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**CT** REIT

**MANAGEMENT  
INFORMATION  
CIRCULAR**

Notice of Annual  
General Meeting  
of Unitholders to be  
held on May 10, 2016

# NOTICE OF ANNUAL MEETING OF UNITHOLDERS



**You are invited to the Annual Meeting of Unitholders of  
CT Real Estate Investment Trust.**

**When**

Tuesday, May 10, 2016  
10:00 a.m. (Toronto time)

**Where**

St. Andrew's Club & Conference Centre  
150 King Street West, 16<sup>th</sup> floor  
Toronto, Ontario  
M5H 1J9

In this Notice, *we, us, our, CT REIT, the REIT and the Trust* refer to CT Real Estate Investment Trust and its subsidiaries, where applicable. *You and your* refer to holders of CT REIT units (*Trust Unitholders*) and holders of special voting units of CT REIT (*Special Voting Unitholders*, and together with Trust Unitholders, *Unitholders*).

**Business of the Annual Meeting of Unitholders**

We will address four items at the Annual Meeting:

1. receiving CT REIT's Annual Consolidated Financial Statements for the financial year ended December 31, 2015, including the external auditor's report;
2. the election of trustees, who will serve until the next Annual Meeting of Unitholders;
3. the appointment of the external auditor, who will serve until the next Annual Meeting of Unitholders, and authorizing the trustees to set the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

**You Have the Right to Vote**

You have the right to vote at our Annual Meeting as set out in the enclosed Management Information Circular if you are a Unitholder as of the close of business on March 22, 2016.

**Your Vote is Important**

As a Unitholder, it is important that you read the accompanying Management Information Circular carefully.

You are entitled to vote at the Annual Meeting either in person or by proxy. If you are unable to attend the Annual Meeting in person, you are requested to vote your Units using the enclosed form of proxy or voting instruction form.

Unitholders should complete and sign the enclosed form of proxy and return it in the envelope provided. Proxies must be received by CT REIT's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9<sup>th</sup> Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto time) on Monday, May 9, 2016.

If you are a non-registered Unitholder, you should review the voting instruction form provided by your intermediary, which sets out the procedures to be followed for voting Units held through intermediaries.

By order of the Board of Trustees,

Kimberley M. Graham  
*Secretary*

Toronto, Ontario  
March 8, 2016

# MANAGEMENT INFORMATION CIRCULAR



All information in this Management Information Circular is as of March 8, 2016, unless otherwise indicated.

In this Management Information Circular, *we, us, our, CT REIT, the REIT and the Trust* refer to CT Real Estate Investment Trust and its subsidiaries, where applicable. *CTC* refers to Canadian Tire Corporation, Limited and all entities controlled by it, as and to the extent applicable. *You and your* refer to holders of CT REIT units (*Trust Unitholders*) and holders of special voting units of CT REIT (*Special Voting Unitholders*, and together with Trust Unitholders, the *Unitholders*).

**This Management Information Circular is provided in connection with our Annual Meeting of Unitholders to be held on May 10, 2016 (*the Meeting*). Your proxy is being solicited by the management of CT REIT for the items described in the notice on the previous page.** We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone or in person.

As a Unitholder, you have the right to attend and vote at the Meeting as set out in this Management Information Circular. Please read this Management Information Circular. It gives you information you need to know to cast your vote. We also encourage you to read CT REIT's Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended December 31, 2015. A copy of CT REIT's Management's Discussion and Analysis and Annual Consolidated Financial Statements will be sent to all registered Unitholders (except those who requested that these materials not be sent to them) and those beneficial Unitholders who requested that these materials be sent to them. They are also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at [www.sedar.com](http://www.sedar.com) and CT REIT's website at [www.ctreit.com](http://www.ctreit.com).

The Board of Trustees (*the Board*) has approved the contents and sending of this Management Information Circular.

A handwritten signature in black ink, appearing to read "K. Graham".

Kimberley M. Graham  
*Secretary*

Toronto, Ontario  
March 8, 2016



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## BUSINESS OF THE MEETING

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We will address the following four items at the Meeting.

### Receiving the Annual Consolidated Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended December 31, 2015, including the external auditor's report, have been prepared and will be sent to all registered Unitholders (except those who requested that these materials not be sent to them) and those beneficial Unitholders who requested that these materials be sent to them. They are also available on SEDAR at [www.sedar.com](http://www.sedar.com) and CT REIT's website at [www.ctreit.com](http://www.ctreit.com).

### Electing Trustees

The Board has determined that seven trustees will be elected at the Meeting. See *About the Proposed Trustees* on page 8 for more information.

The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as trustees by the Unitholders:

- Brent Hollister
- David Laidley
- Anna Martini
- John O'Bryan

The Board recommends that you vote **FOR** the election of each of the following persons who have been nominated by CTC and who have been proposed by the Board for election as trustees by the Unitholders:

- Dean McCann
- Ken Silver
- Stephen Wetmore

All of the proposed trustees are currently trustees of CT REIT and were elected as trustees at our Annual Meeting of Unitholders on May 12, 2015.

### Appointing the External Auditor

If you are a Unitholder, you can vote on the appointment of the external auditor and authorizing the Board of Trustees to set the external auditor's compensation. The Board recommends that you vote **FOR** the reappointment of the REIT's current external auditor, Deloitte LLP, Chartered Professional Accountants (*Deloitte*), as the external auditor, and authorizing the Board to set its compensation.

Deloitte has been CT REIT's external auditor since the REIT's initial public offering (*IPO*) in 2013.

### Considering Other Business

We will consider any other business that may properly come before the Meeting. As of the date of this Management Information Circular, we are not aware of any changes to the items above or any other business to be considered at the Meeting. If there are changes or new items, you or your proxyholder can vote your Units on these items as you, he or she sees fit.

## VOTING INFORMATION

### Who Can Vote

CT REIT is authorized to issue an unlimited number of CT REIT units (*the Trust Units*) and CT REIT special voting units (*the Special Voting Units*, and together with the Trust Units and as the context requires, *the Units*). As of March 8, 2016, there were 191,595,144 issued and outstanding Units, which are comprised of: (i) 90,362,938 issued and outstanding Trust Units, and (ii) 101,232,206 issued and outstanding Special Voting Units (which were issued in tandem with the issuance of Class B limited partnership units (*the Class B LP Units*)) of CT REIT Limited Partnership (*the Partnership*) for the purpose of providing voting rights with respect to CT REIT to the holders of such securities.

Each Unit you own as of the close of business on March 22, 2016 entitles you to one vote on each of the matters to be acted upon at the Meeting, or any postponement or adjournment thereof, either in person or by proxy.

The trustees and officers of CT REIT are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the total outstanding Units, other than CTC which holds approximately 84.0% of the Units on a fully-diluted basis, as listed below:

	Number of Units Beneficially Owned, Controlled or Directed	Percentage of Issued and Outstanding Units
Trust Units held by CTC	59,711,094	31.2%
Special Voting Units held by CTC	101,232,206	52.8%
Total Units held by CTC	160,943,300	84.0%

**Note:**

1. Total number of issued and outstanding Units as at March 8, 2016 was 191,595,144.

### How to Vote

**Your proxy is being solicited by the management of CT REIT** and the associated costs are being borne by CT REIT. The solicitation is being made primarily by mail but may also be made by telephone or in person.

#### Registered Unitholder Voting

You are a registered Unitholder if your Units are held directly in your name either electronically or in the form of a Unit certificate (*Registered Unitholder*). If you are a Registered Unitholder, you may vote in person at the Meeting or by proxy. See below for details on each voting option.

#### Voting in Person

If you are a Registered Unitholder and you wish to vote your Units in person at the Meeting, you do not need to complete and return the form of proxy. Please register with CT REIT's transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting. Your vote will be taken and counted at the Meeting.

#### Voting by Proxy

Registered Unitholders have three options to vote by proxy:

- **By Mail**

Complete, date and sign the enclosed form of proxy and return it to CT REIT's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Monday, May 9, 2016. This will ensure your vote is recorded.

- **By Telephone**

(only available to Registered Unitholders resident in Canada or the United States)

Call 1-866-732-VOTE (8683) and follow the instructions. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required information must be entered by 5:00 p.m. (Toronto time) on Monday, May 9, 2016. If you vote by telephone, you cannot appoint anyone other than the trustees named on your proxy form as your proxyholder.



- **On the Internet**

Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 5:00 p.m. (Toronto time) on Monday, May 9, 2016.

Signing the enclosed form of proxy gives authority to David Laidley or Ken Silver, each of whom is a trustee of the REIT, to vote your Units at the Meeting, unless you give such authority to someone else. **You may appoint someone other than the above-named trustees to vote your Units by writing the name of this person, who need not be a Unitholder, in the blank space provided on the form of proxy.**

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of CT REIT's transfer agent, Computershare Trust Company of Canada.

The persons named on the form of proxy must vote for or withhold from voting your Units in accordance with your directions, unless you let your proxyholder decide how to vote your Units. In the absence of such directions, proxies received by management will be voted **in favour of** the election of trustees to the Board, the appointment of the external auditor and authorizing the trustees to set the external auditor's compensation.

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of CT REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Management Information Circular, management of CT REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

#### **Voting Units Registered in the Name of a Corporation**

To vote Units registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed form of proxy. This person may have to provide proof that he or she is authorized to sign the form of proxy on behalf of the corporation or other legal entity. The completed proxy form must be returned to CT REIT's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Monday, May 9, 2016. **Units registered in the name of a corporation or other legal entity cannot be voted by telephone, through the Internet or in person.**

#### **Revoking Your Proxy**

If you are a Registered Unitholder, you may revoke your proxy by preparing a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or by electronic signature to the extent permitted by applicable law or, if the Unitholder is a corporation or other legal entity, under its corporate seal or by a duly authorized officer or attorney of the corporation or other legal entity. This statement must be delivered or faxed to the Secretary of CT REIT at the address listed below no later than 5:00 p.m. (Toronto time) on Monday, May 9, 2016, or the business day immediately preceding any postponement or adjournment of the Meeting, or to the Chairman of the Board of CT REIT on the day of the Meeting, Tuesday, May 10, 2016, or if the Meeting is postponed or adjourned, on the day the Meeting resumes. A Registered Unitholder may also revoke a proxy in any other manner permitted by law.

CT Real Estate Investment Trust  
2180 Yonge Street, 15<sup>th</sup> Floor  
Toronto, Ontario M4P 2V8  
Attention: Kimberley M. Graham, Secretary  
Fax: (416) 480-3216

#### **Non-Registered Beneficial Unitholder Voting**

Information in this section is very important to non-registered beneficial owners of Units. You are a non-registered beneficial owner if your Units are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Unitholder*). Applicable Canadian securities laws require intermediaries to seek voting instructions from Beneficial Unitholders. Accordingly, you will have received from your intermediary a voting instruction form for the number of Units you hold.

If you are a Beneficial Unitholder, you are still entitled to vote and you may vote in person at the Meeting or by providing voting instructions to your intermediary who will act as proxyholder and vote on your behalf. See below for details on each voting option.



## Voting in Person

**A Beneficial Unitholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote Units directly at the Meeting.** To vote your Units in person at the Meeting, your intermediary must appoint you as proxyholder. In order to be appointed as proxyholder, insert your name in the space provided on the voting instruction form and follow the return instructions provided by your intermediary. Do not fill in the voting directions as your vote will be taken at the Meeting. **The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to vote the Units in person at the Meeting.** Upon arrival at the Meeting, please register with CT REIT's transfer agent, Computershare Trust Company of Canada. Since CT REIT has limited access to the names of its non-registered Beneficial Unitholders, if you attend the Meeting, CT REIT may have no record of your Unitholdings or your entitlement to vote. Accordingly, unless you complete the voting instruction form as indicated above and your intermediary has appointed you as proxyholder, you may be unable to vote your Units in person at the Meeting.

## Voting Instructions

Beneficial Unitholders who do not wish to vote in person at the Meeting are still encouraged to vote their Units. You can do so by following the instructions on the voting instruction form provided by your intermediary. Each intermediary has its own procedures, which should be carefully followed to ensure that your Units are voted at the Meeting.

Signing the enclosed voting instruction form gives authority to David Laidley or Ken Silver, each of whom is a trustee of the REIT, to vote your Units at the Meeting, unless you give such authority to someone else. **You may appoint someone other than the above-named trustees to vote your Units by writing the name of this person, who need not be a Unitholder, in the blank space provided on the voting instruction form, or otherwise following the procedures provided by your intermediary.**

The persons named on the voting instruction form must vote for or withhold from voting your Units in accordance with your directions, unless you let your proxyholder decide how to vote your Units. In the absence of such directions, voting instruction forms received will be voted in favour of the election of trustees to the Board, the appointment of the external auditor and authorizing the trustees to set the external auditor's compensation.

The persons named in the voting instruction form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of CT REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Management Information Circular, management of CT REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the voting instruction form will vote on them in accordance with their best judgment.

## Revoking Your Voting Instructions

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions well in advance of the Meeting.

## Delivery of Proxy-Related Materials

Proxy-related materials will be sent by CT REIT to the intermediaries and not directly to Beneficial Unitholders. CT REIT intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 (request for voting instructions) to "objecting beneficial owners".

## Additional Voting Information

CT REIT's transfer agent, Computershare Trust Company of Canada, counts and tabulates the votes.

For general Unitholder enquiries, you can contact the transfer agent by mail at:

Computershare Trust Company of Canada  
100 University Avenue  
8<sup>th</sup> Floor, North Tower  
Toronto, Ontario M5J 2Y1  
Canada

or by telephone:

within Canada and the United States at 1-800-564-6253, and from all other countries at 514-982-7555;

or by fax:

within Canada and the United States at 1-866-249-7775, and from all other countries at 416-263-9524;

or by e-mail at [service@computershare.com](mailto:service@computershare.com).





## ABOUT CT REAL ESTATE INVESTMENT TRUST

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### Overview

CT REIT is an unincorporated, “closed-end” real estate investment trust established on July 15, 2013 pursuant to a declaration of trust under, and governed by, the laws of the Province of Ontario, as amended and restated as at October 22, 2013 (*the Declaration of Trust*). We commenced operations on October 23, 2013 with the completion of our IPO. CT REIT was formed to own, develop and lease income producing commercial properties located primarily in Canada. As at March 8, 2016, our portfolio consists of 290 properties across Canada.

As of March 8, 2016, CTC holds an effective interest of approximately 84% in the REIT on a fully-diluted basis through ownership of 59,711,094 Trust Units and all of the issued and outstanding Class B LP Units, which are economically equivalent to and exchangeable for Trust Units. Each Class B LP Unit is exchangeable, at the option of the holder, for one Trust Unit (subject to customary anti-dilution adjustments), is accompanied by one Special Voting Unit (which provides for the same voting rights in the REIT as a Trust Unit) and receives distributions of cash from the Partnership equal to the distributions made by the REIT on a Trust Unit. In addition to Trust Units, Class B LP Units and accompanying Special Voting Units, CTC holds all of the outstanding Class C limited partnership units (*the Class C LP Units*) of the Partnership.

### Arrangements with Canadian Tire Corporation, Limited

CT REIT and CTC are parties to a number of commercial agreements which govern the relationship between them. Such agreements include a services agreement, property management agreement, right of first offer agreement, development agreement and non-competition and non-solicitation agreement. In addition, during fiscal 2015, CT REIT had transactions totalling \$210.6 million, excluding acquisition costs, with CTC, being: 14 acquisitions (including 2 acquisitions of land), 2 developments, and 11 intensifications. For a discussion of such commercial agreements, transactions and other arrangements and certain fees paid between CT REIT and CTC, please refer to our Annual Information Form for the year ended December 31, 2015 (*the 2015 AIF*), our Management's Discussion and Analysis and our Annual Consolidated Financial Statements for the year ended December 31, 2015, all of which are available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The referenced commercial agreements are material contracts for the REIT and any disclosure in this Management Information Circular, the 2015 AIF or elsewhere is qualified in its entirety by reference to the terms of such agreements which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

CT REIT employs an experienced internal senior executive team which is supported by CTC pursuant to a services agreement and a property management agreement. Pursuant to the services agreement, CTC provides the REIT with certain administrative, legal, financial, information technology, human resources and ancillary services (*the Services*). CTC is responsible for performing the Services primarily through its management team and employees. In carrying out the Services, CTC is subject to the REIT's oversight. Property management services are also provided by CTC pursuant to a property management agreement. CTC's team of real estate professionals are intimately familiar with CT REIT's properties and the commercial real estate industry and have significant experience in property development and redevelopment, property management, and real estate acquisitions and dispositions.

## ABOUT THE PROPOSED TRUSTEES

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The trustee biographies beginning on page 9 describe the trustees who are proposed for election, along with their ownership of Trust Units and deferred units (*DUs*) under the Deferred Unit Plan for Trustees (*the DU Plan*). DUs do not carry any voting rights.

The trustee biographies also indicate the aggregate value of all Trust Units and DUs held by each proposed trustee as at March 8, 2016, as well as whether or not each proposed trustee has met the REIT's unit ownership guidelines for trustees. Each proposed trustee, other than the Chief Executive Officer of CT REIT (*the CEO*) and the Executive Vice-President and Chief Financial Officer of CTC, is required to accumulate at least three times the value of the annual trustee retainer, which currently equates to \$150,000, in Trust Units and/or DUs by the fifth anniversary of the trustee's initial appointment or election to the Board (*the Trustee Unit Ownership Guidelines*). For more information on the Trustee Unit Ownership Guidelines, see page 26. For more information on the REIT's unit ownership guidelines applicable to the CEO, see *Executive Unit Ownership Guidelines* on page 37.

According to CT REIT's Declaration of Trust we must have between seven and nine trustees on our Board of Trustees. The Board of Trustees determines the number of trustees to be elected at any meeting of Unitholders. The Declaration of Trust also states that CTC shall have the exclusive right to nominate a number of trustees as follows:

- three trustees, provided that CTC, directly or indirectly, holds greater than 20% of the Units at the time of such nominations; or
- two trustees, provided that CTC, directly or indirectly, holds greater than 10% of the Units and equal to or less than 20% of the Units at the time of such nominations; or
- one trustee, provided that CTC, directly or indirectly, holds greater than 5% of the Units and equal to or less than 10% of the Units at the time of such nominations; or
- four trustees, provided that the Board consists of nine trustees and CTC, directly or indirectly, holds greater than 50% of the Units at the time of such nominations.

Pursuant to the Declaration of Trust, CTC exercises its nomination right by submitting its proposed nominees to the Governance, Compensation and Nominating Committee (*the GCN Committee*), which reviews the proposed nominations together with the remaining proposed trustee nominations, determined solely by the GCN Committee, to be nominated for election by the Unitholders at the Meeting.

Each trustee holds office until the next Annual Meeting of Unitholders or until such office is earlier vacated.

We do not expect that any of the proposed trustees will be unable to serve as a trustee. If, however, the REIT becomes aware before the Meeting that a proposed trustee is unable to serve as a trustee, the REIT trustees appointed as proxyholders will vote to elect a substitute proposed trustee at their discretion.

### Position on Majority Voting

CT REIT has not adopted a majority voting policy and relies upon the exemption from the majority voting requirements of the Toronto Stock Exchange (*TSX*) available to listed issuers that are controlled by a security holder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of trustees as of the applicable record date. Since CT REIT has a controlling Unitholder, a majority voting policy would not have a meaningful effect on the election of CT REIT's trustees because the controlling Unitholder can affect the election of trustees with its votes alone. The current process for electing trustees complies with CT REIT's Declaration of Trust, securities laws and TSX rules.



## Trustee Nominee Biographies

### BRENT HOLLISTER

Independent



**Toronto, Ontario  
Canada**

**Trustee since:**  
October, 2013

**Current Activities:**

Mr. Hollister is a corporate director and serves as a director on the Board of Holiday Holdings Inc., a private equity company.

**Past Activities:**

Mr. Hollister was formerly President, Chief Executive Officer and a director of Sears Canada. He stepped down in 2006 after 37 years of service. During his tenure he held several leadership positions including Chief Operating Officer, President, Sales and Service and Executive Vice President. He also served as a trustee of Primaris Retail REIT until 2013. He is an honorary life member of the Canadian Marketing Association. Mr. Hollister is a graduate of Ryerson in Retail Administration, served as a business member of Ryerson's Retail Council Committee and has completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

**Public Board Memberships During Last Five Years:**

Primaris Retail Real Estate Investment Trust	(2009 – 2013)
CT Real Estate Investment Trust	(2013 – Present)

#### NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
101,534	4,902	106,436	\$1,541,200	October 23, 2018	Yes

### DAVID LAIDLEY

Independent



**Westmount,  
Quebec, Canada**

**Non-Executive  
Chairman since:**  
September, 2013

**Current Activities:**

Mr. Laidley is Non-Executive Chairman of the Board of CT REIT. He also serves as a director on the Boards of Aimia Inc., EMCOR Group Inc., Input Capital Inc. and Aviva Canada Inc.

**Past Activities:**

Mr. Laidley was a partner of Deloitte from 1975 until his retirement in 2007. Mr. Laidley was elected Chairman of Deloitte in 2000 and served in that capacity until 2006. A Chartered Professional Accountant, Mr. Laidley has over 40 years of professional services experience, specializing in the areas of tax and audit. He previously was the Lead Director of the Bank of Canada and Chairman of Nautilus Indemnity Holdings Limited, and has served as a director on the Boards of Biovail Corporation (now Valeant Pharmaceuticals International, Inc.) and ProSep Inc. Mr. Laidley holds a Bachelor of Commerce degree from McGill University and completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

**Public Board Memberships During Last Five Years:**

EMCOR Group Inc.	(2008 – Present)
ProSep Inc. (see note 4)	(2008 – 2014)
Aimia Inc.	(2009 – Present)
Input Capital Inc.	(2013 – Present)
CT Real Estate Investment Trust	(2013 – Present)

#### NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
8,000	24,320	32,320	\$467,995	September 9, 2018	Yes





**Town of Mount Royal, Quebec, Canada**

**Trustee since:**  
October, 2013

**Current Activities:**

Ms. Martini is President of Groupe Dynamite Inc., a specialty apparel global retailer since 2004. Ms. Martini serves on the Board of Transcontinental Inc., is Vice Chair of the Board of the Royal Victoria Hospital Foundation and is immediate Past Chair of the Board of the Retail Council of Canada (RCC).

**Past Activities:**

Ms. Martini is a Chartered Professional Accountant and worked at Deloitte from 1985 to 2004, including as a partner in audit and advisory services from 1996 until her departure. During her tenure at Deloitte, she specialized in the retail and consumer products industry sectors. Ms. Martini served as Chair of the Board of the RCC from 2014 to 2015 and as a board member and Treasurer from 2007 to 2014. She was also a member of the Advisory Committee to the President of Telus Quebec and served on the Board of Velan Inc. where she chaired the Audit Committee.

**Public Board Memberships During Last Five Years:**

Velan Inc.	(2008 – 2013)
Transcontinental Inc.	(2011 – Present)
CT Real Estate Investment Trust	(2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)**

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
–	17,181	17,181	\$248,781	October 23, 2018	Yes



**Toronto, Ontario, Canada**

**Trustee since:**  
September, 2013

**Current Activities:**

Mr. McCann is the Executive Vice-President and Chief Financial Officer of CTC.

**Past Activities:**

Mr. McCann previously served as President of Canadian Tire Financial Services Limited, and as Chief Executive Officer and a director of Canadian Tire Bank, both of which are majority-owned subsidiaries of CTC. During the past 19 years with CTC, Mr. McCann has held a number of progressively senior roles and led a number of impactful projects, including leading the establishment of Canadian Tire Bank, driving the success of Canadian Tire MasterCard with over five million accounts issued, and developing a shareholder value creation program. Mr. McCann is a Chartered Professional Accountant and a graduate of the Directors College, Chartered Director program at McMaster University.

**Public Board Memberships During Last Five Years:**

CT Real Estate Investment Trust	(2013 – Present)
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**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)**

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET?
3,350	See Note 5	3,350 <sup>(5)</sup>	\$48,508 <sup>(5)</sup>	See Note 5	See Note 5



**Toronto, Ontario,  
Canada**

**Trustee since:**  
September 2013

**Current Activities:**

Mr. O'Bryan is Honorary Chairman of CBRE Limited. He serves as Chairman of the Board of Slate Office REIT and is also Chairman of its Investment Committee. He is also a member of the Royal Institution of Chartered Surveyors and the Governance Committee of Urban Land Institute.

**Past Activities:**

Mr. O'Bryan has over 40 years' experience in the real estate industry. He served on the Canadian Board of Directors of CBRE Limited where he was also a member of the Canadian Executive Management Committee. Prior to joining CBRE Limited in 2008, Mr. O'Bryan was a Managing Director at TD Securities from 1998 to 2008. Mr. O'Bryan previously served as a director of REALpac, President of the National Association of Industrial and Office Properties, and a member of the Appraisal Institute of Canada and holds an honours degree in Estate Management.

**Public Board Memberships During Last Five Years:**

CT Real Estate Investment Trust  
Slate Office REIT

(2013 – Present)  
(2015 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)**

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
22,024	9,946	31,970	\$462,928	September 9, 2018	Yes



**Toronto, Ontario  
Canada**

**Trustee since:**  
September 2013

**Current Activities:**

Mr. Silver is Chief Executive Officer of CT REIT.

**Past Activities:**

Mr. Silver joined CTC in 1995 and, prior to his appointment as CEO of the REIT, was Senior Vice President, Corporate Strategy and Real Estate, of CTC and President, Canadian Tire Real Estate Limited, a wholly-owned subsidiary of CTC. Mr. Silver holds a Bachelor of Arts degree from Queen's University, a Master of Business Administration degree from McGill University and has completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

**Public Board Memberships During Last Five Years:**

CT Real Estate Investment Trust

(2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)**

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET?
79,869	See Note 6	79,869 <sup>(6)</sup>	\$1,156,503 <sup>(6)</sup>	October 23, 2018 <sup>(6)</sup>	Yes <sup>(6)</sup>





**Toronto, Ontario,  
Canada**

**Trustee since:**  
September 2013

**Current Activities:**

Mr. Wetmore is Non-Executive Deputy Chairman of the Board of CTC.

**Past Activities:**

Mr. Wetmore was appointed President and Chief Executive Officer of CTC on January 1, 2009 and held these positions until November 7, 2013 and December 1, 2014, respectively. Prior to joining the executive team at CTC, Mr. Wetmore was President and Chief Executive Officer of Bell Aliant Regional Communications Income Fund (now Bell Aliant, a subsidiary of BCE Inc.), Group President, Corporate Performance and National Markets of Bell Canada and Executive Vice-President of BCE Inc., President and Chief Executive Officer of Aliant Inc., President and Chief Executive Officer of NewTel Enterprises Ltd., President of Air Atlantic, and Managing Director of Scotia Holding PLC. He also served as a director of Aliant Inc., Axia NetMedia Corporation, Manitoba Telecom Services Inc. and Stratos Global Corporation. Mr. Wetmore was Chair of the Atlantic Provinces' Economic Council and Nova Scotia Council on Higher Education and has actively promoted education through his leadership affiliations with Dalhousie University, Memorial University, University College of Cape Breton, the Shad Valley Institute, RCS Netherwood and the Canadian Youth Business Fundraising Committee. He has also been a director of the C.D. Howe Institute and a member of the Financial Executives Institute.

**Public Board Memberships During Last Five Years:**

Canadian Tire Corporation, Limited	(2003 – Present)
CT Real Estate Investment Trust	(2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 8, 2016)**

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs	DATE BY WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET?
20,000	–	20,000	\$289,600	September 9, 2018	Yes

**Notes:**

- The number of DUs that each trustee owns, which includes DU distribution equivalents, has been rounded down to the nearest whole number.
- The closing price for Trust Units and accordingly the value of a DU on March 8, 2016 was \$14.48. The market value of each trustee's Trust Unitholdings and DUs (including fractional DUs) is based upon this closing Trust Unit price.
- The value of Trust Units and/or DUs required to meet the Trustee Unit Ownership Guidelines as at the date at which they are required to be met (currently \$150,000) is calculated as the greater of (i) the acquisition cost of the Trust Units and/or DUs, and (ii) the market value of such Trust Units and DUs (including fractional DUs) based on the closing Trust Unit price on March 8, 2016. For more information, see *Trustee Unit Ownership Guidelines* on page 26.
- Mr. Laidley was acting as a director of 2907160 Canada Inc. (formerly ProSep Inc.) (*ProSep*) from August 2008 until January 2014. On April 12, 2013, the *Autorité des marchés financiers* issued a management cease trade order restricting all trading in securities of ProSep by management and insiders of ProSep due to failure to file its annual disclosure documents within the prescribed time period. The management cease trade order was revoked on June 17, 2013. On October 28, 2013, ProSep filed for and obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada). At the same time, the Superior Court of Quebec (Commercial Division) approved the sale of substantially all of ProSep's assets to a third party. The distribution of ProSep's liquidation proceeds was completed and ProSep was dissolved on January 15, 2014.
- Mr. McCann, as an executive officer of CTC is not subject to the Trustee Unit Ownership Guidelines and does not participate in the DU Plan for Trustees.
- Mr. Silver, as CEO of CT REIT, is not subject to the Trustee Unit Ownership Guidelines and does not participate in the DU Plan for Trustees. Mr. Silver is subject to the Executive Unit Ownership Guidelines. As at March 8, 2016, Mr. Silver owned 28,322 restricted units (rounded down to the nearest whole number) with a market value of \$410,103. For information on the restricted unit plan for executives applicable to Mr. Silver, see *Restricted Unit Plan for Executives* on page 36. For more information on the unit ownership guidelines applicable to Mr. Silver, see *Executive Unit Ownership Guidelines* on page 37 and *CEO Employment Agreement* on page 40.

The average age of the proposed trustees is 62.

## Meeting Attendance

The table below lists the number of meetings held by the Board and its committees (each a *Committee* and collectively the *Committees*) in fiscal 2015 and the number attended by each trustee. David Laidley, Chairman of the Board and member of the Audit Committee and the Governance Compensation and Nominating Committee is not a member of the Investment Committee but attends all meetings of that Committee. Ken Silver, CEO, is not a member of the Audit Committee and the Governance and Compensation Committee but attends all meetings of those Committees.

Trustee <sup>(1)</sup>	Board <sup>(2)</sup>	Audit Committee	Governance Compensation and Nominating Committee	Investment Committee	Total
Brent Hollister	7 of 7		4 of 4 (Chairman)	4 of 4	15 of 15
David Laidley	7 of 7	4 of 4	4 of 4	4 of 4 (Invitee)	19 of 19
Anna Martini	7 of 7	4 of 4 (Chairman)	4 of 4		15 of 15
Dean McCann	7 of 7				7 of 7
John O'Bryan	7 of 7	4 of 4		4 of 4 (Chairman)	15 of 15
Ken Silver	7 of 7	4 of 4 (Invitee)	4 of 4 (Invitee)	4 of 4	19 of 19
Stephen Wetmore	7 of 7		4 of 4		11 of 11

### Notes

- (1) The trustees listed below attended the following meetings of Committees of which they are not members and which are not included in the meeting attendance table above:
  - (i) Brent Hollister attended all meetings of the Audit Committee.
  - (ii) Anna Martini attended three of four meetings of the Investment Committee.
  - (iii) Dean McCann attended three of four meetings of the Audit Committee.
  - (iv) John O'Bryan attended all meetings of the Governance Compensation and Nominating Committee.
- (2) The Board held five regular and two special meetings in 2015.





## OUR APPROACH TO CORPORATE GOVERNANCE

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### The Role of the Board

The Declaration of Trust provides that, subject to certain conditions, the trustees shall have full, absolute and exclusive power, control and authority over the trust property and over the affairs of the REIT to the same extent as if the trustees were the sole and absolute legal and beneficial owners of the REIT's assets. In fulfilling their role, the trustees are to act honestly and in good faith with a view to the best interests of the REIT and its Unitholders and, in connection therewith, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board of Trustees is responsible for the stewardship and governance of the REIT. That role consists primarily of the duty to manage or supervise the management of the business and affairs of the REIT and includes both decision making and oversight functions.

Within that context, our Board's decision-making function involves the formulation, in conjunction with management, of strategic objectives and fundamental policies for the REIT. The oversight function includes ensuring compliance with the Declaration of Trust, including the investment guidelines and operating policies, the supervision of management's decisions, the adequacy of systems and controls and the implementation of policies. In addition, our Board oversees significant REIT actions and makes decisions relating to, among other things: strategic planning; strategic objectives, planning for growth, both organic and by acquisition; funding strategy; succession planning; distributions; financial reporting; the development of fundamental policies; control environment and the management of enterprise risk and corporate communication.

The Board fulfills its duties directly and through its Committees. It delegates its duty to manage the business and affairs of the REIT to management, which the Board oversees and holds accountable.

Our Board constructively challenges management with a view to achieving the best possible decision-making, and engages in meaningful discussion with management to ensure that major issues affecting the REIT are given the appropriate consideration. It is informed of the REIT's activities on an ongoing basis through Board and Committee meetings, reports from and discussion with management and executive briefings to further educate the trustees on specific topics.

A significant focus for our Board is the REIT's strategy. Throughout the year it is actively involved in developing, approving and overseeing the implementation of the REIT's strategic plan. The Board discusses the REIT's strategy, refinements thereto and monitors the implementation progress at every regularly scheduled Board meeting. To allow the Board to focus on business and strategic issues and improve efficiency in decision-making, it has delegated certain of its responsibilities to its Committees as more fully discussed on page 16.

A portion of every meeting is devoted to *in camera* sessions during which the Board meets without management present and then with neither the non-independent trustees nor management present.

The full text of the Board of Trustees' formal mandate is attached to this Management Information Circular as *Appendix A*.

### The Board in 2015

The Board believes in a long term outlook and is committed to the development of a long term strategy to support long term growth and solid financial performance.

During 2015, in conjunction with overseeing the implementation of the REIT's plan and the continued evaluation of such plan against the REIT's financial aspirations, key risk and opportunities, the Board devoted a significant portion of its time to the REIT's long term strategy and objectives. As a part of this focus, the Board considered various opportunities and risks relative to the REIT's long term strategy, including its growth opportunities and the implications on its financial metrics and aspirations, capital allocation and governance framework.

The Board also oversaw the REIT's inaugural public debt issuance, amendments to its' financial risk management policies and the continued development of the Enterprise Risk Management (*ERM*) Program, including the review of the REIT's principal risks, enhanced risk related reporting and the development of the ERM policy.

The Board held 5 regular and 2 special meetings in 2015 which included a number of information sessions. The information sessions are more fully described under *Trustee Orientation and Continuing Education* on page 17.



## Corporate Governance Policies and Practices

CT REIT is committed to strong corporate governance policies and practices. The REIT continues to focus on the development and implementation of policies and processes, as appropriate, to support the overall governance of the REIT. In developing such policies and processes, the REIT has regard to the external environment and externally cited best practices to ensure that its governance practices are comprehensive, relevant, effective and transparent. In 2015 the practice of having educational sessions during Committee and/or Board meetings continued. In addition, the development of the REIT's ERM program continued with quarterly Audit Committee and annual Board oversight of developments and reporting. The REIT's principal risks are identified by the Board and its risk exposures are monitored and reported on by management to the Audit Committee. The ERM program is more fully described on page 19.

### Chairman of the Board

The primary focus of the non-executive Chairman, who is independent, is on governance and to facilitate the effective performance of the Board in fulfilling the broad range of its responsibilities including oversight of the business, strategic planning and succession planning. His goal is to create and maintain an effective and productive Board at all times and in all situations.

The Chairman is responsible for establishing a strong relationship with the CEO so that they develop a shared context, agree on fundamental values and ethical standards, understand the accountabilities of their respective roles, and engage in productive discussions on issues.

In addition, the Chairman is responsible for developing and managing relationships among his colleagues on the Board, between the Chairman and his colleagues, between management and the Board, between the CEO and the Board and with the controlling Unitholder with the expectation that strong relationships, coupled with knowledge of the issues, can lead to better decision-making. The Chairman facilitates collaborative and constructive relationships between the Board and management creating a cooperative atmosphere where trustees are encouraged to openly discuss, debate and question matters presented to the Board and requiring their attention.

The Chairman's specific duties include setting the agenda for Board meetings in consultation with Committee Chairman and the CEO; working to ensure trustees are being provided with timely and relevant information required to make informed decisions and to permit the Committees and the Board to discharge its duties and responsibilities; fostering ethical and responsible decision making by the Board, Committees and individual trustees; and ensuring independent trustees meet in a separate *in camera* session at each Board meeting.

Additional information about the duties of the Chairman of the Board is available on CT REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* tab and then click on "*Board Committee Info*" under the "*Board of Trustees*" tab.

### Independence of the Board

The Board of Trustees is comprised of a majority of trustees who are independent, as that term is defined in the requirements and guidelines adopted by securities regulators in Canada (*CSA Rules and Guidelines*). The Board is led by an independent, non-executive Chairman and has appointed an independent Chairman of each of its Committees.

#### Criteria for assessing independence

Our assessment of whether a trustee is independent starts with the basic question as to whether there are any relationships that have been identified that could reasonably be expected to interfere with the exercise of the trustee's independent judgment. That analysis is augmented, where required, to ensure compliance with certain presumptive standards that are applicable, for example, to members of the Audit Committee.

By way of example, any trustee who is a member of management or who is a current or former executive officer of CTC is not considered to be independent. In the case of a commercial, charitable, industrial, banking, consulting, legal, accounting or other business relationship that may exist between the REIT and an entity of which the trustee serves as a trustee/director, executive officer, partner or managing director, or occupies a similar position, such relationship is generally considered to be one that could reasonably be expected to interfere with the exercise of the trustee's independent judgment if the aggregate annual billings from the entity to the REIT, or from the REIT to the entity, in the most recently completed fiscal year of that entity, exceeds a percentage of that entity's consolidated gross revenues, as determined by the Board. While this percentage is generally between 1% and 2%, the applicable threshold to be



used in each case is a matter of judgment and other relevant factors may be taken into consideration in determining whether the relationship is one that could reasonably be expected to interfere with the exercise of the trustee's independent judgment.

### **Determinations of independence**

When assessed against the above criteria, the GCN Committee determined that all of the trustees except Messrs. Silver, McCann and Wetmore are independent.

Mr. Silver is the CEO of the REIT and, as such, is not independent.

Mr. McCann is the Executive Vice-President and Chief Financial Officer of CTC and, therefore, is not independent.

Mr. Wetmore, the Non-Executive Deputy Chairman of the Board of CTC, was the Chief Executive Officer of CTC until December 1, 2014 and, as such, is not independent.

### **Independent Chairman of the Board**

Mr. Laidley is Chairman of the Board of Trustees and is an independent trustee. He is responsible for providing the necessary leadership to enable the effective performance of the Board.

### **Independence of Committees**

All members of the Audit Committee are independent. The Chairmen and a majority of the members of the GCN Committee and the Investment Committee are independent. All members of each Committee are residents of Canada.

None of the current members of any of the Committees, except for Ken Silver and Stephen Wetmore, is a current or former employee of CTC. Ken Silver ceased to be an employee of CTC on the closing of the IPO. Stephen Wetmore ceased to be an employee of CTC on December 31, 2014.

### **Other independence mechanisms**

The Board enhances independence by conducting *in camera* sessions without management present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Chairman of the Board and the Chairmen of the Committees, respectively. On occasion, special purpose Board and Committee meetings are convened at which sessions without management present are held as appropriate.

In addition, at each regularly scheduled Board meeting, the independent trustees meet with neither management nor the non-independent trustees present. On occasion, special purpose Board and Committee meetings are convened at which sessions without management and non-independent trustees present are held as appropriate.

## **Board Committees**

The Board has established three standing Committees:

- Audit Committee
- Governance, Compensation and Nominating Committee
- Investment Committee

The Board has delegated a number of its routine approval responsibilities to its Committees, as permitted by the Declaration of Trust, in order to enable the Board to operate more efficiently and permit it to spend more time on strategic issues. The Board has approved a charter for each Committee which reflects this delegation of authority. Each Committee is to review its charter and work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its charter. Any revisions to a charter are reviewed by the GCN Committee as required, but no less than once every three years, and recommended to the Board for approval. All matters approved by the Committees are reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee.

The Non-Executive Chairman of the Board is a member of the GCN Committee, which is comprised of representatives from the other Committees, and also attends all meetings of the Investment Committee. Every trustee may attend the meetings of a Committee either by invitation or at the discretion of the Chairman of such Committee.

The Board has approved a written charter for each Board Committee. These charters are available on the REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* tab and then click on "Board Committee Info" under the "Board of Trustees" tab.

## Changes to Our Board

The Declaration of Trust provides that the Board shall consist of a minimum of seven and a maximum of nine trustees, a majority of whom (including the Chairman) are independent under the CSA Rules and Guidelines and a majority of whom must be Canadian residents.

The Declaration of Trust grants CTC certain nomination rights in respect of nominating trustees for election to the Board which are more fully described under *About the Proposed Trustees* on page 8. At present, CTC has the right to nominate three trustees for election to the Board. CTC exercises its nomination rights by submitting its nominees to the GCN Committee which reviews such proposed nominations, together with the remaining trustee nominations solely determined by that Committee. Dean McCann, Ken Silver and Stephen Wetmore are CTC's three nominees.

The GCN Committee has the mandate to recommend to the Board qualified individuals as nominees for election as trustees to the Board by the Unitholders of the REIT at a meeting of Unitholders and for appointment by the Board to fill any vacancies on the Board if a trustee elected by the Unitholders ceases to be a trustee.

In guiding its Board renewal process, the GCN Committee is engaged in an ongoing evaluation of the changing skills and experience required by the REIT. It considers changes to the REIT's strategies, risks, current and anticipated priorities, succession planning for key Board positions and the composition of the Board. Based on its assessment of the existing strengths of the Board and the changing needs of the REIT, the GCN Committee determines the competencies, skills and personal qualities it should seek in new Board members.

The GCN Committee and the Chairman of the Board consult with their fellow trustees to identify appropriate potential candidates for the Board.

The GCN Committee reviews prospective nominees' qualifications under the Declaration of Trust, applicable laws, regulations and rules. Nominees are to be selected on a merit basis and for qualities such as integrity and ethics, business judgment, independence, business or professional expertise and experience, board experience and residency. The GCN Committee maintains a list of potential nominees for all trustees except the trustees nominated by CTC. The CEO is kept informed about all potential candidates.

CT REIT has not adopted a written policy relating to the identification and nomination of women trustees; instead it considers the level of representation of women on the Board as part of its assessment of the Board's strengths and the REIT's needs. CT REIT has not adopted a target regarding women on its Board because it believes a less formulaic approach to board composition, together with a rigorous search for qualified candidates, will best serve the REIT. Although the Board is conscious of diversity on its Board, including gender diversity, this factor alone is not determinative of the Board's selection process. There is currently one woman on the Board, representing 14% of the seven trustees on the Board.

CT REIT has not adopted a policy that would require a trustee to retire after a fixed period of tenure. It believes that its continual evaluation of the changing skills and experience that are required, together with its performance assessment process, facilitate appropriate Board renewal. In our view, the REIT's more fluid, needs focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescribed rules relating to tenure limits.

## Trustee Orientation and Continuing Education

To maintain reasonable assurance that every new trustee engages in a comprehensive orientation process and that all trustees are provided with continuing education opportunities, the GCN Committee will ensure that each new trustee has an orientation session and is provided with a comprehensive manual containing information on the REIT and the Board and such other written materials about the REIT as he or she may request. The GCN Committee makes available to every trustee the opportunity, at the REIT's expense:

- (a) to attend any conference, seminar, course or other educational experience which is intended to expand the trustees' knowledge, skills and abilities as trustees and ensure their knowledge and understanding of the real estate investment trust industry remains current and which is approved by the Chairman of the Board; and
- (b) to meet with the CEO and the Chief Financial Officer (*CFO*) of the REIT and employees of CTC who provide services to the REIT under the services agreement and/or the property management agreement for the purpose of discussing the nature and operation of the REIT's business and the services provided to support such business.

With respect to trustees' education generally, the Chairman of the Board both initiates educational opportunities and responds to requests for Board education from the Board members on an ongoing basis. He arranges for the provision



of educational presentations and materials, in response to those requests. In addition trustees receive a substantial amount of background information in the context of Board and Committee meetings that not only assists them in discussing the issues to be addressed and decisions to be made at such meetings, but also educates them on matters relevant to the REIT and its business. The Board also receives periodic updates as to significant developments that may impact the REIT.

In 2015 the Board held in-depth informational sessions, as part of the Board's regular meetings, on various topics, including the REIT's strategic plan and the risks and opportunities relative to the plan.

## **Board Assessments**

The performance and effectiveness of the Board, the Committees, the Chairman of the Board and individual trustees (including in their capacity as Committee members) are regularly assessed under the GCN Committee's oversight through processes that are intended to encourage candid and constructive commentary.

### **Assessment of the Board and Committees**

Assessments of the Board's performance as well as the Committees' performance are conducted concurrently every two years, alternating from the year in which the individual trustees' assessments (including in his or her capacity as a member of the Committees on which such trustee serves) are held. The performance of the Board and its Committees will be evaluated using an online assessment tool. Trustees will be asked to complete an online survey and rate the Board's performance based on criteria which address, among other things, the Board's composition and practices, relationship with management and oversight of the REIT's strategy, financial reporting and internal controls, CEO succession and performance. Trustees will also be asked to evaluate the performance and effectiveness of the Committees on which they serve based on criteria which address, among other things Committee composition, practices, relationship with the Board and management, and performance and fulfilment of the Committee's responsibilities under its charter.

A composite report of the results of the Board assessments will be reviewed by the GCN Committee and the Board, which will use the report to identify and remediate any aspects of the Board's performance which do not meet the Board's standards. The Committee Chairmen will review the results of their respective Committee assessments with their Committee members and report on those results to the GCN Committee. The Chairman of the GCN Committee will report to the Board on the results of all Committee assessments.

The first Board and Committee performance assessments are scheduled to take place later this year.

### **Assessment of Trustees**

Assessments of the performance of individual trustees (including in his or her capacity as a member of the Committees on which such trustee serves) are conducted every two years. The performance of the trustees is evaluated using an online assessment tool. Trustees are asked to complete an online survey and rate the performance of their fellow Board members (including in his or her capacity as a member of the Committees on which such trustee serves) based on criteria expected of an effective trustee and Committee member. A composite report of the individual trustee performance assessments is reviewed by the GCN Committee and the Board. In addition, the results are one of the factors taken into account by the GCN Committee and the Board when considering trustee candidates to be proposed for re-election to the Board, as well as in determining the membership of Committees.

In 2015, performance assessments of the individual trustees (including in his or her capacity as a member of the Committees on which such trustee serves) were conducted. The CEO and the Chairman of the Board were not evaluated as part of this assessment as they are evaluated under separate processes.

### **Assessment of the Chairman of the Board**

The performance of the Chairman of the Board is assessed annually and is evaluated using an online assessment tool. Trustees are asked to complete an online survey and rate the performance of the Chairman of the Board based on criteria which address, among other things, how well the Chairman has led the Board in fulfilling its charter, promotion, support and encouragement of the Board's standards and fulfillment of his duties as set out in the Chairman's position description. The results of the evaluation are reviewed by the Chairman of the GCN Committee with the Chairman of the Board, and are also discussed at meetings of the GCN Committee and the Board.

## Enterprise Risk Management

The Board oversees the development and implementation of the REIT's ERM program. The Board has identified eight principal risks. The REIT defines a principal risk as one that, alone or in combination with other interrelated risks, could have a significant adverse impact on the REIT's financial position, and/or ability to achieve its strategic objectives and has, in the absence of controls, a credible probability of occurring. The Board reviews reports from management on the principal risks associated with the REIT's business and operations approves policies that govern the principal risks of the REIT and reviews management's implementation of systems to mitigate and manage these risks and any material deficiencies in the operation of these systems. The Audit Committee is responsible for reporting to the Board on the effectiveness of the REIT's ERM program and receives, on a periodic basis, a report from management that considers the risk exposure associated with the principal risks.

In 2015, the REIT's ERM Program was further developed with the approval by the Board of the ERM policy, the review of the eight principal risks and enhanced risk related reporting.

More information on the REIT's ERM program is included in the REIT's Management's Discussion and Analysis for the year ended December 31, 2015 and *2015 AIF*, which are available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Code of Business Conduct

The Board has approved the REIT's Code of Business Conduct (*the Code*), a copy of which may be obtained without charge by contacting Kimberley M. Graham, General Counsel and Secretary at CT Real Estate Investment Trust, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8. The Code is also available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The Code contains an explanation of how the REIT monitors compliance with the Code.

Each trustee, officer and employee must acknowledge that they have read, understood and will commit to abide by the standards and expectations set out in the REIT's Code.

Each officer of the REIT is accountable for ensuring that the Code is implemented within the REIT and that all violations are reported in a manner consistent with the requirements of the Code. A business conduct compliance program has been established, which provides a compliance mechanism for the Code including:

- (a) the receipt, retention and handling of complaints and concerns received by the REIT regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

With the approval of the Board, management has established a Business Conduct Compliance Office which is responsible for managing the business conduct compliance program, including:

- (a) overseeing the receipt, retention, investigation and resolution of complaints and concerns related to breaches of the Code;
- (b) managing a business conduct hotline and web reporting service that is operated by a third party service provider; and
- (c) reporting to the Audit Committee on all reported violations of the REIT's Code of Business Conduct and their disposition, on a quarterly basis.

## Conflicts of Interest

If a trustee or an officer is a party to a material transaction or agreement or a proposed material transaction or agreement with the REIT, or, if the trustee or officer is a director/trustee or an officer of, or has a material interest in, any person who is a party to a material transaction or agreement or a proposed material transaction or agreement with the REIT, he or she is required to comply with the conflict of interest provisions of the Declaration of Trust, which require written disclosure to the REIT by the trustee or officer, or a request by the trustee or officer to have entered in the minutes of meetings of trustees the nature and extent of his or her interest. In addition, the Board is given an opportunity to discuss such agreements or transactions in the absence of the interested trustee. A trustee who has declared a conflict of interest cannot vote on the matter in which he or she has an interest.



## Additional Information

For information on the process by which the GCN Committee and the Board determine the compensation of the REIT's trustees, see *Trustee Compensation* on page 25 of this Management Information Circular.

The REIT's executive compensation program is overseen on behalf of the Board by the GCN Committee. For more information on the process by which the GCN Committee and the Board determine the compensation of the REIT's officers, see *Executive Compensation* on page 28 of this Management Information Circular.

The Board has approved written position descriptions for the Chairman of the Board and the Chairmen of the Board's Committees. These position descriptions are available on the REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* tab and then click on *Board Committee Info*. A written position description is also in place for the CEO, whose objectives are approved annually by the Board of Trustees and form part of the CEO's mandate on a year-to-year basis.

## COMMITTEE REPORTS

Each of our Board Committees has prepared a report that includes an overview of the work that the Committee does each year. The responsibilities of our Committees are also set out in their charters which are available on CT REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on "Board Committee Info" under the "About Us" tab.

Additional information about our Audit Committee as required by NI 52-110 is contained in the section entitled "Committees of the Board of Trustees – Audit Committee" of and Annex A to our 2015 AIF, which is available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### Audit Committee Report

The Declaration of Trust provides that the Audit Committee shall consist of at least three trustees, all of whom are to be independent and unaffiliated with CTC and financially literate within the meaning of NI 52-110. The Audit Committee consists of three trustees, all of whom are persons determined by the REIT to be both independent trustees and unaffiliated with CTC, and to be financially literate within the meaning of NI 52-110. All of the members of the Committee are residents of Canada.

The Audit Committee is comprised of Anna Martini, *Chairman*, David Laidley and John O'Bryan. The following report has been approved by the Chairman of the Audit Committee.



**Anna Martini**  
Chairman



**David Laidley**



**John O'Bryan**

### Responsibilities

Our Audit Committee oversees the REIT's quarterly and annual financial reporting and disclosure, risk management and compliance with applicable laws and regulations. As part of this process, the Committee reviews the external auditor's service plan and their performance, monitors the auditor's independence, approves non-audit services where appropriate and reviews the results of the external audit, including any internal control issues identified during the course of the audit. It also reviews the internal auditor's annual audit plan and the reports issued by the internal auditor during the year, as well as the adequacy and appropriateness of management's actions in response to internal audit reports. The Audit Committee also oversees CT REIT's ERM program, including the identification of principal risks, and reviews the REIT's risk management policies, management's reports on their assessment of these risks and management's plans and programs for mitigating them.

### 2015 Highlights

Highlights of work that the Committee did during 2015, in addition to its statutory and regulatory responsibilities for financial reporting and disclosures, its monitoring of the external and internal auditors and its governance of CT REIT's risk management, include:

- reviewing and recommending for approval by the Board, the REIT's ERM Policy;
- reviewing the principal risks and enhancements to quarterly enterprise risk reporting and monitoring of all principal risks;
- reviewing amendments to the Leverage and Liquidity Risk Management Policy;
- reviewing the REIT's Disclosure Corporate Operating Directive and Securities Trading and Reporting Corporate Operating Directive;
- reviewing reports on the CEO/CFO certification process to ensure it is operating effectively;
- reviewing reports on the REIT's compliance with its financial covenants and financial risk management policies;
- reviewing the REIT's base shelf prospectus and inaugural public debt issuance;
- reviewing CT REIT's increase in distributions;
- reviewing reports on tax compliance matters; and
- overseeing and participating in an annual review of the external auditor's performance.





## Auditor's Fees

The table below shows the fees that Deloitte received for services for the financial years ended and December 31, 2014 and December 31, 2015, respectively.

<b>Auditor's Fees</b>	<b>2014 (ended December 31, 2014)</b>	<b>2015 (ended December 31, 2015)</b>
Audit fees	\$385,200 <sup>(1)</sup>	\$395,900
Audit-related fees	\$128,400 <sup>(1)</sup>	\$ 96,300
Tax fees	\$ 0	\$ 0
All other fees	\$ 0	\$ 0
<b>Total</b>	<b>\$513,600</b>	<b>\$492,200</b>

(1) The 2014 fees have been restated to include a 7% administrative fee.

For more information about the fees paid to our Auditors, see page 60 of the 2015 AIF.



## Governance, Compensation and Nominating Committee Report

The Declaration of Trust provides that the GCN Committee shall consist of at least three trustees, a majority of whom are to be independent trustees and unaffiliated with CTC. The GCN Committee is comprised of four trustees, a majority of whom are persons determined by the REIT to be independent trustees and unaffiliated with CTC. All of the members are residents of Canada.

The following report has been approved by the members of the GCN Committee: Brent Hollister, *Chairman*, David Laidley, Anna Martini and Stephen Wetmore.



**Brent Hollister**  
Chairman



**David Laidley**



**Anna Martini**



**Stephen Wetmore**

### Responsibilities

Our GCN Committee oversees the REIT's executive compensation, including compensation design, plans, policies, procedures and practices. The Committee recommends to the Board the REIT's executive compensation philosophy, reviews the adequacy and competitiveness of the design of the REIT's compensation programs, recommends the CEO and CFO's performance objectives to the Board and recommends to the Board the form and amount of compensation for the CEO, CFO and the trustees. The Committee also oversees grants and payouts under the REIT's incentive plans as well as the adjudication of matters impacting the payouts under those plans.

The GCN Committee also oversees the REIT's approach to corporate governance in order to assist the Board in discharging its duties in an effective manner. The Committee reviews criteria for selecting new trustees, reviews the competencies and skills required in trustees and in the Board as a whole, maintains an evergreen list of prospective trustee nominees, recommends proposed trustees to the Board for approval as nominees, and recommends to the Board the appointment of the Chairman of the Board and the Chairmen and members of each of the Committees. The Committee recommends the criteria for evaluating the independence of trustees and assesses their independence against those criteria, recommends the process for assessing the performance of the Board, Committees, individual trustees (including in his or her capacity as a member of the Committees on which such trustee serves) and the Chairman of the Board, and reviews and recommends for approval the form and amount of the compensation for trustees and the Chairman of the Board. It evaluates the adequacy of Board and Committee charters, reviews and evaluates processes for trustees' orientation and education activities, and reviews the ongoing relationship between the Board and management. The Committee monitors developments and best practices with a view to continually improving the Board's corporate governance.

### 2015 Highlights

Highlights of work that the Committee did during 2015, in addition to its continuous review and assessment of the REIT's executive compensation programs and corporate governance policies and practices include:

- evaluating the skills and experience required by the REIT to guide its Board renewal process, succession planning for Board positions and composition of the Board;
- reviewing and recommending amendments to trustee compensation;
- reviewing the design and payout of the REIT's executive compensation programs; and
- reviewing and recommending to the Board the compensation discussion and analysis section and the governance portions of the REIT's Management Information Circular.



## Investment Committee Report

The Declaration of Trust provides that the Investment Committee shall consist of at least three trustees, a majority of whom are to be independent trustees and unaffiliated with CTC. The Investment Committee is comprised of three trustees, a majority of whom are persons determined by the REIT to be independent trustees and unaffiliated with CTC. All of the members are residents of Canada. The Investment Committee is comprised of John O'Bryan, *Chairman*, Brent Hollister and Ken Silver. The following report has been approved by the Chairman of the Committee, John O'Bryan.



**John O'Bryan**  
Chairman



**Brent Hollister**



**Ken Silver**

### Responsibilities

Our Investment Committee is charged with reviewing and recommending to the Board for approval investment policies, and monitoring the application of and compliance with such policies. The Committee is also responsible for monitoring the performance of the REIT's portfolio based on benchmarks adopted by the Committee. It reviews proposed acquisitions, dispositions or borrowings on behalf of the REIT and, if appropriate, recommends such acquisitions, dispositions or borrowings to the Board for approval.

### 2015 Highlights

Highlights of work that the Committee did during 2015, in addition to reviewing and recommending to the Board for approval a number of acquisitions, developments and intensifications, include:

- overseeing the REIT's compliance with the environmental management program;
- reviewing the REIT's investment and operating policies; and
- receiving reports on the performance of the REIT's portfolio.

## TRUSTEE COMPENSATION

CT REIT's trustee compensation program is designed to attract and retain qualified and committed trustees, appropriately reward them for their time commitment and contributions and align their interests with the objectives of CT REIT and its Unitholders.

The GCN Committee is responsible for monitoring, reviewing at least every two years and recommending to the Board of Trustees for approval, the form and amount of trustees' remuneration to ensure that it is commensurate with the responsibilities and risks assumed by trustees, reflects the time commitment required to serve on the Board, and is competitive with other real estate investment trusts which are comparable, in terms of size and complexity, to CT REIT.

### Trustee Fees

A trustee who is not an executive officer or employee of CT REIT or CTC is compensated for his or her services through a combination of retainers and attendance fees. Trustee compensation is paid in cash and/or DUs at the option of each trustee. Trustees are also reimbursed for travel and other expenses they incur to attend Board and Committee meetings.

The table below lists the fees our trustees (including the Chairman of the Board) were entitled to receive during 2015. The CEO and trustees who are employees or executive officers of CTC do not receive any of these fees.

Fees	Amount
<b>Annual Retainer</b>	
Chairman of the Board	\$90,000
Trustees	\$50,000
Audit Committee Chairman	\$15,000
GCN Committee Chairman	\$10,000
Investment Committee Chairman	\$10,000
<b>Meeting Fees<sup>(1)(2)</sup></b>	
Board Meeting	\$1,500
Audit Committee	\$1,750
Investment Committee and GCN Committee	\$1,500
<b>Travel Fee</b>	
When travel time for a round trip to attend meetings is more than four hours	\$1,500

#### Notes:

- Effective July 1, 2015, meeting fees are no longer payable to trustees who attend meetings of Committees of which they are not members.
- Trustees who participate in telephone meetings of less than 60 minutes will receive the following fees: Board meeting (\$750), Audit Committee meeting (\$875), GCN Committee meeting (\$750) and Investment Committee meeting (\$750).

### 2015 Trustee Compensation Review

In 2015, a market study was undertaken to assist the GCN Committee in a review of the REIT's trustee compensation framework to determine whether it remained competitive and continued to reflect the REIT's objectives. The GCN Committee reviewed publicly available information concerning compensation of trustees of real estate investment trusts within CT REIT's comparator group (see *Competitive Benchmarking* on page 30). Consistent with CT REIT's policy for determining executive compensation, the median compensation of a trustee of the comparator group was used as the benchmark. Following its assessment, the GCN Committee determined that CT REIT is positioned at market with respect to the compensation of board members and the chairman of the board, but is below market median with respect to the compensation of committee chairs. Based on the analysis conducted, the GCN Committee recommended an increase in the annual chair retainer to \$15,000 from \$12,500 for the Audit Committee, to \$10,000 from \$7,500 for the GCN Committee and to \$10,000 from \$5,000 for the Investment Committee.



## Deferred Unit Plan for Trustees

The Chairman of the Board and every other trustee who is not an employee or executive officer of CT REIT or CTC is eligible to participate in the DU Plan for Trustees pursuant to which the trustee may elect to receive all or part of his or her annual retainer, meeting fees and additional compensation (including travel fees), which are paid quarterly, in DUs. DUs are credited quarterly to each participating trustee's account. The number of DUs is calculated by dividing the cash amount the trustee elects to receive in DUs by the volume weighted average trading price of a Trust Unit on the TSX for the five trading days prior to the date on which the DUs are credited. Under the DU Plan for Trustees, additional DUs are automatically credited to a trustee's account when the REIT pays a distribution to Trust Unitholders, which is calculated by multiplying the number of DUs in the trustee's account on the record date for the payment of such distribution by the amount of the distribution, and dividing that amount by the volume weighted average trading price of a Trust Unit on the TSX for the five trading days prior to the date the distribution is paid.

The Board may, subject to receipt of regulatory approval, make certain amendments to the DU Plan for Trustees without Unitholder approval including but not limited to: amendments of a housekeeping nature; the addition of or a change to the vesting provisions of a DU or the DU Plan for Trustees; a change to the termination provisions of a DU or the DU Plan for Trustees; amendments to reflect changes to applicable securities laws; and amendments to ensure that the DUs granted under the DU Plan for Trustees will comply with any provisions respecting income tax and other applicable laws.

In the event a trustee ceases to be eligible to participate in the DU Plan for Trustees, he or she will receive Trust Units issued by the REIT for the number of DUs credited to his or her account, including any distributions paid by the REIT on the Trust Units that have accrued in the form of DUs or, at his or her election, the cash equivalent thereof. Trust Units (or where the trustee so elects, cash) will be issued to the former trustee, subject to any applicable statutory source deductions. DUs may not be assigned by a trustee.

## Trustees Unit Ownership Guidelines

Our Trustee Unit Ownership Guidelines are designed to ensure that trustees' interests are aligned with those of Unitholders, demonstrate that trustees are financially committed to the REIT through personal Trust Unit ownership and promote the REIT's commitment to sound corporate governance. Under the guidelines, each trustee (other than the CEO who is subject to our Executive Unit Ownership Guidelines set out on page 37 and trustees who are employees or executive officers of CTC) is required to accumulate at least three times the value of the annual trustee retainer, which currently equates to \$150,000, in Trust Units or DUs, or a combination thereof, by the fifth anniversary of becoming a trustee (see *About the Proposed Trustees* on pages 9 to 12 for information regarding the number of Trust Units and DUs held by each of the proposed trustees and the market value thereof). When the annual trustee retainer is increased, trustees who met the guideline on the fifth anniversary of becoming a trustee but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment. The amount of the required increase in investment is the difference between three times the new annual trustee retainer and the value of the trustee's holdings as at the fifth anniversary of becoming a trustee, which amount must be invested by the date that is two years after the effective date of the increase.

A trustee who does not meet the required investment under the Trustee Unit Ownership Guidelines upon his or her election or appointment to the Board is required to receive at least 50% of the annual trustee retainer in DUs or to purchase Trust Units equal in value to at least 50% of the annual trustee retainer, at his or her discretion. If a trustee has accumulated the required investment amount under the Trustee Unit Ownership Guidelines, he or she will receive the entire annual trustee retainer in cash or DUs, or any combination thereof, as specified by the trustee.

## Trustees' Hedging Policy

Under the Trustee Unit Ownership Guidelines, trustees are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by trustees.

## 2015 Trustee Compensation Table

The following table sets out the compensation that was paid by CT REIT to trustees (other than trustees who are employees or executive officers of the REIT or CTC) during the year ended December 31, 2015 under the compensation arrangements described above. The table also shows a breakdown of the 2015 "Fees Earned" as between amounts paid in cash and/or DUs. Some trustees elected to receive all or a portion of their cash compensation in DUs. Messrs. McCann and Silver did not receive any compensation for serving as trustees of the REIT. Mr. Silver's compensation for serving as CEO is included in the *Summary Compensation Table* on page 39.

Name	Fees Earned <sup>(1)</sup> (\$)	All Other Compensation (\$)	Total (\$)	Allocation of Fees Earned	
				Amount of Fees paid in Cash (\$)	Amount of Fees received in DUs (\$)
Brent Hollister	\$ 83,375	-	\$ 83,375	\$58,375	\$ 25,000
David Laidley	\$115,750	-	\$115,750	-	\$115,750
Anna Martini	\$ 87,375	-	\$ 87,375	-	\$ 87,375
John O'Bryan	\$ 82,000	-	\$ 82,000	\$82,000	-
Stephen Wetmore	\$ 47,250	-	\$ 47,250	\$47,250	-
<b>Total</b>			\$415,750		

**Note:**

1. This column includes the aggregate annual retainers and meeting fees which trustees received in cash and/or DUs.



## EXECUTIVE COMPENSATION

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## Compensation Discussion and Analysis

The GCN Committee and the Board are committed to ensuring that our compensation philosophy, plans and programs are appropriate, support our ability to achieve our strategic objectives and are effective in attracting, retaining and motivating a skilled team of executives to maximize Unitholder value. We are committed to ensuring that our approach to compensation is explained fully and clearly. The Executive Compensation section in this Management Information Circular provides details of our compensation plans and the processes and decisions that underlie them.

### Introduction

The following Compensation Discussion and Analysis (*CD&A*) is intended to provide CT REIT's Unitholders with a description of the processes and decisions involved in the design, oversight and payout of the REIT's compensation programs for our named executive officers (*NEOs*) for the 2015 financial year. In this *CD&A* we also refer to the NEOs as *Executives*.

The NEOs during fiscal 2015 were as follows:

- Ken Silver, CEO
- Louis Forbes, CFO

Messrs. Silver and Forbes are presently the only REIT Executives.

### Executive Compensation Philosophy

The objective of CT REIT's executive compensation program is to attract, motivate and retain an outstanding leadership team as well as to align rewards with business results and individual performance. The REIT's approach is to encourage management to make decisions and take actions that will create long-term sustainable growth resulting in long-term Unitholder value.

The executive compensation program is based on the following principles:

- compensation should be guided by a pay for performance philosophy;
- compensation must be market competitive to attract and retain the leadership talent required to drive business results;
- compensation must incorporate an appropriate balance of short and long-term rewards;
- compensation must foster an environment of accountability and teamwork;
- incentive programs must align Executives with the goals and objectives of CT REIT and its Unitholders;
- compensation programs must not encourage Executives to take undue or excessive risks or permit inappropriate rewards; and
- all NEOs must have a significant personal stake in the REIT's success through Trust Unit ownership.

The determination of total compensation for each NEO is based on their level of job responsibility, performance of the REIT, individual experience and performance and market practice. Total compensation is comprised of both fixed and variable elements. The fixed elements include base salary, benefits and perquisites. There is no pension plan for Executives.

The variable elements of total compensation consist of a short-term incentive plan (*STIP*) and a long-term incentive plan (*LTIP*), comprised entirely of performance units (*PU*s). A significant portion (i.e., between 54% and 60%) of the total compensation paid to NEOs at target is contingent upon financial and Trust Unit price performance.

### Governance, Compensation and Nominating Committee Composition and Mandate

The GCN Committee, together with the Board, reviews the design and payout of CT REIT's executive compensation programs on an annual basis. As part of this review, the GCN Committee evaluates individual executive compensation, including annual base salary, short and long-term incentive plan designs and payouts for REIT Executives. The GCN Committee believes that this review process allows for a thorough assessment of the executive compensation programs' alignment with plan objectives and market practices. In addition, the GCN Committee is responsible for the oversight of executive succession planning.

The current members of the GCN Committee are set out below together with a description of the experience of each member that is relevant to the performance of his or her responsibilities. The Board believes that the GCN Committee collectively has the knowledge, experience and background required to fulfill its mandate.



**Brent Hollister**

Mr. Hollister's experience that is relevant to his responsibilities in compensation matters includes his former role as President and Chief Executive Officer for Sears Canada, during which he oversaw the design and implementation of total compensation and benefit programs for the multi-channel retailer. Mr. Hollister also served on the Board of Trustees of Primaris Retail REIT from 2009 to 2013 and was a member of its Compensation Committee.

**David Laidley**

Mr. Laidley's experience that is relevant to his responsibilities in compensation matters includes his role as Chairman of Deloitte from 2000 to 2006. In addition, he currently sits on the Governance Committee of Aimia Inc. and the Compensation Committee of EMCOR Group Inc.

**Anna Martini**

Ms. Martini's experience that is relevant to her responsibilities in compensation matters includes her role as President of Group Dynamite Inc. She currently serves on the board of Transcontinental Inc. where she is a member of the Human Resources and Compensation Committee. Ms. Martini also served as a member of the Human Resources and Compensation Committee of Velan Inc. from 2008 to 2013.

**Stephen Wetmore**

Mr. Wetmore's experience that is relevant to his responsibilities in compensation matters includes his former roles as President and Chief Executive Officer for CTC. Mr. Wetmore is currently the Non-Executive Deputy Chairman of the Board of CTC and previously served as President and Chief Executive Officer of Bell Aliant Regional Communications Income Fund, now Bell Alliant, a subsidiary of BCE Inc. As an experienced executive, Mr. Wetmore has successfully led a number of public companies and has extensive experience in corporate governance.

**Role of Management in Compensation Decisions**

Pursuant to the services agreement between CTC and CT REIT, the Senior Vice-President, Human Resources for CTC assists the CEO in developing and presenting to the GCN Committee recommendations and supporting material and analysis pertaining to the compensation of the Executives. In addition, she works with the Chairman of the GCN Committee to plan the GCN Committee meeting agendas and prepare presentations for meetings of the GCN Committee. From time to time, management retains external consultants to provide advice on executive compensation.

The CEO is invited to attend all regular meetings of the GCN Committee and participates in making recommendations regarding compensation decisions, except as such recommendations relate specifically to his own compensation.

At least one *in camera* session, during which management is not in attendance, is held during each regular GCN Committee meeting.

**Independent Compensation Advisors**

The GCN Committee has authority to engage an independent compensation consultant to provide independent advice, compensation analysis and other information to support the GCN Committee. To date, the GCN Committee has not retained an independent consultant or advisor to assist them in determining compensation for any of the Executives of CT REIT.

**Competitive Benchmarking**

In order to attract and retain the leadership talent required to achieve its goals, CT REIT needs to ensure that its executive compensation programs are competitive. Market practices help to define the total compensation mix, as well as the range of pay opportunity for our Executives and are based on information about the companies in the benchmarking peer group with which CT REIT would compete for talent.

The group of real estate investment trusts against which CT REIT benchmarked executive compensation in 2015 is listed in the table below. The list includes Canadian real estate investment trusts that are comparable in terms of size and complexity to CT REIT. The real estate investment trusts within CT REIT's peer group includes 11 of the 15 real estate investment trusts within the TSX Capped REIT Index and other real estate investment trusts that are similar in respect of structure and complexity, and with assets generally between one-third to three times that of CT REIT. The peer group was revised in 2015 to exclude H&R REIT and RioCan REIT and include First Capital Reality Inc.





By ensuring comparable executive compensation programs and compensation levels to these real estate investment trusts, CT REIT is well positioned to attract and retain the leadership talent required to achieve its goals.

Benchmarking Peer Group	
Allied Properties REIT	Crombie REIT
Artis REIT	Dream Office REIT
Boardwalk REIT	First Capital Realty Inc.
Canadian Apartment Properties Real Estate Investment Trust	Granite REIT
Canadian Real Estate Investment Trust	Morguard REIT
Chartwell Retirement Residences REIT	Northview Apartment REIT <sup>(1)</sup>
Choice Properties REIT	SmartREIT <sup>(2)</sup>
Cominar REIT	

#### Notes

1. Formerly Northern Property REIT.
2. Formerly Calloway REIT.

CT REIT considers median compensation levels of base salary, short-term incentive, long-term incentive and total remuneration when assessing the compensation levels for Executives in comparable roles in the peer group. However, the GCN Committee also takes into account other considerations such as level of responsibility, experience, expertise, performance, potential and achievement of business objectives in determining the individual compensation decisions for the REIT's Executives.

### Relationship of Executive Compensation to Risk

CT REIT has designed its executive compensation programs to provide an appropriate balance of risk and reward in relation to its overall business strategy. The REIT also has in place several policies and practices which are designed to mitigate risk, including incentive plans which have been designed to focus on the long-term, an incentive clawback provision related to the REIT's short-term and long-term compensation program (for more information see *Short-Term Incentive Plan* on page 33 and *Long-Term Incentive Plan* on page 35) and a prohibition against the hedging of changes in the value of CT REIT's securities (for more information see *Executive Unit Ownership Guidelines* on page 37). These policies are applicable to the REIT's Executives.

In addition, the plan designs of CT REIT's executive compensation programs incorporate safeguards that are intended to limit CT REIT's risk exposure. These risk mitigation practices include, but are not limited to, the following:

- ensuring compensation plans, programs and policies for Executives are aligned to the achievement of the REIT's strategic objectives;
- ensuring both short and long-term incentive plans incorporate capped or maximum payout levels;
- ensuring that the STIP is linked to the profitability of CT REIT, including a threshold level of financial performance that must be achieved before any STIP awards are paid out;
- regularly conducting a market compensation review to ensure the plans continue to be competitive and appropriate;
- providing guidelines for Executives that require a minimum level of Trust Unit ownership, including a provision restricting executive participation in hedging-related activities; and
- requiring the review and approval by the GCN Committee of all STIP adjudication items.

The GCN Committee reviews each incentive compensation plan and has the discretion to recommend to the Board adjustments to individual incentive awards, as appropriate.

## CT REIT's Executive Compensation Programs

The components of executive compensation are comprised principally of base salary, short-term incentives and long-term incentives (in the form of PUs) as described in the table below. Benefits and perquisites comprise a relatively small part of a NEO's total annual compensation.

Compensation Component	Objective	Form
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>Provide fixed compensation that reflects the skills and experience of the Executive and that is relative to the market value of the role.</li> </ul>	Cash
<b>Short-Term Incentive Plan</b>	<ul style="list-style-type: none"> <li>Reward Executives for their contribution to the achievement of annual objectives and financial performance in furtherance of the REIT's strategy.</li> </ul>	Cash <sup>(1)</sup>
<b>Long-Term Incentive Plan</b>	<ul style="list-style-type: none"> <li>Align the interests of Executives with the achievement of CT REIT's long-term business objectives as well as with the interests of Unitholders.</li> <li>Reward Executives for achieving financial targets and increasing Unitholder value over a three-year period.</li> </ul>	Performance Units
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Promote general wellness and preventative care.</li> </ul>	Health and dental insurance Group life and accidental death and dismemberment insurance Short-term disability insurance Employee-paid long-term disability insurance
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>Provide market competitive perquisites to Executives.</li> </ul>	Annual car allowance Paid parking Annual medical assessment Annual financial planning allowance

### Note

1. CT REIT has a Restricted Unit Plan pursuant to which Executives may elect to receive all or part of their STIP awards in Restricted Units. For more information see *Restricted Unit Plan for Executives* on page 36.

The compensation mix varies by level to reflect both market practice and the impact of senior roles on the overall performance of CT REIT. The base salary portion of executive compensation is fixed, while the short-term and long-term incentive portions are performance-based. CT REIT sets its compensation mix to reflect, generally, that of its peer group.

The target pay mix of the primary compensation components for the NEOs is shown in the following table:

NEO	Percentage of Target Total Direct Compensation <sup>(1)</sup>			Percentage of pay at risk
	Base Salary	Short-term incentive	Long-term incentive	
	Fixed	Variable		
Ken Silver	39%	28%	33%	61%
Louis Forbes	46%	28%	26%	54%

**Note**

1. Target total direct compensation and related targets are based on positions held by NEOs as at December 31, 2015. Percentages have been rounded to the nearest whole number.

The following sections provide an overview of the executive compensation programs listed on page 32 as well as the individual compensation decisions for the 2015 financial year.

**A. Base Salary**

The overall objective of base salaries paid to the REIT's Executives is to provide fixed compensation that reflects the skills and experience that each Executive must possess to make meaningful contributions to the REIT.

Base salaries are reviewed on an annual basis by the GCN Committee to ensure salaries appropriately recognize an Executive's level of responsibility, experience, expertise and performance. The GCN Committee's annual review of each Executive's base salary takes the following into consideration:

- the Executive's experience, knowledge, performance and potential; and
- total compensation for each Executive.

As appropriate, the GCN Committee also considers the REIT's risk profile, such as the volatility of the industry sector, diversity of Unitholder ownership, or other such factors, in determining the overall salary positioning.

The GCN Committee then considers the Executive's salary positioning relative to the market value for the role, in conjunction with the Executive's level of experience and performance, to determine whether to recommend a salary increase to the Board.

In 2015, the GCN Committee conducted a market review of base salaries and, consistent with the approach for assessing salary increases outlined above, recommended a base salary increase for the CEO of 4.3% to \$600,000 and a base salary increase for the CFO of 2.5% to \$410,000. These recommendations were approved by the Board, and became effective as of October 1, 2015.

**B. Short-Term Incentive Plan**

The objective of the STIP is to motivate and reward Executives to achieve the REIT's annual business objectives. Each year the GCN Committee reviews, and recommends to the Board, the REIT's STIP design for Executives, any related performance measures, weightings and targets, and individual performance goals.

STIP targets are expressed as a percentage of base salary and are determined for each Executive based on competitive market practice for comparable roles. The STIP target is the award that is earned for achieving target levels of both individual and REIT performance. The STIP targets for Executives are at 70% of base salary for the CEO and 60% of base salary for the CFO.

The STIP design incorporates an assessment of both individual and REIT performance metrics in determining the final STIP award. Individual performance is assessed through the achievement of annual objectives and REIT performance is based on the achievement of Adjusted Funds from Operations (*AFFO*) per Unit compared to the 2015 business plan (*the Plan*). For further disclosure concerning how we calculate *AFFO* please refer to our most recent Management's Discussion and Analysis available on SEDAR at [www.sedar.com](http://www.sedar.com). At the end of the fiscal year, management reviews the REIT's financial results and presents all matters that were not part of the business plan and that required interpretation or adjudication to the GCN Committee for review and determination of the appropriate treatment of those matters. By embedding the achievement of planned *AFFO* per Unit in the STIP design, CT REIT aligns the interest of Executives with Unitholders' interest in sustainable long-term growth of the Unit price.



The actual payout percentage for the REIT performance component of the STIP design (*REIT Component Payout Percentage*) is based on the degree of achievement of AFFO per Unit versus Plan, as follows:

- The target is set at 100% of planned AFFO per Unit. If the target is achieved the REIT Component Payout Percentage would be 100%.
- The lower shoulder is the minimum level of AFFO per Unit at which a threshold REIT Component Payout Percentage is determined. The lower shoulder is 95% of target. If this lower shoulder is achieved the REIT Component Payout Percentage would be 35%. No STIP award is payable to any Executive if AFFO per Unit is below this lower shoulder.
- The upper shoulder is the level of AFFO per Unit at which a maximum REIT Component Payout Percentage is determined. The upper shoulder is 105% of target. If this upper shoulder is achieved the REIT Component Payout Percentage would be 175%. Results of AFFO per Unit above 105% will be capped at the maximum REIT Component Payout Percentage of 175%.

For AFFO per Unit results that fall between minimum and target, or between target and maximum, a linear calculation is used to determine the actual REIT Component Payout Percentage. The following table summarizes the calculation of the REIT Component Payout Percentage for the 2015 STIP:

2015 Business Plan: AFFO per Unit			Actual AFFO per Unit <sup>(1)</sup>	Actual AFFO per Unit as a % of Target	2015 REIT Component Payout Percentage <sup>(2)</sup>
Threshold (95% of Target)	Target	Maximum (105% of Target)			
(equates to a 35% multiplier)	(equates to a 100% multiplier)	(equates to a 175% multiplier)			
\$0.74765	\$0.78700	\$0.82635	\$0.80366	102.12%	131.75%

**Notes**

1. For STIP purposes, "Actual AFFO per Unit" means AFFO per Unit as reviewed and adjudicated by the GCN Committee.
2. The REIT Component Payout Percentage of 131.75% is established using a linear algebraic formula based on Actual AFFO per Unit as a percentage of Target (102.12%) and the payout shoulders of 35% and 175%.

In addition, Executives are required to have an objective related to AFFO in their annual individual objectives against which individual performance will be assessed.

The table below provides details on each NEO's individual objectives and actual performance.

NEO	Individual Objectives	Individual Multiplier
<b>Ken Silver</b> CEO	<ul style="list-style-type: none"> <li>• Drive financial performance in line with annual business plan, including the achievement of AFFO</li> <li>• Execute 2015 funding strategy</li> <li>• Update REIT longer term growth strategy</li> <li>• Grow and enhance relationships with key internal and external stakeholders</li> </ul>	100%
<b>Louis Forbes</b> CFO	<ul style="list-style-type: none"> <li>• Drive financial performance in line with annual business plan, including the achievement of AFFO</li> <li>• Execute 2015 funding strategy</li> <li>• Update REIT longer term growth strategy</li> <li>• Grow and enhance relationships with key internal and external stakeholders</li> </ul>	100%

The table below provides details on each NEO's actual STIP award, as well as a percentage of eligible earnings and as a percentage of target.

NEO	Target Award (%)	REIT Component Payout Percentage	Individual Multiplier (%)	Actual STIP Award <sup>(1)</sup> (\$)	STIP Award (% of eligible earnings)	STIP Award (% of target)
Ken Silver	70%	131.75%	100%	\$515,856	91%	129%
Louis Forbes	60%	131.75%	100%	\$305,989	78%	129%

**Note**

1. Actual STIP awards reflect matters adjudicated by the GCN Committee.

The REIT has established a Restricted Unit Plan for Executives (*RU Plan for Executives*) pursuant to which Executives may elect to receive all or part of their annual STIP awards in Restricted Units (*RUs*) in order to allow them to participate in the long-term success of the REIT and to promote a greater alignment of interests between Executives and Unitholders. For more information see *Restricted Unit Plan for Executives* and *Executive Unit Ownership Guidelines* on pages 36 and 37, respectively.

CT REIT has a clawback provision applicable to all Executives which provides that in the event of a restatement of the REIT's financial statements for any reason the Board may, in its discretion, adjust or require repayment under the STIP using the restated financial statements. This policy is applicable to any STIP awards impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurs within three years of the payment.

**C. Long-Term Incentive Plan**

The primary objective of CT REIT's LTIP is to align the interests of Executives with the achievement of the REIT's long-term business objectives and with the interests of Unitholders.

The GCN Committee annually reviews and recommends to the Board the target LTIP award for each Executive and any associated performance conditions (for example, performance levels that must be achieved in order for the award to result in a payment).

The target LTIP award for each Executive is generally expressed as a percentage of base salary and is determined for each Executive based on competitive market practice for comparable roles. The LTIP targets for Executives are 85% of base salary for the CEO and 55% of base salary for the CFO. LTIP awards are comprised entirely of PUs which are governed by the terms of a performance unit plan (*PU Plan*) described below.

Executives received LTIP grants in 2015 which consisted of 50,004 PUs for Mr. Silver and 22,508 PUs for Mr. Forbes. These awards were granted above target levels to reflect the significant efforts and commitment required from the Executives relating to the first full year of the REIT's operations.

**Performance Unit Plan**

PUs are awarded to Executives by the Board upon the recommendation of the GCN Committee. Provided performance conditions are met, each PU awarded entitles the Executive to a cash payment equal to the weighted average trading price of a Trust Unit during the 10-calendar day period that commences on the first business day following the end of the performance period. The performance period of each PU is approximately three years from the date of issuance. PU awards are generally paid to Executives no later than 90 days after the end of the performance period.



The 2015 PUs are subject to a multiplier, applied at the end of the three-year performance period, based on the three-year average REIT Component Payout Percentage. The multiplier is calculated on a linear basis as follows:

	<b>Below Threshold</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>
Three-year average REIT Component Payout Percentage (2015-2017)	<50%	50%	100%	>=150%
Performance Multiplier	0%	35%	100%	175%

PU grants are subject to a clawback provision which provides that, in the event of a restatement of CT REIT's financial statements for any reason, the Board may, in its discretion, adjust the payments under the PU Plan using the restated financial statements. This policy applies to any PU payment impacted by a restatement in circumstances where the payment has not yet been made or where the restatement occurs within three years of the payment.

The PU Plan also contains provisions regarding the payment of PU awards in the event of an Executive's termination of employment. In the event an Executive ceases to be an employee of the REIT due to death or disability, resignation after age 60 with at least 10 years of continuous service with the REIT or CTC, or other circumstances as set out in the Executive's employment agreement (such as termination of employment without cause in the case of Messrs. Silver and Forbes), the Executive is entitled to receive payment in respect of his PUs calculated as if the Executive had been an active employee during the entire performance period.

In the event an Executive's termination is triggered by a change of control of the REIT prior to the end of the performance period, the amount payable to the Executive is reduced to the period of active employment within the expected performance period and the PUs are subject to a modified multiplier, generally based on the REIT Component Payout Percentages for the completed fiscal years during the performance period, to a maximum multiplier of 1.0.

If an Executive resigns (other than in circumstances described above) or is terminated with cause from the REIT, all outstanding PUs are forfeited.

The PU Plan also contains customary provisions in respect of adjustments to or reorganization of the capital structure of CT REIT. PUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

#### **D. Restricted Unit Plan for Executives**

CT REIT offers the RU Plan for Executives pursuant to which an Executive may elect to receive all or a portion of their annual STIP award for any fiscal year in the form of RUs in order to allow them to participate in the long-term success of the REIT and to promote a greater alignment of interests between Executives and Unitholders. RUs may also be granted in order to attract or retain talented individuals in executive positions or to provide additional rewards to Executives for services performed.

RUs represent a right to receive the value of the RUs in Trust Units, or at the election of the Executive, an equivalent amount of cash following the end of the applicable vesting period which is up to five years in length. The number of RUs granted to an Executive is calculated by dividing, in the case of a STIP award, the amount of the STIP award the Executive has elected to receive in RUs by the volume weighted average trading price of a Trust Unit on the TSX for the five trading days immediately prior to the tenth business day following the release of CT REIT's financial statements for the year in respect of which the STIP award is earned and, in the case of a grant of RUs, the cash value of the RU award by the volume weighted average trading price of Trust Units on the TSX for the five trading days prior to the grant date. Additional RUs are credited to an Executive's RU account when the REIT pays a distribution to holders of Trust Units, the number of which is determined by multiplying the number of RUs in the Executive's account on the record date for the payment of such distribution by the amount of the distribution and dividing that amount by the volume weighted average trading price of the Trust Unit on the TSX for the five trading days prior to the day the distribution is paid.

The Board may, subject to receipt of regulatory approval, make certain amendments to the RU Plan for Executives without Unitholder approval including, but not limited to: amendments of a housekeeping nature; the addition of or a change to the vesting provisions of an RU or the RU Plan for Executives; a change to the termination provisions of an RU or the RU Plan for Executives; amendments to reflect changes to applicable securities laws; and, amendments to ensure that the RUs granted under the RU Plan for Executives will comply with any provisions respecting income tax and other applicable laws.

An Executive who has elected to receive all or a portion of his or her STIP award in RUs may change or revoke his or her election, provided that such change or revocation will be effective with respect to STIP awards for fiscal years commencing after the change or revocation is filed with the Trust.

Following the end of the applicable vesting period, or the earlier of the Executive's resignation or termination of employment without cause, the Executive receives Trust Units issued by, or, at his or her option, an equivalent amount of cash from, CT REIT for the number of RUs credited to his or her account, including any distributions paid by the REIT that have accrued in the form of RUs.

The RU Plan for Executives also contains customary provisions in respect of adjustments to or reorganization of the capital structure of CT REIT. The RUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

The maximum number of Trust Units issuable pursuant to the DU Plan for Trustees (described under *Deferred Unit Plan for Trustees* on page 26) and RU Plan for Executives will, in the aggregate, not exceed 8,781,048 or approximately 5% of the issued and outstanding Units.

#### **E. Other Benefits**

CT REIT provides Executives with health benefits which are designed to promote general wellness and preventative care. These benefits include medical and dental insurance, group life and accidental death and dismemberment insurance, short-term disability insurance and employee-paid long-term disability insurance. Participation in CTC's employee store discount program is also provided.

#### **F. Perquisites**

CT REIT takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with the following perquisites: annual car allowance, paid parking, annual medical assessment, and annual financial planning allowance, intended to reinforce individual accountability for personal financial planning, as CT REIT does not offer retirement and pension plans.

#### **Executive Unit Ownership Guidelines**

CT REIT has Executive Unit Ownership Guidelines (*UOGs*) that set out minimum levels of investment in the REIT. UOGs are designed to align the interests of Executives with the interests of Unitholders, demonstrate that Executives are financially committed to the REIT through personal Trust Unit ownership and promote CT REIT's commitment to sound corporate governance.

Each Executive is required to accumulate, at minimum, an amount that is equal to a multiple of his or her annual base salary as set out below in Trust Units and/or RUs, within five years of appointment:

<b>NEO</b>	<b>Multiple of Annual Salary</b>
Ken Silver	2x
Louis Forbes	1x

Achievement of the UOGs is calculated using the greater of book value or market value, where market value is calculated based on the closing Trust Unit price as reported on the TSX on the last business day of the calendar quarter prior to the fifth anniversary of the NEO's appointment as an Executive.

If an Executive is promoted to an executive level with a higher multiple, the Executive is required to accumulate the new UOG requirement within five years from the effective date of the promotion. Notwithstanding the Executive's promotion, the Executive would continue to accumulate his or her UOG requirement that was in effect immediately prior to the effective date of the promotion by his or her original UOG achievement date.

The UOG policy provides that in circumstances where an Executive has not achieved their UOG investment by the required date, the GCN Committee may recommend remedial action, including converting the after-tax value of the Executive's future STIP awards into RUs or withholding future LTIP awards, until such time as the Executive has achieved his or her UOG requirement.



Executives are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by Executives.

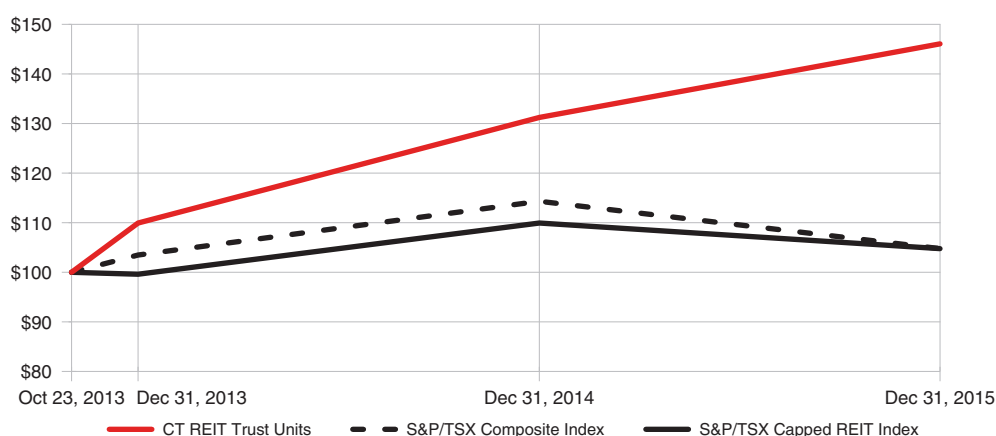
Each year, management reviews and reports on each Executive's level of UOG investment to the GCN Committee. As of the date hereof, Messrs. Silver and Forbes have met their required investment under the UOGs.

As of March 8, 2016 the aggregate combined beneficial ownership, on a fully-diluted basis, of Trust Units of Executives and trustees, as a percentage of Units outstanding, is 0.2%.

## CT REIT Performance Graph

The following chart compares the cumulative Unitholder return on CT REIT's Units to the S&P TSX Composite Index and the S&P TSX Capped REIT Index assuming \$100 was invested on the first day of CT REIT's operations, October 23, 2013, and distributions were reinvested.

Over this period, CT REIT's cumulative total Unitholder return was 46% while total return for the S&P TSX Composite Index was 5% and the S&P TSX Capped REIT Index was 5%. Total compensation for NEOs increased by 6% from 2014 to 2015 (the first two full years of operations) and the cumulative total Unitholder return in 2015 was 11%.



### Total Unitholder Return on \$100 investment:

Date	CT REIT Trust Units	S&P/TSX Composite Index	S&P/TSX Capped REIT Index
October 23, 2013	\$100.00	\$100.00	\$100.00
December 31, 2013	\$109.92	\$103.44	\$99.61
December 31, 2014	\$131.23	\$114.35	\$109.93
December 31, 2015	\$146.02	\$104.84	\$104.82



## 2015 Compensation Tables

### Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of CT REIT's most recently completed financial year, which ended on December 31, 2015, as well as financial years 2013 and 2014, in accordance with the Canadian Securities Administrators requirements. As the REIT commenced operations on October 23, 2013, values for 2013 represent compensation earned or paid during this shorter fiscal year.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share-based awards <sup>(1)</sup> (\$) (d)	Option-based awards <sup>(2)</sup> (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value <sup>(5)</sup> (\$) (g)	All other compensation <sup>(6)</sup> (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans <sup>(3)</sup> (f1)	Long-term incentive plans <sup>(4)</sup> (f2)			
<b>Ken Silver</b> CEO	2015	583,558	659,803	–	515,856	–	–	–	1,759,217
	2014	518,173	425,000	–	666,549	–	–	–	1,609,722
	2013	94,231	250,000	–	74,712	–	–	–	418,943
<b>Louis Forbes</b> CFO	2015	404,077	296,993	–	305,989	–	–	–	1,007,059
	2014	381,058	206,250	–	420,446	–	–	–	1,007,754
	2013	70,673	–	–	48,029	–	–	–	118,702

#### Notes

1. The value in this column (d) in 2015 is based on the weighted average trading price of a Trust Unit during the 10 calendar day period immediately preceding the date on which the grants were approved. For 2014 and 2013, the values are based on the Trust Unit price of \$10.00 at the time of the IPO.
2. CT REIT does not have any option-based plans.
3. This column (f1) discloses the amount earned under the STIP in the applicable financial year. For the 2015 financial year, Mr. Silver elected to receive 50% of his 2015 STIP award in RUs. For the 2014 financial year, Mr. Forbes elected to receive 40% of his 2014 STIP award in RUs.
4. CT REIT does not have any long-term non-equity incentive plans.
5. CT REIT does not have a pension plan.
6. The value of perquisites for the NEOs did not exceed \$50,000 in aggregate, or 10% or more of the NEO's salary, and is therefore not included in this column.

### Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at December 31, 2015.

Name (a)	Option-based awards <sup>(1)</sup>				Share-based awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of shares that have not vested <sup>(2)</sup> (#) (f)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
<b>Ken Silver</b> CEO	–	–	–	–	120,585	1,567,611	–
<b>Louis Forbes</b> CFO	–	–	–	–	43,133	560,729	–

#### Notes

1. CT REIT does not have any option-based plans.
2. This column contains the number of unvested PUs and RUs held by the NEOs on December 31, 2015, including distribution equivalents received on RUs. This column does not include any RUs that NEOs elected to receive as part of their STIP awards.
3. This column contains the value of unvested PUs and RUs held by the NEOs as at December 31, 2015, as shown in column (f), using the closing Trust Unit price of \$13.00 on such date assuming a performance multiplier equal to 1.0. Upon vesting, the multiplier may range from 0 to 1.75.



## Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended December 31, 2015.

Name (a)	Option-based awards - Value vested during the year (\$) (b)	Share-based awards - Value vested during the year (\$) (c)	Non-equity incentive plan compensation - Value earned during the year <sup>(1)</sup> (\$) (d)
Ken Silver	—	—	\$515,856
Louis Forbes	—	—	\$305,989

### Note

1. This column includes the amount of the 2015 STIP award, which is also included in the Summary Compensation Table on page 39.

## Employment Agreements and Post-Employment Benefits

### CEO Employment Agreement

An employment agreement was established with Mr. Silver in connection with his appointment as CEO effective October 23, 2013. The key terms of the agreement (other than with respect to post-employment benefits) are as follows:

<b>STIP</b>	Mr. Silver's annual STIP target award is 70% of his base salary if target levels of individual and REIT performance established by the Board for the CEO are met, and up to 200% of the target award if such target levels are exceeded by established amounts, subject to the terms of the STIP.
<b>RU Plan for Executives</b>	Mr. Silver may elect annually to defer all or a portion of his STIP award and direct that it be credited in RUs governed by the RU Plan for Executives.
<b>LTIP</b>	Mr. Silver is eligible to receive PUs under the LTIP based on salary, individual capabilities and potential. Mr. Silver's LTIP target is 85% of his base salary.
<b>Perquisites</b>	Mr. Silver is entitled to perquisites, including annual car allowance, paid parking, annual medical assessment and annual financial planning allowance.
<b>Other Benefits</b>	Mr. Silver is entitled to benefits that are generally provided to the REIT's Executives.
<b>Equity Ownership</b>	Mr. Silver is required to achieve the REIT's UOGs as they may be amended from time to time. Currently, these guidelines require ownership in the REIT with a value equal to two times Mr. Silver's base salary to be achieved within five years of Mr. Silver's appointment as CEO. Mr. Silver is given full credit for any Trust Units or RUs of the REIT that he owns in connection with such required investment.

## CFO Employment Agreement

An employment agreement was established with Mr. Forbes in connection with his appointment as CFO effective October 23, 2013. The key terms of the agreement (other than with respect to post-employment benefits) are as follows:

<b>STIP</b>	Mr. Forbes' annual STIP target award is 60% of his base salary if target levels of individual and REIT performance established by the Board for the CFO are met, and up to 200% of the target award if such target levels are exceeded by established amounts, subject to the terms of the STIP.
<b>RU Plan for Executives</b>	Mr. Forbes may elect annually to defer all or a portion of his STIP award and direct that it be credited in RUs governed by the RU Plan for Executives.
<b>LTIP</b>	Mr. Forbes is eligible to receive PUs under the LTIP based on salary, individual capabilities and potential. Mr. Forbes' LTIP target is 55% of his base salary.
<b>Perquisites</b>	Mr. Forbes is entitled to perquisites including annual car allowance, paid parking, annual medical assessment and annual financial planning allowance.
<b>Other Benefits</b>	Mr. Forbes is entitled to benefits that are generally provided to the REIT's Executives.
<b>Equity Ownership</b>	Mr. Forbes is required to achieve the REIT's UOGs as they may be amended from time to time. Currently, these guidelines require ownership in the REIT with a value equal to one times Mr. Forbes' base salary to be achieved within five years of Mr. Forbes' appointment as CFO. Mr. Forbes is given full credit for any Units and RUs of the REIT that he owns in connection with such required investment.

## Post-Employment Benefits

### CEO

In the event of a termination of his employment without cause and in other circumstances described below, Mr. Silver is entitled to the following payment and benefits, in addition to his base salary, benefits and expenses due and owing to the date of termination:

- continuation of his base salary and car allowance payments for a period of 24 months following termination;
- pro-rated payment of a STIP award for the year in which the last day of active employment occurs;
- subject to clawback in the event of a restatement of CT REIT's financial statements, the continued vesting of any outstanding RUs granted to Mr. Silver in accordance with his RU grant agreements and the full settlement thereof as per the terms of the RU Plan for Executives (also applicable if Mr. Silver resigns after having attained age 60 with at least ten years of continuous service with the REIT);
- notional awards under the STIP then in existence during Mr. Silver's 24 month notice period at the target payout percentage for such award;
- payment of his outstanding PU awards as if Mr. Silver had continued to be employed by the REIT during the entire performance period provided for under the PU Plan (also applicable if Mr. Silver resigns after having attained age 60 with at least ten years of continuous service with the REIT or CTC); and
- continued participation in the REIT's employee health and other group insurance benefit plans and entitlement to the annual executive medical assessment and financial planning benefit during the 24 month notice period, to the extent permitted by the terms of those plans.

In certain circumstances, some of the foregoing payments may be subject to clawback in the event Mr. Silver obtains alternative employment.

### CFO

In the event of a termination of his employment without cause and in other circumstances described below, Mr. Forbes is entitled to the following payment and benefits, in addition to his base salary, benefits and expenses due and owing to the date of termination:

- if the termination occurs on or before August 1, 2016, continuation of his base salary and car allowance for a period of 24 months following termination;



- if the termination occurs after August 1, 2016, continuation of his base salary and car allowance for a period which is the greater of (i) the period between the end of his active employment and August 1, 2018, and (ii) the minimum statutory notice period then required pursuant to *Employment Standards Act, 2000*;
- pro-rated payment of a STIP award for the year in which the last day of active employment occurs;
- subject to clawback in the event of a restatement of CT REIT's financial statements, the vesting of any outstanding STIP RUs on the termination date and full settlement thereof in accordance with the RU Plan for Executives (also applicable if Mr. Forbes' employment is terminated for any other reason other than cause);
- notional awards under the STIP then in existence during Mr. Forbes' applicable notice period at the target payout percentage for such award;
- payment of his outstanding PU awards as if Mr. Forbes had continued to be employed by the REIT during the entire performance period provided for under the PU Plan (also applicable if Mr. Forbes resigns after August 1, 2018 or after having attained age 60 with at least ten years of continuous service with the REIT or CTC); and
- continued participation in the REIT's employee health and other group insurance benefit plans and entitlement to the annual executive medical assessment and financial planning benefit during the applicable notice period, to the extent permitted by the terms of those plans.

In certain circumstances, some of the foregoing payments may be subject to clawback in the event Mr. Forbes obtains alternative employment.

Messrs. Forbes and Silver have agreed to mitigation, non-compete and non-solicitation provisions in exchange for the termination payments and benefits referred to above.

### Estimated Incremental Payments

The following table summarizes the estimated incremental payments to each of Messrs. Silver and Forbes during the applicable notice period set out in their respective written employment agreements, in the case of a termination without cause and in other circumstances (as described above):

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2015 (\$)
Ken Silver	Base Salary	\$ 1,200,000
	STIP	\$ 840,000
	Continuation of car allowance, annual executive medical assessment, and financial planning	\$56,350
	Total	\$2,096,350
Louis Forbes <sup>(1)</sup>	Base Salary	\$ 820,000
	STIP	\$492,000
	Total	\$1,312,000

#### Note

1. Mr. Forbes is entitled to the continuation of perquisites and other benefits during his notice period. However, as the value of such perquisites and other benefits would not exceed \$50,000 in aggregate, they are not included in this table.

No incremental payments are triggered upon a change in control of CT REIT.

### Gender Diversity in Executive Positions at CT REIT

CT REIT has a unique organization structure which includes the provision of certain management services by employees of CTC pursuant to the services agreement and the property management agreement between CTC and CT REIT. As a result, the REIT has only two executive officers who are directly employed by the REIT, neither of whom is a woman. CT REIT has not adopted a policy relating to the level of representation of women in executive officer positions. If and when the executive team is required to grow or the incumbents are replaced, CT REIT will follow a balanced approach in identifying the factors to be considered when determining the make-up of its executive team. These factors include experience, leadership capabilities, innovative thinking, strategic agility and gender diversity. As there are currently only six employees of the REIT (two of whom are executive officers), the REIT has not adopted a target regarding the number of women in executive officer positions.

## OTHER COMPENSATION INFORMATION

### Securities Authorized for Issuance

The table below sets out information regarding the Trust Units authorized for issuance under CT REIT's DU Plan for Trustees and RU Plan for Executives as at December 31, 2015. Other than the DU Plan for Trustees and the RU Plan for Executives, CT REIT does not have any compensation plans under which equity securities of CT REIT are authorized for issuance. For more information on the DU Plan for Trustees, see page 26. For more information on the RU Plan for Executives, see page 36.

Plan Category	Number of Securities to be Issued Upon 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)
<b>Equity Compensation Plans not approved by securityholders</b>			
<ul style="list-style-type: none"> <li>Deferred Unit Plan and Restricted Unit Plan</li> </ul>	97,155 <sup>(1)</sup>	—	8,683,893

**Note:**

1. The 97,155 RUs and DUs represent less than 1% of issued and outstanding Units.



## OTHER INFORMATION

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### Interest of Informed Persons in Material Transactions

CTC holds an 84% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Units and all of the issued and outstanding Class B LP Units. Each Class B LP Unit is exchangeable at the option of the holder for one Unit of the REIT (subject to certain anti-dilution adjustments), is accompanied by one Special Voting Unit of the REIT (which provides for the same voting rights in the REIT as a Trust Unit) and receives distributions of cash from the Partnership equal to the distributions made by the REIT on a Trust Unit. In addition, CTC holds all of the outstanding Class C LP Units of the Partnership. CT REIT also entered into certain agreements with CTC including a property management agreement and a service agreement. For a discussion of the property management agreement, service agreement, transactions and other arrangements between CT REIT and CTC, please see *About CT Real Estate Investment Trust* on page 7 in this Management Information Circular and refer to the 2015 AIF, our Management's Discussion and Analysis and our Annual Consolidated Financial Statements for the year ended December 31, 2015, which are both available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### Liability Insurance for Trustees and Officers

During the year ended December 31, 2015, CT REIT purchased Trustees' and Officers' (T&O) liability insurance coverage in the amount of \$30 million. This insurance is designed to protect trustees and officers against liabilities they may face in their capacity as trustees or officers of the REIT.

No deductible is applied to any loss for which an individual trustee or officer is not indemnified by the REIT. Any loss for which the REIT grants indemnification to a trustee or officer is subject to a deductible of \$50,000 to be paid by the REIT. Loss resulting from a securities claim, brought against the REIT for an alleged securities law violation, is subject to a deductible of \$75,000. The T&O liability insurance does not cover losses arising from any deliberately dishonest, fraudulent or criminal act or omission.

We paid \$70,775 (not including taxes) in policy premiums for the period from October 23, 2015 to October 23, 2016, none of which was paid by individual trustees and officers. The insurance policy does not differentiate between coverage for trustees and coverage for officers, and we cannot estimate the amount of the premium that relates to the group of trustees or the group of officers.

### Documents You Can Request

You can ask us for a copy of the following documents at no charge:

- Management's Discussion and Analysis and Consolidated Annual Financial Statements for the financial year ended December 31, 2015. These documents contain CT REIT's financial information.
- The 2015 AIF and the documents incorporated by reference therein.

To request any of these documents, please write to Kimberley M. Graham, General Counsel & Secretary, CT Real Estate Investment Trust, 2180 Yonge Street, 15<sup>th</sup> Floor, Toronto, Ontario M4P 2V8.

The Management's Discussion and Analysis, Annual Consolidated Financial Statements, 2015 AIF and other information about CT REIT are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

You can also visit our website at [www.ctreit.com](http://www.ctreit.com). Click on the *Investors* tab for our current annual report, annual information form, financial news releases, unit price information, distribution payment history, as well as investor presentations and webcasts.

Information contained in or otherwise accessible through the websites referenced in this Management Information Circular does not form part of this Management Information Circular and is not incorporated by reference into this Management Information Circular. All references to such websites are inactive textual references and are for information only.

The contents and the sending of this Management Information Circular have been approved by the Board of Trustees of CT Real Estate Investment Trust.



## APPENDIX A

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### BOARD OF TRUSTEES' MANDATE

#### 1. Introduction

The Board of Trustees (the “**Board**”) of CT Real Estate Investment Trust (the “**REIT**”) is elected by the unitholders of the REIT (in accordance with the Declaration of Trust) and is responsible for providing governance and stewardship to the REIT. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

#### 2. Chairman of the Board

The Chairman of the Board (the “**Chairman**”) will be appointed by the Board after considering the recommendation of the Governance, Compensation and Nominating Committee for such term as the Board may determine and shall initially be independent.

#### 3. Independence

The Board will be comprised of a majority of independent trustees established by applicable laws and the rules of any stock exchanges upon which the REIT's units are listed, including section 1.4 of National Instrument 52-110 – *Audit Committees*, as the same may be amended from time to time.

Where the Chairman is not independent, the independent trustees will select one of the independent trustees to be appointed lead trustee of the Board for such term as the independent trustees may determine. If the REIT has a non-executive Chairman who is independent, then the role of the lead trustee will be filled by the non-executive Chairman. The lead trustee or non-executive Chairman will chair regular meetings of the independent trustees and assume other responsibilities that the independent trustees as a whole have designated.

#### 4. Role and Responsibilities of the Board

The responsibilities of the Board include:

- ensuring compliance with the Declaration of Trust;
- monitoring performance of the REIT;
- adopting a strategic planning process and approving strategic goals, performance objectives and operational policies;
- ensuring that processes are in place for identifying and managing the principal risks inherent in the REIT's business and operations;
- monitoring financial disclosure;
- reviewing and approving the REIT's distribution policy and approve the timing and payment of distributions;
- reviewing and approving annual operating plans and budgets;
- succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting and management;
- monitoring internal control, enterprise risk management and management information systems;
- overseeing corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders on material issues; and
- monitoring the REIT's governance, including adopting key corporate policies designed to ensure that the REIT, its trustees, officers and employees comply with all applicable laws, rules and regulations, and conduct their business ethically and with honesty and integrity.

Meetings of the Board will be held at least quarterly. After each meeting of the Board, the independent trustees may meet without the non-independent trustees. In addition, separate, regularly scheduled meetings of the independent trustees of the Board may be held, at which members of management are not present.

The Board will delegate responsibility for the day-to-day management of the REIT's business and affairs to the REIT's senior officers, and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee, the Governance, Compensation and Nominating Committee, and the Investment Committee. The Board will, however, retain its oversight function and ultimate accountability for these matters and all delegated responsibilities.

## **5. Strategic Planning Process and Risk Management**

The Board will adopt a strategic planning process to establish objectives and goals for the REIT's business, and will review, approve and modify, as appropriate, the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the REIT's business and affairs.

The Board, in conjunction with management, will identify the principal risks of the REIT's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

## **6. Corporate Social Responsibility, Ethics and Integrity**

The Board will provide leadership to the REIT in support of its commitment to Corporate Social Responsibility, set the ethical tone for the REIT and its management, and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer (the "CEO") and management, as well as satisfy itself that the CEO and management create a culture of integrity throughout the organization.

## **7. Succession Planning, Appointment and Supervision of Management**

The Board will approve the succession plan for the REIT, including the selection, appointment, supervision and evaluation of the CEO and the other senior officers of the REIT, and will also approve the compensation of the CEO and the other senior officers of the REIT.

## **8. Delegations and Approval Authorities**

The Board will delegate to the CEO and senior management authority over the day-to-day management of the business and affairs of the REIT. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

## **9. Monitoring of Financial Reporting and Management**

The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms, prospectuses, and all capital investments, equity financings, borrowings and all annual operating plans and budgets.

The Board will adopt procedures that seek to: ensure the integrity of internal controls and management information systems; ensure compliance with all applicable laws, rules and regulations; and prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, violation of the REIT's code of business conduct and ethics and fraud against unitholders.

## **10. Corporate Disclosure and Communications**

The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the REIT's securities are listed as well as the Disclosure Policy of the REIT. In addition, the Board will adopt procedures that seek to ensure the Board receives feedback from security holders on material issues.

## **11. Orientation and Continuing Education**

With the Governance, Compensation and Nominating Committee, the Board shall ensure that all trustees receive a comprehensive orientation program and continuing education in connection with their role, responsibilities, the business of the REIT, and the skills they must use in their roles as trustees.

## **12. Equity Ownership by Trustees**

The Board shall oversee the trustees' compliance with the REIT's equity ownership guidelines.

## **13. Corporate Policies**

The Board will adopt policies and procedures designed to ensure that the REIT, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct the REIT's business ethically and with honesty and integrity. The following policies have been approved:

- Ethical Conduct Policy;
- Code of Business Conduct;



- Disclosure Board Policy; and
- Securities Trading and Reporting Board Policy.

The Board will review such policies annually or in accordance with the review schedule set out in the policies, if applicable, and, where appropriate, approve changes thereto.

#### **14. Review of Mandate**

The Board will review and assess the adequacy of this mandate, no less than once every three years and, if appropriate, approve changes thereto.



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Visit our website at  
**[www.ctreit.com](http://www.ctreit.com)**