- identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks.

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

The following table sets out the Corporation’s Board and Committee meetings held in 2019. The following is a record of directors’ attendance at these meetings:

	Board	Audit	Corporate Governance & Nominating	Human Resources, Compensation & Pension	Investment
Meetings held in 2019	8	4	3	4	0
Chris J. Cahill	8	-	3	-	-
Graeme M. Eadie ⁽¹⁾	6	1	-	1	-
David A. King	8	-	-	4	-
Timothy J. Murphy	7	-	2	3	-
Michael S. Robb	8	4	3	-	-
Bruce K. Robertson ⁽²⁾	8	4	-	2	-
Angela Sahi	8	-	-	-	-
K. Rai Sahi	8	-	-	-	-
Leonard Peter Sharpe ⁽³⁾	8	4	1	2	-

(1) Mr. Eadie was appointed to the Audit and Human Resources, Compensation & Pension Committees effective May 8, 2019.

(2) Mr. Robertson stepped down from the Human Resources, Compensation & Pension Committee effective May 8, 2019.

(3) Mr. Sharpe stepped down from the Corporate Governance Committee and was appointed to the HR, Comp committee effective May 8, 2019.

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

The Board consists of seven independent directors, being a majority of the Board, Messrs. Cahill, Eadie, King, Murphy (retiring), Robertson, Sharpe and Robb. Mr. Sahi is not independent as a result of his substantial ownership position in the Corporation as well as his management role. Ms. Sahi is not independent as she is an employee of Morguard.

Please see the table under Part Two – Nominees for Election to the Board, for each director who is presently a director of another reporting issuer.

The independent directors meet quarterly and otherwise as they deem necessary. Mr. Robertson chairs all such meetings as Lead Director. The Lead Director works with senior management, manages the Board, and ensures effective relations with shareholders, other stakeholders and the public and ensures that the management of these relationships is effective, efficient and furthers the best interests of the Corporation. The Lead Director must provide strong leadership and ensure the mechanisms for effective governance are in place. The Lead Director may be contacted: c/o Morguard Corporation, Suite 1000, 55 City Centre Drive, Mississauga, Ontario L5B 1M3.

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

The following are the number and proportion, expressed as a percentage, of members of the Corporation's board of directors and as executive officers, including all of the Corporation'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 is currently one woman (11%), two visible minorities (22%), zero aboriginal peoples (0%) and zero persons with disabilities (0%) on the Board, and there is currently 4 women (21%), two visible minorities (11%), zero aboriginal peoples (0%) and zero persons with disabilities (2%) that are executive officers. The number and proportion of directors and members of senior management who have self-identified as being a member of a Designated Group have been furnished by the respective directors and members of senior management on a voluntary basis and such responses have not been independently verified by Morguard.

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 Board and the Corporate Governance and Nominating Committee. At this time, the Board has not adopted targets or written policies regarding Designated Groups on the Board or in executive officer positions, 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 directors or executive officers. However, having assessed the benefit of diversity in the composition of the Board of Directors, the Board considers and has directed the Corporate Governance and Nominating Committee to consider the level of representation of Designated Groups in executive officer positions and on the Board and view the level of Designated Group representation and diversity, including diversity in age, geography, background and ethnicity as essential considerations, in addition to required expertise and experience, in evaluating potential candidates for nomination to the Board or appointment to an executive officer position.

Morguard has not adopted terms limits for directors. At this time, Morguard 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 Company believes that less rigid mechanisms of Board renewal are more suitable. Annually, the Corporate Governance and Nominating Committee undertakes an evaluation of Board performance, including performance of individual directors, in order to ensure that each director continues to be effective and have the necessary skills and experience required by the Corporation for an appropriate composition of the Board. Additionally, Shareholders have the ability to evaluate and vote on all director nominees annually at the Meeting.

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

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

Committees

Morguard has four committees: Audit; Investment; Human Resources, Compensation and Pension; and Corporate Governance and Nominating. The directors may create additional committees as they determine necessary or desirable for the purposes of properly governing the affairs of the Corporation. The committee chairs do not have written position descriptions; however, the Board instructs each committee chair of their responsibilities in ensuring the committee mandate is implemented and responsible items are completed and reported back to the Board regularly.

Committee members are appointed immediately following the annual meeting of shareholders. Set out below is a description of the committees of the Board, their mandates and their activities.

Audit Committee

The Audit Committee assists the Board in fulfilling its financial oversight responsibilities. The Audit Committee reviews the financial statements, the adequacy and effectiveness of the system of internal controls, the financial reporting process and management of financial risks, the nature and scope of the audit process as proposed by the auditor and the Corporation’s disclosure controls and procedures. The roles and responsibilities of the Audit Committee are specifically defined so as to provide appropriate guidance to committee members as to their duties. The Committee provides and facilitates communication between the Corporation’s internal and external auditors and the Board to discuss and review specific issues as appropriate. The committee is also responsible for the insurance, enterprise risk management and environmental management programs of the Corporation.

For further information relating to the Audit Committee, please refer to the Corporation’s Annual Information Form dated February 20, 2020, which has been filed with securities regulators at www.sedar.com and at www.morguard.com.

The Audit Committee met four times during the year ended December 31, 2019. The members of the Audit Committee are Messrs. Bruce K. Robertson (Chair), Michael S. Robb, L. Peter Sharpe and Graeme M. Eadie.

Investment Committee

It is the duty of the Investment Committee to review, and as applicable, authorize and approve all acquisitions, dispositions, investments and borrowings of the Corporation (the “Proposals”) in excess of \$10 million and make recommendations in connection therewith to the Board where such Proposals exceed 10 percent of the book equity of the Corporation.

The members of the Investment Committee are Messrs. K. Rai Sahi (Chair), David A. King, Bruce K. Robertson and L. Peter Sharpe. The Committee did not meet during the year ended December 31, 2019. All matters within the mandate of the Investment Committee were fulfilled by the Board.

Human Resources, Compensation and Pension Committee

The purpose of the Compensation Committee is to assist the directors in fulfilling their obligations relating to human resources, compensation and pension matters and to establish a plan of continuity and development of senior management. The Compensation Committee reviews its mandate annually and is satisfied that it has appropriately fulfilled its mandate for the year ended December 31, 2019.

The duties and responsibilities of the committee include: recommending and then implementing a performance evaluation process for the Chief Executive Officer; reviewing and recommending the compensation philosophy, guidelines and plans for the Corporation's employees and executives; annually reviewing the directors' compensation program and indemnification and insurance programs; in consultation with the Chief Executive Officer, reviewing the appointment and approve the compensation, including stock and option plans, incentives and bonuses and benefit plans for the executive officers having regard to the Corporation's business objectives and the risks to which it is exposed and reviewing with the Chief Executive Officer existing management resources and plans, and major changes in the organizational structure of management as proposed by the Chief Executive Officer; and reviewing the investment objectives and policies of the pension and benefit plans.

The Board routinely conducts both formal and informal assessments of its committees, individual directors 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 Shareholder 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 Corporation. Participation in the Stock Appreciation Rights Plan, as applicable, reflects the level of responsibility and level of contribution of participants within the Corporation. At this time, the Compensation Committee has not retained a compensation consultant. The Compensation Committee receives updates from legal counsel on recent developments in corporate governance and disclosure.

Additionally, the Compensation Committee is responsible for monitoring conflicts of interest, reviewing and approving the Corporation's Code of Conduct and obtaining assurances that the Corporation has processes in place to ensure adherence to the Code of Conduct.

The Compensation Committee met four times during the year ended December 31, 2019. The members of the committee are Messrs. L. Peter Sharpe (Chair), Timothy J. Murphy (retiring), David A. King and Graeme M. Eadie. Messrs. Sharpe, Murphy and Eadie are independent directors.

Each of the Compensation Committee members has direct experience relevant to their responsibilities in overseeing the executive compensation program. With collective professional experience in areas including law, accounting, business, human resources, compensation, finance, strategy and risk management, the Compensation Committee members have the requisite knowledge and expertise to make informed decisions on compensation matters. More specifically, 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. King was the Vice Chairman of the Corporation until May 8, 2018 and through various executive management positions and entrepreneurial endeavors has gained experience in risk management, business, finance, compensation and pension management. Mr. Eadie retired in April 2018 as a Senior Managing Director of the Canada Pension Plan Investment Board (CPPIB) where he was responsible for the Real Assets department, which encompassed Real Estate (both equity and debt investments), Infrastructure, and Agricultural investments. Mr. Eadie has extensive experience in management, compensation and pension, and strategy. Mr. Sharpe is a corporate director and served as a senior executive with 25+ years of experience in the real estate industry in both a domestic and global commercial environment. Mr. Sharpe has gained experience in compensation, finance, strategy, risk management and human resources.

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

Corporate Governance and Nominating Committee

The purpose of the Corporate Governance and Nominating Committee is to provide a focus on governance that will enhance the Corporation's performance.

The Committee has the responsibility to develop a long-term plan for Board composition and propose nominees that takes into consideration the current strengths, skills and experience on the Board, retirement

dates, and the strategic direction of the Corporation; monitor and make recommendations regarding the orientation, education and ongoing development of directors; and review the Corporation's structures and procedures to ensure the directors function independently of management.

The Committee is also responsible for advising and assisting the Board in applying governance principles and practices; monitoring developments in corporate governance and adapting best practices to the needs and circumstances of the Corporation; and reviewing shareholder proposals and recommending to the Board responses to these proposals.

The process undertaken by the Board to identify potential candidates for nomination as directors 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 directors 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 to the Board.

The Committee met three times during the year ended December 31, 2019. The members of the Corporate Governance and Nominating Committee are Messrs. Timothy J. Murphy (Chair) (retiring), Michael S. Robb and Chris J. Cahill.

ADDITIONAL INFORMATION

Copies of the Corporation's latest annual information form (together with the documents incorporated therein by reference), the audited consolidated financial statements for the year ended December 31, 2019, together with a report of the auditors thereon, management's discussion and analysis of the Corporation's financial condition and results of operations for the year ended December 31, 2019, and this Circular are available on SEDAR at www.sedar.com as well as on the Corporation's website at www.morguard.com and otherwise are available upon request from the Corporation.

OTHER BUSINESS

The Corporation knows of no other business to come before the meeting other than the matters referred to in the accompanying Notice of Meeting.

DIRECTORS' APPROVAL

The Board has approved the contents and the sending of this Management Information Circular.

DATED this 12th day of March, 2020.

(Signed) "Beverley G. Flynn"

Beverley G. Flynn
Secretary

SCHEDULE A

MORGUARD CORPORATION TERMS OF REFERENCE FOR THE BOARD

I. INTRODUCTION

- A. The primary responsibility of the board of directors (the “**Board**”) of Morguard Corporation (the “**Corporation**”) is to foster the long-term success of the Corporation consistent with the Board’s responsibility to the shareholders of the Corporation to maximize shareholder value.
- B. The Board is statutorily responsible for managing or supervising the management of the business and affairs of the Corporation.
- C. These terms of reference are prepared to assist the Board and management of the Corporation in clarifying responsibilities and ensuring effective communication between the Board and management of the Corporation.

II. COMPOSITION AND BOARD ORGANIZATION

Nominees for directors are initially considered and recommended to the Board by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation. Directors may be appointed by the Board as permitted under the Canada Business Corporations Act (the “**CBCA**”) or the Corporation’s Articles.

III. INDEPENDENCE

- A. A majority of directors comprising the Board will be independent directors within the meaning of Multilateral Instrument 52-110 (as the same may be amended or replaced from time to time). Specifically, a director will be considered independent if he or she is free from any relationship that, in the view of the Board, could reasonably interfere with the exercise of his or her independent judgment as a member of the Board.
- B. The Board will allow time at each Board meeting for all of the independent directors to meet.

IV. DUTIES AND RESPONSIBILITIES

A. **Managing the Affairs of the Board**

The legal obligations of the Board are described in detail in Section X. Subject to these legal obligations and to the Articles and By- Laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- (i) planning its composition and size;
- (ii) selecting its Chair;
- (iii) nominating qualified candidates for election to the Board;
- (iv) appointing committees and their members;
- (v) determining director compensation; and
- (vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

B. **Management and Human Resources**

The Board has the responsibility for:

- (i) the appointment and succession of the CEO, monitoring and evaluating CEO performance, approving CEO compensation, providing advice and counsel to the CEO in the execution of the CEO’s duties and responsibilities, and to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Corporation;
- (ii) approving term of reference for the CEO;
- (iii) reviewing CEO performance at least annually, against agreed upon written objectives;
- (iv) approving decisions relating to senior management of the Corporation, including the:
 - (A) appointment and discharge of officers;
 - (B) compensation and benefits for executive officers;

- (C) acceptance of outside directorships on public companies by executive officers (other than not-for-profit organizations); and
- (D) employment contracts, termination and other special arrangements with executive officers, or other employee groups.
- (v) ensuring succession planning programs are in place, including programs to train and develop management of the Corporation;
- (vi) approving certain matters relating to all employees of the Corporation, including:
 - (A) the annual salary policy program for employees;
 - (B) new benefit programs or material changes to existing programs;
 - (C) material benefits granted to retiring employees outside of benefits received under approved pension and other benefit programs; and
- (vii) undertake a Board self-assessment annually and communicate the outcome to shareholders of the Corporation.

C. Strategy and Plans

The Board has the responsibility to:

- (i) participate with management of the Corporation, in the development of, and ultimately approve, the Corporation's strategic plan;
- (ii) approve the annual business plans that enable the Corporation to realize its objectives;
- (iii) approve annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives;
- (iv) approve political donations policies and budgets;
- (v) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- (vi) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (vii) approve material divestitures and acquisitions;
- (viii) approve major leases and capital expenditures; and
- (ix) monitor the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

D. Financial and Corporate Issues

The Board has the responsibility to:

- (i) take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- (ii) monitor operational and financial results;
- (iii) approve annual financial statements, review quarterly financial results and approve release thereof by management of the Corporation;
- (iv) approve the management proxy circular and, to the extent applicable, the annual information form and documents incorporated by reference therein;
- (v) declare dividends;
- (vi) approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, the issue and distribution of prospectuses, offering or information memorandums and other similar disclosure documents and issue of indentures;
- (vii) recommend appointment of external auditors of the

- (viii) Corporation and approve auditors' remuneration; approve banking resolutions and significant changes in banking relationships;
- (ix) approve appointments, or material changes in relationships with corporate trustees;
- (x) review coverage, deductibles and key issues regarding corporate insurance policies, including key person insurance and directors' and officers' liability and reimbursement insurance;
- (xi) approve contracts, leases and other arrangements or commitments that may have a material impact on the Corporation; and
- (xii) approve the commencement or settlement of litigation that may have a material impact on the Corporation.

E. Business and Risk Management

The Board has the responsibility to:

- (i) ensure management identifies the principal risks of the Corporation's business and implements appropriate systems to manage these risks;
- (ii) review operating and financial performance of the Corporation relative to its budgets or objectives;
- (iii) receive, at least annually, reports from management of the Corporation on matters relating to, among others, ethical conduct, employee health and safety, human rights and related party transactions; and
- (iv) assess and monitor management control systems, including:
 - (A) assessing information provided by management of the Corporation and others (e.g. internal and external auditors) about the effectiveness of management control systems; and
 - (B) understanding the principal risks of the Corporation and review whether the Corporation achieves a proper balance between risk and returns, and that management of the Corporation ensures that systems are in place to address the risks identified.

F. Policies and Procedures

The Board has the responsibility to:

- (i) approve and monitor compliance with all significant policies and procedures by which the Corporation is operated (including, for example, the Corporation's written Code of Business Conduct applicable to officers and employees and the Code of Conduct and Conflicts of Interest Guidelines for directors);
- (ii) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards; and
- (iii) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

G. Compliance Reporting and Corporate Communications

The Board has the responsibility to:

- (i) ensure the Corporation has in place effective communication processes with shareholders and other stakeholders of the Corporation and financial, regulatory and other recipients;
- (ii) approve interaction with shareholders of the Corporation on all item requiring shareholder response or approval;
- (iii) ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and continuous basis;

- (iv) ensure the financial results are reported fairly and in accordance with applicable generally accepted accounting principles;
- (v) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
- (vi) report annually to shareholders of the Corporation on the Board's stewardship for the preceding year (e.g. the Annual Report).

V. ATTENDANCE

Directors will strive for attendance at all Board and Board committee meetings.

VI. ORIENTATION

New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management of the Corporation and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest.

VII. CONTINUING EDUCATION

The Board will endeavour to provide continuing education opportunities for all directors to educate and keep them informed of changes within the Corporation and to aid in the maintenance and enhancement of their skills and abilities as directors.

VIII. REGULAR BOARD ASSESSMENTS

Regular assessments will be made regarding the performance of the Board as a whole, all Board committees, and the performance and skills of individual directors. The Board shall also create measures to receive feedback from security holders.

IX. BOARD COMMITTEES

Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time by the Board.

A. Independence From Management

Board committees meet without management at each regularly scheduled meeting.

B. Committees

The Board committees consist of the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources, Compensation and Pension Committee which each have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, and manner of reporting to the Board.

C. Member Independence

All members of the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources, Compensation and Pension Committee will be independent within the meaning of Multilateral Instrument 52-110.

D. Advisors

The Board and all Board committees will have the authority to engage independent advisors, at the Corporation's expense, to assist them in carrying out their responsibilities. Individual Directors may engage independent advisors at the Corporation's expense in appropriate circumstances and with the approval of the Corporate Governance and Nominating Committee.

X. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

A. The Board is responsible for:

- (i) directing management of the Corporation to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
- (ii) approving changes in the Articles and By-Laws of the Corporation, matters requiring shareholder approval, and notices and agendas for shareholder meetings; and
- (iii) approving the Corporation's legal structure, name, logo and related intellectual property, mission statement and vision statement.

- B. The CBCA identifies the following as legal requirements for the Board:
- (i) to manage or supervise the management of the business and affairs of the Corporation (CBCA S. 102(1)), including the relationships among the Corporation, its affiliates, their shareholders, directors and officers;
 - (ii) in respect of each director, to act honestly and in good faith with a view to the best interests of the Corporation (CBCA S. 122(1)(a));
 - (iii) in respect of each director, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (CBCA S. 122(l) (b));
 - (iv) to act in accordance with its obligations contained in the CBCA, the Securities Act (Ontario) and similar securities legislation in each applicable province and territory of Canada, other relevant legislation, regulations, rules and policies and the Corporation's Articles and By-laws;
 - (v) in particular, it should be noted that the following matters must be considered by the Board as a whole (CBCA S. 115(3)):
 - (A) submit to the shareholders any question or matter requiring the approval of the shareholders;
 - (B) fill a vacancy among the directors or in the office of auditor or the appointment of additional directors;
 - (C) issue securities or shares of a series except in the manner and on the terms authorized by the directors;
 - (D) declare dividends;
 - (E) purchase, redeem or otherwise acquire shares issued by the Corporation;
 - (F) the payment of a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (G) approve a management information circular;
 - (H) approve a take-over bid circular, issuer bid circular or directors' circular;
 - (I) approve any financial statements of the Corporation; or
 - (J) adopt, amend or repeal the By-laws of the Corporation.

XI. DISCLOSURE

A. Access to Disclosures

Documents and information referred to in this Policy as being publicly disclosed may be accessed through the Corporation's website.