



**SLATE RETAIL REIT**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS**

to be held on May 13, 2015

-and-

**MANAGEMENT INFORMATION CIRCULAR**

with respect to certain annual and special business including the acquisition of the assets of  
Slate U.S. Opportunity (No. 3) Realty Trust by Slate Retail REIT

April 2, 2015

*This Notice, Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to the actions required to be taken by these documents or the matters discussed therein, please consult your professional advisors.*



## SLATE RETAIL REIT

April 2, 2015

Dear fellow unitholders of Slate Retail REIT:

You are invited to attend an annual and special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of class A units (“**Class A Units**”), class I units (“**Class I Units**”), class U units (“**Class U Units**”) and special voting units (“**Special Voting Units**”, and together with the Class A Units, Class I Units, and Class U Units, the “**Units**”) of Slate Retail REIT (the “**REIT**”), which will be held at the offices of McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, Ontario, M5K 1E6 on May 13, 2015 at 10:00 a.m. EST.

At the Meeting, Unitholders will be asked to vote on (i) an ordinary resolution re-appointing Deloitte LLP as the auditors of the REIT for the ensuing year and authorizing the trustees of the REIT to fix the remuneration of such auditors, (ii) an ordinary resolution re-electing Samuel Altman, Colum Bastable, Thomas Farley, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch as the trustees of the REIT for the ensuing year, and (iii) an ordinary resolution ratifying and approving the adoption of a deferred unit plan, pursuant to which trustees of the REIT have the opportunity to acquire deferred Class U Units, and the previous grants of deferred Class U Units pursuant thereto.

In addition, Unitholders will be asked at the Meeting to vote on an ordinary resolution approving a proposed transaction (the “**SUSO 3 Acquisition**”) pursuant to which the REIT will acquire all of the assets (the “**SUSO 3 Assets**”) of Slate U.S. Opportunity (No. 3) Realty Trust (“**SUSO 3**”) in consideration for Class U Units. In connection with the SUSO 3 Acquisition, the indirect general partner interest held by principals of Slate Asset Management L.P. (the “**Manager**”) and certain other parties in Slate U.S. Opportunity (No. 3) Holding L.P. (the principal holding subsidiary of SUSO 3) will be crystallized and exchanged for securities of a subsidiary of the REIT that will be economically equivalent to the Class U Units (subject to certain adjustments) and redeemable for cash or Class U Units.

Currently, the REIT’s portfolio consists of 43 grocery anchored retail commercial properties located in the United States. If the SUSO 3 Acquisition is approved and completed, the REIT’s portfolio will be combined with all of the properties owned by SUSO 3 to create a single portfolio of 56 properties held indirectly by the REIT.

We expect that the SUSO 3 Acquisition will result in a number of benefits for Unitholders, including:

1. **Strategic Acquisition of Quality Assets.** The SUSO 3 Acquisition is an opportunity for the REIT to grow through the acquisition of quality assets that are consistent with its growth strategy. The SUSO 3 Assets are also managed and were acquired by the Manager, which will result in a smooth transition following the SUSO 3 Acquisition.
2. **No Acquisition Fee or Equity Commission.** The Manager will not earn an acquisition fee on the SUSO 3 Acquisition and the issuance of Class U Units to holders of SUSO 3’s units will not be subject to equity commissions.
3. **Creation of a Larger More Diversified Entity.** Upon completion of the SUSO 3 Acquisition, the REIT will have total assets in excess of U.S.\$900 million. The REIT’s portfolio will comprise 56 grocery anchored assets with over 6.6 million square feet of gross leasable area (“**GLA**”) diversified across 20 states with 66% of GLA occupied by either grocery or national tenants. The REIT’s portfolio will be well diversified by tenant and geography with no tenant comprising more than 7% of revenues and no state comprising more than 12% of GLA.
4. **Accretive to Adjusted Funds from Operations per Unit.** The SUSO 3 Acquisition values SUSO 3 at a 7.3% cap rate and U.S.\$130 per square foot and is accretive to the REIT’s adjusted funds from operation per Unit.

To be approved, the resolution in respect of the SUSO 3 Acquisition must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special

Voting Units (other than Excluded Unitholders pursuant to MI 61-101, as such terms are defined in the accompanying management information circular dated April 2, 2015 (the “**Information Circular**”)), with such Unitholders voting together as a single class. In addition, the SUSO 3 Acquisition is conditional upon receiving the approval of the unitholders of SUSO 3, the approval of the Toronto Stock Exchange and other customary closing conditions.

**This is an important acquisition for the REIT. Please take the time to vote your proxy or voting instruction form. To support the SUSO 3 Acquisition and related matters, you should submit the enclosed proxy or voting instruction form prior to 10:00 a.m. EST on May 11, 2015 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed meeting. You should also contact your broker or other intermediary through which your Units are held as they may have earlier deadlines.**

The accompanying Information Circular provides a detailed description of the SUSO 3 Acquisition and other matters to be considered at the Meeting. Please give this material careful consideration. The information provided in these materials is included to provide Unitholders with a full understanding of the implications of the SUSO 3 Acquisition. For your benefit, we have included a Frequently Asked Questions section in the accompanying Information Circular to highlight some of the key elements of the SUSO 3 Acquisition, but please note that this section is qualified entirely by the more detailed information appearing elsewhere in the Information Circular.

**BASED ON THE UNANIMOUS RECOMMENDATION OF THE SPECIAL COMMITTEE OF THE REIT, A FAIRNESS OPINION AND FORMAL VALUATION OF SUSO 3’S ASSETS FROM BLAIR FRANKLIN CAPITAL PARTNERS, INDEPENDENT APPRAISALS OF THE PROPERTIES OWNED BY SUSO 3 FROM ALTUS GROUP LIMITED, AND OTHER CONSIDERATIONS, THE TRUSTEES OF THE REIT HAVE UNANIMOUSLY APPROVED THE SUSO 3 ACQUISITION AND RELATED MATTERS AND UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SUSO 3 ACQUISITION AT THE MEETING FOR THE REASONS SET FORTH IN THE INFORMATION CIRCULAR.**

On behalf of the REIT, I would like to thank you for your consideration of this important transaction and for your continued support of the REIT.

We look forward to seeing you at the Meeting.

Yours very truly,

*“Blair Welch”*

Blair Welch  
Trustee & Chief Executive Officer  
Slate Retail REIT

## NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF SLATE RETAIL REIT

All capitalized terms used herein but not otherwise defined have the meaning ascribed thereto in the accompanying management information circular dated April 2, 2015 (the “**Information Circular**”).

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of class A units (“**Class A Units**”), class I units (“**Class I Units**”), class U units (“**Class U Units**”) and special voting units (“**Special Voting Units**”), and together with the Class A Units, Class I Units and Class U Units, the “**Units**”) of Slate Retail REIT (the “**REIT**”) will be held at McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, Ontario, M5K 1E6 on May 13, 2015 at 10:00 a.m. EST, for the following purposes:

- (i) to receive and consider the audited consolidated financial statements of the REIT for the period ended December 31, 2014 and the auditors’ report thereon;
- (ii) to consider and, if thought fit, pass an ordinary resolution re-appointing Deloitte LLP as the auditors of the REIT for the ensuing year and authorizing the trustees of the REIT to fix the remuneration of such auditors (the “**Auditor Resolution**”);
- (iii) to consider and, if thought fit, pass an ordinary resolution re-electing Samuel Altman, Colum Bastable, Thomas Farley, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch as the trustees of the REIT for the ensuing year (the “**Trustee Resolution**”);
- (iv) to consider and, if thought fit, pass an ordinary resolution ratifying and approving the adoption of a deferred unit plan, pursuant to which trustees of the REIT have the opportunity to acquire deferred Class U Units, and the previous grants of deferred Class U Units pursuant thereto (the “**Deferred Unit Plan Resolution**”);
- (v) to consider and, if thought fit, pass an ordinary resolution approving the proposed acquisition (the “**SUSO 3 Acquisition**”) by the REIT, directly and indirectly through one or more subsidiaries of the REIT (the “**Slate Retail LPs**”), of a 100% indirect interest in all of the properties owned by Slate U.S. Opportunity (No. 3) Realty Trust (“**SUSO 3**”) through the acquisition of all of the assets of SUSO 3 and all of the partnership interests in Slate U.S. Opportunity (No. 3) Holding GP L.P. (“**SUSO 3 GP LP**”), in consideration for the issuance by the REIT of approximately 7,513,877 Class U Units to SUSO 3 and the issuance by the Slate Retail LPs of approximately 207,150 Class B limited partnership units (which will be economically equivalent to the Class U Units, subject to certain adjustments, and redeemable for cash or Class U Units) to the holders of the limited partnership interests in SUSO 3 GP LP, in each case subject to adjustment, which units collectively represent approximately 30.72% of the Units outstanding as at March 25, 2015 before giving effect to the SUSO 3 Acquisition (on a non-diluted basis but including economically equivalent securities of subsidiaries of the REIT redeemable for cash or Class U Units) (the “**SUSO 3 Resolution**”); and
- (vi) to transact such other business as may be properly brought before the Meeting and any adjournment or postponement thereof.

The Information Circular contains details of the matters to be considered at the Meeting under “*Business of the Meeting*”.

To be approved, the Auditor Resolution, the Trustee Resolution and the Deferred Unit Plan Resolution each must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units, with such Unitholders voting together as a single class.

To be approved, the SUSO 3 Resolution must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units (other than Excluded Unitholders pursuant to MI 61-101, as such terms are defined in the accompanying Information Circular), with such Unitholders voting together as a single class.

For the Meeting, a quorum is present if there are two or more individuals present in person or represented by proxy, holding or representing by proxy in aggregate at least 10% of the total number of outstanding Units.

Only Unitholders of record at the close of business on April 2, 2015 are entitled to notice of and to attend and vote at the Meeting, or any adjournment or postponement thereof.

Unitholders who hold their Units with a bank, broker or other financial intermediary are not registered Unitholders. If you are not a registered Unitholder, you will have received a request for voting instructions from your broker or other nominee. Please complete and return your voting instruction form in accordance with the directions on the voting instruction form. To be effective, a voting instruction form must be received no later than 10:00 a.m. EST on May 11, 2015. If you plan to attend the Meeting and wish to vote in person, please follow the instructions on the enclosed voting instruction form to appoint yourself, instead of the management nominees, to vote at the Meeting. Non-registered Unitholders must take the necessary steps to appoint themselves if they wish to vote at the Meeting in person. Please take the time to ensure your vote is included at the Meeting.

### **Notice-and-Access**

The REIT has elected to use the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”, and together with NI 51-102, the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to securityholders.

Electronic copies of this Notice of Meeting, the Information Circular and the REIT’s management’s discussion and analysis of the results of operations and financial condition of the REIT for the year ended December 31, 2014 and the audited consolidated financial statements of the REIT and accompanying notes for the year ended December 31, 2014 together with the auditor’s report thereon (the “**2014 MD&A and Financials**”) may be found on the REIT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the REIT’s website at [www.slateretailreit.ca](http://www.slateretailreit.ca).

Unitholders are reminded to review the Information Circular before voting.

Unitholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by NI 54-101 and a form of proxy (if you are a registered Unitholder) or a voting instruction form (if you are a non-registered Unitholder). The REIT will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Information Circular to some securityholders with a Notice Package.

Unitholders may obtain paper copies of the Information Circular and the 2014 MD&A and Financials free of charge by calling +1 (844) 507-5283 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Unitholder wishing to obtain a paper copy of the meeting materials should submit their request no later than 9:00 a.m. EST on May 4, 2015 in order to receive paper copies of the meeting materials in time to vote before the Meeting. Unitholders may also use the toll-free number noted above to obtain more information about the Notice-and-Access Provisions. Under the Notice-and-Access Provisions, meeting materials will be available for viewing on the REIT’s website for one year from the date of posting.

DATED at Toronto, Ontario this 2<sup>nd</sup> day of April, 2015.

**By order of the Board of Trustees,**

“*Blair Welch*”

Blair Welch  
Trustee & Chief Executive Officer  
Slate Retail REIT

## MANAGEMENT INFORMATION CIRCULAR

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## GENERAL INFORMATION

**This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management of the REIT for use at the Meeting and any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the SUSO 3 Acquisition or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the REIT or management of the REIT. All dollar amounts are expressed in U.S. dollars (“U.S.\$” or “\$”) unless otherwise noted. In this Information Circular, references to the REIT include its Subsidiaries where the context requires.**

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under “*Glossary*”. Information contained in this Information Circular is given as of April 2, 2015, the date of this Information Circular, unless otherwise specifically stated.

## FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include (i) the intention to complete the SUSO 3 Acquisition, (ii) the expected benefits of the SUSO 3 Acquisition to the REIT and Unitholders, (iii) the description of the REIT that assumes completion of the SUSO 3 Acquisition, and (iv) the intention to grow the business and operations of the REIT. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Information Circular. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, the ability of the REIT to obtain necessary financing; satisfy conditions under the SUSO 3 Acquisition; and obtain Unitholder approval with respect to the SUSO 3 Acquisition. Additionally, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, including the development of properties in close proximity to the Properties, competition, availability and cost of additional real estate properties, changes in government regulation, dependence on tenants’ financial condition, interest rates, the availability of equity and debt financing, environmental matters, tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this Information Circular and the REIT undertakes no obligation to update such statements except as required by law. The factors identified above are not intended to represent a complete list of the factors that could affect the REIT. Additional factors are noted under “*Risk Factors*” in this Information Circular.

## NON-IFRS MEASURES

Funds from operations (“**FFO**”), adjusted funds from operations (“**AFFO**”) and net operating income (“**NOI**”) are key measures of performance used by real estate businesses. However, such measures are not defined by IFRS and do not have standardized meanings prescribed by IFRS. The REIT believes that FFO and AFFO are important measures of economic performance and NOI is an important measure of operating performance and the performance of real estate properties owned by an entity.

“FFO” is defined as net income in accordance with IFRS, excluding (i) fair value adjustments to investment properties, (ii) gains (or losses) from sales of investment properties, (iii) amortization of tenant incentives, (iv) fair value adjustments, interest expense and other effects of the Units, GAR B Exchangeable Units, Class B LP2 Units and any other exchangeable securities being classified as liabilities, (v) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination, (vi) the effect of recording property tax

expense on other than an even basis over the period, and (vii) deferred income tax expense, after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.

“AFFO” is defined as FFO subject to certain adjustments, including (i) amortization of fair value mark-to-market adjustments on mortgages acquired, (ii) amortization of deferred financing and leasing costs, (iii) adjusting for any differences resulting from recognizing property revenues on a straight-line basis, and (iv) deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing costs, as determined by management. Other adjustments may be made to AFFO as determined by the Board in its discretion.

“NOI” for a property and for a given period, is defined as the sum of the following (i) cash rents and other cash revenues received in the ordinary course from such property (excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants' obligations for rent) minus (ii) all expenses paid or accrued related to the ownership, operation or maintenance of such properties plus the effect of recording property tax expense on other than an even basis over the period.

FFO, AFFO and NOI should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as indicators of the REIT's performance. This method of calculating AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

## FREQUENTLY ASKED QUESTIONS

*The following section sets out summary answers to some basic questions you may have in relation to the Meeting. All capitalized terms, unless otherwise defined herein, have the meanings ascribed to such terms as set out in the Glossary. These summary answers are qualified in their entirety by the more detailed information appearing elsewhere in the Information Circular.*

### ***What matters will be considered at the Meeting?***

The purpose of the Meeting is to consider and, if thought appropriate, pass (i) an ordinary resolution re-appointing Deloitte LLP, as the auditors of the REIT for the ensuing year and authorizing the trustees of the REIT to fix the remuneration of such auditors, (ii) an ordinary resolution re-electing Samuel Altman, Colum Bastable, Thomas Farley, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch as the trustees of the REIT for the ensuing year, (iii) an ordinary resolution ratifying and approving the adoption of the Deferred Unit Plan pursuant to which trustees of the REIT have the opportunity to acquire deferred Class U Units, and the previous grants of deferred Class U Units pursuant thereto, and (iv) an ordinary resolution approving the SUSO 3 Acquisition, pursuant to which the REIT will acquire a 100% indirect interest in all of the properties owned by SUSO 3 in consideration for Class U Units and Class B LP Units.

### ***Why is the REIT proposing to acquire SUSO 3?***

The REIT expects that the SUSO 3 Acquisition will result in a number of benefits to Unitholders, including:

1. **Strategic Acquisition of Quality Assets.** The SUSO 3 Acquisition is an opportunity for the REIT to grow through the acquisition of quality assets that are consistent with its growth strategy. The SUSO 3 Assets are also managed and were acquired by the Manager, which will result in a smooth transition following the SUSO 3 Acquisition.
2. **No Acquisition Fee or Equity Commission.** The Manager will not earn an acquisition fee on the SUSO 3 Acquisition and the issuance of Class U Units to SUSO 3 Unitholders will not be subject to equity commissions.
3. **Creation of a Larger More Diversified Entity.** Upon completion of the SUSO 3 Acquisition, the REIT will have total assets in excess of U.S.\$900 million. The REIT's portfolio will comprise 56 grocery anchored assets with over 6.6 million square feet of GLA diversified across 20 states with 66% of GLA occupied by either grocery or national tenants. The REIT's portfolio will be well diversified by tenant and geography with no tenant comprising more than 7% of revenues and no state comprising more than 12% of GLA.
4. **Accretive to AFFO per Unit.** The SUSO 3 Acquisition values SUSO 3 at a 7.3% cap rate and U.S.\$130 per square foot and is accretive to the REIT's AFFO per Unit.

### ***What is the consideration payable by the REIT for the SUSO 3 Assets?***

Upon Closing and in consideration for the acquisition of the SUSO 3 Assets by the REIT, the REIT will issue 7,513,877 Class U Units to SUSO 3, subject to the Working Capital Adjustment. The units will be issued at a deemed price per unit of U.S.\$10.47.

In addition, and as contemplated by the SUSO 3 Purchase Agreement, the indirect general partner interest held by principals of the Manager and certain other parties in Slate U.S. Opportunity (No. 3) Holding L.P. (the principal holding Subsidiary of SUSO 3) will be crystallized and exchanged for 207,150 Class B LP Units, subject to the Working Capital Adjustment. Such Class B LP Units are economically equivalent to the Class U Units (subject to certain adjustments) and redeemable for cash or Class U Units.

Accordingly, an aggregate of 7,721,027 Class U Units and Class B LP Units will be issued in connection with the SUSO 3 Acquisition, subject to the Working Capital Adjustment. The units to be issued collectively represent

approximately 30.72% of the Units outstanding as at March 25, 2015 before giving effect to the SUSO 3 Acquisition, on a non-diluted basis but including the outstanding Class B LP2 Units.

***What votes are required for approval by the REIT of the SUSO 3 Acquisition?***

To be approved, the SUSO 3 Resolution must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units (other than Excluded Unitholders pursuant to MI 61-101), with such Unitholders voting together as a single class. Each Unitholder is entitled to one vote at the Meeting of each Unit held as provided herein.

The SUSO 3 Acquisition may constitute a “related party transaction” pursuant to MI 61-101 and, accordingly, the Special Committee has reviewed and evaluated the SUSO 3 Acquisition. SUSO 3 is managed by the Manager and Messrs. Blair and Brady Welch, principals of the Manager and trustees of the REIT, and Mr. Samuel Altman, a trustee of the REIT, directly or indirectly hold interests in the general partner interests in SUSO 3 Holding LP, which will be exchanged for Class B LP Units. Any Units that are beneficially owned by Messrs. Welch or Altman, or by SUSO 3 or any trustees or officers of SUSO 3 or the Manager, or in respect of which they exercise control or direction, including Units held by the Manager, will be excluded from the minority vote of Unitholders required under MI 61-101 in respect of the SUSO 3 Acquisition.

***What will happen if investors do not approve the SUSO 3 Acquisition?***

If the Unitholders and the SUSO 3 Unitholders do not approve the SUSO 3 Acquisition, each of the REIT and SUSO 3 will continue to operate according to its current investment strategies, with the Manager continuing in its role as the manager for each such entity.

***What do the trustees and executive officers intend to do?***

Each of the trustees and executive officers of the REIT has indicated his support for the SUSO 3 Acquisition and, if entitled to do so, to vote all of his respective Units for the SUSO 3 Resolution.

***What does the Board recommend I do?***

The Board unanimously recommends that you vote **FOR** the SUSO 3 Resolution. In addition, the Special Committee also unanimously recommends that you vote **FOR** the SUSO 3 Resolution.

*Prior to recommending to the Board that it approve the SUSO 3 Acquisition, the Special Committee received an opinion (the “**Fairness Opinion**”) from Blair Franklin that, subject to the assumptions, limitations and qualifications contained therein and as of the date thereof, the consideration to be paid by the REIT in connection with the SUSO 3 Acquisition is fair, from a financial point of view. See Appendix E for a copy of the Formal Valuation and Fairness Opinion, which includes such fairness opinion.*

***If the SUSO 3 Acquisition is approved, when will it take effect?***

Subject to satisfaction of the conditions to Closing, it is expected that the SUSO 3 Acquisition will be completed in the second quarter of 2015.

***What are the expenses of the SUSO 3 Acquisition?***

The estimated out-of-pocket costs to be incurred by the REIT, SUSO 3 and their affiliates relating to the SUSO 3 Acquisition, including financial advisory, appraisal, accounting and legal fees and the preparation and printing of this Information Circular, are expected to aggregate approximately U.S.\$1.5 million.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular from documents filed with Securities Commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the REIT at 200 Front Street West, Suite 2400, Toronto, Ontario, M5V 3K2, (416) 644-4264, Attention: Investor Relations. In addition, copies of the documents incorporated by reference herein may be obtained from the Securities Commissions or similar authorities in the provinces and territories of Canada electronically on SEDAR, at [www.sedar.com](http://www.sedar.com).

The following documents or portions of documents, filed with the Securities Commissions or similar authorities in the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Information Circular:

- (a) the audited consolidated financial statements of SUSO 3 and accompanying notes for the years ended December 31, 2013 and December 31, 2014, together with the auditor's report thereon;
- (b) management's discussion and analysis of the results of operations and financial condition of SUSO 3 for the years ended December 31, 2013 and December 31, 2014;
- (c) the audited consolidated financial statements of the REIT and accompanying notes for the year ended December 31, 2014, together with the auditor's report thereon;
- (d) management's discussion and analysis of the results of operations and financial condition of the REIT for the year ended December 31, 2014;
- (e) the business acquisition report of the REIT regarding the Combination Transaction dated May 14, 2014;
- (f) the material change report of the REIT regarding the Public Offering and the SUSO 3 Acquisition dated March 3, 2015;
- (g) the sections of the final short form prospectus of the REIT regarding the Public Offering dated March 12, 2015 (the "**2015 Prospectus**") entitled "*Certain Canadian Federal Income Tax Considerations*" and "*Certain U.S. Federal Income Tax Considerations*", and the portions of the joint management information circular of SUSO 1 and SUSO 2 dated February 3, 2014 incorporated by reference in the 2015 Prospectus; and
- (h) the annual information form of the REIT dated March 25, 2015 (the "**Annual Information Form**").

**Any document of the type referred to in the preceding paragraph and any material change report (excluding confidential material change reports) or press release filed by the REIT or SUSO 3 with a Securities Commission or similar authority in Canada after the date of this Information Circular and prior to the Meeting that specifically states that it is intended to be incorporated by reference into this Information Circular will be deemed to be incorporated by reference into this Information Circular.**

**Any statement contained in a document incorporated or deemed to be incorporated by reference in this Information Circular or contained in this Information Circular is deemed to be modified or superseded, for purposes of this Information Circular, to the extent that a statement contained in this Information Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Information Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.**

## PROXY AND VOTING INFORMATION

**Beneficial Unitholders should read the information under “Proxy and Voting Information – Advice to Beneficial Unitholders” for an explanation of their rights.**

### Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by management of the REIT for use at the meeting of Unitholders to be held at McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, Ontario, M5K 1E6 on May 13, 2015 at 10:00 a.m. EST (the “**Meeting**”) and any adjournment or postponement thereof. **The information contained herein is given as of April 2, 2015, the date of this Information Circular, unless otherwise stated.**

The solicitation of proxies will be primarily by mail, subject to the use of Notice-and-Access Provisions in relation to delivery of the meeting materials, but proxies may also be solicited personally or by telephone by employees of the REIT without special compensation or by such agents as the REIT may appoint. While no arrangements have been made to date, the REIT may contract with a professional proxy solicitation firm for the solicitation of proxies for the Meeting, which arrangements would include customary fees. The cost of solicitation will be borne by the REIT. The REIT may also pay brokers or nominees holding Units in their names or in the names of their principals for their reasonable expenses incurred in sending solicitation materials to their principals.

Unitholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof to the attention of Equity Financial Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, Attention: Proxy Department (i) in the envelope provided, (ii) by email at [proxysupport@equityfinancialtrust.com](mailto:proxysupport@equityfinancialtrust.com), or (iii) by facsimile to 416-595-9593. To be effective, proxies must be received by Equity Financial Trust Company not later than 10:00 a.m. EST on May 11, 2015 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting.

### Notice-and-Access

The REIT is sending out proxy-related materials to Unitholders using the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**” and together with NI 51-102, the “**Notice-and-Access Provisions**”). The REIT anticipates that use of the Notice-and-Access Provisions will directly benefit the REIT by reducing the postage and material costs associated with the printing and mailing of the proxy-related materials and will additionally reduce the environmental impact of such actions.

Unitholders will be provided with electronic access to the Notice of Meeting, this Information Circular and the REIT’s management’s discussion and analysis of the results of operations and financial condition of the REIT for the year ended December 31, 2014 and the audited consolidated financial statements of the REIT and accompanying notes for the year ended December 31, 2014 together with the auditor’s report thereon (the “**2014 MD&A and Financials**”) on the REIT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the REIT’s website at [www.slateretailreit.ca](http://www.slateretailreit.ca). The Annual Information Form can also be found on SEDAR and the REIT’s website.

Unitholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by NI 54-101 and a form of proxy (if you are a registered Unitholder) or a voting instruction form (if you are a non-registered Unitholder). The REIT will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when an issuer using Notice-and-Access Provisions sends a paper copy of the Information Circular to some securityholders with a Notice Package.

Unitholders may obtain paper copies of the Information Circular and the 2014 MD&A and Financials free of charge by calling +1 (844) 507-5283 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Unitholder wishing to obtain a paper copy of the meeting materials should submit their request no later than 9:00 a.m. EST on May 4, 2015 in order to receive paper copies of the meeting materials in time to vote before the Meeting. Unitholders may also use the toll-free number noted above to obtain more information

about the Notice-and-Access Provisions. Under the Notice-and-Access Provisions, meeting materials will be available for viewing on the REIT's website for one year from the date of posting.

### **Record Date**

The REIT will prepare a list of Unitholders of record as of the close of business on the Record Date. Unitholders named on that list will be entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof, even though he/she/it has since the Record Date disposed of his/her/its Units, and no Unitholder becoming such after the Record Date will be entitled to receive notice of and vote at the Meeting or any adjournment or postponement thereof or to be treated as a Unitholder of record for purposes of such other action. Each Unitholder is entitled to one vote at the Meeting for each Unit held as provided herein.

### **Appointment of Proxies**

**A Unitholder has the right to appoint a person (who need not be a Unitholder), other than persons designated in the form of proxy accompanying this Information Circular, as nominee to attend at and act for and on behalf of such Unitholder at the Meeting, and may exercise such right by inserting the name of such person in the blank space provided on the form of proxy applicable to the Meeting.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Equity Financial Trust Company no later than 10:00 a.m. EST on the second last Business Day immediately preceding the date of the Meeting or any adjournment or postponement thereof, in accordance with the delivery instructions contained above under "*Proxy and Voting Information – Solicitation of Proxies*".

### **Revocation of Proxies**

Proxies given by Unitholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a Unitholder to attend and vote in person at the Meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or his/her attorney duly authorized in writing, or, if the Unitholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized and deposited with Equity Financial Trust Company, in a manner provided above under "*Proxy and Voting Information – Solicitation of Proxies*", at any time up to and including 10:00 a.m. EST on the second last Business Day immediately preceding the date of the Meeting, or any adjournment or postponement thereof, as applicable, or, with the Chairman at the Meeting on the day of such meeting or any adjournment or postponement thereof, and upon any such deposit, the proxy is revoked.

### **Advice to Beneficial Unitholders**

The information set forth in this section is of significant importance to a majority of Unitholders as they do not hold their Units in their own names, rather they are held through a broker, dealer, bank, trust company or other nominee (such Unitholders are referred to as "**Beneficial Unitholder(s)**"). Such Units are not registered in the Unitholder's own name on the records of the REIT maintained by Equity Financial Trust Company and are instead registered in the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc. ("**CDS**"), which acts as nominee for many Canadian brokerage firms). Units held by brokers or their agents or nominees can only be voted (for or against Resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Units for the brokers' clients. **Therefore, each Beneficial Unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Applicable Canadian regulatory policy requires brokers or other nominees to seek voting instructions from Beneficial Unitholders in advance of unitholders' meetings by forwarding a voting instruction form (Form 54-101F7 – *Request for Voting Instructions made by Intermediary* ("**Form 54-101F7**")) under NI 54-101. Brokers and other nominees have their own mailing and delivery procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting.

In Canada, many brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). In most cases, Broadridge mails a scannable voting instruction form and asks Beneficial Unitholders to return the form to Broadridge. Alternatively, Beneficial Unitholders can either call Broadridge’s toll free telephone number to provide voting instructions, or access Broadridge’s dedicated voting web site at [www.proxyvote.com](http://www.proxyvote.com) to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions to the REIT respecting the voting of Units to be represented at the Meeting.

A Beneficial Unitholder will not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his/her/its broker; however, a Beneficial Unitholder may attend the Meeting as proxy holder for the registered Unitholder and vote the Units in that capacity. **Beneficial Unitholders who want to attend the Meeting in person and vote as proxy holder can enter their own names or the names of their appointees in the place provided for that purpose in the voting instruction form provided to them and return the same to their intermediary (or the intermediary’s agent) in accordance with the instructions provided by such broker.** Subject to the basic requirements described below, intermediaries do have flexibility as to the specific method used to appoint Beneficial Unitholders as proxy holders, and Beneficial Unitholders should carefully follow all instructions they receive.

An intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a Beneficial Unitholder must arrange, without expense to the Beneficial Unitholder, to appoint the Beneficial Unitholder or a nominee of the Beneficial Unitholder as a proxy holder in respect of those securities if the Beneficial Unitholder has instructed the intermediary to do so using either of the following methods (i) the Beneficial Unitholder filled in and submitted the Form 54-101F7 previously sent to the Beneficial Unitholder by the intermediary, or (ii) the Beneficial Unitholder submitted any other document in writing that requests that the Beneficial Unitholder or a nominee of the Beneficial Unitholder be appointed as a proxy holder. If an intermediary appoints a Beneficial Unitholder or a nominee of the Beneficial Unitholder as a proxy holder as aforesaid, the Beneficial Unitholder or nominee of the Beneficial Unitholder, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless applicable law does not permit the giving of that authority. An intermediary who appoints a Beneficial Unitholder as proxy holder as aforesaid must deposit the proxy within the timeframe specified above, if the intermediary obtains the instructions at least one Business Day before the termination of that time.

Beneficial Unitholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The REIT is not sending meeting materials directly to NOBOs; the REIT uses and pays intermediaries and agents to send the meeting materials. The REIT also intends to pay for intermediaries to deliver the meeting materials to OBOs.

**Beneficial Unitholders should contact their broker or other intermediary if they have any questions regarding the voting of Units held through that broker or other intermediary.**

### **Voting of Proxies**

The persons named in the form of proxy accompanying this Information Circular have indicated their willingness to represent as proxy the Unitholder who appointed them. Each Unitholder may instruct his/her/its proxy how to vote his/her/its Units by completing the blanks on the proxy form.

Units represented by properly executed proxy forms in favour of the person designated on the form will be voted for, against or withheld from voting (as the case may be), in accordance with the instructions given on the proxy forms. In the absence of such instructions, the Units will be voted “FOR” the Resolutions.

The proxy form accompanying this Information Circular confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As at the date of this Information

Circular, management of the REIT know of no such amendments, variations or other matters to come before the Meeting.

### **Voting Securities and Principal Holders thereof**

The REIT is authorized to issue an unlimited number of Class A Units, Class I Units, Class U Units and Special Voting Units, of which 511,337 Class A Units, 358,000 Class I Units, 21,838,818 Class U Units and 590,117 Special Voting Units were issued and outstanding as of March 25, 2015. As of March 25, 2015, the REIT and its Subsidiaries also have outstanding 590,117 GAR B Exchangeable Units (which are attached to the outstanding Special Voting Units) and 1,837,288 Class B LP2 Units. Each Class A Unit is convertible into 1.0078 Class U Units, each Class I Unit is convertible into 1.0554 Class U Units and each GAR B Exchangeable Unit and Class B LP2 Unit is redeemable for cash or Class U Units on a one-for-one basis, as determined by the GAR B GP or the General Partner, respectively, in their sole discretion.

As at the date of this Information Circular, there are no persons or companies of record who own or are known to the REIT to own beneficially, directly or indirectly, more than 10% of any class of Units, other than 8032238 Canada Inc., which owns 250,000 Class I Units, representing 48.89% of the outstanding Class I Units and 0.99% of the outstanding Units on a non-diluted basis but including the outstanding Class B LP2 Units. Mr. Samuel Altman, a trustee of the REIT, exercises control or direction over the Class I Units owned by 8032238 Canada Inc. in his capacity as President of such corporation.

### **BUSINESS OF THE MEETING**

The Meeting will be constituted as a general and special meeting of the REIT. The audited financial statements of the REIT for the period ended December 31, 2014 and the auditor's report thereon will be tabled before the Unitholders at the Meeting for discussion. The audited financial statements have been approved by the Audit Committee and the Board. In addition, at the Meeting, the Unitholders will be asked to consider and, if thought fit, pass (i) an ordinary resolution re-appointing Deloitte LLP as the auditors of the REIT for the ensuing year and authorizing the trustees to fix the remuneration of such auditors, the full text of which is set forth in Appendix A (the "**Auditor Resolution**"), (ii) an ordinary resolution re-electing Samuel Altman, Colum Bastable, Thomas Farley, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch as the trustees of the REIT for the ensuing year, the full text of which is set forth in Appendix B (the "**Trustee Resolution**"), (iii) an ordinary resolution ratifying and approving the adoption of the Deferred Unit Plan, pursuant to which trustees of the REIT have the opportunity to acquire deferred Class U Units, and the previous grants of deferred Class U Units pursuant thereto, the full text of which is set forth in Appendix C (the "**Deferred Unit Plan Resolution**"), and (iv) an ordinary resolution approving the SUSO 3 Acquisition, the full text of which is set forth in Appendix D (the "**SUSO 3 Resolution**").

**If you do not specify how you want your Units voted, the persons named as proxy holders will cast the votes represented by proxy at the Meeting FOR the applicable Resolution.**

To be approved, the Auditor Resolution, the Trustee Resolution and the Deferred Unit Plan Resolution, each must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units, with such Unitholders voting together as a single class.

To be approved, the SUSO 3 Resolution must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units (other than Excluded Unitholders pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")), with such Unitholders voting together as a single class.

As of the date of this Information Circular, the following Unitholders will be excluded from voting their Units at the Meeting for the purposes of determining whether approval for the SUSO 3 Acquisition has been obtained:

- (a) the Manager, which holds 728,031 Class U Units and 255,720 Special Voting Units, representing 4.22% of the outstanding Units;
- (b) 433487 Ontario Limited (an entity of which Mr. Samuel Altman is an officer), which holds 15,000 Class I Units and 15,502 Class U Units, representing 0.13% of the outstanding Units;

- (c) 8032238 Canada Inc. (an entity of which Mr. Samuel Altman is an officer), which holds 250,000 Class I Units, representing 1.07% of the outstanding Units;
- (d) Joddes Limited (an entity of which Mr. Samuel Altman is an officer), which holds 1,042,990 Class U Units, representing 4.48% of the outstanding Units;
- (e) Goodman Family US Investment Trust (an entity of which Mr. Samuel Altman is a trustee), which holds 34,152 Class U Units, representing 0.15% of the outstanding Units;
- (f) SUSO 3, which holds 117,100 Class U Units, representing 0.50% of the outstanding Units;
- (g) the following officers of the Manager:
  - a. Mr. Ramsey Ali, who holds 4,025 Class U Units, representing 0.02% of the outstanding Units;
  - b. Mr. Adam Lazier, who holds 23,091 Special Voting Units, 25,000 Class I Units, and 12,685 Class U Units, representing 0.26% of the outstanding Units;
  - c. Ms. Lisa Rowe, who holds 1,698 Class U Units, representing 0.01% of the outstanding Units;
  - d. Mr. Darrell Shipp, who holds 8,552 Special Voting Units and 19,160 Class U Units, representing 0.12% of the outstanding Units; and
  - e. Mr. Gregory Stevenson, who holds 9,920 Class U Units, representing 0.04% of the outstanding Units; and
- (h) Mr. Patrick Flatley, as a trustee of SUSO 3, who holds 4,000 Class U Units, representing 0.02% of the outstanding Units.

Such Unitholders, together with (i) any other party that is an “interested party” in respect of the SUSO 3 Acquisition, (ii) any other party that is a “related party” of any of the foregoing (subject to limited exceptions), and (iii) any other party that is a “joint actor” with any of the foregoing in respect of the SUSO 3 Acquisition, as determined pursuant to MI 61-101 and subject to the exceptions noted therein, are referred to in this Information Circular as the “**Excluded Unitholders**”.

Collectively, to the knowledge of the REIT after reasonable inquiry, the Excluded Unitholders exercise control or direction over 2,566,626 Units representing 11.02% of the outstanding Units. In addition, the principals of the Manager collectively hold an aggregate of 683,147 Class B LP2 Units, which are exchangeable into 683,147 Class U Units but do not carry voting rights; certain entities of which Mr. Altman is a director or officer hold an aggregate of 636,710 Class B LP2 Units, which are exchangeable into 636,710 Class U Units but do not carry voting rights; Mr. Adam Lazier holds an aggregate of 122,489 Class B LP2 Units, which are exchangeable into 122,489 Class U Units but do not carry voting rights; and Mr. Darrell Shipp holds an aggregate of 43,330 Class B LP2 Units, which are exchangeable into 43,330 Class U Units but do not carry voting rights. For more information regarding the interests of the Excluded Unitholders in the SUSO 3 Acquisition, see “*The SUSO 3 Acquisition – Related Party Interests*”.

For the Meeting, a quorum is present if there are two or more individuals present in person or represented by proxy, holding or representing by proxy in aggregate at least 10% of the total number of outstanding Units.

## THE REIT

### General

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in the United States with an emphasis on grocery anchored retail properties. The REIT's portfolio of properties currently consists of 43 grocery anchored retail commercial properties located in the United States (the "**Current Portfolio**"). The REIT's head and registered office is located at 200 Front Street West, Suite 2400, Toronto, Ontario, M5V 3K2.

The Class U Units are listed on the Toronto Stock Exchange (the "**TSX**") under the symbols "SRT.UN" and "SRT.U".

The objectives of the REIT are to (i) provide Unitholders with stable cash distributions from a portfolio of diversified revenue-producing commercial real estate properties in the United States with a focus on grocery anchored retail properties, (ii) enhance the value of the REIT's assets and maximize long-term Unitholder value through active management, and (iii) expand the asset base of the REIT and increase the REIT's earnings on a per Unit basis, including accretive acquisitions.

For more information on the REIT, including a description of its structure, business, investment guidelines and operating policies, see "*Overview – Structure*", "*Description of the Business*" and "*Investment Guidelines and Operating Policies*" in the Annual Information Form.

### Growth Strategies

#### *Internal Growth*

The REIT's internal growth strategy includes the following:

- **Maintaining Strong Tenant Relationships and Ensuring Tenant Retention.** The Manager expects to continue to nurture its many longstanding relationships with existing tenants by anticipating and adapting to their changing needs and being proactive with lease renewals. The Manager understands the value of maintaining existing tenancies and will engage in ongoing discussions with tenants throughout their lease term to be proactive in negotiating early renewals as leases approach their expiries. The growing size of the REIT's portfolio will help strengthen its longstanding relationships with existing tenants and allow the REIT to offer leasing opportunities across multiple properties. This strategy will promote organic growth by minimizing marketing, leasing and tenant improvement costs and avoiding interruptions in rental income generation.
- **Maximizing Rental Income Through Leasing Initiatives.** The Manager expects to maintain the current high level of occupancy in the properties in the Current Portfolio by leveraging the Manager's established leasing platform. The Manager intends to continue to implement active strategies that take into consideration prevailing economic conditions, the nature of the property, its local positioning, as well as existing and prospective tenants. Many of the properties in the Current Portfolio are located in areas with low vacancy rates and minimal new competitive supply, which should minimize leasing costs and allow the REIT to replace in-place rents with increased market rents as leases expire. The Manager also seeks to continue to include contractual rent escalators in leases to further facilitate growth in rental income.

#### *External Growth*

The REIT will continue to focus on acquiring diversified revenue producing commercial real estate properties with a focus on grocery anchored retail properties. The REIT's external growth strategy includes the following:

- **Opportunity to Benefit from Relationship with the Manager.** The REIT anticipates that its continuing relationship with the Manager provides opportunities to acquire additional investment properties. The

Manager has a strong track record of closing acquisitions and believes that it can grow the asset base of the REIT on an accretive basis in the near to medium term.

- **Identify Undervalued Properties.** The Manager's extensive relationships with a network of U.S.-based commercial real estate brokers allow it to identify undervalued properties, many of which may be "off-market" or not widely marketed for sale. With over 37,000 grocery stores in the United States, there exists significant opportunity for the REIT to continue its strategy of acquiring attractive revenue-producing commercial real estate properties anchored by grocery tenants. The Manager's familiarity with the Properties allows it to identify complimentary acquisition opportunities that are aligned with the REIT's investment criteria and accretive to cash flow. The REIT will continue to seek to acquire properties: (i) located in secondary markets in the United States demonstrating sustainable population and employment statistics; (ii) located in well-developed sub-markets with limited risk of new development, and (iii) with anchor tenants, which typically are the dominant retailer within the sub-market, with a proven track record of strong sales and profitability. The Manager will continue to target secondary cities in the United States (as opposed to primary markets) where there is typically less competition for quality assets.
- **Apply the Manager's Hands-On Asset Management Philosophy.** Even though the target assets are stable, income producing properties, the Manager will continue to assess each property to determine how to optimally refurbish, reposition and re-tenant the property. In a number of situations there exists an opportunity to reposition a property through modest and targeted capital projects and/or operational improvements. The Manager will continue to work closely with contractors to reduce operating costs and will oversee capital expenditure projects to ensure they are on budget and completed on time. In addition, the Manager will: (i) focus on rebuilding and strengthening tenant relationships with a view to gaining incremental business and extending stable tenant leases, and (ii) outsource property management and other real estate property functions to lower the operating costs borne by the tenants. This cost reduction further improves tenant relationships and will increase the NOI of properties owned by the REIT.

## Units

The Declaration of Trust authorizes the issuance of an unlimited number of four classes of units of the REIT: Class A Units, Class I Units, Class U Units, and Special Voting Units. Special Voting Units are only issued in tandem with the issuance of securities redeemable or exchange into Class U Units. As of March 25, 2015, there were 511,337 Class A Units, 358,000 Class I Units, 21,838,818 Class U Units and 590,117 Special Voting Units outstanding. Each Unitholder is entitled to one vote at the Meeting for each Unit held as provided herein.

As of March 25, 2015, the REIT and its Subsidiaries also have outstanding 590,117 GAR B Exchangeable Units (which are attached to the outstanding Special Voting Units) and 1,837,288 Class B LP2 Units.

Each Class A Unit is convertible into 1.0078 Class U Units, each Class I Unit is convertible into 1.0554 Class U Units and each GAR B Exchangeable Unit and Class B LP2 Unit is redeemable for cash or Class U Units on a one-for-one basis, as determined by the GAR B GP or the General Partner, respectively, in their sole discretion.

## The Manager

Slate Asset Management L.P. (the "**Manager**"), a Toronto-based real estate management company, provides all management services to the REIT pursuant to the Management Agreement.

## THE SUSO 3 ACQUISITION

### Overview

The REIT has entered into the SUSO 3 Purchase Agreement with SUSO 3 pursuant to which, subject to the conditions therein, the REIT will acquire a 100% indirect interest in all of the properties owned by SUSO 3 in a U.S.\$195 million transaction (representing a 7.3% cap rate and C\$130 per square foot) (the “**SUSO 3 Acquisition**”). The SUSO 3 Acquisition is expected to be accretive to the REIT’s AFFO per Unit.

### Consideration

The purchase price payable by the REIT for the SUSO 3 Assets and the interests held by the SUSO 3 GP Holders in SUSO 3 GP LP is U.S.\$80,839,152.69 (the “**SUSO 3 Purchase Price**”), subject to the Working Capital Adjustment described below. In satisfaction of such purchase price, the REIT will:

- (a) issue approximately 7,513,877 Class U Units (the “**Class U Consideration Units**”) to SUSO 3 in consideration for the SUSO 3 Assets, at a deemed price per unit of U.S.\$10.47; and
- (b) cause the Slate Retail LP(s) to issue approximately 207,150 Class B LP Units (which are economically equivalent in all material respects to the Class U Units) (the “**Class B LP Consideration Units**”, and collectively with the Class U Consideration Units, the “**Consideration Units**”) to the SUSO 3 GP Holders in consideration for their interests in SUSO 3 GP LP, at a deemed price per unit of U.S.\$10.47,

such that an aggregate of approximately 7,721,027 Consideration Units will be issued by the REIT and the Slate Retail LP(s) to SUSO 3 and the SUSO 3 GP Holders pursuant to the SUSO 3 Acquisition, subject to the Working Capital Adjustment. The REIT will also assume any guarantees of SUSO 3 related to indebtedness at the SUSO 3 Properties.

In connection with the closing of the SUSO 3 Acquisition, it is expected that SUSO 3 will (i) make a special distribution to SUSO 3 Unitholders of SUSO 3’s remaining cash balance (estimated to be approximately C\$6 million), and (ii) distribute the Class U Consideration Units to SUSO 3 Unitholders pursuant to a tax-deferred “qualifying exchange” transaction for the purposes of the Tax Act. The number of Class U Consideration Units to be received for each SUSO 3 unit and the special distribution per unit will vary depending on the class of SUSO 3 unit.

As noted above, the Consideration Units will be issued at a deemed offer price of U.S.\$10.47, which is equivalent to the offering price of Class U Units issued by the REIT pursuant to the Public Offering announced concurrently with the announcement of the SUSO 3 Acquisition on February 25, 2015, and which reflects a 3.27% discount to the five-day volume weighted average trading price of the Class U Units at the close of trading on such date.

### Working Capital Adjustment

The SUSO 3 Purchase Price has been determined on the basis that SUSO 3 will have a working capital deficit at Closing equal to U.S.\$844,469.00, and is subject to the following working capital adjustment (the “**Working Capital Adjustment**”). The parties will in good faith agree upon the final working capital on the date that is five business days prior to the closing date. If the final working capital on such date exceeds the estimated working capital, the SUSO 3 Purchase Price will be increased to reflect such excess amount and the number of Consideration Units to be issued to the Vendor Parties will be increased by an amount equal to the excess amount divided by U.S.\$10.47. If the final working capital on such date is less than the estimated working capital, the SUSO 3 Purchase Price will be decreased to reflect such shortfall amount and the number of Consideration Units to be issued to the Vendor Parties will be decreased by an amount equal to the shortfall amount divided by U.S.\$10.47.

Set out below are examples of the Working Capital Adjustment, which are meant for illustrative purposes only. The actual Working Capital Adjustment, and corresponding adjustment to the number of Consideration Units to be issued, will be determined in accordance with the description of the Working Capital Adjustment described above.

<u>Working Capital Adjustment</u>	<u>Adjustment to Number of Consideration Units to be Issued</u>	<u>Aggregate Number of Consideration Units to be Issued (and Percentage of the outstanding Units)<sup>1</sup></u>
+\$3,000,000	+286,532	8,007,559 (31.86%)
+\$2,000,000	+191,021	7,912,048 (31.48%)
+\$1,000,000	+95,510	7,816,537 (31.10%)
+\$500,000	+47,755	7,768,782 (30.91%)
+\$300,000	+28,653	7,749,680 (30.83%)
+\$100,000	+9,551	7,730,578 (30.76%)
-\$100,000	-9,551	7,711,476 (30.68%)
-\$300,000	-28,653	7,692,374 (30.60%)
-\$500,000	-47,755	7,673,272 (30.53%)

Note 1: Percentage is provided on a non-diluted basis but including the outstanding Class B LP2 Units.

### ***Conditions to Closing***

Completion of the SUSO 3 Acquisition remains subject to Unitholder approval as described herein, unitholder approval of SUSO 3, approval of the TSX, and other customary closing conditions. See “– *Approvals Required for the SUSO 3 Acquisition*”.

Subject to satisfaction of the conditions to Closing, it is anticipated that the SUSO 3 Acquisition will be completed in the second quarter of 2015.

### ***Other Terms of the SUSO 3 Acquisition***

The SUSO 3 Purchase Agreement provides that the Closing will take place on a date to be mutually agreed between the REIT and SUSO 3 and that certain steps will take place prior to or in connection with the Closing, all in a manner that will result in the completion of the SUSO 3 Acquisition as a “qualifying exchange” within the meaning of the Tax Act.

The SUSO 3 Purchase Agreement contains representations and warranties made by each of the REIT and SUSO 3, including certain representations and warranties made by SUSO 3 in respect of the real estate assets owned indirectly by SUSO 3. The SUSO 3 Purchase Agreement can be terminated prior to Closing by (i) either party upon a material breach which is not waived or cured within a specified time, (ii) either party if the conditions to Closing in its favour are not satisfied, (iii) written agreement of both parties, or (iv) either party if Closing has not occurred on or before July 31, 2015 (or such later date as the parties may agree).

*The foregoing is a summary of the material attributes and characteristics of the SUSO 3 Purchase Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the SUSO 3 Purchase Agreement, which has been filed with the Canadian securities regulatory authorities and will be available on SEDAR at [www.sedar.com](http://www.sedar.com). Unitholders should refer to the terms of the SUSO 3 Purchase Agreement for a complete description of the SUSO 3 Purchase Agreement.*

### About SUSO 3 and SUSO 3 GP LP

SUSO 3 is an unincorporated, open-ended investment trust governed by the laws of the Province of Ontario. SUSO 3 was established on August 19, 2013 for the purpose of indirectly owning and leasing interests in a diversified portfolio of high quality, revenue producing properties in the United States with a focus on grocery anchored retail properties (or proportionate interests in such properties). SUSO 3 GP LP is a Delaware limited partnership that holds all of the general partner interests of SUSO 3 Holding LP (a Delaware limited partnership that is the principal holding Subsidiary of SUSO 3).

SUSO 3 is managed by the Manager pursuant to the terms of a management agreement dated October 16, 2013 and has nearly identical investment objectives, operating guidelines and strategy as that of the REIT.

For further information regarding SUSO 3, see “*Description of SUSO 3 and its Properties*”.

### Impact of the SUSO 3 Acquisition on the Current Portfolio

The SUSO 3 Acquisition will increase the scale of the REIT’s portfolio, while further diversifying the REIT’s tenant base and extending its weighted average lease term:

	Current	SUSO 3	Pro Forma
Number of Properties	43	13	56
% of Properties Grocery Anchored	100%	100%	100%
Gross Leasable Area	5,112,023	1,512,482	6,624,505
Occupancy	95.9%	93.9%	95.5%
Weighted Average Lease Term	5.5	6.5	5.7

Since the REIT’s listing on the TSX in April 2014, the REIT has acquired 14 grocery anchored shopping centres, for C\$196 million representing 1.6 million square feet of GLA at an average price per square foot of C\$125. If the SUSO 3 Acquisition is completed, the REIT’s portfolio will grow to 56 properties with 6.6 million square feet of GLA. Following closing of the SUSO 3 Acquisition, the REIT will have a debt-to-gross book value of approximately 53.5% and total assets exceeding C\$900 million.

### The Manager

The Manager will not earn an acquisition fee on the SUSO 3 Acquisition. The Manager supports the acquisition as an investor in both entities but as an Excluded Unitholder is not eligible to vote its Units.

### Related Party Interests

The SUSO 3 Acquisition constitutes a “related party transaction” pursuant to MI 61-101. As a result of the Manager acting as manager for both the REIT and SUSO 3, the SUSO 3 Purchase Price was not negotiated between arm’s length parties. Accordingly, the Special Committee has reviewed and evaluated the SUSO 3 Acquisition.

Messrs. Blair and Brady Welch, principals of the Manager and trustees of the REIT, and Mr. Samuel Altman, a trustee of the REIT, directly or indirectly hold interests in SUSO 3 GP LP. In consideration for the acquisition by the REIT of such interests, Mr. Blair Welch will receive 88,045 Class B LP Units (representing 0.35% of the outstanding Units, on a non-diluted basis but including the outstanding Class B LP2 Units), Mr. Brady Welch will receive 88,045 Class B LP Units (representing 0.35% of the outstanding Units, on a non-diluted basis but including the outstanding Class B LP2 Units) and entities of which Mr. Altman is a director or officer will receive 20,176 Class B LP Units (representing 0.08% of the outstanding Units, on a non-diluted basis but including the outstanding Class B LP2 Units). Accordingly, any Units that are beneficially owned by Messrs. Welch or Altman, or in respect of which they exercise control or direction, including Units held by the Manager, will be excluded from the minority vote of Unitholders required under MI 61-101 in respect of the SUSO 3 Resolution (together with the votes of SUSO 3 and any trustees or officers of SUSO 3 or the Manager or any other Excluded Unitholders).

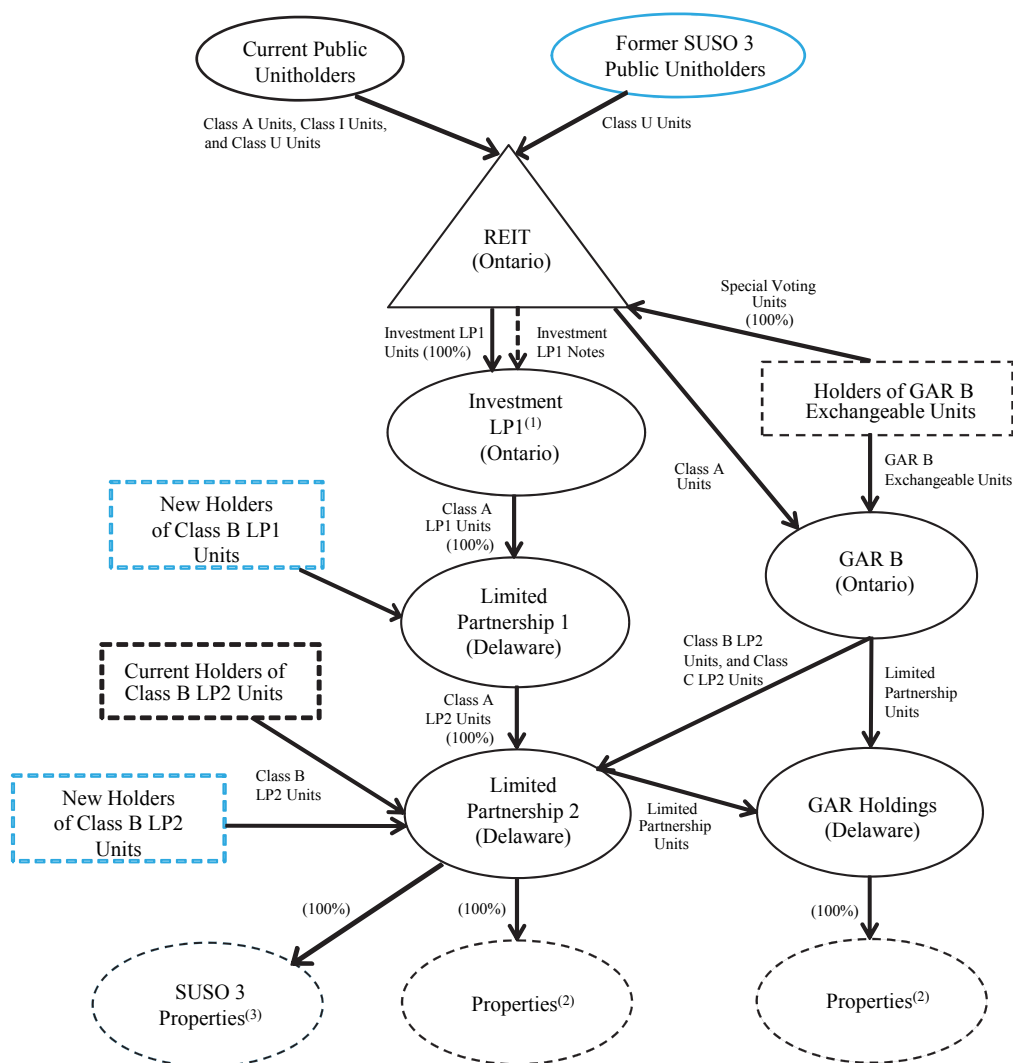
As of March 25, 2015, the Manager and the principals of the Manager collectively held an aggregate of 683,147 Class B LP2 Units (which are exchangeable into 683,147 Class U Units), 255,720 GAR B Exchangeable Units (which are exchangeable into 255,720 Class U Units), and 728,031 Class U Units, representing an aggregate approximately 6.6% interest in the REIT, on a non-diluted basis but including the outstanding Class B LP2 Units. In addition, certain entities of which Mr. Altman is a director or officer held an aggregate of 636,710 Class B LP2 Units (which are exchangeable into 636,710 Class U Units), 265,000 Class I Units (which are exchangeable into 279,681 Class U Units), and 1,092,644 Class U Units, representing an aggregate approximately 8.0% interest in the REIT, on a non-diluted basis but including the outstanding Class B LP2 Units.

Following completion of the SUSO 3 Acquisition, the Manager and the principals of the Manager collectively will hold an aggregate of 859,237 Class B LP Units (which are exchangeable into 859,237 Class U Units), 255,720 GAR B Exchangeable Units (which are exchangeable into 255,720 Class U Units), and 842,627 Class U Units, representing an aggregate approximately 6.0% interest in the REIT, on a non-diluted basis but including the outstanding Class B LP2 Units. In addition, certain entities of which Mr. Altman is a director or officer will hold an aggregate of 657,426 Class B LP2 Units (which are exchangeable into 657,426 Class U Units), 265,000 Class I Units (which are exchangeable into 279,681 Class U Units), and 1,368,525 Class U Units, representing an aggregate approximately 7.0% interest in the REIT, on a non-diluted basis but including the outstanding Class B LP2 Units.

### **Structure Following Completion of the SUSO 3 Acquisition**

In connection with the implementation of the SUSO 3 Acquisition and related transactions described in this Information Circular, each of the SUSO 3 Properties will be indirectly acquired and held by the REIT. Pursuant to the Declaration of Trust, the trustees of the REIT, without any action or consent by the Unitholders, have the right to implement an internal reorganization of the assets of the REIT and/or any of the REIT's Subsidiaries (including, without limitation, forming additional trusts or limited partnerships to be Subsidiaries of the REIT).

The following diagram illustrates the simplified structure of the REIT upon completion of the SUSO 3 Acquisition (with changes to the REIT's current structure reflected in blue):



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Notes:

- (1) In addition, Investment LP1 owns a direct interest in Slate U.S. Opportunity (No. 1) Holdings L.P., a subsidiary of Limited Partnership 2.
- (2) The properties in the Current Portfolio are owned indirectly by the REIT through various holding entities.
- (3) The SUSO 3 Properties will be owned indirectly by the REIT through various holding entities.

### Recommendation of the Special Committee

Following receipt of the Formal Valuation and Fairness Opinion and the Independent Appraisals, the Special Committee unanimously resolved that the SUSO 3 Acquisition is in the best interests of the REIT and the Unitholders and unanimously resolved to recommend to the Board that it approve the SUSO 3 Acquisition and recommend to Unitholders that they approve the SUSO 3 Acquisition.

In arriving at its conclusions and recommendations, the Special Committee reviewed and considered all aspects of the SUSO 3 Acquisition, including the financial, legal and tax implications of the SUSO 3 Acquisition and the benefits to Unitholders.

The conclusions and recommendations of the Special Committee are based upon the fact that the SUSO 3 Acquisition will result in a number of benefits for Unitholders, including:

1. **Strategic Acquisition of Quality Assets.** The SUSO 3 Acquisition is an opportunity for the REIT to grow through the acquisition of quality assets that are consistent with its growth strategy. The SUSO 3 Assets are also managed and were acquired by the Manager, which will result in a smooth transition following the SUSO 3 Acquisition.
2. **No Acquisition Fee or Equity Commission.** The Manager will not earn an acquisition fee on the SUSO 3 Acquisition and the issuance of Class U Units to SUSO 3 Unitholders will not be subject to equity commissions.
3. **Creation of a Larger More Diversified Entity.** Upon completion of the SUSO 3 Acquisition, the REIT will have total assets in excess of U.S.\$900 million. The REIT's portfolio will comprise 56 grocery anchored assets with over 6.6 million square feet of GLA diversified across 20 states with 66% of GLA occupied by either grocery or national tenants. The REIT's portfolio will be well diversified by tenant and geography with no tenant comprising more than 7% of revenues and no state comprising more than 12% of GLA.
4. **Accretive to AFFO per Unit.** The SUSO 3 Acquisition values SUSO 3 at a 7.3% cap rate and U.S.\$130 per square foot and is accretive to the REIT's AFFO per Unit.

#### **Approval and Recommendation of the Board**

**The Board has unanimously determined (with each of Blair Welch, Brady Welch, Samuel Altman, Patrick Flatley and Peter Tesché declaring their interest and abstaining from voting) that the SUSO 3 Acquisition is fair to the REIT and is in the best interests of Unitholders and recommends that Unitholders vote in favour of the SUSO 3 Resolution.**

In approving the SUSO 3 Acquisition and in making this recommendation, the Board considered a number of factors. In view of the variety of factors considered in connection with its evaluation of the SUSO 3 Acquisition, the Board did not find it practicable to and did not quantify or otherwise assign relative weights to the specific factors considered in reaching its determination as to the fairness of the SUSO 3 Acquisition.

The factors considered included:

- (a) the benefits of the SUSO 3 Acquisition described herein;
- (b) the risk factors described herein under "*Risk Factors*";
- (c) the fact that the SUSO 3 Resolution, a copy of which is attached as Appendix D of this Information Circular, must be passed by an affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units (other than Excluded Unitholders pursuant to MI 61-101), with such Unitholders voting together as a single class;
- (d) the Formal Valuation and Fairness Opinion, a copy of which is attached as Appendix E of this Information Circular; and
- (e) the Independent Appraisals.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. There are risks associated with the SUSO 3 Acquisition, including that some of the potential benefits set forth in this Information Circular may not be realized or that there may be significant costs associated with realizing such benefits.

Each of the trustees and officers of the REIT who are entitled to vote have indicated they intend to vote all of their Units in favour of the SUSO 3 Resolution.

## **Background to the SUSO 3 Acquisition**

### **Formation of the Special Committee**

#### ***Special Committee***

On April 15, 2014, the REIT completed the Unitholder approved combination transaction (the “**Combination Transaction**”). Pursuant to the Combination Transaction: (i) the REIT acquired all of the assets of SUSO 2 in consideration for Class U Units; (ii) the REIT effectively acquired, directly and indirectly, all of the assets of U.S. Grocery Anchored Retail (1A), (1B) and (1C) Limited Partnerships in consideration for Class U Units or securities that are economically equivalent to Class U Units (subject to certain adjustments) and redeemable for cash or Class U Units; and (iii) the Class U Units were listed on the TSX.

In connection with the Combination Transaction in 2014, and following the completion thereof, the Manager considered the opportunity for the REIT to acquire SUSO 3 or its properties. The possibility of such acquisition was disclosed by the REIT in the information circular relating to the Combination Transaction and in the REIT’s management’s discussion and analysis for the quarters ended June 30, 2014 and September 30, 2014.

On November 12, 2014, the Board met and discussed the potential pursuit of the SUSO 3 Acquisition and the benefits of the potential acquisition with management.

On February 17, 2015, the Board met and once again discussed the SUSO 3 Acquisition and the potential timing and process relating thereto.

On February 20, 2015, the Board established a special committee of Independent Trustees (the “**Special Committee**”) for the purposes of considering the SUSO 3 Acquisition. The Special Committee consists of Thomas Farley (Chair) and Colum Bastable, each of whom was determined by the Board to be an Independent Trustee.

On February 25, 2015, the REIT announced that it had entered into an agreement to sell to a syndicate of underwriters led by joint-bookrunners CIBC World Markets Inc. and GMP Securities L.P., on a bought deal basis, 3,077,000 Class U Units at a price of C\$13.00 per unit or U.S.\$10.47 per unit for gross proceeds of approximately C\$40 million. On February 26, 2015, the REIT announced that it had upsized such offering to 3,850,000 Class U Units at the offering price for gross proceeds of approximately C\$50 million (the “**Public Offering**”). The REIT also granted the underwriters an overallotment option to purchase up to an additional 385,000 Class U Units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Public Offering. The REIT also announced that concurrently with and contingent upon the Public Offering, the Manager would subscribe for C\$5 million of Class U Units and that one or more entities of which Mr. Samuel Altman is a director or officer would also subscribe for C\$5 million of Class U Units (the “**Private Placement**”).

In advance of the REIT’s announcement of the Public Offering, management and legal counsel of the REIT further reviewed and discussed the anticipated process, timetable and costs for the SUSO 3 Acquisition with the Special Committee. Following these discussions, and in conjunction with the announcement of the Public Offering, the REIT announced that it had entered into an agreement in respect of the SUSO 3 Acquisition, subject to approval by the Board and Special Committee, as well as the board of trustees and independent committee of SUSO 3, in each case in its sole and absolute discretion, following the completion of due diligence on behalf of, and satisfactory to, the boards and such committees (including receipt by the REIT of a formal valuation in respect of the SUSO 3 Assets) and the other conditions to Closing outlined therein.

From February 25, 2015 to April 2, 2015, the Special Committee formally met six times and was in regular communication with management of the REIT regarding the status of the SUSO 3 Acquisition and outstanding issues. In addition, the Special Committee, apart from its formal meetings, regularly consulted and received advice from its financial and legal advisors from time to time on various matters.

During the week of March 2, 2015, the Special Committee retained Altus Group to prepare and deliver the Independent Appraisals in respect of the SUSO 3 Properties. That same week, the Special Committee retained Bennett Jones LLP as its independent legal advisor in connection with the Special Committee pursuing its mandate in respect of reviewing the SUSO 3 Acquisition. On March 9, 2015, the Special Committee made initial contact with

Blair Franklin Capital Partners (“**Blair Franklin**”) regarding the preparation and delivery of the Formal Valuation and Fairness Opinion speaking to the fairness, from a financial point of view, to the REIT of the SUSO 3 Acquisition.

On March 23, 2015, the Special Committee, along with its financial and legal advisors, met with management of the REIT who provided an update on the status of various aspects of the SUSO 3 Acquisition, the anticipated timing for receiving the Independent Appraisals and the proposed timetable for holding the meeting of Unitholders to consider and vote on the SUSO 3 Acquisition. After management of the REIT left the meeting, the Special Committee received advice as to its legal duties from its legal advisor. Also, Blair Franklin outlined its anticipated work schedule and the anticipated scope of its review of the Independent Appraisals in connection with the preparation of the Formal Valuation and Fairness Opinion.

On March 24, 2015, the Special Committee was advised that Blair Franklin had received drafts of the Independent Appraisals.

On March 26, 2015, the Special Committee met with its financial and legal advisors. At such meeting, Blair Franklin provided the Special Committee with an update on the status of its review of the draft Independent Appraisals and its work on preparing the Formal Valuation and Fairness Opinion.

On March 31, 2015, the Special Committee, along with its legal advisor, met with the REIT's auditor (Deloitte LLP) to review certain aspects of the SUSO 3 Acquisition, including in respect of the REIT's financial statements. The Special Committee also asked its legal counsel to review the tax structuring of the SUSO 3 Acquisition with the REIT's legal advisors.

On April 1, 2015, the Special Committee met with its financial and legal advisors. At such meeting, Blair Franklin reviewed in detail its draft written Formal Valuation and Fairness Opinion, including providing a summary of the various value considerations used in reaching its conclusions.

On the morning of April 2, 2015, Altus Group delivered the final versions of the Independent Appraisals. Later that day, the Special Committee met with its financial and legal advisors. At the meeting, Blair Franklin confirmed that the final versions of the Independent Appraisals were not materially different than the drafts provided to the Special Committee earlier in the process. Blair Franklin also delivered the final written version of the Formal Valuation and Fairness Opinion to the Special Committee. Legal counsel reviewed the mandate of the Special Committee and the Special Committee's duties and responsibilities. The Special Committee also discussed a number of comments on the draft of the Information Circular. Following these discussions, and after careful deliberation, the Special Committee determined that the SUSO 3 Acquisition was in the best interests of the REIT and the Unitholders. Following such determination, the Special Committee unanimously agreed that it would recommend to the Board that: (i) the Board approve the SUSO 3 Acquisition and the Information Circular; and (ii) the Board recommend to the Unitholders that they vote in favour of the SUSO 3 Resolution at the Meeting.

On the late afternoon of April 2, 2015, following the completion of the Special Committee meeting earlier that afternoon, the Board met to consider the SUSO 3 Acquisition. After full discussion and careful deliberation, and after receiving the recommendations of the Special Committee, the Board (with each of Blair Welch, Brady Welch, Samuel Altman, Patrick Flatley and Peter Tesché declaring their interest and abstaining from voting) approved the SUSO 3 Acquisition and the Information Circular, and unanimously resolved to recommend to Unitholders that they vote in favour of the SUSO 3 Resolution at the Meeting.

## **Formal Valuation and Fairness Opinion**

### ***Selection of Blair Franklin***

Pursuant to an engagement letter dated March 20, 2015, the Special Committee retained Blair Franklin to prepare and deliver the Formal Valuation and Fairness Opinion. The Special Committee determined, based in part on certain representations made to them by Blair Franklin, that Blair Franklin was independent and qualified to prepare the Formal Valuation and Fairness Opinion.

Under the terms of the engagement letter between Blair Franklin and the REIT, a fee was payable by the REIT to Blair Franklin upon (i) execution of the engagement letter, and (ii) delivery of the Formal Valuation and Fairness Opinion to the Special Committee. The compensation of Blair Franklin under the engagement letter is not contingent upon the conclusions reached by Blair Franklin, or upon the completion of the SUSO 3 Acquisition. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and has been indemnified by the REIT in respect of certain matters relating to its engagement.

### ***Credentials of Blair Franklin***

Blair Franklin is an independent investment bank providing a full range of merger and acquisition, divestiture, valuation and financial restructuring services. The Formal Valuation and Fairness Opinion expressed herein represents the opinion of Blair Franklin and the form and content herein has been approved for release by a committee of its principals, each of whom is experienced in mergers, acquisitions, divestitures, and valuation matters.

### ***Relationship with Interested Parties***

Neither Blair Franklin nor any of its associated entities or affiliated entities is (i) an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of SUSO 3, the REIT, the Manager, or any of their respective associates or affiliates (collectively, the “**Interested Parties**”), (ii) an advisor to any of the Interested Parties in connection to the SUSO 3 Acquisition, or (iii) a member of a soliciting dealer group formed in respect of the SUSO 3 Acquisition. Blair Franklin has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Interested Parties within the past two years, other than the services provided under the engagement letter and as described herein. There are no understandings, agreements or commitments between Blair Franklin and the Interested Parties with respect to any future business dealings. Blair Franklin may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties.

Blair Franklin is of the view that it is independent of all Interested Parties in the SUSO 3 Acquisition (as such terms are defined for the purposes of MI 61-101).

### ***Formal Valuation and Fairness Opinion***

In connection with the preparation of the Formal Valuation and Fairness Opinion, Blair Franklin reviewed information provided by the Independent Appraisals, undertook various procedures, met with the REIT’s management, representatives of Altus Group and representatives of the Special Committee and conducted investigative exercises as more specifically detailed in the Formal Valuation and Fairness Opinion. The Special Committee and Blair Franklin relied upon the accuracy and completeness of all data and other information obtained by Blair Franklin from public sources or provided to it by the REIT. The Formal Valuation and Fairness Opinion are conditional upon such accuracy and completeness. Subject to the exercise of its professional judgment, and except as expressly described in the Formal Valuation and Fairness Opinion, Blair Franklin did not independently verify the accuracy or completeness of any of such information.

### ***Definition of Fair Market Value***

The Formal Valuation and Fairness Opinion states that, for the purpose of the opinions given therein, fair market value is defined to mean the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, where each is acting at arm’s length with the other and under no compulsion to act.

### ***Approach to Value***

The Formal Valuation and Fairness Opinion is based upon the methodologies and assumptions Blair Franklin considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market values of the SUSO 3 Assets. Fair market value of the SUSO 3 Assets was analyzed on a going concern basis.

### *Valuation Methodologies*

Blair Franklin reviewed each of the Independent Appraisals described below under “*Independent Appraisals*” in detail and held discussions with representatives of Altus Group during its appraisal process to understand the basis of its value analysis. Blair Franklin also relied on a discounted cash flow approach in conducting the Formal Valuation. This analysis was completed on the cash flows from the SUSO 3 Properties at a portfolio level. Blair Franklin also reviewed precedent transactions involving grocery anchored shopping centres and the trading multiples of comparable public companies focused on grocery anchored real estate. For each of these companies and transactions, Blair Franklin analyzed various metrics including the capitalization rates of net operating income implied by their respective enterprise values and purchase prices and applied them to the net operating income of the SUSO 3 Properties.

After reviewing the Independent Appraisals and arriving at property values under the discounted cash flow approach and capitalization approach described above, Blair Franklin subtracted the fair value of the debt associated with the SUSO 3 Properties and made adjustments for certain other assets and liabilities involved in the SUSO 3 Acquisition to arrive at an equity value for the SUSO 3 Assets.

### *Conclusions of Formal Valuation and Fairness Opinion*

On April 2, 2015, Blair Franklin provided the Special Committee with the Formal Valuation and Fairness Opinion which indicates that, as of such date and based on and subject to the assumptions, factors considered and limitations described therein:

- (a) the fair market value of the SUSO 3 Assets is in the range of \$66 million to \$86 million; and
- (b) the consideration of \$80.8 million to be paid by the REIT for the SUSO 3 Assets pursuant to the SUSO 3 Purchase Agreement is fair, from a financial point of view, to the REIT.

### *Material Benefit*

Blair Franklin reviewed and considered whether any distinctive material value would accrue to SUSO 3, the Manager and to the REIT through the SUSO 3 Acquisition. Blair Franklin concluded that as a result of the SUSO 3 Acquisition the Manager would receive, through the Management Agreement, a management fee of 40 bps of the gross book value of the SUSO 3 Assets or approximately \$0.8 million per year, and that principals of the Manager would receive Class B LP Units issuable pursuant to the SUSO 3 Acquisition reflecting their 85% interest in SUSO 3 GP LP (which are valued at approximately \$1.8 million), consistent with their pre-existing agreement with SUSO 3 GP LP. See “*The SUSO 3 Acquisition – Related Party Interests*”. Outside of the asset management fee and the foregoing issuance of Class B LP Units, there were no material specific operational or financial benefits that would accrue to these parties such as lower income tax rates, reduced operating costs, increased revenues, higher asset utilization or any other operational or financial benefits.

In addition, the SUSO 3 Acquisition will be structured in a manner that provides SUSO 3 and the SUSO 3 GP Holders with favourable tax treatment in respect of their disposition of the SUSO 3 Assets and the limited partnership interests in SUSO 3 GP LP, respectively. Specifically, it is intended that structuring the acquisition of the SUSO 3 Assets as a “qualifying exchange” for purposes of the Tax Act will result in the proceeds realized by SUSO 3 for income tax purposes for certain assets being less than the fair market value of such assets at the date of their acquisition, and that the indirect acquisition by Subsidiaries of the REIT of the partnership interests in SUSO 3 GP LP will be acquired by the REIT Subsidiaries for an amount for income tax purposes that will be less than the fair market value of such interests by way of tax-deferred rollover. As such, the respective gains realized by SUSO 3 and the SUSO 3 GP Holders will be reduced, and the adjusted cost base of the applicable assets acquired by the REIT or its Subsidiaries will be lower as compared to the adjusted cost base of such acquired assets if they had not been acquired as part of a “qualifying exchange” or tax-deferred rollover (as the case may be). However, tax efficient structuring of transactions is consistent with standard practice in the commercial real estate market and commercial transaction practice generally. The REIT does not have sufficient information with respect to SUSO 3 or the SUSO 3 GP Holders to determine the materiality of the benefit to them, if any.

The full text of the Formal Valuation and Fairness Opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Blair Franklin. The full text of the Formal Valuation and Fairness Opinion is attached as Appendix E and is incorporated by reference into this Information Circular in its entirety. See “*Appendix E – Formal Valuation and Fairness Opinion*”. Unitholders are encouraged to read the Formal Valuation and Fairness Opinion carefully in its entirety. The Formal Valuation and Fairness Opinion is directed only to the value of the SUSO 3 Assets and the fairness, from a financial point of view, to the REIT of the consideration of \$80.8 million being paid for the SUSO 3 Assets pursuant to the SUSO 3 Acquisition and does not address any other aspect of the SUSO 3 Acquisition or any related transaction. The Formal Valuation and Fairness Opinion does not address the relative merits of the SUSO 3 Acquisition or any related transaction as compared to other business strategies or transactions that might be available to the REIT or the underlying business decision of the REIT to effect the SUSO 3 Acquisition or any related transaction. The Formal Valuation and Fairness Opinion does not constitute a recommendation to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the SUSO 3 Acquisition.

Caution should be exercised in the evaluation and use of the results of a formal valuation such as those contained in the Formal Valuation and Fairness Opinion. A formal valuation is an estimate of market value as at a particular date. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Formal Valuation and Fairness Opinion based on various assumptions of future expectations and some of the assumptions may not materialize or may differ materially from actual experience in the future.

The Formal Valuation and Fairness Opinion was only one of many factors considered by the Special Committee and by the Board in their evaluation of the SUSO 3 Acquisition and should not be viewed as determinative of the views of the Special Committee, the Board or the REIT’s management with respect to the SUSO 3 Acquisition or the consideration provided for in the SUSO 3 Acquisition.

### ***Independent Appraisals***

In connection with the SUSO 3 Acquisition, Altus Group was also engaged by the Special Committee to prepare Independent Appraisals of each of the 13 properties owned individually by SUSO 3, which form the material real estate assets underlying the SUSO 3 Assets and were considered by Blair Franklin in preparing the Formal Valuation and Fairness Opinion. In retaining Altus Group, the Special Committee, based in part on representations made to it by Altus Group, concluded that Altus Group was independent and qualified to provide the Independent Appraisals. Pursuant to the terms of the engagement letter with Altus Group, the REIT agreed to pay a fixed fee to Altus Group as compensation for its services and out-of-pocket expenses incurred by Altus Group.

Altus Group has been actively involved in the appraisal of institutional, office, commercial and industrial related properties since 2005. It has expertise in research, valuation and advisory services with over 2,300 employees in multiple offices around the world. Altus Group’s clients include financial institutions, private and public investment funds, public real estate organizations, real estate investment trusts, foreign and domestic private investors, real estate developers, and governmental institutions.

In preparing the Independent Appraisals, Altus Group relied on two methodologies to arrive at a value analysis:

*Income Approach: the Income Approach is comprised of two primary valuation methodologies being:*

*(i) Direct Capitalization:* This method measures the relationship of value to the fully leased net operating income, normally at the first year. This method is also referred to as the overall capitalization approach.

*(ii) Discounted Cash Flow:* This method calculates the present value of the future cash flows over a specified time period, including potential proceeds of a deemed disposition, to determine market value.

*Direct Comparison Approach:* This method involves a comparison of the subject property with similar properties that have sold or are offered for sale. The common unit of comparison is often expressed on a price per square foot of rentable area basis.

The Independent Appraisals estimated the aggregate market value of the SUSO 3 Properties as of March 31, 2015 to be U.S.\$195 million.

**Caution should be exercised in the evaluation and use of the results of appraisals such as those contained in the Independent Appraisals. An appraisal is an estimate of market value as at a particular date. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Independent Appraisals are based on various assumptions of future expectations, including Altus Group's internal forecasts of net operating income for each of the SUSO 3 Properties which Altus Group believes to be reasonable as at the date of the Independent Appraisals, and some of the assumptions may not materialize or may differ materially from actual experience in the future.**

The Independent Appraisals were only one of many factors considered by the Special Committee and by the Board in their evaluation of the SUSO 3 Acquisition and should not be viewed as determinative of the views of the Special Committee, the Board or the REIT's management with respect to the SUSO 3 Acquisition or the consideration provided for in the SUSO 3 Acquisition.

### **Prior Valuations**

There are no prior valuations (as such term is defined in MI 61-101) in respect of the SUSO 3 Assets that have been made within 24 months before the date of the announcement of the SUSO 3 Acquisition, that are known, after reasonable inquiry, to the REIT or to any trustee or senior officer of the REIT.

### **Formal Valuation Exemption**

In the absence of a valuation exemption pursuant to MI 61-101, the REIT would be required to obtain a formal valuation of the Class B LP Units of the Slate Retail LPs to be acquired by the SUSO 3 GP Holders as partial consideration for the SUSO 3 Acquisition. However, the REIT has received exemptive relief from the Ontario Securities Commission and the Autorité des marchés financiers from the requirements of Section 5.4 of MI 61-101 to obtain a formal valuation in respect of the Class B LP Units of the Slate Retail LPs, primarily on the basis that:

- Although the Class B LP Units would not be securities of a reporting issuer or of a class for which there is a published market, they would be, as a result of the rights, privileges, restrictions, and conditions attaching to such Class B LP Units and the material agreements relating to and governing the Class B LP Units, redeemable for Class U Units or cash; and
- Prior to such exchange, the Class B LP Units would be economically equivalent to the Class U Units in all material respects and their value would be directly linked to the value of the Class U Units. The value of the Class B LP Units would be entirely derived from the value of the Class U Units and would be derived from an equity interest in the same entities (i.e., the operating limited partnerships of the REIT) from which the Class U Units derive their value, and from the REIT's perspective, issuing Class B LP Units through the Slate Retail LPs as consideration for assets is equivalent to issuing Class U Units as consideration for assets.

In compliance with the conditions of such relief, the REIT represents that it has no knowledge of any material information concerning the REIT, the Slate Retail LPs, or the securities of the REIT and the Slate Retail LPs that has not been generally disclosed. Furthermore, to the knowledge of the REIT after reasonable inquiry, none of the Manager, Blair Welch, Brady Welch, Samuel Altman or SUSO 3 or any of its affiliates, has knowledge of any material information concerning the REIT, the Slate Retail LPs or securities of the REIT and the Slate Retail LPs that has not been generally disclosed.

### **Approvals Required for the SUSO 3 Acquisition**

#### ***Unitholder Approval***

At the Meeting, Unitholders will be asked to consider, and if thought advisable, pass the SUSO 3 Resolution in the form attached hereto as Appendix D, with or without variation. To be approved, the SUSO 3 Resolution must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units,

Class I Units, Class U Units and Special Voting Units (other than Excluded Unitholders pursuant to MI 61-101), with such Unitholders voting together as a single class.

Further, majority approval by the Unitholders (other than Excluded Unitholders) present in person or represented by proxy at the Meeting is required in connection with the SUSO 3 Acquisition and the issuance of the Consideration Units pursuant to the TSX Company Manual. Specifically, Section 611(c) of such manual requires such approval where the number of securities issuable in payment for the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer outstanding at the time of the acquisition on a non-diluted basis. The aggregate number of approximately 7,721,027 Consideration Units to be issued to SUSO 3 and the SUSO 3 GP Holders as consideration for the SUSO 3 Assets (which includes, for greater certainty, the 207,150 Units potentially issuable pursuant to the exercise of the redemption rights under the 207,150 Class B LP Consideration Units), subject to the Working Capital Adjustment, represent approximately 30.72% of Units outstanding as at March 25, 2015 before giving effect to the SUSO 3 Acquisition, on a non-diluted basis but including the outstanding Class B LP2 Units.

### ***SUSO 3 Unitholder Approval***

A meeting of SUSO 3 Unitholders will be held on May 13, 2015 at 10:30 a.m. EST at McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, Ontario, M5K 1E6 (the “**SUSO 3 Meeting**”). At the SUSO 3 Meeting, SUSO 3 Unitholders will be asked to consider, and if thought advisable, pass a special resolution, approving the SUSO 3 Acquisition and certain proposed amendments to the SUSO 3 Declaration of Trust.

### ***Exemption***

In the absence of an exemption, the REIT would be required pursuant to MI 61-101 to obtain minority unitholder approval at a meeting of Unitholders from each class of “affected securities” of the REIT, in each case voting separately as a class. However, the REIT has received exemptive relief from the Ontario Securities Commission and the Autorité des marchés financiers from the requirements of Section 8.1 of MI 61-101, such that the minority unitholder approval is required from all Unitholders voting as a single class, on the basis that: (i) the Declaration of Trust provides that Unitholders will vote as a single class unless the Board determines that the nature of business to be transacted at a meeting affects holders of one class of trust Units in a manner materially different from its effect on holders of another class of trust Units (in which case the Units of the affected class would vote separately); and (ii) in the view of the REIT, the SUSO 3 Acquisition will not have such a differential effect on the holders of any class of trust Units as compared to the other classes of holders of trust Units.

### ***TSX Approval***

The SUSO 3 Acquisition is conditional upon the approval of the TSX. The REIT has commenced the application process and expects to receive the TSX’s conditional approval upon the satisfaction of the conditions of the TSX, which include the approval of a majority of the Minority Unitholders present in person or represented by proxy at the Meeting and certain other customary conditions.

### ***Expenses of the SUSO 3 Acquisition***

The estimated out-of-pocket costs to be incurred by the REIT, SUSO 3 and their affiliates relating to the SUSO 3 Acquisition, including financial advisory, appraisal, accounting and legal fees and the preparation and printing of this Information Circular, are expected to aggregate approximately U.S.\$1.5 million.

### ***Canadian Securities Law Matters***

The Class U Consideration Units will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian securities laws and, following completion of the SUSO 3 Acquisition, such units will be “freely tradeable” (other than as a result of any “control block” restrictions which may arise by virtue of the ownership thereof) under applicable Canadian securities laws of the provinces and territories of Canada.

## DESCRIPTION OF SUSO 3 AND ITS PROPERTIES

### Overview of SUSO 3

SUSO 3 is an unincorporated, open-ended investment trust governed by the laws of the Province of Ontario. SUSO 3 was established on August 19, 2013 for the purpose of indirectly owning and leasing interests in a diversified portfolio of high quality, revenue producing properties in the United States with a focus on grocery anchored retail properties (or proportionate interests in such properties). SUSO 3's head and registered office is located at 200 Front Street West, Suite 2400, Toronto, Ontario, M5V 3K2. SUSO 3 GP LP is a Delaware limited partnership that holds all of the general partner interests of SUSO 3 Holding LP (a Delaware limited partnership that is the principal holding Subsidiary of SUSO 3).

SUSO 3 is managed by the Manager pursuant to the terms of a management agreement dated October 16, 2013 and has nearly identical investment objectives, operating guidelines and strategy as that of the REIT. The investment objectives of SUSO 3 are to (i) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on grocery anchored retail properties, (ii) make quarterly distributions to its unitholders, and (iii) enhance the potential for long-term growth of capital through value-added enhancements to the properties owned indirectly by SUSO 3 and organic growth in rental rates, combined with an overall reduction in capitalization rates.

SUSO 3 completed its initial public offering of units in October, 2013. The SUSO 3 units do not trade on any stock exchange. The trustees of SUSO 3 are Samuel Altman, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch. Blair Welch is the Chief Executive Officer of SUSO 3 and Blair Welch is the Chief Financial Officer.

### Overview of the SUSO 3 Properties

The SUSO 3 Properties consist of 13 grocery anchored retail properties comprising an aggregate of approximately 1,512,482 square feet of GLA, located in attractive submarkets, which are currently 95% leased as at March 18, 2015, and will increase the REIT's asset base GLA by approximately 30% to over 6.6 million square feet with an enhanced geographic footprint.

The following table highlights certain information about the SUSO 3 Properties, including occupancy levels, which are set out as at March 18, 2015:

Property	City	State	GLA (SF)	Occupancy	Year Built (Renovated)	Grocery Anchor
Dill Creek Commons	Greer	SC	72,526	100%	1997	BI-LO
North Augusta Plaza	North Augusta	SC	254,718	94%	1993	Publix
Watford Plaza	Watford City	ND	101,798	100%	2013	Cash Wise
Wausau Pick 'n Save	Wausau	WI	67,951	100%	2002	Pick N' Save
Merchants Square	Riverdale	GA	118,986	99%	1986(2002)	Kroger
Southgate Shopping Centre	Minot	ND	159,780	100%	2013	Cash Wise
Salerno Village Square	Stuart	FL	77,677	84%	1976 (2004)	Winn-Dixie
Canton Shopping Center	Canton	MI	72,361	100%	1986	Aldi
Mulberry Square	Milford	OH	146,730	90%	1993 (2002)	Kroger
Bloomington Plaza	Brandon	FL	83,237	100%	1987 (2013)	Winn-Dixie
Merchants Crossing	Newnan	GA	174,059	79%	1974 (2012)	Kroger
Lake Raystown Plaza	Huntingdon	PA	140,159	100%	1995 (2006)	GIANT
Lovington Plaza	Lovington	VA	42,500	97%	1998	Food Lion
13			1,512,482	95%		

## **Property Descriptions**

### **South Carolina**

#### ***Dill Creek Commons***

Dill Creek Commons is a 72,526 square foot grocery anchored retail plaza located at the address 1365 Wade Hampton Boulevard Greer, Greenville County, SC 29650 on 8.1 acres of land. The property was built in 1997 and was acquired in December 2013. The shopping plaza is 100% occupied and is anchored by a BI-LO.

#### ***North Augusta***

North Augusta Plaza is a 254,718 square foot Publix anchored retail plaza located at the 314 E. Martintown Road North Augusta, Aiken County, SC 29841. The property was acquired in December 2013. Built in 1993, the centre is situated on 20.1 acres of land in North Augusta, North Carolina. The center has a large national and regional tenant mix and is 94% occupied.

### **North Dakota**

#### ***Watford Plaza***

Watford Plaza is a neighborhood shopping center located in the southeast section of Watford City, ND. The center is located on the south side ND highway 23 Bypass allowing for heavy traffic by both passenger and commercial traffic. The 101,798 square feet grocery anchored center is 100% occupied, anchored by Cash Wise and sits on 12.15 acres of land.

#### ***Southgate Shopping Centre***

Southgate Shopping Centre is a 159,700 square foot recently developed community shopping center, located in the southwest section of Minot. The center is anchored by a Cash Wise on a 16.12 acre site and is 100% occupied with committed national tenants. The asset is located along the west side of 16<sup>th</sup> Street SW close to the heavily trafficked US Route 52/2 bypass.

### **Wisconsin**

#### ***Wausau Pick 'n Save***

Wausau Pick 'n Save consists of a 1-story single-tenant supermarket that contains 67,951 square feet of gross leasable area. The building was built in 2002 and is anchored by a Pick 'n Save. The center is located on 9.7 acres of land is located on a major thru fare in Wausau Wisconsin.

### **Georgia**

#### ***Merchants Square***

Merchants Square is a 118,986 square foot grocery anchored shopping center located at the address municipally known as 7100 Georgia Highway 85, Riverdale, Clayton County, GA 30274. The property was acquired in February 2014. Built in 1986 and renovated in 2002, the centre is situated on 14.4 acres of land in Riverdale Georgia. Merchants Square is 99% occupied and is anchored by a recently remodeled Kroger.

#### ***Merchants Crossing***

Merchants Crossing is a grocery anchored neighborhood shopping center located in Newnan Georgia. The center is located at 50 Bullsboro Drive, Newnan, Coweta County, GA 30263, with great visibility and access. The center was developed in 1974 and was remodelled in 2012 and contains 174,059 square feet on a parcel totalling 16.3 acres. The property is 79% occupied, and anchored by a recently remodelled Kroger.

## **Florida**

### ***Salerno Village Square***

Salerno Village Square is a retail property totaling 77,677 square feet and the plaza was originally constructed in 1976 and is currently 84% leased. The center is located along a major interstate with good visibility and is located on 12.31 acres. The center underwent a major store remodel completed by the anchor tenant Winn-Dixie in 2004.

### ***Bloomington Plaza***

Bloomington is a multi-tenant retail neighborhood center that is 83,237 square feet and was built in 1987. The plaza is located at 121 E Bloomington Avenue, Brandon, Hillsborough County, FL 33511 on 10.62 acres. The plaza experiences a large renovation in 2013 and is anchored by Winn-Dixie, currently 100% occupied.

## **Michigan**

### ***Canton Shopping Center***

Canton Shopping Center is a 72,361 square foot community retail center located along Ford Road in Canton, MI. Specifically, the subject is located at 42043 Ford Road Canton Township, Wayne County, MI 48187 in the primary retail node of Canton. The asset was built in 1986, and is situated on an 7.4 acre site. The center is currently 100.0% occupied and anchored by Aldi.

## **Ohio**

### ***Mulberry Square***

Mulberry Square was built in 1993 with additions to the center in 2002. Kroger was the initial build-to-suit tenant of the center in 1993 and the inline space, outbuildings, and office space have been added. Many of the tenants at the center have occupied their units for at least 10 years, and the Kroger grocer has been in occupancy since 1993. The center is currently 90%, is totalling 146,730 square feet and is located on a parcel of land the size of 22.24 acres.

## **Pennsylvania**

### ***Lake Raystown Plaza***

Lake Raystown Plaza is a one-story multi-tenant community center that contains 140,159 square feet located at 7673 Lake Raystown Plaza, Smithfield Township, Huntingdon County, PA 16652. The center was built in 1995 and is currently 140,159 and is 100% occupied. The center is situated on 12.5 acres of land with superior access and visibility.

## **Virginia**

### ***Lovington Plaza***

Lovington Plaza is a grocery anchored neighborhood shopping center located in the Lovington, Nelson County, Virginia. The center is located at 85 Callohill Drive, just west US Route 29, with good visibility and access. The parcel contains a total of 7.247 acres, of which 30,000 square feet is considered excess land (outparcel) at the corner of Callohill Drive and US Route 29. The center was developed in 1998 and contains 42,500 square feet. The property is 97% occupied, and anchored by a 29,000-square foot Food Lion grocery store. There are six inline tenants, including Family Dollar, Anytime Fitness and Subway.

## **Environmental Site Assessments**

Each of the SUSO 3 Properties was the subject of a phase I environmental site assessment report (collectively, the “**Phase I ESA Reports**”) prepared by an independent environmental consultant at the time of acquisition by SUSO 3. The purpose of the Phase I ESA Reports was to assess whether evidence of potential or actual environmental

contamination exists at the SUSO 3 Properties. The Phase I ESA Reports were prepared in general accordance with industry practice for such assessments. Intrusive sampling and analysis were not part of these Phase I ESA Reports.

The Phase I ESA Reports for 11 of the SUSO 3 Properties did not recommend further investigations. Although further investigations were not recommended, the Phase I ESA Reports for two of the SUSO 3 Properties identified environmental issues which required further actions.

### ***Properties Where Actions Were Taken***

At Bloomingdale Plaza, the Phase I ESA Report, dated April 18, 2014, stated that soil under the building had been impacted by a former dry-cleaning operation on the Property. Despite the operation of a soil-vapour extraction system and subsequent impacted soil removal activities conducted to meet the floor of the building, chlorinated solvent-impacted soil remains. In order to mitigate a potential vapour intrusion into the tenant space, a low-flow soil vapour capture system is in operation. Laboratory analysis of the ground water collected at the property in May 2013 confirmed concentrations of PCE and TCE in one monitoring well in excess of targeted levels. The assessment of remediation of the incident is being managed by the State of Florida Dry Cleaning Solvent Cleanup Program in the state-funded Dry Cleaning Solvent Clean-up Program. The Property's remediation consultant recommends continued operation of the soil vapour capture system and continued ground water monitoring. The Manager has confirmation that the soil vapour capture system and the groundwater monitoring program are in operation and continue to be managed by the State of Florida Dry Cleaning Solvent Cleanup Program.

At Salerno Village Square, the Phase I ESA Report, dated February 5, 2014, noted that a drycleaner operated on the property from approximately 1994 to 1997. A Sub-slab Soil Vapour Assessment Report dated March 4, 2014 noted that indoor air sample results showed PCE and TCE at concentrations which exceed target indoor air concentration. An Indoor Air & Ground Water Assessment Report, dated March 26, 2014, concluded that vapour mitigation is warranted in five units on the Property. Based on the analytical data the groundwater impacts of certain chlorinated compounds appear to be well delineated and confined to the Property. The Property's consultant did not recommend further action with regard to groundwater assessment. The Property's consultant recommended installing a sub-slab ventilation or depressurization system in order to mitigate indoor impacts at the identified units. A vapour mitigation system is currently being installed at the Property.

The Manager is not aware of any non-compliance with environmental laws at any of the SUSO 3 Properties that the Manager believes would have a material adverse effect on the REIT. The Manager is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the SUSO 3 Properties that would materially adversely affect the REIT or the values of the SUSO 3 Properties, taken as a whole. The REIT and the Manager, as asset manager, will implement policies and procedures to assess, manage and monitor environmental conditions at the SUSO 3 Properties, and to manage exposure to potential liability. See "*Risk Factors — Risk Factors Related to the Business of the REIT — Environmental Matters*" in the Annual Information Form.

### **Property Condition Assessments**

Property condition assessment reports ("**PCA Reports**") were prepared by independent building engineers in respect of each of the SUSO 3 Properties upon their acquisition by SUSO 3. Based on the PCA Reports, the SUSO 3 Properties are generally in good condition. The REIT, as part of its annual asset review program, will monitor and prudently manage the appropriate level of repairs and maintenance and capital expenditures to ensure that the REIT's portfolio remains well maintained, competitive and in good condition. The REIT will also expend capital on upgrades where appropriate, especially if management believes such spending will accelerate lease-up of vacant space and assist in the retention of expiring tenants.

### **Additional Information Regarding SUSO 3**

#### ***Prior Distributions of SUSO 3 Units***

There have been no sales of units of SUSO 3 in the previous 12 months.

### ***SUSO 3 Auditor***

The auditor of SUSO 3 is Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, in Toronto, Ontario.

### ***SUSO 3 Registrar and Transfer Agent***

The registrar and transfer agent for the units of SUSO 3 is Equity Financial Trust Company at its principal office in Toronto.

### ***SUSO 3 Legal Proceedings***

There are no outstanding legal proceedings to which SUSO 3 is a party, nor are any such proceedings known to be contemplated.

### ***SUSO 3 Principal Securityholders***

To the best of the knowledge of the REIT, no persons own, directly or indirectly, or exercise control or direction over units of SUSO 3 carrying 10% or more of the votes attached to the issued and outstanding class A units, class F units, class I units, or class U units of SUSO 3, respectively, other than Augusta Realty Corp., which owns 1,020,000 class I units of SUSO 3, representing 58.29% of the outstanding class I units of SUSO 3, and 8032238 Canada Inc. (an entity of which Samuel Altman is an officer), which owns 250,000 class I units of SUSO 3, representing 14.29% of the outstanding class I units of SUSO 3.

### ***SUSO 3 Promoter***

The Manager is considered to be the promoter of SUSO 3 by reason of its initiative in organizing the business of SUSO 3 and taking the steps necessary for the public distribution of the units of SUSO 3. The Manager owns 108,000 class I units of SUSO 3.

## **PRO FORMA DESCRIPTION OF THE PROPERTIES OF THE REIT**

***Notice to Reader: Unless otherwise noted, the disclosure in this section has been prepared assuming that the SUSO 3 Acquisition has been completed and the portfolios of the REIT and SUSO 3 have been combined.***

### **Overview**

The Properties consist of 56 grocery anchored retail properties that comprise a total GLA of 6,624,505 square feet with 96% occupancy.

The properties within the Current Portfolio consist of 43 grocery anchored retail properties that comprise a total GLA of 5,112,023 square feet. The following table provides property information on the properties within the Current Portfolio:

Property	City	State	GLA (SF)	Occupancy	Year Built (Renovated)	Grocery Anchor
98 Palms	Destin	FL	84,682	95%	2000	Winn-Dixie
Alta Mesa Plaza	Fort Worth	TX	167,961	99%	1980	Kroger
Bowling Green Plaza	Bowling Green	VA	49,850	87%	1994	Food Lion
Buckeye Plaza	Cleveland	OH	141,975	98%	1989	Giant Eagle
Cambridge Crossings	Troy	MI	238,963	97%	2001	Wal-Mart
County Line Plaza	Philadelphia	PA	75,649	92%	1997 (2006)	Food Basics
Cudahy Centre	Milwaukee	WI	103,254	89%	1987 (2009)	Pick 'N Save
Derry Meadows	Derry	NH	186,997	94%	1999 (2004)	Hannaford

Shoppes						
Douglas Commons	Douglasville	GA	97,027	98%	1988 (2010)	Kroger
East Brainerd Mall	Brainerd	MN	191,459	98%	1967 (2009)	Cub Foods
East Little Creek	Norfolk	VA	69,620	100%	1996	Farm Fresh
Errol Plaza	Orlando	FL	72,150	97%	1986 (2011)	Winn-Dixie
Field Club Commons	New Castle	PA	131,270	97%	1972 (1997)	Save-A-Lot
Forest Plaza	Fond du Lac	WI	123,028	100%	1978 (2006)	Pick 'n Save
Fuquay Crossing	Fuquay-Varnia	NC	124,773	92%	2002	Kroger
Gaston Marketplace	Gaston	SC	44,133	94%	2004	Food Lion
Glidden	De Kalb, IL		98,683	96%	2007	Schnucks
Highland Square	Crossville	TN	179,243	93%	1988 (2005)	Kroger
Independence Square	Charlotte	NC	190,361	97%	2000	Wal-Mart
Kennywood Shops	Pittsburgh	PA	194,823	99%	1974 (1996)	Giant Eagle
Madison Centre	Madison	AL	64,837	96%	1997	Publix
Madison Plaza	Madison	VA	49,607	100%	2003	Food Lion
Mitchellville Plaza	Mitchellville	MD	145,402	94%	1991	Food Lion
North Pointe	Columbia	SC	64,255	97%	1982 (1997)	Publix
North Summit Square	Winston-Salem	NC	224,530	96%	1991	Lowes Foods
Ocean Plaza	North Myrtle Beach	SC	66,498	91%	1988	Kroger
Oak Hill Village	Jacksonville	FL	78,492	92%	1985	Publix
Oakland Commons	Bloomington	IL	73,705	96%	1990	Jewel Osco
Phalen Retail Center	St Paul	MN	73,678	98%	2008	Cub Foods
Pinewood Plaza	Dayton	OH	88,700	92%	1978 (2012)	Kroger
Seminole Oaks	Seminole	FL	63,572	97%	2004	Winn-Dixie
Smithfield Shopping Plaza	Smithfield	VA	134,664	92%	1986	Farm Fresh
Springboro Plaza	Dayton	OH	154,034	100%	1992	Kroger
St. Elmo Central	Chattanooga	TN	74,978	99%	1995	BI-LO
Stadium Center	Port Huron	MI	92,365	93%	1977 (2005)	Kroger
Stonefield Square	Louisville	KY	90,991	92%	1979 (2000)	The Fresh Market
Summit Ridge	Mount Pleasant	PA	227,729	96%	1999	Wal-Mart
Triangle Food Lion	Charlotte	NC	41,439	100%	1983 (2013)	Food Lion
Uptown Station	Fort Walton Beach	FL	297,679	95%	1963 (2008)	Winn-Dixie
Waterbury Plaza	Waterbury	CT	141,443	100%	1966 (1993)	Stop & Shop
Wellington Park	Cary	NC	102,487	94%	1997	Lowe's
Westhaven Town Center	Franklin	TN	98,024	98%	2008 (2010)	Harris Teeter
Westminster Plaza	Westminster	CO	97,013	97%	1999	Safeway
43			5,112,023	96%		

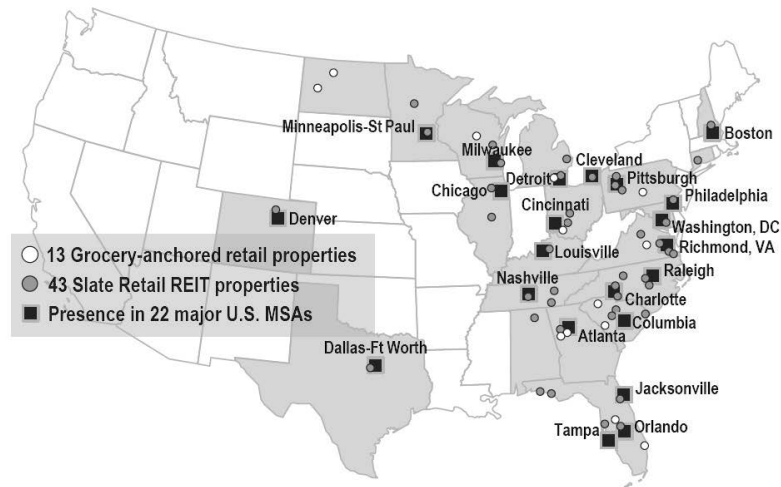
For property information regarding the SUSO 3 Properties, which are included in the Properties, see “*Description of SUSO 3 and its Properties – Overview of the SUSO 3 Properties*”.

## Composition of the Properties

### *Geographic Composition*

The Properties are located throughout the following 20 states (in order of GLA): Pennsylvania, Florida, North Carolina, Ohio, South Carolina, Michigan, Georgia, Tennessee, Virginia, Wisconsin, Minnesota, North Dakota, New Hampshire, Illinois, Texas, Maryland, Connecticut, Colorado, Kentucky, and Alabama.

The following map shows the locations of both the Current Portfolio (grey) and the SUSO 3 Properties (white) and the states in which they are located:

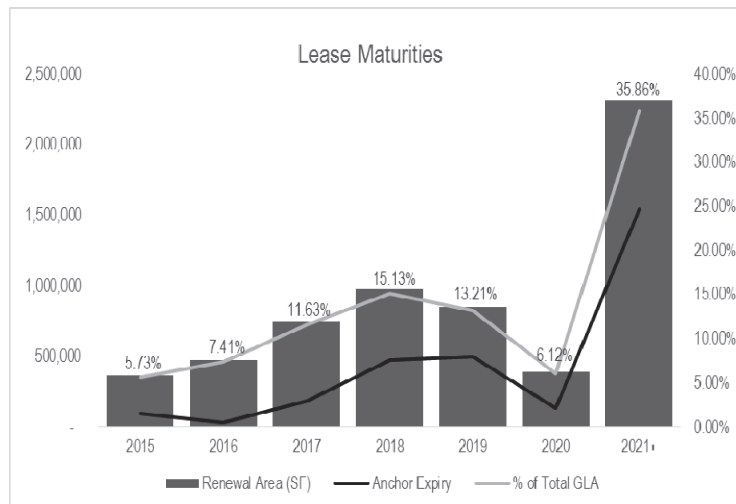


The following chart shows the number of the Properties located in each state, the total GLA occupied, and the percentage of portfolio GLA and NOI located in each state:

State	# of Assets	SF	% of Portfolio GLA	% of total NOI
PA	5	769,630	11.62%	10%
FL	7	757,489	11.43%	12%
NC	5	683,590	10.32%	9%
OH	4	531,439	8.02%	6%
SC	5	502,130	7.58%	6%
MI	3	403,689	6.09%	6%
GA	3	390,072	5.89%	5%
TN	3	352,245	5.32%	5%
VA	5	346,241	5.23%	5%
WI	3	294,233	4.44%	4%
MN	2	265,137	4.00%	4%
ND	2	261,578	3.95%	6%
NH	1	186,997	2.82%	4%
IL	2	172,388	2.60%	3%
TX	1	167,961	2.54%	3%
MD	1	145,402	2.19%	4%
CT	1	141,443	2.14%	3%
CO	1	97,013	1.46%	2%
KY	1	90,991	1.37%	2%
AL	1	64,837	0.98%	1%
<hr/>				
	56	6,624,505	100%	100%

## Occupancy and Leasing

The following graph sets out the percentage of GLA of the Properties subject to lease expiries during the periods shown, including anchor renewals by GLA:



The Properties have an overall weighted occupancy of approximately 96% with an average remaining lease term of approximately 5.7 years. No more than 16% of the leased GLA expires in any given year from 2015 to 2020.

## Tenant Mix

The tenant base in the Properties is geographically well-diversified, with many tenants having large national or multi-national footprints. Each of the Properties is anchored by a Grocery Anchor Tenant and/or a Non-Grocery National Tenant that is a consumer staples and/or grocery retailer, which the Manager believes represent a defensive asset class with limited downside in volatile markets.

In addition to the Grocery Anchor Tenants, many tenants in the Properties are large national or international retailers with an established reputation (the “**Non-Grocery National Tenants**”). The 10 largest revenue producing Non-Grocery National Tenants, when taken together, comprise 12.6% of the Properties’ GLA, have a weighted average lease term of 5.0 years and account for 10.9 % of the Properties’ portfolio annualized in-place base rent as at December 31, 2014. Together, the Grocery Anchor Tenants and Non-Grocery National Tenants account for 66.2% of the Properties’ GLA and have a weighted average remaining lease term of 6.3 years.

The following table shows the 10 largest parent companies of Grocery Anchor Tenants which, when taken together, comprise 53.6% of the Properties’ GLA totalling 49 stores in total, and have a weighted average lease term of 6.6 years and account for 47.8% of the Properties’ portfolio annualized in-place base rent as at the date of this Information Circular:

<b>Tenant</b>	<b>Anchor Brands</b>	<b>GLA (SF)</b>	<b>% of Portfolio GLA</b>	<b>% of Portfolio Annualized In-Place Base Rent</b>	<b>Number of Locations</b>	<b>Weighted Average Lease Term (Years)<sup>(1)</sup></b>
Bi-Lo Holdings Inc.	<i>Winn-Dixie, BI-LO</i>	374,249	7.3%	6.9%	8	6.8
The Kroger Company	<i>Kroger, Harris Teeter</i>	584,464	11.4%	6.8%	11	5.9
Wal-Mart Stores Inc.	<i>Wal-Mart, Sam's Club</i>	520,504	10.2%	6.2%	4	6.8
Delhaize America	<i>Food Lion, Hannaford</i>	277,946	5.4%	5.8%	7	6.2
SuperValu, Inc.	<i>Cub Foods, Farm Fresh, Save A Lot</i>	251,119	4.9%	5.4%	5	6.1
Koninklijke Ahold N.V.	<i>Stop &amp; Shop, GIANT</i>	128,098	2.5%	4.8%	2	7.4
Coburn's Inc.	<i>Cash Wise</i>	118,297	2.3%	3.8%	3	13.9
Roundy's Supermarkets	<i>Pick 'n Save</i>	193,210	3.8%	3.7%	3	8.2
Publix Super Markets	<i>Publix</i>	173,476	3.4%	2.7%	4	3.6
Giant Eagle, Inc.	<i>Giant Eagle</i>	115,953	2.3%	1.7%	2	5.1
<b>Total/Weighted Average</b>		<b>2,737,316</b>	<b>53.6%</b>	<b>47.8%</b>	<b>49</b>	<b>6.6</b>

**Note: (1)** This figure is calculated as a weighted average remaining term (by GLA).

In addition to the Grocery Anchor Tenants listed above, many of the tenants in the Properties are Non-Grocery National Tenants who have a large national or international presence and an established reputation. The following table shows the 10 largest revenue producing Non-Grocery National Tenants which, when taken together, comprise 12.6% of the Properties' GLA, totalling 21 stores and have a weighted average lease term of 5.0 years and account for 10.9% of the Properties' portfolio annualized in-place base rent as at December 31, 2014.

<b>Tenant</b>	<b>Total GLA Occupied (SF)</b>	<b>% of Portfolio GLA</b>	<b>% of Portfolio Annualized In-Place Base Rent</b>	<b>Number of Locations</b>	<b>Weighted Average Lease Term (Years)<sup>(1)</sup></b>
Sears Holdings Corporation	186,107	3.6%	2.0%	2	3.3
LA Fitness International Texas LP	60,273	1.2%	1.4%	1	7.2
Raymour & Flanigan Furniture	69,490	1.4%	1.3%	1	2.9
Gordmans Stores, Inc.	50,681	1.0%	1.2%	1	8.7
Super Global Mart, LLC	51,216	1.0%	1.0%	1	14.3
Family Dollar Stores Inc.	59,780	1.2%	0.9%	7	2.3
Derry Five Star Cinema, LLC	35,055	0.7%	0.9%	1	4.8
Dollar Tree Stores Inc.	39,921	0.8%	0.8%	4	4.0
Medstar Health	17,399	0.3%	0.7%	1	7.9
Ollie's Bargain Outlet, Inc.	74,503	1.5%	0.7%	2	3.2
<b>Top 10 Non-Grocery National Tenants</b>	<b>644,425</b>	<b>12.6%</b>	<b>10.9%</b>	<b>21</b>	<b>5.0</b>
Grocery Anchor Tenants	2,737,316	53.6%	\$23.2	47.8%	6.6
<b>Grocery Anchor Tenants and Top 10 Revenue Non-Grocery Tenants</b>	<b>3,381,741</b>	<b>66.2%</b>	<b>58.7%</b>	<b>70</b>	<b>6.3</b>

**Note:** (1) The figure is calculated as a weighted average remaining term (by GLA).

### **Largest Tenants**

The following is a description of the Properties' 10 largest tenants in terms of the Properties' base rent:

#### ***Bi-Lo Holdings (Winn-Dixie, BI-LO)***

Based in Jacksonville, Florida and founded in 1925, Winn-Dixie Stores, Inc. (“**Winn-Dixie**”) is an American supermarket chain operating in the Southeastern United States. Winn-Dixie is a Subsidiary of BI-LO Holdings LLC (“**BI-LO**”). Together, Winn-Dixie and BI-LO boast 840 stores across eight states and generate U.S.\$10 billion in annual revenues operating primarily in Florida, Georgia, Alabama, Louisiana, Mississippi, South Carolina, North Carolina, and Tennessee. Winn-Dixie and BI-LO were merged in 2012 when Dallas-based investment firm Lone Star Funds acquired Winn-Dixie for approximately U.S.\$560 million. Winn-Dixie and BI-LO operate retail locations in the following Properties: Errol Plaza, St. Elmo Central, 98 Palms, Upton Station, Seminole Oaks, Dill Creek Commons, Bloomingdale Plaza and Salerno Village Square.

#### ***The Kroger Company (Kroger, Harris Teeter)***

Based in Cincinnati, Ohio and founded in 1883, The Kroger Company (“**Kroger**”) is an American retailer with 2,424 supermarkets and multi-department stores and 786 convenience stores located throughout 31 states. With 343,000 sales associates and U.S.\$96.8 billion in annual revenues, Kroger is one of the largest grocery store chains in the world. Kroger is listed on the New York Stock Exchange (NYSE:KR). Kroger operates retail locations under the Kroger and Harris Teeter brands in the following Properties: Pinewood Plaza, Springboro Plaza, Highland Square, Fuquay Crossing, Westhaven Town Center, Douglas Commons, Alta Mesa Plaza, Stadium Center, Ocean Plaza, Merchants Square, Mulberry Square, and Merchants Crossing.

### ***Wal-Mart (Wal-Mart, Sam's Club)***

Headquartered in Bentonville, Arkansas and founded in 1945, Wal-Mart Stores Inc. ("**Wal-Mart**") is a multinational retail corporation that operates a chain of large discount retail stores. Wal-Mart operates 11,400 retail units under more than 69 banners throughout 27 countries. The company employs 2.2 million sales associates worldwide and has annual revenues of approximately U.S.\$486 billion. Wal-Mart is listed on the New York Stock Exchange (NYSE:WMT). Wal-Mart operates retail locations in the following Properties: Summit Ridge, Cambridge Crossing, Independence Square, and North Summit Square (Sam's Club Banner).

### ***The Delhaize Group (Food Lion, Hannaford)***

Headquartered in Anderlecht, Brussels, Belgium and founded in 1867, Etablissements Delhaize Freres et Cie le Lion SA ("**Delhaize**") is engaged in the operation of supermarkets in Belgium, the United States, Eastern and Southeastern Europe and Indonesia. With annual revenues of €21.1 billion and employing 161,000 people, Delhaize operates 3,534 stores on three continents in seven countries. In the United States, Delhaize operates under the Food Lion, Bottom Dollar Food and Hannaford brands. Delhaize is listed on the New York Stock Exchange (NYSE:DEG) and the NYSE Euronext (NYSE: DELB). Delhaize operates retail locations in the following Properties: Triangle Food Lion, Gaston Marketplace, Bowling Green Plaza, Madison Plaza, Mitchellville Plaza, Lovington Plaza, and Derry Meadows (under the Hannaford banner).

### ***SuperValu (Cub Foods, Farm Fresh, Save A Lot)***

Headquartered in Eden Prairie, Minnesota and founded in 1926, SuperValu, Inc. ("**SuperValu**") is an American grocery retailer. The company serves customers across the United States through a network of approximately 1,500 stores composed of 900 independent stores serviced primarily by the SuperValu's food distribution business, 1,250 Save-A-Lot stores, of which 850 are operated by licensee owners, and 400 traditional retail grocery stores. With annual revenues of approximately U.S.\$17 billion and 35,800 employees nationwide, SuperValu is one of America's largest grocery wholesalers and retailers. SuperValu is listed on the New York Stock Exchange (NYSE:SVU). SuperValu operates retail locations in the following Properties: Field Club Commons (operating as Save-A-Lot, SuperValu's wholly-owned discount supermarket chain), East Brainerd Mall, Phalen Retail Center, East Little Creek, and Smithfield Shopping Center (operating as Farm Fresh, SuperValu's wholly-owned superior supermarket chain).

### ***Koninklijke Ahold N.V. (Stop & Shop, GIANT)***

Headquartered in Zaandam, Netherlands Koninklijke Ahold N.V. ("**Ahold**") was founded in 1887 and is an international supermarket chain that operates 3,008 locations employing 121,000 employees. Ahold operates under three major banners in the United States, Giant-Carlisle, Stop & Shop/Giant-Landover and Peapod. Ahold's annual revenues are 30.27 billion and it is listed on the European exchange Euronext (Euronext: AH). Ahold operates supermarket locations in the following Properties: Waterbury Plaza and Lake Raystown Plaza.

### ***Coborn's, Inc. (Cash Wise)***

Headquartered in St. Cloud, Minnesota, Coborn's, Inc. ("**Coborn**") is an American grocery retailer throughout the Midwest. Coborn serves 120 retail locations with 48 being grocery stores and employing 7,400 employees with annual revenues are approximately U.S.\$1.2 billion. Coborn is an employee-owned retailer that was founded in 1921. Coborn operates retail locations in the following Properties: Watford Plaza and Southgate Shopping Centre.

### ***Roundy's Supermarkets (Pick 'n Save)***

Headquartered in Milwaukee, Wisconsin and founded in 1872, Roundy's Supermarkets ("**Roundy's**") is a national supermarket chain that operates 166 stores employing 20,000 employees. Roundy's operates four major banners that are mostly geographically specific – Pick 'n Save, Cops Food Center, Metro Market and Mariano's Fresh Market. Roundy's annual revenues are 3.8 billion and it is listed on the New York Stock Exchange (NYSE:RNDY). Roundy's operates supermarket locations in the following Properties: Cudahy Centre, Forest Plaza, and Wausau Pick 'n Save.

### ***Publix Super Markets (Publix)***

Headquartered in Lakeland, Florida and founded in 1930, Public Super Markets, Inc. (“**Publix**”) is the largest employee-owned supermarket chain in the United States and is engaged in the business of operating retail food supermarkets. With 1,098 store locations located throughout in Florida, Georgia, Alabama, South Carolina and Tennessee and North Carolina. Publix has annual sales of U.S.\$30.6 billion and employs 168,500 people. As one of the largest private companies in the United States and one of the 10 largest-volume supermarket chains in the United States, Publix operates retail locations in the following Properties: North Pointe, Madison Center, Oak Hill Village, and North Augusta.

### ***Sears Holdings Corporation (K-Mart)***

Headquartered in Hoffman Estates, Illinois and founded in 1962, K-Mart Corporation (“**K-Mart**”) is the third largest discount store chain in the world with over 1,077 K-Mart located in 49 U.S. states, Guam, Puerto Rico, and the U.S. Virgin Islands. As a wholly owned Subsidiary of Sears Holdings Corporation, a leading integrated retailer with almost 2,500 full-line and specialty retail stores in the United States and Canada, K-Mart generates over U.S.\$13.1 billion in annual sales. K-Mart operates retail locations in the following Properties: Springboro Plaza and North Augusta Plaza.

### **Property Descriptions**

For descriptions of the properties in the Current Portfolio, see “*Description of the Properties*” in the Annual Information Form, except for Ocean Plaza and Glidden, which were acquired by the REIT between December 31, 2014 (the date the information contained in the Annual Information Form is given as of) and the date hereof. Accordingly, descriptions of such Properties are included below. For descriptions of the SUSO 3 Properties, which together with the Current Portfolio constitute the Properties, see “*Description of SUSO 3 and its Properties – Property Descriptions.*”

### ***Recently Completed Acquisitions***

The REIT has recently completed the following acquisitions (collectively, the “**Completed Acquisitions**”).

#### ***South Carolina***

##### ***Ocean Plaza***

On January 22, 2015, the REIT completed the acquisition of Ocean Plaza for a purchase price of \$5.5 million (\$83 per square foot). Ocean Plaza is a 66,498 square foot Kroger anchored retail plaza located at 781 Main Street in North Myrtle Beach South Carolina. The property was built in 1988 and is situated on 8.44 acres of land in North Myrtle Beach. The center has a large national and regional tenant mix and is 91% occupied.

#### ***Illinois***

##### ***Glidden***

On January 12, 2015, the REIT completed the acquisition of Glidden Crossing for a purchase price of \$16.6 million (\$168 per square foot). Glidden Crossing is a two-building, 98,683 square foot grocery anchored shopping center is located at 975 South Annie Glidden Road, in Dekalb, DeKalb County, Illinois. The asset is situated on a 16.35 acre site and anchored by a Schnuck's Market with other junior anchors and in-line retail space and is. The center was built in 2007 and is currently 96% occupied.

### **Announced Acquisitions**

The REIT has also entered into agreements to acquire two additional properties (collectively, the “**Announced Acquisitions**”) representing an aggregate of 205,488 square feet of GLA for an aggregate purchase price of approximately \$28.4 million. The Announced Acquisitions consist of: (i) an 88% occupied, 107,818 square foot grocery anchored shopping centre located in Littleton, Colorado (“**Roxborough Marketplace**”) anchored by

Safeway, and (ii) a 97% occupied 97,670 square foot grocery anchored shopping centre located in Westland, Michigan (“**City Center Plaza**”) anchored by Kroger. The Announced Acquisitions are expected to be completed in the second quarter of 2015 and are subject to customary closing conditions. The purchase price for Roxborough Marketplace is approximately \$15.6 million (\$145 per square foot) and the purchase price for City Center Plaza is approximately \$12.8 million (\$131 per square foot). If the Announced Acquisitions are completed, the REIT’s portfolio will increase to 45 properties (58 properties including the SUSO 3 Properties) totaling approximately 5.3 million square feet of GLA (approximately 6.8 million square feet including the SUSO 3 Properties) and the REIT will have completed approximately \$224 million of acquisitions, excluding the SUSO 3 Acquisition, since the April 15, 2014 Combination Transaction which created the REIT. The Announced Acquisitions are expected to be accretive to the REIT’s AFFO per Unit.

## PRO FORMA CAPITALIZATION OF THE REIT

The following table sets forth the pro forma consolidated capitalization of the REIT as at December 31, 2014 after giving effect to the SUSO 3 Acquisition (net of costs relating to the SUSO 3 Acquisition), the Completed Acquisitions, the Announced Acquisitions, and the Public Offering and use of proceeds therefrom. The table should be read in conjunction with the combined Pro Forma Financial Statements and notes of the REIT thereto contained in this Information Circular.

	<b><u>December 31, 2014</u></b>	<b><u>Pro Forma Public Offering, Completed Acquisitions, and Announced Acquisitions</u></b>	<b><u>Pro Forma Public Offering, Completed Acquisitions, Announced Acquisitions, and SUSO 3 Acquisition</u></b>
	(U.S.\$000s)	(U.S.\$000s)	(U.S.\$000s)
Debt	\$365,538	\$369,539	\$484,037
Units <sup>(1)</sup>	\$185,499	\$232,239	\$310,910
Exchangeable Units <sup>(2)</sup>	\$25,764	\$25,764	\$27,933
Equity	\$21,332	\$21,091	\$20,091
<b>Total Capitalization</b>	<b>\$598,133</b>	<b>\$648,633</b>	<b>\$842,971</b>

### Notes:

(1) Includes issued and outstanding Class U Units, Class A Units, and Class I Units.

(2) Includes issued and outstanding GAR B Exchangeable Units and Class B LP2 Units.

## RISK FACTORS

The occurrence of any of the risk factors set forth below and in the documents incorporated by reference in this Information Circular (including those discussed under the heading “*Risk Factors*” in the Annual Information Form) could materially and adversely affect the REIT. In that event, the value of the Units could decline and investors may lose all or part of their investment. Although the REIT believes that the risk factors described herein are the most material risks that the REIT will face, they are not the only risks. Additional risk factors not presently known or that are currently believed to be immaterial could also materially adversely affect the REIT and adversely affect the value of the Units.

### Risk Factors Related to the SUSO 3 Acquisition

#### *Conditions to Closing*

Completion by the REIT of the SUSO 3 Acquisition is subject to the satisfaction of a number of closing conditions, including, but not limited to (i) approval of the Unitholders and the SUSO 3 Unitholders, and (ii) conditional

approval of the TSX of the listing of the Units to be issued by the REIT in satisfaction of the SUSO 3 Purchase Price.

There is no certainty, nor can the REIT provide any assurance, that the conditions precedent to the SUSO 3 Acquisition will be satisfied, or if satisfied, when they will be satisfied. Accordingly, there is no assurance that the SUSO 3 Acquisition will be completed or, if completed, will be on terms that are exactly the same as disclosed in this Information Circular. If the SUSO 3 Acquisition is not completed, the benefits of the SUSO 3 Acquisition described herein will not be realized by the REIT and may result in a decline in the trading price of the Units and a requirement to pay certain costs related to the SUSO 3 Acquisition, including legal, accounting and consulting fees and loss of investor confidence.

#### ***Possible Failure to Realize Expected Returns on the SUSO 3 Acquisition***

Acquisitions involve risks that could materially and adversely affect the REIT's business plan, including the failure of the SUSO 3 Acquisition to realize the results the REIT expects. While the Special Committee believes that, based on analysis provided by its financial advisors (as well as other information deemed appropriate and sufficient for such purposes), the SUSO 3 Acquisition is accretive to the REIT's AFFO per Unit, such determination should not be regarded as a guarantee of future performance or results. If the SUSO 3 Acquisition fails to realize the results that the REIT expects, the SUSO 3 Acquisition could materially and adversely affect the REIT's business plan and could have a material adverse effect on the REIT and its financial results.

#### ***Use of Formal Valuation***

Caution should be exercised in the evaluation and use of the Formal Valuation. An appraisal and valuation is an estimate of market value as at a particular date. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Formal Valuation is based on various assumptions of future expectations and while the internal forecasts for the SUSO 3 Properties are considered to be reasonable at the current time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets.

#### ***Use of Fairness Opinions***

The Fairness Opinion is directed only to the fairness, from a financial point of view, of the aggregate consideration to be paid by the REIT pursuant to the SUSO 3 Purchase Agreement. The Fairness Opinion does not address the relative merits of the SUSO 3 Acquisition as compared to other business strategies or transactions that might be available to the REIT or the underlying business decision of the REIT to affect the SUSO 3 Acquisition. The Fairness Opinion does not constitute a recommendation by Blair Franklin to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the SUSO 3 Acquisition.

#### ***Assumption of Liabilities***

The REIT will assume the guarantee of certain liabilities related to the SUSO 3 Properties.

#### ***Potential Undisclosed Liabilities Associated with the SUSO 3 Acquisition***

The Manager completed its due diligence review of the SUSO 3 Properties at the time of their acquisition by SUSO 3. There may be liabilities, including under applicable environmental laws, that the REIT has failed to discover or is unable to quantify in the due diligence review prior to the closing of the SUSO 3 Acquisition and the REIT will not be indemnified for these liabilities under the SUSO 3 Purchase Agreement. The subsequent discovery or quantification of any material liabilities could have a material adverse effect on the REIT's business, financial condition or future prospects, which may include diminution in the value of the affected properties or the inability to finance or dispose of the affected properties on acceptable terms.

## **Risk Factors Relating to Canadian Tax Matters**

### ***Non-Resident Ownership***

Non-Residents may not be the beneficial owners of more than 49% of the Class U Units and the trustees of the REIT will have various powers that can be used for the purpose of monitoring and controlling the extent of Non-Resident ownership of Class U Units, as set out in the Declaration of Trust.

The restrictions on the issuance of Class U Units by the REIT to Non-Residents may negatively affect the REIT's ability to raise financing for future acquisitions or operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Class U Units and the market price at which Class U Units can be sold.

### ***Taxation of REITs and Partnerships***

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts, "SIFT trusts" and "SIFT partnerships" (each as defined in the Tax Act) will not be changed in a manner that adversely affects Unitholders.

In addition, the Tax Act requires the REIT to satisfy certain conditions in order for it to qualify as a mutual fund trust. The REIT intends to ensure that the REIT will meet the requirements necessary for it to qualify as a mutual fund trust at all times and the Declaration of Trust contains provisions to this effect. If the REIT were not to so qualify, the consequences could be material and adverse.

The Tax Act contains rules (the "SIFT Rules"), which tax certain publicly-traded or listed trusts and partnerships in a manner similar to corporations and which tax certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation. The SIFT Rules apply to a trust that is a "SIFT trust" and a partnership that is a "SIFT partnership", each as defined in the Tax Act. Provided that a trust or partnership does not own "non-portfolio property" (as defined in the Tax Act), it will not be subject to the SIFT Rules. The REIT and the Partnerships do not currently own non-portfolio property and management does not currently have an intention to acquire non-portfolio property. However, no assurances can be given that the REIT or any of its Subsidiaries will not acquire non-portfolio property in the future. If the SIFT Rules were to apply to the REIT or a Partnership the amounts available for distribution to Unitholders could be reduced. In addition, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA will not be changed in a manner that adversely affects the REIT, the Partnerships, and Unitholders.

### ***Distribution of Additional Class U Units***

Interest on the Investment LP1 Notes and any other indebtedness owing to the REIT will accrue at the REIT level for Canadian federal income tax purposes, whether or not actually paid. The Declaration of Trust provides that a sufficient amount of the REIT's net income including net realized capital gains will be distributed each year to Unitholders in order to eliminate the REIT's liability for tax under Part I of the Tax Act. Where such amount of net income (including interest on the Investment LP1 Notes or any other indebtedness owing to the REIT) and net realized capital gains of the REIT in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Class U Units. Unitholders generally will be required to include an amount equal to the fair market value of those Units in their taxable income, even in circumstances where they do not receive a cash distribution.

### ***Foreign Taxes***

Foreign taxes paid by Investment LP1 and GAR B will be allocated pursuant to the limited partnership agreements. Each partner's share of the "business-income tax" and "non-business-income tax" paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder’s foreign tax credits will be limited.

### ***Differences in Canadian and U.S. Tax Laws***

The REIT is required to compute its income as though it were an individual resident in Canada. The REIT is, therefore, subject to the provisions of the Tax Act which may differ materially from the applicable provisions of the IRC. In addition, the effective tax rate under the Tax Act and the IRC may differ, in which case income earned by the REIT (including through its Subsidiaries) generally will bear tax at the higher effective tax rate.

### ***Dispositions of Real Property***

In the ordinary course or pursuant to an extraordinary transaction (such as a sale of the portfolio or a takeover of the REIT), the REIT may effect a sale of U.S. real property by disposing of securities of an underlying entity or by disposing of the property directly. Moreover, a buyer of real property likely will prefer structuring the sale in this manner to improve their tax position. In these circumstances, Investment LPI’s (and GAR B’s) effective tax rate under the IRC on such dispositions generally will be greater than the effective tax rate on capital gains under the Tax Act. As a result, the net cash available for distribution to Unitholders will be reduced and may result in net cash proceeds that are less than the Class U Unit price on the TSX prior to such disposition.

### ***Tax Filing Positions***

Tax authorities may disagree with the positions taken by the REIT in its tax filings. Tax provisions, including current and deferred tax assets and liabilities in the REIT’s financial statements, and tax filing positions require estimates and interpretations of applicable tax rules and regulations, and judgments as to their interpretation and application to the REIT’s specific situation. While the REIT believes that its tax filing positions are appropriate and supportable under applicable law, they are subject to review and assessment by the relevant taxation authorities. Therefore, it is possible that additional taxes could be payable by the REIT (and its Subsidiaries) or that the ultimate value of certain tax assets and liabilities of the REIT (and its Subsidiaries) could change in the future.

### ***Change of Law***

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the Canada-U.S. Income Tax Convention, or the administrative and assessing practices and policies of the CRA will not be changed in a manner that adversely affects the REIT, its Subsidiaries or Unitholders. Any such change could increase the amount of tax payable by the REIT or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment of such distributions to Unitholders.

### ***Non-Residents of Canada***

The Tax Act may impose additional withholding or other taxes on distributions made by the REIT to Unitholders who are Non-Residents. These taxes and any reduction thereof under an applicable tax treaty between Canada and another country may change from time to time.

### ***Foreign Currency***

For purposes of the Tax Act, the REIT generally is required to compute its Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer’s Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the REIT may realize gains and losses for tax purposes by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

### ***Qualifying Exchange***

The SUSO 3 Assets will be acquired by the REIT as part of a qualifying exchange under the rules in section 132.2 of the Tax Act. As such, certain of the SUSO 3 Assets may be acquired by the REIT with a cost amount for tax purposes that is less than the fair market value of such asset at the date of its acquisition. As a consequence, the taxable gains or income realized by the REIT may be increased as compared to the taxable gains or income that would have been realized if such assets had not been acquired as part of a qualifying exchange. As a further consequence of the qualifying exchange, any non-capital losses and net capital losses of the REIT and SUSO 3 for taxation periods ending at or before the time of the qualifying exchange will not be deductible in periods subsequent to the qualifying exchange.

### **Risk Factors Relating to U.S. Tax Matters**

#### ***The SUSO 3 Acquisition May Result in U.S. Tax Exposure for Subsidiary Entities of the REIT***

As part of the SUSO 3 Acquisition, certain transactions will occur among the REIT, SUSO 3 and various Subsidiary entities of the REIT. While such transactions have been structured primarily on a tax-deferred basis for U.S. tax purposes, it is possible that the IRS could challenge the tax-deferral in respect of one or more of these transactions. Moreover, the SUSO 3 Acquisition and associated transactions involve the indirect transfer of real properties situated in various states of the United States. While these transactions have been structured to mitigate state taxes, no assurances can be given that an applicable taxing authority will agree with the positions adopted by the REIT or its Subsidiaries. If the IRS or other applicable taxing authority were to successfully challenge a position adopted by the REIT or its Subsidiaries, taxes could be owed by the REIT or a Subsidiary entity, which could negatively impact the cash available for distribution to the Unitholders and the value of the Units.

#### ***Investment LP1 and GAR B are Subject to U.S. Federal Income Tax***

Each of Investment LP1 and GAR B is subject to U.S. federal income tax as a “foreign” corporation engaged in a U.S. trade or business, and each will have U.S. source income subject to U.S. federal income tax law. The REIT (and possibly SUSO 3 after the SUSO 3 Acquisition) also will have U.S. source income from interest paid on the Investment LP1 Notes. Each of Investment LP1 and GAR B hopes to benefit from certain deductions under U.S. federal income tax rules in order to reduce its overall tax burden in respect of Investment LP1, including deduction of interest expense on the Investment LP1 Notes, but such deductions may be restricted depending upon a variety of factors. If Investment LP1’s or GAR B’s deductions were limited, the IRS were to successfully challenge a U.S. tax position Investment LP1 or GAR B were to take, the REIT or a Subsidiary were to fail to qualify for benefits under the U.S.-Canada Tax Treaty, or U.S. tax laws or the U.S.-Canada Tax Treaty were to change (perhaps retroactively), U.S. federal income tax costs could increase, thus decreasing cash available for distribution to the Unitholders and the value of the Units.

#### ***Change of Law***

There can be no assurance that U.S. federal income tax laws, the terms of the U.S.-Canada Tax Treaty, and the U.S. administrative, legislative and judicial policies and positions respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by the REIT or its Subsidiaries, reducing the amount of distributions which the REIT would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders and, potentially, the value of the Units.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of McCarthy Tétrault LLP (“**Counsel**”), counsel to the REIT, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder as a result of the SUSO 3 Acquisition.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Unitholders should consult their own tax advisors to determine the particular**

**tax effects to them of the SUSO 3 Acquisition and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances. Non-resident Unitholders should be aware that the SUSO 3 Acquisition may result in tax consequences for them in the United States, other foreign jurisdictions and/or in Canada and should consult their own tax advisors in this regard.**

#### **No Disposition of Class U Units**

The SUSO 3 Acquisition will not result in a disposition of Class U Units by Unitholders.

#### **Deemed Year-End of the REIT**

The current taxation year of the REIT will be deemed to end following the transfer of the SUSO 3 Assets to the REIT, giving rise to a short taxation year for the REIT. Counsel has been advised that if, based on bona fide estimates, the REIT determines that its undistributed taxable income for this short taxation year exceeds prior distributions made to the Unitholders in that period, the REIT will pay a special distribution (in cash and/or REIT units) to the Unitholders, at least one Business Day prior to the Closing, to ensure that the REIT will not be liable for tax under Part I of the Tax Act for this short taxation year. The tax treatment to the Unitholders of this special distribution will be similar to other distributions that have been paid or payable by the REIT to them.

#### **Tax Consequences to the REIT, the Partnerships and REIT Unitholders Generally**

The Canadian federal income tax consequences generally applicable to the REIT, the Partnerships, and the Unitholders are described in the 2015 Prospectus. Unitholders should refer to the description therein under “*Certain Canadian Federal Income Tax Considerations*”, which is incorporated by reference herein.

Losses incurred by the REIT cannot be allocated to Unitholders, but can be deducted by the REIT in future years in computing its taxable income, in accordance with the provisions of the Tax Act. The deductibility of certain non-capital and net capital losses of the REIT in taxation periods ending after the SUSO 3 Acquisition will be extinguished or limited in accordance with the “qualifying exchange” rules under the Tax Act. See “*Risk Factors – Risk Factors Relating to Canadian Tax Matters – Qualifying Exchange*”.

The foregoing summary does not address the income tax considerations relevant to SUSO 3 Unitholders of the SUSO 3 Acquisition and transactions relating thereto. A separate information circular will be circulated to SUSO 3 Unitholders and it will address the principal Canadian federal income tax considerations relevant to such SUSO 3 Unitholders, as described therein.

#### **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

UNITHOLDERS ARE ADVISED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS INFORMATION CIRCULAR IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY UNITHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) UNITHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a brief summary of certain U.S. federal income tax considerations applicable to the REIT and the Partnerships that was prepared by Hodgson Russ LLP, special U.S. tax counsel to the REIT. This summary does not address any U.S. federal (or other) tax considerations applicable to a Unitholder. U.S. alternative minimum tax, and state, local, non-U.S. and U.S. federal non-income tax matters, are not discussed herein. No legal or U.S. tax opinion is being given, nor will any rulings be sought from the IRS, with respect to any U.S. federal income tax issue. **This summary does not address all possible U.S. federal income tax considerations applicable to the REIT or the Partnerships, and is of a general nature only and is not intended to be legal or tax advice to any Unitholder. Unitholders should consult their own tax advisors regarding the application of the U.S. federal tax rules to their particular circumstances as well as the state, local, non-U.S. and other tax consequences to them of the purchase, ownership and disposition of the Units.**

This summary is based on IRC, Treasury Regulations, IRS rulings and official pronouncements, judicial decisions, the Convention between the United States of America and Canada with Respect to Taxes on Income and Capital, signed September 26, 1980, as amended (the “**U.S.-Canada Tax Treaty**”), and the Agreement Between the Government of the United States of America and the Government of Canada to Improve International Tax Compliance through Enhanced Exchange of Information under the Convention Between the United States of America and Canada with Respect to Taxes on Income and on Capital (the “**IGA**”), all as in effect on the date of this Information Circular and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the analysis set forth below.

### **U.S. Federal Income Tax Consequences to the REIT and the Partnerships Generally**

The U.S. federal income tax consequences generally applicable to the REIT and the Partnerships are described in the 2015 Prospectus. Unitholders should refer to the description therein under “*Certain U.S. Federal Income Tax Considerations*”, which is incorporated by reference herein. The following is a short summary of such considerations.

Each of the REIT, Investment LP1 and GAR B has made an election under applicable Treasury Regulations to be classified as a corporation for U.S. federal tax purposes, effective on the date of each entity’s formation. Consequently, each is considered a “foreign corporation” for U.S. federal income tax purposes.

The REIT indirectly owns U.S. real estate through the Partnerships. The REIT is not itself engaged in a U.S. trade or business, but the REIT does have U.S. source income in the form of interest on the Investment LP1 Notes. The REIT and the Partnerships intend to characterize these notes as debt for U.S. tax purposes. Under the Treaty, no U.S. federal income tax is required to be withheld on this interest income.

Investment LP1 and GAR B are engaged in a U.S. trade or business through their Subsidiaries, and therefore subject to U.S. federal income tax on their taxable income. The structure and business operations of these entities has been designed to utilize allowable deductions for tax efficiency, including with respect to the Investment LP1 Notes.

Generally, the SUSO 3 Acquisition has been designed to occur on a mainly tax-deferred basis for the REIT and the Partnerships.

As noted, no U.S. tax opinion is being given, nor any IRS rulings sought, with respect to the REIT or the Partnerships. Consequently, the IRS could challenge tax positions taken by one or more of these entities. If the IRS were to successfully challenge any tax positions taken by the REIT or the Partnerships, including with respect to the Investment LP1 Notes, the SUSO 3 Acquisition, or any other matters, additional U.S. tax could be owing which would decrease the amount available for distribution to Unitholders and, potentially, the value of the Units.

### **U.S. Foreign Account Tax Compliance Act (“FATCA”)**

FATCA is U.S. law that imposes certain reporting, information gathering and U.S. withholding tax obligations on non-U.S. “foreign financial entities” and “non-financial foreign entities” that may include the REIT, Investment LP1 and GAR B, or other of their non-U.S. Subsidiaries. The implementation of FATCA with respect to Canadian entities is governed by the IGA, which was signed by the governments of the United States and Canada in early 2014, the Tax Act and a set of complex Treasury Regulations. The REIT may, in order to avoid adverse U.S. tax consequences imposed by FATCA, require Unitholders to provide certain tax and reporting information necessary for the REIT to comply with FATCA. There can also be adverse U.S. tax consequences under FATCA to persons who do not provide such information, such as a 30% withholding tax on REIT distributions to such persons. If penalties do apply under FATCA to the REIT or any of its Subsidiary entities, cash available for distributions to the Unitholders could be reduced and the value of the Units adversely affected.

## BOARD OF TRUSTEES

### Election of Trustees

The number of trustees to be elected at the Meeting is seven. Trustees are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of Unitholders.

The following table sets forth, for each person proposed to be nominated for election as a trustee of the REIT, the person's name, province or state and country of residence, positions(s) with the REIT, principal occupation, the date on which the person became a trustee, and the approximate number of Units that each has advised are beneficially owned or subject to his control or direction, either directly or indirectly:

Name and Residence	REIT Position(s)	Principal Occupation	Trustee Since	Units (as of December 31, 2014)
Samuel Altman <i>Quebec, Canada</i>	Independent Trustee	President of Joddes Limited	February 23, 2012	Class B LP2 Units: 88,300 Class U Units: 708,029 Class I Units: 265,000 Deferred Units: 3,110
Colum Bastable <i>Ontario, Canada</i>	Independent Trustee	Chairman of Cushman & Wakefield Inc.	March 3, 2014	Class U Units: 3,400 Deferred Units: 1,448
Patrick Flatley <i>Ontario, Canada</i>	Independent Trustee	Senior Vice President, Fidelity National Title Insurance Co.	February 23, 2012	Class U Units: 4,000 Deferred Units: 2,820
Thomas Farley <i>California, United States</i>	Independent Trustee / Chairman	Chairman of Brookfield Canada Office Properties	June 2, 2014	Class U Units: 34,544
Peter Tesché <i>Florida, United States</i>	Independent Trustee	Principal, P.T. Lloyd Associates, LLC	April 17, 2012	Deferred Units: 1,676
Blair Welch <i>Ontario, Canada</i>	Trustee / Chief Executive Officer	Executive Officer of Slate Asset Management L.P.	January 18, 2012	Class B LP2 Units: 341,574 Class U Units: 141,363 Class I Units: 195,000 GAR B Exchangeable Units: 1,495
Brady Welch <i>Ontario, Canada</i>	Trustee / Chief Financial Officer	Executive Officer of Slate Asset Management L.P.	February 23, 2012	Class B LP2 Units: 341,574 Class U Units: 144,823 Class I Units: 195,000 GAR B Exchangeable Units: 1,495

### Biographical Information Regarding Trustees and Executive Officers

**Samuel Altman, Independent Trustee.** Mr. Altman is the President of Joddes Limited, a Canadian-based investment company with major positions in several healthcare companies. Through this role, he is familiar with the U.S. tax (both corporate and personal) and securities regulatory environment, and, in particular, cross border issues. Mr. Altman is also a trustee of SUSO 3 and an Adjunct Partner with Signet Healthcare Partners. Prior to joining Signet Healthcare Partners, from 2003 to 2005, Mr. Altman was President and Chief Executive Officer of Pendopharm Inc., a Montreal-based OTC and pharmaceutical contract manufacturer, and was an independent

consultant where he served and advised healthcare, and industrial marketing clients on strategy, corporate development and mergers and acquisitions. From 1993 to 1996, Mr. Altman led corporate strategy and investment for Scott's Hospitality Inc. as Senior Vice President, Corporate Development. From 1987 to 1993, Mr. Altman was a management consultant at McKinsey and Company where he helped develop a real estate strategy for a leading Canadian retail chain and advised several U.S. based department store chains and mass merchants and, more generally, advised industrial and retail marketing clients across North America, Mexico and Europe. Mr. Altman received his Juris Doctor from Queen's University, Kingston, Canada and his MBA from Johnson Graduate School of Management at Cornell University. He is a CFA charter holder and is a member of the Law Society of Upper Canada. Since 2006, Mr. Altman has invested in five U.S. focused real estate private equity funds. In addition, Mr. Altman has managed a substantial (institutional level) U.S. based investment portfolio.

**Colum Bastable, Independent Trustee.** Mr. Bastable serves as Chairman of the Canadian operations for Cushman & Wakefield Ltd., one of the largest privately held commercial real estate services firm in the world. Mr. Bastable joined Royal LePage Limited in 1976 as Vice President of Finance. In 1981, he became Chief Financial Officer and in 1987 became Executive Vice President responsible for all of Royal LePage's commercial operations. In 1993, Mr. Bastable was appointed President and Chief Executive Officer of Royal LePage Limited and Managing Partner, Commercial Real Estate Services of Brascan Corp. In 2005, he became President and Chief Executive Officer of Cushman & Wakefield LePage Ltd. Mr. Bastable is currently on the board of directors of Toronto-Hydro Electric System Limited, serves as chair of its Human Resources & Compensation Committee and is Chairman of Toronto Hydro Electric System Limited. He also serves as a member of the board of trustees, member of the audit committee and member and chair of the governance and nominating committee of Brookfield Canada Office Properties Real Estate Investment Trust. Mr. Bastable is a member of the independent review committee of Brandes Investment Partners Inc., a large privately held mutual fund management firm headquartered in San Diego, California. In 2007 Mr. Bastable was appointed as Chairman of McMaster University's Board of Governors after having served from 1998 to 2005 as a Member of the Board of Governors and 2005 to 2007 as Vice-Chairman of the Board of Governors. Mr. Bastable was born, raised and educated in Dublin, Ireland. He is a chartered accountant and has been honored as a Fellow of the Institute Chartered Accountants in Ireland.

**Patrick Flatley, Independent Trustee.** Mr. Flatley is a Senior Vice President of New York-based Fidelity National Title Insurance Co. where he represents the interests of Canadian commercial real estate owners and operators completing cross border transactions. In this role Mr. Flatley has completed over 75 commercial title insurance policies in the U.S. for clients including Brookfield Properties, Cadillac Fairview, the Canada Pension Plan and Oxford Properties. In addition, Mr. Flatley is a trustee of SUSO 3 and, since 1998, has been a Partner of KenAidan Realty, a Toronto-based real estate developer. As a Founding Partner of Great American Bagel Enterprise, Mr. Flatley has sourced and secured retail locations for the company in various U.S. locations, including Chicago, Illinois; Naples, Florida; and Seattle, Washington. Great American Bagel Enterprise when combined with its Canadian counterpart, has 125 retail locations across North America. Prior to his career in the commercial real estate business, Mr. Flatley was a professional hockey player, whose NHL career spanned 14 seasons and 780 games, including four seasons as Captain of the New York Islanders. Mr. Flatley continues his involvement in professional hockey, working with the NHL, NHLPA, and MSG Networks in recent years.

**Thomas Farley, Independent Trustee / Chairman.** Mr. Farley is Chairman of the Board of Brookfield Canada Office Properties and has over 30 years of real estate industry experience. Most recently, Mr. Farley held the position of President and Global Chief Operating Officer of Brookfield Office Properties, overseeing asset management, leasing, and property operating initiatives. Further, he served as Chairman of the Board of Brookfield Johnson Controls Canada and Brookfield Johnson Controls Australia. Previously at Brookfield he was Chief Executive Officer of Canadian Commercial Operations, Chief Executive Officer of Australian Commercial Operations and Senior Vice President, Western Canada.

**Peter Tesché, Independent Trustee.** Mr. Tesché is principal of P.T. Lloyd Associates LLC, a real estate capital markets advisory firm. He coordinates placement of new loan and equity investments with both existing as well as an expanding list of new investment partners of real estate asset management firms. In his role, Mr. Tesché spends considerable time meeting with investors in the United States and in Canada. Mr. Tesché is also a trustee of SUSO 3. Until May 2000, he was Managing Director at Deutsche Bank Canada, the successor to the Canadian Subsidiary of Bankers Trust Company where he had been for 18 years prior to the June 1999 merger of the two institutions. Mr. Tesché created and ran a real estate merchant and investment banking function for the bank in Canada. Between 2000 and 2009 while based in Toronto, he acted as principal in his own corporate finance advisory firm, where Mr.

Tesché raised capital in a variety of industries including financial services and real estate investment. Previously, Mr. Tesché held senior management positions with financial institutions in the U.S., Mexico and Brazil. Mr. Tesché received his B.A. from Allegheny College and attended the Graduate School of Business at the University of Pittsburgh. He is a CFA charter holder and an active member of the CFA Society of South Florida and the Toronto CFA Society. He is also a past member of the Urban Land Institute (ULI).

**Blair Welch, Trustee and Chief Executive Officer.** Mr. Welch has over 18 years of experience in the real estate industry in North America and Asia and serves as chief executive officer and as a trustee of SUSO 3. Prior to co-founding the Manager in 2004, Mr. Welch worked with First National Financial Corporation from 2002 until 2005 where he was responsible for developing a successful Canadian commercial mortgage-backed securities program and obtaining its rating as Master and Special Servicer. Prior to that, from 2001 to 2002, Mr. Welch was employed as a consultant by the General Motors Acceptance Corporation Commercial Mortgage to underwrite commercial assets for securitization. Initially based out of Atlanta, Georgia, and with a mandate to focus on assets across the U.S., Mr. Welch engaged property appraisers, environmental consultants and structural engineers underwriting retail, office, industrial, multi-family and hospitality assets. Mr. Welch also worked with General Motors Acceptance Corporation Commercial Mortgage in Toronto to assist with their Canadian commercial mortgage-backed securities program. Prior to that period, from 1997 to 2000, Mr. Welch was a Vice President and original member of New York-based Fortress Investment Group, spending time in Tokyo and Toronto, where he was responsible for originating office, retail, industrial and hospitality investment opportunities throughout both the U.S. and Canada. Mr. Welch began his career in the corporate finance group of Bankers Trust in New York and Toronto from 1996 to 1997, where he identified acquisition opportunities, oversaw due diligence, supervised property managers and leasing professionals, analyzed and approved capital expenditures and helped raise debt and equity capital for a variety of U.S. real estate clients. Mr. Welch also worked with Brazos Advisors (now Lonestar), participating in direct investment, securitization and corporate debt transactions in the U.S. and Canada. Mr. Welch holds a B.Com. from the University of British Columbia.

**Brady Welch, Trustee and Chief Financial Officer.** Mr. Welch has over 18 years of experience in the real estate industry in North America and Europe across a variety of asset classes, including office, industrial, multi-family and retail and serves as Chief Financial Officer and a trustee of SUSO 3. He has spent the majority of his career managing real estate portfolios for large U.S. private equity firms. Prior to co-founding the Manager in 2004, he held senior management positions with Fortress Investment Group from 1998 to 2005, including acting as a Vice-President and Managing Director, where he was responsible for overseeing all direct investments in commercial real estate in the U.S. In this capacity, Mr. Welch identified acquisition opportunities, underwrote asset values, oversaw due diligence, negotiated purchase and sale agreements, selected lenders and negotiated financing terms, supervised property managers and third party leasing professionals, approved large leasing contracts, approved capital expenditures, prepared annual operating budgets, provided updates on operating performance and developed and executed asset disposition strategies. During his eight year tenure at Fortress, Mr. Welch was involved in a significant number of real estate investments across retail, office, industrial, multi-family and hospitality asset classes. From 1997 until 1998, Mr. Welch managed the joint venture investments of Truscan (the former real estate arm of Canada Trust) in Class A office towers in Canada's five major urban markets. Mr. Welch began his career in the mid-1990s with Brazos Advisors (now Lonestar), participating in the acquisition and work-out of Canadian distressed real estate loan pools from insurance companies and financial institutions. Mr. Welch holds a B.Com. from Mount Allison University.

**Ramsey Ali, Corporate Secretary and General Counsel, Slate Asset Management L.P.** Mr. Ali is responsible for providing counsel on corporate and transaction structuring, deal execution and asset management at the Manager. Mr. Ali has broad experience in real estate acquisition, disposition and development having been involved in over C\$1 billion of real estate transactions while in private practice at Goodmans LLP. Mr. Ali also gained considerable experience with joint ventures, private equity transactions, leasing and real estate financing. Prior to joining the Manager, Mr. Ali spent five years as General Counsel of Forum Equity Partners, a leading Canadian infrastructure and real estate investment and development firm, where he managed the structuring, negotiation and arrangement of over C\$1.5 billion dollars in committed project financing and millions more in real estate construction and/or mortgage financing. Mr. Ali's experience includes evaluation and underwriting of investments, legal and tax structuring of special purpose entities and management of legal and financial advisors. Mr. Ali graduated with distinction from the University of Guelph with a Bachelor of Commerce, Management Economics and Finance, and received a Juris Doctor from the University of Toronto, Faculty of Law. He is a member of the Law Society of Upper Canada and the Canadian Bar Association.

**Lisa Rowe, Senior Vice-President, Slate Asset Management L.P.** Ms. Rowe joined the Manager in 2013 after spending 12 years at Deloitte LLP as a Senior Tax Manager where she focused on real estate, asset management and mergers and acquisitions. While at Deloitte LLP, Ms. Rowe advised Canadian and foreign based multinationals and private equity investors on corporate and international tax matters including mergers and acquisitions, corporate reorganizations, tax accounting, and general tax matters across a broad range of industries including asset management and real estate. Ms. Rowe was responsible for managing significant merger and acquisitions engagements involving over C\$1 Billion of transactions. Ms. Rowe has advised on tax due diligence and acquisition structuring for a wide range of Canadian public and private corporations, including but not limited to, the review of legal agreements, tax modeling, structure documents and due diligence reports. Ms. Rowe has worked extensively with various public mutual fund trusts and has consulted on fund structuring, tax compliance, distribution policies and fund mergers and reorganizations. At the Manager, Ms. Rowe is responsible for all aspects of financial and tax reporting, tax planning, treasury, and investor relations. Ms. Rowe also provides advice on corporate structure and financing for both new acquisitions and existing investments. Ms. Rowe is a Chartered Professional Accountant, Chartered Accountant. She holds a B.B.A. from the Schulich School of Business at York University.

## Corporate Governance Disclosure

### General

The Board currently consists of seven trustees. Of these seven trustees, five trustees – Samuel Altman, Colum Bastable, Patrick Flatley, Thomas Farley and Peter Tesché are “independent” in accordance with the definition of “independence” set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The remaining two trustees, Blair Welch and Brady Welch, are not “independent” by virtue of their positions as officers of the REIT, and by virtue of their relationship with the Manager. The Independent Trustees hold regularly scheduled meetings at which non-Independent Trustees and members of management are not in attendance. For the year ended December 31, 2014, the number of such meetings held was two.

The Chairman, Thomas Farley, is independent. The Chairman is responsible for (i) leading, managing and organizing the Board, (ii) promoting cohesiveness among the trustees, (iii) acting as Chair of the meetings of the Board, including establishing procedures to govern the Board’s work to ensure the Board can conduct its work effectively and efficiently, (iv) acting as a liaison between the Board and management through the Chief Executive Officer of the REIT, and (v) promoting the provision of information to the trustees on a timely basis to keep the trustees apprised of matters which are material to them.

For the year ended December 31, 2014, the attendance of the trustees at the meetings required to have been attended by them was as follows:

	Regular <sup>(1)</sup>	Additional	Audit Committee	Investment Committee
Samuel Altman	3/3	N/A	3/3	14/14
Colum Bastable	3/3	N/A	3/3	N/A
Patrick Flatley	3/3	N/A	N/A	14/14
Thomas Farley	3/3	N/A	N/A	14/14
Peter Tesché	3/3	N/A	3/3	14/14
Blair Welch	3/3	N/A	N/A	14/14
Brady Welch	3/3	N/A	N/A	N/A

**Note:** <sup>(1)</sup> Governance Committee matters were dealt with at regular meetings of the Board. Where appropriate, non-Independent Trustees did not participate in related discussions, nor did they vote. The Governance Committee has developed a regular schedule of meetings for 2015.

### Committees

The Board has three committees (i) the Audit Committee comprised of Colum Bastable (Chair), Samuel Altman and Peter Tesché, (ii) the Governance Committee comprised of Peter Tesché (Chair), Samuel Altman and Colum

Bastable, and (iii) the Investment Committee comprised of Thomas Farley (Chair), Blair Welch, Samuel Altman, Peter Tesché and Patrick Flatley.

Additional information regarding the Audit Committee, the Governance Committee and the Investment Committee (collectively, the “**Committees**”) can be found under the heading “*Board of Trustees and Officers*” in the Annual Information Form.

### ***Board Mandate***

The Board is responsible for the general stewardship of the REIT. It is elected by Unitholders to supervise management of the REIT’s business with the goal of enhancing the REIT’s long-term unitholder value. The Board has adopted a charter which reflects the REIT’s commitment to high standards of governance. The charter also assists the Board in supervising the management of the REIT.

The Chairman also has a charter. These charters contribute to establishing appropriate limits on management’s authority. The Board’s charter, which is expressly incorporated by reference herein, is available at [www.sedar.com](http://www.sedar.com) or at [www.slateretailreit.ca](http://www.slateretailreit.ca) under “Governance”.

The Board oversees the management of the REIT. Management is responsible for general day-to-day management of the REIT and for making recommendations to the Board with respect to long-term strategic, financial, organizational and related objectives.

The roles and responsibilities of the Board are intended to primarily focus on the formulation of long term strategic, financial and organizational goals for the REIT and on the monitoring of management performance. The Board is responsible for overseeing a management-driven strategic planning process and approves the REIT’s strategic plan.

The Board reviews and approves the REIT’s financial objectives and short and long-term business plans for the REIT’s business and monitors financial and operating performance. The Board also approves significant capital allocations and expenditures and reviews and approves all material transactions, being all matters that would be expected to have a major impact on Unitholders or creditors.

### ***Position Descriptions***

The Board has developed a written position description in the form of a charter for the Chairman. The Board has also developed written position descriptions in the form of a charter for the Chair of each committee. In addition, the Board has developed a written position description for the Chief Executive Officer.

### ***Orientation and Continuing Education***

The REIT has an orientation program for new trustees which addresses the role of the Board, its committees and individual members and provides a reference manual of materials, which includes (among other things) (i) the Declaration of Trust, (ii) material agreements and documents related to the REIT, (iii) charters for the Board and the Committees, (iv) a description of the REIT’s legal and organizational structure, and (v) operational plans, financial reports, other reports and corporate policies. In addition, the Board and members of management organize presentations by external legal counsel on new legislative and policy developments that affect the Board, arrange one-on-one briefings with the Board and the Chairman and the Chief Executive Officer and Chief Financial Officer and set aside time for social interaction with the Board and management. The Board orientation program is reviewed annually by the Governance Committee and the Board and feedback from newly oriented trustees is incorporated into the program from time to time.

The Governance Committee is responsible for the ongoing education of trustees. Continuing education contributes to the awareness of the Board with respect to changes and developments in the following areas: legislative, policy and accounting developments, risk, insurance, governance, market performance, competitive analysis, investment opportunities and environmental issues. The Board’s continuing education program has five components (i) management presentations, (ii) presentations and information solicited from external advisors (including legal, accounting and consulting firms), (iii) accredited programs, and (iv) site visits. Education matters involving management and external advisors take place at regularly scheduled Board meetings and *in camera* sessions.

Trustees are provided opportunities to visit the REIT's properties as well as those of competitors. The continuing education program is reviewed annually by the Governance Committee and the Board.

### ***Ethical Business Conduct***

It is the policy of the REIT that all activities be conducted with the highest standards of fairness, honesty and integrity and in compliance with all legal and regulatory requirements. The REIT's Code of Conduct (the "**Code**") has been endorsed by the Board and applies to the trustees and officers of the REIT and employees of the Manager, all of whom must sign an annual statement of compliance with the Code.

The Code emphasizes protection of the REIT's assets and resources, protection of confidential information, insider trading rules, conflicts of interest, disclosure, compliance with laws, rules and regulations and fair dealing.

The Board has responsibility for ensuring that the Code and compliance related policies and management systems are effectively implemented. Monitoring compliance with the Code is done through reports, meetings, audits and the statements of compliance. The Code, which is reviewed annually by the Compensation, Governance and Nominating Committee and approved by the Board, is available on SEDAR, the REIT's website or upon request to the REIT.

In an effort to ensure the exercise of independent judgement, the Board appoints a non-executive, Independent Trustee to act as the Chairman. Keeping the REIT's Chief Executive Officer and Chairman positions separate allows the Board to more effectively oversee management and enhance accountability. Having an independent Chairman fosters strong leadership, robust discussion and effective decisions, while avoiding potential conflicts of interest. In addition, the Declaration of Trust contains "conflict of interest" provisions to protect Unitholders without creating undue limitations on the REIT. As the trustees may be engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each trustee to disclose to the REIT, at the first meeting of trustees of the REIT at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the trustees of the REIT, a trustee will be required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of trustees, the nature and extent of his or her interest forthwith after the trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or liability insurance. All decisions of the Board will require the approval of a majority of the trustees of the REIT present in person or by phone at a meeting of the Board.

### ***Nomination of Trustees***

The Governance Committee, which is composed entirely of Independent Trustees, is responsible for succession planning, including the identification and nomination of trustees. The Board's succession planning process is comprised of a review of the size of the Board, a skills assessment and a Board and trustee evaluation process. Annually, the Governance Committee reviews the size of the Board and determines the appropriate size based on the outcome of a trustee skills review, the projected workload requirements and the results of a Board effectiveness report. The Governance Committee reviews the skills represented on the Board annually. If there is a skills gap, the Governance Committee may address the matter by increasing the size of the Board, replacing an incumbent or enhancing Board education.

If a vacancy is to be filled, the Governance Committee uses selection criteria to prioritize and select potential candidates. In addition to having the basic characteristics of integrity, good judgment, financial knowledge, and sufficient time available, potential candidates should also have experience in any of such areas as capital markets, real estate management or governance. The Board considers gender, ethnic background, geographic origin and other personal characteristics together with the skills, experience, character and behavioural qualities of each individual

when determining the value which a candidate could bring to the Board. Candidates are identified through formal and informal search processes. Interviews are conducted by the Governance Committee and a short list of candidates is put before the Board for consideration. Prior to nomination, new trustees are given a clear indication of the workload and time commitment required. The Board approves nominations for trustees; provided, however that pursuant to the Management Agreement, the Manager has the right to nominate two trustees.

More information on the responsibilities, powers and operation of the Governance Committee can be found under the heading “*Board of Trustees and Officers – Compensation, Governance and Nominating Committee*” in the Annual Information Form.

### ***Compensation***

The Governance Committee, which is comprised entirely of Independent Trustees, is responsible for determining the compensation of the trustees of the REIT. More information on the responsibilities, powers and operation of the Governance Committee can be found under the heading “*Board of Trustees and Officers – Compensation, Governance and Nominating Committee*” in the Annual Information Form and under the heading “*Statement of Compensation*” in this Information Circular.

### ***Assessments***

Annually, the Governance Committee approaches the evaluation of the trustees through two anonymous questionnaires administered confidentially: (i) a Board and Committee evaluation, and (ii) a peer evaluation. The questionnaires provide for quantitative ratings and subjective comment in key areas and consider each trustee’s effectiveness in terms of business operations, strategy, Unitholder value, risk management, use of time, Board structure, size and process. A summary report on the questionnaires is compiled by an external advisor and presented to the Chair of the Governance Committee. All trustees are subsequently provided with copies of the report. The Board meets to discuss the report, consider its findings and act on its recommendations. Each year, the Chairman meets with each trustee individually to engage in open dialogue on any issues which either party wishes to raise, and uses the same meeting to discuss any specific issues that may have come up in the questionnaire process. Through this process each trustee receives feedback on his individual contribution to Board effectiveness.

### ***Term Limits and Diversity***

The REIT does not have term limits for its trustees. While there is benefit to adding new perspectives to the Board from time to time, there are also benefits to be achieved through continuity and trustees having in depth knowledge of each facet of the REIT’s business, which necessarily takes time to develop. Pursuant to the Declaration of Trust, trustees are generally to be appointed (including the reappointment of incumbent trustees) at each annual meeting of the REIT, and in all cases, the term of any trustee will expire at the close of the next annual meeting of Unitholders following such trustee’s appointment.

The REIT does not have a formal policy regarding the representation of women on the Board. The REIT’s Board is currently comprised of seven men and no women, such that 0% of the REIT’s trustees are women. While diversity is one issue of importance, the Board believes that the key to effective leadership is to choose trustees that, having regard to a wide array of factors, possess the range of necessary independence, skills, experience, commitment and qualifications that are best suited to fostering effective leadership and decision making at the REIT. As noted elsewhere in this Information Circular, the Board reviews its size and composition from time to time to determine the impact that the trustees have on its effectiveness, and the Board and management use a rigorous identification and selection process for new trustees, having regard to a variety of factors, and through these processes the Board believes that it is well-positioned to address any problems or deficiencies that may arise. Although the REIT and the Board do not believe that quotas or strict policies necessarily result in the identification or selection of the best candidates, the Board is mindful of the benefit of gender diversity on the Board and the need to maximize effectiveness of the Board and its decision making abilities. At present the Board believes that its current mix of trustees comprise an appropriate mix of individuals with accounting, financial, legal and general business experience that is appropriate for the REIT’s current size.

With respect to executive officer positions, the REIT is externally managed and has no control over the recruitment of the Manager’s employees.

### ***Majority Voting Policy***

The Board has a majority voting policy under which each trustee of the REIT should be elected by the vote of a majority of Units represented in person or by proxy at any meeting for the election of trustees. Accordingly, if any nominee for trustee receives, from the Units voted at the Meeting in person or by proxy, a greater number of Units withheld than Units voted in favour of his election, such trustee must promptly tender his offer to resign to the Chairman, to take effect on acceptance by the Board. The Governance Committee will expeditiously consider the trustee's offer to resign and make a recommendation to the Board whether or not to accept it. Within 90 days of the Meeting, the Board will make a final decision and announce it by way of press release. This policy does not apply to a contested election of trustees, that is, where the number of nominees exceeds the number of trustees to be elected. Any trustee who offers his resignation will not participate in the deliberations of the Governance Committee or the Board with respect to whether or not to accept the resignation. In the event any such trustee fails to offer his resignation in accordance with the majority voting policy, the Board will not re-nominate the trustee. Subject to the provisions of the Declaration of Trust, the Board is not limited in any action it may take if a trustee's resignation is accepted, including appointing a new trustee to fill the vacancy.

### ***Directors or Trustees of other Reporting Issuers***

The following table sets forth the name of each other reporting issuer, or the equivalent thereof, for which each of the trustees currently serves as a director or trustee:

<i>Name</i>	<i>Name of Reporting Issuer</i>
Thomas Farley	Brookfield Canada Office Properties
Colum Bastable	Brookfield Canada Office Properties; Toronto Hydro Corporation
Blair Welch, Brady Welch, Patrick Flatley, Peter Tesché, Samuel Altman	Slate U.S. Opportunity (No. 3) Realty Trust
Brady Welch	Slate Office REIT

### ***Indemnification and Liability Insurance***

The Declaration of Trust provides that each trustee of the REIT will be entitled to indemnification from the REIT in respect of the exercise of the trustee's powers and the discharge of the trustee's duties, provided that the trustee acted honestly and in good faith with a view to the best interests of the REIT or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the trustee had reasonable grounds for believing that his or her conduct was lawful. In addition, the REIT has entered into indemnity agreements with each of its trustees and officers.

The REIT carries trustees' and officers' liability insurance. Under this insurance coverage, the REIT will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which will be paid by the REIT. Individual trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the REIT. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

### ***Indebtedness***

None of the REIT's executive officers, trustees or employees or former executive officers, trustees or employees, or any associate or affiliate of any such person, is as of the date hereof, or has been since January 1, 2014 indebted to the REIT.

## STATEMENT OF COMPENSATION

### Executive Officer Compensation

#### *Compensation Discussion and Analysis*

The REIT's executive officers are employed by the Manager and the REIT does not directly or indirectly pay any compensation to them. Any variability in compensation paid by the Manager to the REIT's executive officers has no impact on the REIT's financial obligations under the Management Agreement.

The Manager determines the total compensation paid to the REIT's executive officers. In determining this compensation, the Manager considers, among other things, the Manager's business, results of operations and financial condition taken as a whole, including the REIT's operations.

The REIT appointed the Manager to provide the REIT with management services, including providing the REIT and its Subsidiaries with the strategic, advisory, asset management, administrative, property management, leasing, construction management and administrative services (the "**Asset Management Services**") necessary to manage the day-to-day operations of the REIT and its properties. The Manager also provides in-house legal services to the REIT.

The Manager's activities are subject to the supervision and direction of the trustees of the REIT. The Manager provides the Asset Management Services in accordance with the Management Agreement and makes available such administrative, executive and management personnel of the REIT to allow the Manager to comply with its obligations under the Management Agreement.

The Manager receives the following fees for its Asset Management Services:

- (a) an annual asset management fee (the "**Asset Management Fee**") calculated and payable on a quarterly basis, equal to 0.40% of Gross Book Value of the REIT;
- (b) an acquisition fee (the "**Acquisition Fee**") equal to 0.75% of the gross purchase price paid for each new property (or interest in a property), including the price, due diligence costs, closing costs, legal fees and additional capital costs, payable on completion of the purchase of each property (or interest in a property); and
- (c) an annual incentive fee (the "**Incentive Fee**" and, together with the Asset Management Fee and the Acquisition Fee, the "**Management Fees**"), calculated in arrears, in an aggregate amount equal to 15% of the REIT's funds from operation per Class U Unit (calculated assuming the conversion of all SUSO 1 class A units and SUSO 1 class I units into Class U Units at their respective conversion ratios and the redemption of all outstanding Class B LP2 Units and GAR B Exchangeable Units for Class U Units) as derived from the annual financial statements of the REIT in excess of U.S.\$1.28, subject to ordinary course adjustments for certain transactions affecting the Class U Units and increasing annually by 50% of the increase in the United States consumer price index.

The Manager does not charge any disposition fees, property management fees, leasing fees or construction management fees.

The Manager was paid Asset Management Fees of \$1.57 million and Acquisition Fees of \$1.38 million for the period from January 1, 2014 to December 31, 2014.

For other terms of the Management Agreement, see "*Management of the REIT*" in the Annual Information Form.

### ***Performance Graph***

The following shows the cumulative total Unitholder return for the Units (assuming re-investment of distributions) since April 15, 2014, the date the Units were listed on the TSX, in comparison with the cumulative total return of the S&P/TSX Composite Total Return Index.



The REIT pays fees to the Manager determined in accordance with the terms of the Management Agreement, which fees do not track and are not affected by the market value of the Units. As described above, the REIT's executive officers are employed by the Manager and the REIT does not directly or indirectly pay any compensation to them.

### ***Compensation of Named Executive Officers***

The REIT's executive officers are employed by the Manager and the REIT does not determine the amounts payable to the executive officers or directly or indirectly pay any compensation to them. The following officers qualify as the REIT's named executive officers: Blair Welch, the REIT's Chief Executive Officer and Brady Welch, the REIT's Chief Financial Officer (the "**Named Executive Officers**"). Neither Blair Welch nor Brady Welch has received any compensation from the Manager that is attributable to time dedicated to the business and affairs of the REIT. Accordingly, no option or security awards to the Named Executive Officers were outstanding as at December 31, 2014, and no option-based, security-based or non-equity based incentive plan awards vested for the Named Executive Officers during 2014.

### ***Approach to Risk Management***

The REIT has engaged the Manager to provide Asset Management Services for the REIT under the long-term Management Agreement. The Manager and the principals of the Manager collectively own an aggregate equity interest in the REIT of approximately 6.6%. The REIT believes that the Manager's substantial ownership interest in the REIT, together with the REIT's compensation structure under the Management Agreement, which includes an incentive component as described under "*Compensation Discussion and Analysis*", fully align the Manager's interests with those of other Unitholders. The Board has not identified any risks with the REIT's compensation policies and practices that are reasonably likely to have a material adverse effect on the REIT.

The REIT's executive officers are employed and compensated by the Manager. As a result, the Governance Committee does not determine the compensation of the executive officers and the Board has never engaged a compensation consultant or advisor.

The trustees of the REIT are prohibited from purchasing financial instruments, including, for greater certainty, 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 the trustees of the REIT.

### **Trustee Compensation**

The compensation of the REIT's trustees is designed to attract and retain highly talented and experienced trustees. This requires that the trustees of the REIT be fairly and competitively compensated. The Board, through the Governance Committee, periodically reviews the compensation paid to the REIT's Outside Trustees, taking into account the complexity of the REIT's operations, the risks and responsibilities involved in being a trustee of the REIT, the requirement to participate in scheduled and special Board meetings, expected participation on the Board's standing committees and the compensation paid to trustees of comparable entities.

The trustees of the REIT who are not officers of the REIT or its affiliates ("**Outside Trustees**") are currently entitled to receive an annual retainer of U.S.\$30,000, plus a fee of U.S.\$1,500 for each day on which the Outside Trustee attends either a Board or committee meeting (other than an Investment Committee meeting, which is subject to a fee of U.S.\$750), in person or by telephone. The Chairman receives an additional annual retainer of U.S.\$40,000, the Chair of the Audit Committee receives an additional annual retainer of U.S.\$15,000 and the chairs of each of the Governance Committee and Investment Committee receive an additional annual retainer of U.S.\$5,000. Each Outside Trustee is also reimbursed for reasonable travel and other expenses properly incurred by him or her in attending meetings of the Board or any committee meeting.

### ***Unit Ownership Guidelines for Trustees***

To ensure that the REIT's trustees' interests are aligned with those of the Unitholders, to demonstrate that the REIT's trustees are financially committed to the REIT through personal unit ownership and to promote the REIT's commitment to sound corporate governance, each trustee (other than a trustee who is an employee of the REIT or the Manager or any of their Subsidiaries) will be required to accumulate at least three times the value of the base annual trustee retainer, which as of the date hereof will equate to \$90,000 in Units or Deferred Class U Units, or a combination thereof, by the fifth anniversary of the later of (i) April 15, 2014 and (ii) becoming a trustee of the REIT (the "**Unit Ownership Guidelines**"). For purposes of the Unit Ownership Guidelines, securities will be valued using the greater of their market value or book value.

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

### ***Deferred Unit Plan***

The REIT has established the Deferred Unit Plan to advance the interests of the REIT by enhancing the ability of the REIT to attract, motivate and retain trustees of the REIT and to reward such persons for their sustained contributions, to encourage such persons to take into account the long-term performance of the REIT and to promote a greater alignment of interests between the trustees of the REIT and Unitholders. See "*Deferred Unit Plan*".

### ***Annual Trustee Compensation***

In 2014, the Outside Trustees received aggregate compensation having a total value of \$220,342.47. This was comprised of cash compensation of \$126,467.47 and Deferred Class U Units valued at \$93,875, as described further below. In 2014, Outside Trustees received a total of \$2,724.39 in reimbursed expenses.

The following table provides details of the compensation received by Outside Trustees during the year ended December 31, 2014. For information on Blair Welch and Brady Welch, see “*Statement of Compensation – Executive Officer Compensation*”.

Name	Fees Earned	Unit-Based Awards <sup>(1)</sup>	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
Samuel Altman	\$7,828.77	\$32,250	-	-	-	-	\$40,078.77
Colum Bastable	\$24,493.15	\$15,000	-	-	-	-	\$39,493.15
Patrick Flatley	\$7,828.77	\$29,250	-	-	-	-	\$37,078.77
Thomas Farley	\$59,003.42	-	-	-	-	-	\$59,003.42
Peter Tesché	\$27,313.36	\$17,375	-	-	-	-	\$44,688.36

<sup>(1)</sup> This does not include Deferred Class U Units issued pursuant to the Distribution Election described under “*Deferred Unit Plan*”.

### ***Outstanding Security-Based Awards and Option-Based Awards***

The following table indicates for each of the Outside Trustees the option and security awards outstanding as at December 31, 2014. For information on Blair Welch and Brady Welch, see “*Statement of Compensation – Executive Officer Compensation*”.

Name	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options	Number of Units Unvested	Market or Payout Value of Unvested Unit-Based Awards	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed <sup>(1)</sup>
Samuel Altman	-	-	-	-	-	-	\$18,088.68
Colum Bastable	-	-	-	-	-	-	\$7,913.80
Patrick Flatley	-	-	-	-	-	-	\$16,581.29
Thomas Farley	-	-	-	-	-	-	-
Peter Tesché	-	-	-	-	-	-	\$9,672.42

<sup>(1)</sup> This does not include Deferred Class U Units issued pursuant to the Distribution Election described under “*Deferred Unit Plan*”.

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table indicates for each of the Outside Trustees the incentive plan awards vested or earned during 2014. For information on Blair Welch and Brady Welch, see “*Statement of Compensation – Executive Officer Compensation*”.

Name	Option-Based Awards – Value Vested During the Year	Security-Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Samuel Altman	-	N/A	-
Colum Bastable	-	N/A	-
Patrick Flatley	-	N/A	-
Thomas Farley	-	-	-
Peter Tesché	-	N/A	-

## DEFERRED UNIT PLAN

On August 13, 2014, the Board adopted the Deferred Unit Plan, subject to the approval of such plan by Unitholders at the Meeting. Since the Deferred Unit Plan was adopted, an aggregate of approximately 12,846.90 Deferred Class U Units (the “**Granted Units**”) (which would represent an aggregate of 12,846.90 Class U Units, representing 0.06% of the total issued and outstanding Class U Units, upon a redemption of the Granted Units (see “*Redemption and Termination of Deferred Class U Units*” below)) have been granted to four of the trustees. If Unitholder approval is obtained, the effective date of the Deferred Unit Plan will be August 13, 2014. In connection with the approval of the Deferred Unit Plan by Unitholders, Unitholders will also be asked to ratify the REIT’s grant of the Granted Units. Should Unitholders fail to approve the Deferred Unit Plan, the Granted Units will be cancelled forthwith. Because the Deferred Unit Plan does not have a fixed maximum aggregate number of securities issuable thereunder, Unitholders will need to re-approve it every three years if it is approved at the Meeting, in accordance with the rules of the TSX. The Deferred Unit Plan is administered by the Board and the Governance Committee. For clarity, the Deferred Unit Plan is considered an “evergreen” plan, since the Class U Units covered by Deferred Class U Units which have expired or which have been exercised, terminated or cancelled shall be available for subsequent grants under the Deferred Unit Plan and the number of Deferred Class U Units available to grant increases as the number of issued and outstanding Class U Units increases. A copy of the full text of the Deferred Unit Plan is attached as Appendix F to this Information Circular.

The following table summarizes the Granted Units:

Trustee	# of Granted Units	Date of Grant	Price per Granted Unit (U.S.\$)
Samuel Altman <sup>(1)</sup>	1,712.65	September 30, 2014	\$10.51
	1,397.06	December 31, 2014	\$10.20
	1,186.94	March 31, 2015	\$10.11
Colum Bastable <sup>(2)</sup>	749.29	September 30, 2014	\$10.51
	698.53	December 31, 2014	\$10.20
	704.75	March 31, 2015	\$10.11
Patrick Flatley <sup>(3)</sup>	1,569.93	September 30, 2014	\$10.51
	1,250	December 31, 2014	\$10.20
	1,038.58	March 31, 2015	\$10.11
Peter Tesché <sup>(4)</sup>	915.79	September 30, 2014	\$10.51
	759.80	December 31, 2014	\$10.20
	655.29	March 31, 2015	\$10.11

<sup>(1)</sup> An additional 71.80 Granted Units were granted to Samuel Altman pursuant to his election to have cash distributions on his Granted Units paid in the form of additional Class U Deferred Units, in accordance with the Deferred Unit Plan (the “**Distribution Election**”).

<sup>(2)</sup> An additional 32.51 Granted Units were granted to Colum Bastable pursuant to his exercise of the Distribution Election.

<sup>(3)</sup> An additional 65.43 Granted Units were granted to Patrick Flatley pursuant to his exercise of the Distribution Election.

<sup>(4)</sup> An additional 38.55 Granted Units were granted to Peter Tesché pursuant to his exercise of the Distribution Election.

### Purpose of the Deferred Unit Plan

The purpose of the Deferred Unit Plan is to advance the interests of the REIT by enhancing the ability of the REIT to attract, motivate and retain trustees of the REIT and to reward such persons for their sustained contributions, to encourage such persons to take into account the long-term performance of the REIT and to promote a greater alignment of interests between trustees of the REIT and Unitholders.

### Overview

The Deferred Unit Plan provides trustees of the REIT with the opportunity to acquire deferred Class U Units (“**Deferred Class U Units**”). Deferred Class U Units represent a right to receive Class U Units on ceasing to be a trustee of the REIT.

### ***Eligible Persons***

Trustees of the REIT who are neither full nor part-time employees of the REIT or the Manager or any of their Subsidiaries are eligible to participate in the Deferred Unit Plan (“**Participants**”). Participants may elect to receive all or part of their annual retainer, meeting fees and additional compensation (including travel fees), which are paid quarterly, in Deferred Class U Units. Deferred Class U Units will not entitle a trustee of the REIT who elects to participate in the Deferred Unit Plan (“**Participating Trustee**”) to any voting or other Unitholder rights. One Deferred Class U Unit is economically equivalent to one Class U Unit. Fractional Deferred Class U Units are permitted under the Deferred Unit Plan.

A Participating Trustee who is not a U.S. taxpayer is entitled once per calendar year to terminate his or her participation in the Deferred Unit Plan by way of a termination notice. Such termination shall be effective immediately upon receipt. Participation in the Deferred Unit Plan by a U.S. taxpayer is irrevocable for the year of participation.

Any Deferred Class U Units granted under the Deferred Unit Plan prior to the delivery of a termination notice by a Participating Trustee shall remain in the Deferred Unit Plan following such termination and will be redeemable only in accordance with the terms of the Deferred Unit Plan.

### ***Number of Class U Units Reserved for Issuance***

The maximum number of Class U Units issuable pursuant to the Deferred Unit Plan will, in the aggregate, not exceed 5% of the total number of issued and outstanding Class U Units, on a fully-diluted basis, from time to time.

Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which the Class U Units are listed and any Unitholder or other approval which may be required, the Board may, in its discretion, amend the Deferred Unit Plan to increase such limit without notice to Participants.

The maximum aggregate number of Class U Units that may be subject to grants of Deferred Class U Units under the Deferred Unit Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Class U Units.

### ***Deferred Class U Unit Grants And Accounts***

Deferred Class U Units will be credited quarterly to each Participating Trustee’s account and will be determined by dividing the amount the Participating Trustee elects to receive in Deferred Class U Units by the volume weighted average trading price of a Class U Unit on the TSX for the five trading days prior to the date on which the Deferred Class U Units are credited. Additional Deferred Class U Units will be automatically credited to a Participating Trustee’s account under the Deferred Unit Plan when the REIT pays a cash distribution to Unitholders. The additional Deferred Class U Units to be credited will be calculated by multiplying the number of Deferred Class U Units in the Participating Trustee’s account at the time such distribution is paid by the amount of the distribution and dividing that amount by the volume weighted average trading price of a Class U Unit on the TSX for the five trading days prior to the day the distribution is paid.

In addition to the foregoing, Deferred Class U Units may be granted from time to time to Participants at the discretion of the Board or the Governance Committee.

### ***Insider Participation Limits***

The maximum aggregate number of Deferred Class U Units issuable under the Deferred Unit Plan to Insiders (as defined in the TSX Company Manual) at any time, including those Class U Units issuable under any other security-based compensation arrangement, shall not exceed 10% of the issued and outstanding Class U Units on a non-diluted basis as of the award date of such Deferred Class U Units and the maximum aggregate number of Class U Units that may be issued pursuant to Deferred Class U Units to such Insiders during any 12-month period, including those Class U Units issuable under any other security-based compensation arrangement, shall not exceed 10% of the issued and outstanding Class U Units on a non-diluted basis.

### ***Vesting of Deferred Class U Units***

Subject to the Governance Committee's discretion to vary the manner in which Deferred Class U Units vest pursuant to any grant of Deferred Class U Units, Deferred Class U Units granted to Participating Trustees will vest immediately upon grant, including additional Deferred Class U Units credited to a Participating Trustee's account in connection with cash distributions. Additional Deferred Class U Units shall vest on the same schedule as their corresponding Deferred Class U Units and are considered issued on the same date as the Deferred Class U Units in respect of which they were credited.

### ***Redemption and Termination of Deferred Class U Units***

When a Participating Trustee ceases to be a member of the Board, the former trustee of the REIT will receive Class U Units issued by the REIT for the number of Deferred Class U Units credited to his or her account, including any cash distributions paid by the REIT on the Class U Units that have accrued in the form of Deferred Class U Units or, at his or her election, in whole or in part, the cash equivalent thereof. Class U Units (or where the former trustee of the REIT so elects, cash) will be issued to the former trustee of the REIT, subject to any applicable statutory source deductions. In addition, the Deferred Class U Units are redeemable by the Participating Trustee or the Participating Trustee's estate on or after the date they cease to be a trustee of the REIT, provided the redemption is not later than two years following the date the Participating Trustee ceases to be a trustee of the REIT.

Upon payment in full of the value of the Deferred Class U Units, the Deferred Class U Units shall be cancelled.

### ***Amendment, Suspension or Termination***

The Governance Committee may review and confirm the terms of the Deferred Unit Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the Deferred Unit Plan in whole or in part as well as terminate the Deferred Unit Plan without prior notice as it deems appropriate.

Without limitation, the Governance Committee may, subject to the rules of the TSX, make changes:

- (a) to correct errors, immaterial inconsistencies or ambiguities in the Deferred Unit Plan;
- (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements);
- (c) to the vesting provisions applicable to Deferred Class U Units issued under the plan;
- (d) to add a provision permitting the REIT to match a percentage of the elected amount for each Participating Trustee such that the aggregate number of Deferred Class U Units issued to each such Participating Trustee annually shall be increased by such percentage; and
- (e) any other amendment that does not require Unitholder approval under applicable laws or rules of the TSX.

However, subject to the terms of the Deferred Unit Plan, no amendment may adversely affect the Deferred Class U Units previously granted under the Deferred Unit Plan without the consent of the affected Participant, and any amendment requiring Unitholder approval under the rules of the TSX may not be made without such approval.

In addition, any amendment to the Deferred Unit Plan that would, among other things, result in any increase in the number of Deferred Class U Units issuable under the Deferred Unit Plan or permit Deferred Class U Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes will be subject to the approval of Unitholders.

### ***Assignment***

In no event may the rights or interests of a Participant under the Deferred Unit Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law.

Rights and obligations under the Deferred Unit Plan may be assigned by the REIT to a successor in the business of the REIT.

### ***Approval and Recommendation of the Board***

**The Board has unanimously determined that the Deferred Unit Plan is in the best interests of the REIT and its Unitholders and recommends that Unitholders vote in favour of the Deferred Unit Plan Resolution.**

### **Approvals Required for the Deferred Unit Plan**

#### ***Unitholder Approval***

At the Meeting, Unitholders will be asked to consider and, if thought fit, pass the Deferred Unit Plan Resolution, the full text of which is set forth in Appendix C to this Information Circular, approving the Deferred Unit Plan. In connection with the approval of the Deferred Unit Plan, Unitholders will also be asked to ratify the REIT's grant of the Granted Units.

To be approved, the Deferred Unit Plan Resolution must receive the affirmative vote of not less than a majority of the votes cast thereon by holders of the Class A Units, Class I Units, Class U Units and Special Voting Units, with such Unitholders voting together as a single class.

#### ***TSX Approval***

The TSX conditionally approved the Deferred Unit Plan and the listing of the Class U Units issued pursuant to the Deferred Unit Plan on February 28, 2014, subject to the satisfaction of certain conditions and the receipt of certain documentation.

### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of the trustees or executive officers of the REIT, any Unitholder that beneficially owns more than 10% of the Units or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the REIT or any of its Subsidiaries, except for:

- (a) the Combination Transaction described under the heading "*The SUSO 3 Acquisition – Formation of the Special Committee – Special Committee*";
- (b) the SUSO 3 Acquisition described under the heading "*The SUSO 3 Acquisition*";
- (c) the Private Placement (see "*Prior Sales*") pursuant to which the Manager and Joddes Limited (an entity of which Mr. Samuel Altman is an officer) each subscribed for C\$5 million of Class U Units; and
- (d) the arrangements contained in the Management Agreement described under the heading "*Management of the REIT*" in the Annual Information Form.

### **AUDITOR**

The REIT's auditor is Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, in Toronto, Ontario. Deloitte LLP has advised the REIT that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. Deloitte LLP was appointed the auditor of the REIT on January 18, 2012.

### **PRIOR SALES**

On April 15, 2014, the REIT completed the Combination Transaction pursuant to such 8,497,813 Class U Units were issued at a value of U.S.\$13.46 per unit. On October 14, 2014, the REIT closed a public offering pursuant to which it issued 4,260,000 Class U Units at a price of U.S.\$10.72 per unit, representing net proceeds to the REIT of

approximately U.S.\$43,840,512 (the “**2014 Offering**”). On March 19, 2015, the REIT closed the Public Offering, pursuant to which it issued 4,125,000 Class U Units at a price of U.S.\$10.47 per unit, representing gross proceeds to the REIT of approximately C\$53,600,000 and the REIT closed the Private Placement pursuant to which it issued 769,230 Class U Units at a price of U.S.\$10.47 per unit, representing gross proceeds to the REIT of C\$10,000,000. The following table sets forth the details regarding these and all other issuances of Class U Units, including issuances of all securities convertible into, or, at the option of the GAR B GP and the General Partner, as applicable, redeemable for, Class U Units for the 12-month period prior to the date of this Information Circular.

<b>Date of Issuance</b>	<b>Security Issued</b>	<b>Reason for Issuance</b>	<b>Number of Securities Issued</b>	<b>Issuance Price Per Unit</b>
April 15, 2014	Class U Units	Completion of Combination Transaction	8,497,813	\$13.46
April 15, 2014	Class U Units	Private placement	88,796	\$13.46
April 15, 2014	Class U Units	Redemption of GAR B Exchangeable Units	223,220	\$13.46
April 16, 2014 – August 31, 2014	Class U Units	Conversion of class I units of the REIT	337,727	\$13.46
April 16, 2014 – August 31, 2014	Class U Units	Conversion of class A units of the REIT	3,181,613	\$13.46
April 16, 2014 – August 31, 2014	Class U Units	Redemption of Class B LP2 Units	222,092	\$13.46
September 15, 2014	Class U Units	Pursuant to the Distribution Reinvestment Plan	1,175	\$10.88
October 14, 2014	Class U Units	Completion of the 2014 Offering	4,260,000	\$10.72
October 15, 2014	Class U Units	Pursuant to the Distribution Reinvestment Plan	5,437	\$9.97
November 17, 2014	Class U Units	Pursuant to the Distribution Reinvestment Plan	6,701	\$9.73
December 15, 2014	Class U Units	Pursuant to the Distribution Reinvestment Plan	7,311	\$9.80
January 15, 2015	Class U Units	Pursuant to the Distribution Reinvestment Plan	7,190	\$10.09
February 18, 2015	Class U Units	Pursuant to the Distribution Reinvestment Plan	6,937	\$10.46
March 19, 2015	Class U Units	Completion of the Public Offering	4,125,000	\$10.47

## **DISTRIBUTION POLICY**

Information regarding the frequency and amount of distributions with respect to the Units during the two preceding years, any restrictions on the REIT’s ability to pay distributions and the plan or intention to declare distributions or to alter the distribution policy of the REIT can be found under the heading “*Distribution Policy and History*” in the Annual Information Form. On November 12, 2014, the REIT announced an annual distribution increase to \$0.756 per Unit, representing a 5% increase over the REIT’s previous distribution amount.

## PRICE RANGE AND TRADING VOLUME

The Class U Units are listed and posted for trading on the TSX in both Canadian dollars (under the trading symbol “SRT.UN”) and U.S. dollars (under the trading symbol “SRT.U”). The following tables show the monthly range of high and low prices per Class U Unit and total monthly volumes traded on the TSX for the period from April 22, 2014 (the date of the listing of the Units on the TSX) to the date immediately prior to the date of this Information Circular.

### SRT.UN

Month	Price per Unit (C\$) Monthly High	Price per Unit (C\$) Monthly Low	Total Monthly Volume
April 22, 2014 – April 30, 2014	14.50	12.00	898,630
May 2014	12.60	11.11	788,303
June 2014	12.81	11.34	634,308
July 2014	12.85	12.25	364,784
August 2014	12.65	12.30	162,523
September 2014	12.49	11.62	249,367
October 2014	11.75	10.61	629,808
November 2014	11.85	11.01	675,083
December 2014	12.10	11.25	459,480
January 2015	13.55	11.90	706,485
February 2015	13.70	13.01	987,239
March 2015	13.08	12.51	1,105,226

### SRT.U

Month	Price per Unit (U.S.\$) Monthly High	Price per Unit (U.S.\$) Monthly Low	Total Monthly Volume
April 22, 2014 - April 30, 2014	13.46	10.10	128,425
May 2014	11.65	10.20	185,580
June 2014	12.29	10.49	33,258
July 2014	12.29	11.51	26,946
August 2014	12.30	11.21	22,737
September 2014	11.48	10.75	4,249
October 2014	11.70	9.29	59,537
November 2014	10.69	9.75	44,661
December 2014	10.49	9.65	19,670
January 2015	11.49	10.00	57,808
February 2015	11.00	10.42	51,474
March 2015	10.47	9.76	90,979

## MATERIAL CONTRACTS

For a list of the material contracts (other than those entered into in the ordinary course of business) that the REIT has entered into since the beginning of the most recently completed financial year, or before the most recently completed financial year but that are still in effect, see “*Material Contracts*” in the Annual Information Form.

## **TRANSFER AGENT AND REGISTRAR**

The registrar and transfer agent for the REIT is Equity Financial Trust Company at its principal office in Toronto.

## **INTERESTS OF EXPERTS**

The matters referred to under “*Certain Canadian Federal Income Tax Considerations*”, as well as certain other legal matters relating to the SUSO 3 Acquisition, will be passed upon on behalf of the REIT by McCarthy Tétrault LLP.

The matters referred to under “*Certain U.S. Federal Income Tax Considerations*”, as well as certain other legal matters relating to the SUSO 3 Acquisition, will be passed upon on behalf of the REIT by Hodgson Russ LLP.

Blair Franklin has provided the Formal Valuation and Fairness Opinion referred to under “*The SUSO 3 Acquisition – Formal Valuation and Fairness Opinion*” and Altus Group has provided the Independent Appraisals referred to under “*The SUSO 3 Acquisition – Formal Valuation and Fairness Opinion*”.

As of the date hereof, the designated professionals of each of McCarthy Tétrault LLP, Hodgson Russ LLP, Blair Franklin, and Altus Group beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the REIT.

Deloitte LLP has provided an independent auditor’s report in connection with certain of the documents referred to under “*Documents Incorporated by Reference*”. Deloitte LLP has advised the REIT that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## **ADDITIONAL INFORMATION**

Additional information relating to the REIT may be found by visiting the REIT’s website at: [www.slateretailreit.ca](http://www.slateretailreit.ca). In addition, more information, including additional financial information which is provided in the REIT’s audited consolidated financial statements and management’s discussion and analysis for the REIT’s most recently completed financial year, and any documents, or sections of documents, as applicable, incorporated by reference into this Information Circular, can be found on SEDAR by visiting [www.sedar.com](http://www.sedar.com). Unitholders may contact the REIT to request a copy of the REIT’s audited consolidated financial statements and management’s discussion and analysis for its most recently completed financial year and any documents incorporated by reference into the Information Circular. Any such request should be directed to: 200 Front Street West, Suite 2400, Toronto, Ontario, M5V 3K2, (416) 644-4264, Attention: Investor Relations.

## **APPROVAL OF TRUSTEES**

The contents and sending of this Information Circular, including the Notice of Meeting, have been approved and authorized by the board of trustees of the REIT. The information concerning SUSO 3 contained in this Information Circular, including the information concerning SUSO 3 incorporated by reference herein, has been provided by SUSO 3. The Board and the REIT assume no responsibility for the accuracy or completeness of such information, nor for any omission on the part of SUSO 3 to disclose facts or events which may affect the accuracy of any such information.

## **BY ORDER OF THE BOARD OF TRUSTEES**

“*Blair Welch*”

Blair Welch  
Trustee & Chief Executive Officer  
Slate Retail REIT  
April 2, 2015

## **CONSENT OF ALTUS GROUP LIMITED**

To: The Board of Trustees and the Special Committee of the REIT

We refer to the Independent Appraisals dated March 31, 2015, which we prepared for the Special Committee in connection with the SUSO 3 Properties.

We consent to the inclusion of a summary of the Independent Appraisals in the Information Circular, and to being named in the Information Circular.

(signed) Altus Group Limited

Toronto, Ontario

April 2, 2015

## **CONSENT OF BLAIR FRANKLIN CAPITAL PARTNERS**

To: The Board of Trustees and the Special Committee of the REIT

We refer to the Formal Valuation dated April 2, 2015, which we prepared for the Special Committee for the independent formal valuation of the assets of SUSO 3. We consent to the filing of the Formal Valuation with applicable securities regulatory authorities and the inclusion of a summary of the Formal Valuation in this Information Circular and the inclusion of the Formal Valuation as an Appendix in this Information Circular.

We also consent to the inclusion of the Fairness Opinion dated April 2, 2015 in the Information Circular, and to being named in the Information Circular.

(signed) Blair Franklin Capital Partners

Toronto, Ontario

April 2, 2015

**CONSENT OF HODGSON RUSS LLP**

To:      The Board of Trustees and the Special Committee of the REIT

We hereby consent to the reference to the report of this firm under “*Certain U.S. Federal Income Tax Considerations*” in the Information Circular, and to being named in the Information Circular.

(signed) Hodgson Russ LLP

Buffalo, New York

April 2, 2015

## **CONSENT OF MCCARTHY TÉTRAULT LLP**

To: The Board of Trustees and the Special Committee of the REIT

We hereby consent to the reference to the opinion of this firm under “*Certain Canadian Federal Income Tax Considerations*” in the Information Circular, and to being named in the Information Circular.

(signed) McCarthy Tétrault LLP

Toronto, Ontario

April 2, 2015

## GLOSSARY

The following terms used in this Information Circular have the meanings set forth below.

“\$” means U.S. dollars;

“**2014 MD&A and Financials**” has the meaning ascribed thereto under “*Proxy and Voting Information - Notice-and-Access*”;

“**2014 Offering**” has the meaning ascribed thereto under “*Prior Sales*”;

“**2015 Prospectus**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**Acquisition Fee**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation - Compensation Discussion and Analysis*”;

“**affiliate**”, unless otherwise specified, when used to indicate a relationship with a person, has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**AFFO**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**Ahold**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Altus Group**” means Altus Group Limited;

“**Announced Acquisitions**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Announced Acquisitions*”;

“**Annual Information Form**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**Appraisal**” means the valuations of the Properties dated as of January 21, 2014 prepared by the Appraiser;

“**Appraiser**” means CBRE Inc.;

“**Asset Management Fee**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation - Compensation Discussion and Analysis*”;

“**Asset Management Services**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation - Compensation Discussion and Analysis*”;

“**Audit Committee**” means the audit committee of the REIT;

“**Auditor Resolution**” has the meaning ascribed thereto under “*Business of the Meeting*”;

“**Beneficial Unitholder(s)**” has the meaning ascribed thereto under “*Proxy and Voting Information – Advice to Beneficial Unitholders*”;

“**BI-LO**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Blair Franklin**” means Blair Franklin Capital Partners;

“**Board**” means the board of trustees of the REIT;

“**Broadridge**” means Broadridge Financial Solutions Inc.;

“**Business Day**” means any day except a Saturday, Sunday or a statutory holiday in the city of Toronto, Ontario;

“**C\$**” means Canadian dollars;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Chairman**” means the chairman of the Board;

“**City Center Plaza**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Announced Acquisitions*”;

“**Class A LP1 Units**” means Class A limited partnership units of Limited Partnership 1;

“**Class A Units**” means the units of beneficial interest in the REIT, designated as “Class A Units”;

“**Class B LP Consideration Units**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview – Consideration*”;

“**Class B LP Units**” means the Class B LP1 Units and the Class B LP2 Units;

“**Class B LP1 Units**” means Class B limited partnership units of Limited Partnership 1, which are economically equivalent to Class U Units (subject to certain adjustments) and redeemable for cash or Class U Units, as determined by the General Partner in its sole discretion;

“**Class B LP2 Units**” means Class B limited partnership units of Limited Partnership 2, which are economically equivalent to Class U Units (subject to certain adjustments) and redeemable for cash or Class U Units, as determined by the General Partner in its sole discretion;

“**Class C LP2 Units**” means Class C limited partnership units of Limited Partnership 2;

“**Class I Units**” means the units of beneficial interest in the REIT, designated as “Class I Units”;

“**Class U Consideration Units**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview – Consideration*”;

“**Class U Units**” means the units of beneficial interest in the REIT, designated as “Class U Units”;

“**Closing**” means the closing of the SUSO 3 Acquisition;

“**Coborn**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Code**” has the meaning ascribed thereto under “*Board of Trustees – Corporate Governance Disclosure – Ethical Business Conduct*”;

“**Combination Transaction**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Formation of the Special Committee – Special Committee*”;

“**Committees**” has the meaning ascribed thereto under “*Board of Trustees – Corporate Governance Disclosure – Committee*”;

“**Completed Acquisitions**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Recently Completed Acquisitions*”.

“**Consideration Units**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview – Consideration*”;

“**Counsel**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**CRA**” means Canada Revenue Agency;

“**Current Portfolio**” has the meaning ascribed thereto under “*The REIT – General*”;

“**Declaration of Trust**” means the second amended and restated declaration of trust of the REIT dated April 15, 2014;

“**Deferred Class U Units**” has the meaning ascribed thereto under “*Deferred Unit Plan – Overview*”;

“**Deferred Unit Plan**” means the deferred unit incentive plan for trustees of the REIT, pursuant to which trustees may elect to receive the compensation they earn as trustees in the form of Units;

“**Deferred Unit Plan Resolution**” has the meaning ascribed thereto under “*Business of the Meeting*”;

“**Delhaize**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Distribution Election**” has the meaning ascribed thereto under “*Deferred Unit Plan*”;

“**Excluded Unitholders**” has the meaning ascribed thereto under “*Business of the Meeting*”;

“**Fairness Opinion**” has the meaning ascribed thereto under “*Frequently Asked Questions*”;

“**FATCA**” has the meaning ascribed thereto under “*Certain U.S. Federal Income Tax Considerations*”;

“**FFO**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**Foreign Tax Credit Generator Rules**” means rules in the Tax Act that address certain foreign tax credit generator transactions;

“**Form 54-101F7**” means Form 54-101F7 – *Request for Voting Instructions made by Intermediary* under NI 54-101;

“**Formal Valuation**” means the independent formal valuation of the SUSO 3 Assets prepared by Blair Franklin;

“**Formal Valuation and Fairness Opinion**” means the Formal Valuation and the Fairness Opinion;

“**GAR B**” means U.S. Grocery-Anchored Retail (1B) Limited Partnership;

“**GAR B Exchangeable Units**” means the exchangeable limited partner units of GAR B which are economically equivalent to Class U Units (subject to certain adjustments including any taxes incurred by GAR B), and redeemable for Class U Units or cash as determined by GAR B GP;

“**GAR B GP**” means GAR 1 GP Inc., the general partner of GAR B;

“**GAR Holdings**” means GAR U.S. Portfolio Limited Partnership;

“**General Partner**” means Slate Retail GP Inc., the general partner of each Slate Retail LP, which is indirectly controlled by the REIT;

“**GLA**” means gross leasable area;

“**Governance Committee**” means the compensation, governance and nominating committee of the REIT;

“**Granted Units**” has the meaning ascribed thereto under “*Deferred Unit Plan*”;

“**Grocery Anchor Tenants**” means grocery-related tenants in the Properties who occupy GLA greater than or equal to 18,000 square feet and “**Grocery Anchor Tenant**” means any of them;

“**Gross Book Value**” means, at any time, the greater of (i) the value of the assets of the REIT and its consolidated Subsidiaries, as shown on its then most recent consolidated statement of financial position, less the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT and (ii) the historical cost of the assets of the REIT, where the historical cost of the Properties will be the portfolio value of the Properties identified in the Appraisal;

“**IFRS**” means International Financial Reporting Standards;

“**IGA**” has the meaning ascribed thereto under “*Certain U.S. Federal Income Tax Considerations*”

“**IIROC**” means the Investment Industry Regulatory Organization of Canada;

“**Incentive Fee**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation – Compensation Discussion and Analysis*”;

“**Independent Appraisals**” means the appraisals of the SUSO 3 Properties dated March 31, 2015 prepared by Altus Group;

“**Independent Trustee**” means a trustee of the REIT who is “independent” pursuant to National Instrument 58-101 – *Corporate Governance Guidelines*;

“**Indoor Air & Ground Water Assessment Report**” means an indoor air and ground water assessment report conducted on a Property;

“**Information Circular**” means this management information circular;

“**Interested Party**” or “**Interested Parties**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Formal Valuation and Fairness Opinion – Relationship with Interested Parties*”;

“**Investment Committee**” means the investment committee of the REIT;

“**Investment LP1**” means Slate U.S. Opportunity (No. 1) Investment L.P., an Ontario Limited Partnership;

“**Investment LP1 Notes**” means the subordinated unsecured promissory notes issued by Investment LP1 to the REIT from time to time;

“**IRC**” means the U.S. Internal Revenue Code;

“**IRS**” means the Internal Revenue Service;

“**K-Mart**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Kroger**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Limited Partnership 1**” means Slate Retail One L.P., a Delaware limited partnership;

“**Limited Partnership 2**” means Slate Retail Two L.P., a Delaware limited partnership;

“**Management Agreement**” means the amended and restated management agreement, dated as of April 15, 2014, between the Manager and the REIT, among others, pursuant to which the Manager provides certain management and advisory services to the REIT;

“**Management Fees**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation - Compensation Discussion and Analysis*”;

“**Manager**” means Slate Asset Management L.P., the successor of Slate Properties Inc.;

“**Meeting**” has the meaning ascribed thereto under “*Proxy and Voting Information – Solicitation of Proxies*”;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**Minority Unitholders**” means Unitholders other than the Excluded Unitholders;

“**Named Executive Officers**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation – Compensation of Named Executive Officer*”;

“**NI 51-102**” has the meaning ascribed thereto under “*Proxy and Voting Information – Notice-and-Access*”;

“**NI 54-101**” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

“**NOBOs**” has the meaning ascribed thereto under “*Proxy and Voting Information – Advice to Beneficial Unitholders*”;

“**NOI**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**Non-Grocery National Tenants**” means the non-grocery related tenants in the Properties who are large national or international retailers with an established reputation and “**Non-Grocery National Tenant**” means any one of them;

“**Non-Resident**” means a person who is a “non-resident” within the meaning of the Tax Act and a partnership other than a “Canadian partnership” for the purposes of the Tax Act;

“**Notice-and-Access Provisions**” has the meaning ascribed thereto under “*Proxy and Voting Information - Notice-and-Access*”;

“**Notice of Meeting**” means the notice of the Meeting dated April 2, 2015;

“**Notice Package**” has the meaning ascribed thereto under “*Proxy and Voting Information - Notice-and-Access*”;

“**OBOs**” has the meaning ascribed thereto under “*Proxy and Voting Information – Advice to Beneficial Unitholders*”;

“**Outside Trustees**” has the meaning ascribed thereto under “*Statement of Compensation – Executive Officer Compensation - Trustee Compensation*”;

“**Participants**” has the meaning ascribed thereto under “*Deferred Unit Plan – Overview – Eligible Persons*”;

“**Participating Trustee**” has the meaning ascribed thereto under “*Deferred Unit Plan – Overview – Eligible Persons*”;

“**Partnership**” means each partnership directly or indirectly held by the REIT, including for greater certainty Investment LP1, Limited Partnership 1, Limited Partnership 2, GAR Holdings and GAR B (individually a “**Partnership**” and collectively, the “**Partnerships**”);

“**PCA Reports**” has the meaning ascribed thereto under “*Description of SUSO 3 and its Properties – Property Condition Assessments*”;

“**PCE**” means tetrachloroethylene;

“**Phase I ESA Reports**” has the meaning ascribed thereto under “*Description of SUSO 3 and its Properties – Environmental Site Assessments*”;

“**Private Placement**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Formation of the Special Committee – Special Committee*”;

“**Pro Forma Financial Statements**” means the unaudited pro forma consolidated statement of financial position as at December 31, 2014 and unaudited pro forma consolidated statements of comprehensive income (loss) for the year ended December 31, 2014;

“**Properties**” means collectively the SUSO 3 Properties and the Current Portfolio;

“**Public Offering**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Formation of the Special Committee – Special Committee*”;

“**Publix**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Record Date**” means April 2, 2015, being the date set by the trustees for determining the Unitholders entitled to receive notice of, and to attend and to vote at, the Meeting;

“**REIT**” means Slate Retail REIT;

“**Resolutions**” means collectively, the Auditor Resolution, the Trustee Resolution, the Deferred Unit Plan Resolution, and the SUSO 3 Resolution;

“**Roundy’s**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**Roxborough Marketplace**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Announced Acquisitions*”;

“**Securities Commission**” means each securities commission or securities regulatory authority in the provinces and territories in which the REIT is a reporting issuer;

“**SEDAR**” means System for Electronic Document Analysis and Retrieval;

“**SIFT Rules**” has the meaning ascribed thereto under “*Risk Factors – Risk Factors Related to Canadian Tax Matters – Taxation of REITs and Partnership*”;

“**Slate Retail LP**” means either Limited Partnership 1 or Limited Partnership 2 and “**Slate Retail LPs**” means both Limited Partnership 1 and Limited Partnership 2;

“**Special Committee**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Formation of the Special Committee – Special Committee*”;

“**Special Voting Unit**” means a special voting unit of the REIT;

“**Subsidiary**” includes, with respect to any person, company, partnership, limited partnership, trust or other entity, any company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such person, company, partnership, limited partnership, trust or other entity;

“**Sub-slab Soil Vapour Assessment Report**” means a sub-slab soil vapour assessment report conducted on a Property;

“**SuperValu**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT – Largest Tenants*”;

“**SUSO 1**” means Slate U.S. Opportunity (No. 1) Realty Trust;

“**SUSO 2**” means Slate U.S. Opportunity (No. 2) Realty Trust;

“**SUSO 3**” means Slate U.S. Opportunity (No. 3) Realty Trust;

“**SUSO 3 Acquisition**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview*”;

“**SUSO 3 Assets**” means the SUSO 3 LP Units, the SUSO 3 LP Notes, the SUSO 3 REIT Units, all of the shares of Slate U.S. Opportunity (No. 3) Investment GP Inc., and any and all of the other assets of SUSO 3 immediately before Closing of every kind and description and wheresoever situate;

“**SUSO 3 Declaration of Trust**” means the amended and restated declaration of trust of SUSO 3, dated September 20, 2013;

“**SUSO 3 GP Holders**” means the holders of the limited partnership interests in SUSO 3 GP LP;

“**SUSO 3 GP LP**” means Slate U.S. Opportunity (No. 3) Holding GP L.P.

“**SUSO 3 Holding LP**” means Slate U.S. Opportunity (No. 3) Holding L.P., a Delaware limited partnership established for the identification, acquisition, ownership and leasing of the SUSO 3 Properties;

“**SUSO 3 Investment LP**” means Slate U.S. Opportunity (No. 3) Investment L.P., a limited partnership formed pursuant to and governed by the laws of Ontario established for the purposes of issuing SUSO 3 LP Units and SUSO 3 LP Notes and investing in units of SUSO 3 Holding LP;

“**SUSO 3 LP Notes**” means the interest bearing promissory notes representing debt owing by SUSO 3 Investment LP to SUSO 3;

“**SUSO 3 LP Units**” means all of the issued and outstanding limited partner units of SUSO 3 Investment LP, being 10 limited partnership units, which units are currently held by SUSO 3;

“**SUSO 3 Meeting**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Approvals Required for the SUSO 3 Acquisition – SUSO 3 Unitholder Approval*”;

“**SUSO 3 Properties**” means the 13 properties owned and leased, directly or indirectly, by SUSO 3 Holding LP;

“**SUSO 3 Purchase Agreement**” means the amended and restated purchase agreement dated April 2, 2015 between the REIT and SUSO 3 in respect of the SUSO 3 Acquisition;

“**SUSO 3 Purchase Price**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview – Consideration*”;

“**SUSO 3 REIT Units**” means the Class U Units owned by SUSO 3 immediately before Closing;

“**SUSO 3 Resolution**” has the meaning ascribed thereto under “*Business of the Meeting*”;

“**SUSO 3 Unitholders**” means the holders of SUSO 3’s units;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated thereunder;

“**TCE**” means trichloroethylene;

“**Treasury Regulations**” means the tax regulations issued by the U.S. Department of the Treasury;

“**Trustee Resolution**” has the meaning ascribed thereto under “*Business of the Meeting*”;

“**TSX**” means the Toronto Stock Exchange;

“**Unit Ownership Guidelines**” has the meaning ascribed thereto under “*Statement of Compensation – Unit Ownership Guidelines for Trustees*”;

“**Unitholders**” means the holders of the Units;

“**Units**” means collectively the Class A Units, Class I Units, Class U Units and Special Voting Units;

“**U.S.**” means the United States of America;

“**U.S.\$**” means U.S. dollars;

“**U.S.-Canada Tax Treaty**” has the meaning ascribed thereto under “*Certain U.S. Federal Income Tax Considerations*”;

“**Vendor Parties**” means collectively, SUSO 3 and the SUSO 3 GP Holders;

“**Wal-Mart**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT–Largest Tenants*”;

“**Winn-Dixie**” has the meaning ascribed thereto under “*Pro Forma Description of the Properties of the REIT–Largest Tenants*”; and

“**Working Capital Adjustment**” has the meaning ascribed thereto under “*The SUSO 3 Acquisition – Overview – Working Capital Adjustment*”.

Pro Forma consolidated financial statements of

## **Slate Retail REIT**

As at and for the year ended December 31, 2014

(unaudited)

**Slate Retail REIT**  
**Pro Forma Consolidated Financial Statements**  
**December 31, 2014**  
**(unaudited)**

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**SLATE RETAIL REIT**

Pro Forma consolidated statement of financial position

As at December 31, 2014

Expressed in thousands of United States dollars

Unaudited

	Slate Retail REIT	Slate U.S. Opportunity (No. 3) Realty Trust	Note 4	Pro forma adjustments	Slate Retail REIT pro forma
<b>ASSETS</b>		<i>see note 4(i)</i>			
<b>Current assets</b>					
Cash	\$13,174	\$7,088	(a)	(\$7,838)	\$12,424
Deposits on investment properties	500	—			500
Prepays	2,065	294			2,359
Accounts receivable	4,539	1,441			5,980
	20,278	8,823			21,263
<b>Non-current assets</b>					
Investment properties	622,295	194,490	(a)	6,999	823,784
Interest rate caps	2	—			2
TIF notes receivable	4,078	—			4,078
Funds held in escrow	1,513	1,486			2,999
Investment in related party	—	1,141	(b)	(1,141)	—
	627,888	197,117			830,863
<b>Total assets</b>	<b>\$648,166</b>	<b>\$205,940</b>			<b>\$852,126</b>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$5,337	\$2,588			\$7,925
Distributions payable	1,276	1,310	(a)	(1,310)	1,276
Current portion of debt	1,074	—			1,074
	7,687	3,898			10,275
<b>Non-current liabilities</b>					
Debt	364,464	112,775	(e)	1,722	478,961
TIF notes payable	4,022	—			4,022
Tenant deposits	1,179	218			1,397
Deferred income taxes	38,219	8,363	(a) (b)	(654)	45,928
REIT units	185,499	80,686	(a)	(3,157)	263,028
Exchangeable units of subsidiaries	25,764	—	(a)	2,169	27,933
	619,147	202,042			821,269
Unitholders' equity	\$21,332	\$—	(a)	(\$750)	\$20,582
<b>Total liabilities and unitholders' equity</b>	<b>\$648,166</b>	<b>\$205,940</b>			<b>\$852,126</b>

**SLATE RETAIL REIT**

Pro forma consolidated statement of comprehensive income

For the year ended December 31, 2014

Expressed in thousands of United States dollars

Unaudited

	<b>Slate Retail REIT</b>	<b>Slate U.S. Opportunity (No. 3) Realty Trust</b>	<b>Note 4</b>	<b>Pro forma adjustments</b>	<b>Slate Retail REIT pro forma</b>
		<i>see note 4(i)</i>			
<b>Net property income</b>					
Rental revenue	\$41,443	\$14,133			\$55,576
Property operating expenses	(9,715)	(2,331)			(12,046)
Net property income	31,728	11,802			43,530
<b>Other income (expenses)</b>					
General and administrative	(5,435)	(1,617)	(h)	277	(6,775)
Interest and other financing	(4,931)	(17,603)	(b) (g) (i)	(199)	(22,733)
Property acquisition costs	(3,027)	(2,193)			(5,220)
Fair value change of investment properties	39,682	18,263	(c)	(17,303)	40,642
Impairment of goodwill	(14,987)	—			(14,987)
<b>Net income before taxes</b>	<b>\$43,030</b>	<b>\$8,652</b>			<b>\$34,457</b>
<b>Income taxes</b>					
Current	—	—			—
Deferred	(17,475)	(8,652)	(f)	6,648	(19,479)
	(17,475)	(8,652)			(19,479)
<b>Net income and comprehensive income</b>	<b>\$25,555</b>	<b>\$—</b>			<b>\$14,978</b>

## **SLATE RETAIL REIT**

Notes to the pro forma consolidated financial statements

Expressed in thousands of United States dollars

Unaudited

### **1. Description of the REIT and operations**

Slate Retail REIT (the "REIT") is an unincorporated, open-ended investment trust under, and governed by, the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in the United States with an emphasis on grocery anchored retail properties. The principal, registered and head office of the REIT is 200 Front Street West, Suite 2400, Toronto, ON, M5V 3K2.

The objectives of the REIT are to: (i) provide Unitholders of the REIT with stable cash distributions from a portfolio of diversified revenue-producing commercial real estate properties in the United States with a focus on anchored retail properties; (ii) enhance the value of the REIT's assets and maximize long-term REIT Unitholder value through active management; and (iii) expand the asset base of the REIT and increase the REIT's earnings on a per unit basis, including accretive acquisitions.

### **2. Basis of preparation**

The accompanying unaudited pro forma consolidated financial statements of the REIT have been prepared by management of Slate Asset Management L.P. to give effect to the acquisition by the REIT of Slate U.S. Opportunity (No. 3) Realty Trust ("SUSO 3") in exchange for class U units of the REIT listed on the Toronto Stock Exchange (the "SUSO 3 Acquisition").

These pro forma consolidated financial statements have been compiled from, and include:

- a) an unaudited pro forma consolidated statement of financial position as at December 31, 2014 combining:
  - i. the audited consolidated statement of financial position of the REIT as at December 31, 2014; and
  - ii. the audited consolidated statement of financial position of SUSO 3 as at December 31, 2014.
- b) an unaudited pro forma consolidated statement of comprehensive income for the year ended December 31, 2014 combining:
  - i. the audited consolidated statement of comprehensive income of the REIT for the year ended December 31, 2014;
  - ii. the audited consolidated statement of comprehensive income of SUSO 3 for the year ended December 31, 2014.

The unaudited pro forma consolidated statement of financial position gives effect to the SUSO 3 Acquisition as if it had occurred on December 31, 2014. The unaudited pro forma consolidated statements of comprehensive income for the year ended December 31, 2014 gives effect to the SUSO 3 Acquisition as if it had occurred on January 1, 2014.

The unaudited pro forma consolidated financial statements should be read in conjunction with the consolidated financial statements of the REIT and SUSO 3.

The pro forma adjustments and fair value measurements have been determined from information available to management of the REIT. Accordingly, these adjustments and fair value measurements are subject to change. The pro forma consolidated financial statements may not necessarily be indicative of the results that may actually occur if the transactions had been consummated on the actual date of the completion of the SUSO 3 Acquisition, nor are they necessarily indicative of future operating results or the financial position of the REIT.

Amounts are presented in thousands of United States dollars unless otherwise stated. Unit amounts are also in thousands.

## SLATE RETAIL REIT

Notes to the pro forma consolidated financial statements

Expressed in thousands of United States dollars

Unaudited

### 3. Significant accounting policies

The accounting policies used in the preparation of the unaudited pro forma consolidated financial statements are consistent with those described in Note 3 to the audited consolidated financial statements of the REIT as at and for the year ended December 31, 2014.

### 4. Pro forma adjustments

The adjustments to the pro forma consolidated financial statements have been prepared to reflect the impact of the SUSO 3 Acquisition using the adjustments and assumptions described below:

#### (a) SUSO 3 Acquisition

The following steps are expected to occur in connection with the implementation of the SUSO 3 Acquisition:

- The REIT will acquire all of the assets of SUSO 3 in exchange for 7,514 Class U Units and 207 Class B LP Units of the REIT.
- In conjunction with the acquisition of SUSO 3 by the REIT, any additional cash balance of SUSO 3 remaining at the time of acquisition will be distributed by SUSO 3 by way of a special distribution to SUSO 3's unitholders.

Aggregate costs to complete the SUSO 3 Acquisition are expected to be \$750 and are applied as a charge against net income.

On completion of the SUSO 3 Acquisition, the REIT will own the combined net assets of SUSO 3. The SUSO 3 Acquisition has been accounted for as a business combination in accordance with the REIT's accounting policy.

The allocation of the purchase price for the acquisition of SUSO 3 to the fair values of the individual assets and liabilities acquired and the fair value of consideration provided is based on preliminary estimates. The actual allocation will be based on the final determination of the fair values of assets and liabilities acquired on closing. Accordingly, the actual fair values of the assets and liabilities acquired will vary from the preliminary estimates, and the variation may be material. Additionally, any difference between the fair value of consideration provided and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed will be recognized as goodwill or a bargain purchase option, as applicable.

The purchase price of the acquisition of SUSO 3 will be satisfied through the issuance of 7,513,877 Class U Units and 207,150 Class B LP Units at a price of \$10.47 per unit, as follows:

Class U Units	7,513,877
Class B LP Units	207,150
Total	7,721,027
Value per Unit	\$10.47
(000's)	\$80,839

Class U Units	\$78,670
Class B LP Units	2,169
	\$80,839

The identifiable net assets to be acquired, based on preliminary allocations are as follows:

Investment properties	\$201,489
Net working capital and other	1,556
Debt	(114,497)
Deferred income taxes	(7,709)
Net assets acquired	\$80,839

## SLATE RETAIL REIT

Notes to the pro forma consolidated financial statements

Expressed in thousands of United States dollars

Unaudited

### *(b) Class U Unit holdings by SUSO 3*

SUSO 3 has an interest in 109 Class U Units of the REIT. The Class U Units of the REIT held by SUSO 3 will be cancelled upon acquisition of SUSO 3 by the REIT. Accordingly, distribution income and fair value adjustments recognized by SUSO 3 for the year ended December 31, 2014 in the aggregate amount of \$60 has been reversed.

### *(c) Investment properties*

Fair value adjustments occurring at SUSO 3 have been removed to reflect their acquisition at fair value as a result of the SUSO 3 acquisition, except to the extent those fair value adjustments relate to IFRIC 21 adjustments.

### *(d) Working Capital*

The working capital of SUSO 3 will be assumed by the REIT on Closing. The REIT will be responsible for the payment and receipt of such working capital assets and liabilities, however, the net cash provided to the vendors reflects the assumption of such amounts.

### *(e) Debt*

The following is a summary of the debt held by SUSO 3 based on the December 31, 2014 consolidated balance sheet of SUSO 3:

	Coupon <sup>(1)</sup>	Effective Rate	Principal	Carrying Amount
	%	%	\$	\$
SUSO 3 Credit facility	L+250 bps	2.66%	114,498	114,498

<sup>(1)</sup> "L" means the one-month U.S. London Interbank Offering Rate ("LIBOR") and "bps" means basis points.

### *(f) Income taxes*

Deferred tax expense and liabilities have been recorded based on the impact of the other pro forma adjustments.

### *(g) Interest and other finance charges*

Interest and other finance charges have been reduced to reflect the removal of amortized transaction costs recognized by SUSO 3.

### *(h) Management fee*

General and administration expenses have been decreased by \$277 for the year ended December 31, 2014 to adjust for the asset management fee and service fee payable under the management agreement with Slate Asset Management L.P. The asset management fee payable to Slate Asset Management L.P. is equal to 0.4% of the gross book value of assets.

### *(i) Conforming accounting policy adjustments*

In preparing the unaudited pro forma consolidated financial statements, a review was undertaken by management to identify accounting policy differences between the REIT and SUSO 3. Conforming adjustments have been made to the financial statement presentation.

The consolidated financial statements of SUSO 3 present changes in net assets attributable to unitholders, consistently with Illustrative Example 7 of IAS 32, Financial Instruments: Presentation ("IAS 32"), which provides that entities without equity, as defined by IAS 32, may present such an alternative presentation. As SUSO 3's unit capital has been classified as a financial liability any residual interest in SUSO 3 is attributable to unitholders. These pro forma consolidated financial statements have conformed SUSO 3's financial statement presentation to be consistent with the presentation of the REIT by presenting changes in net assets (liabilities) attributable to unitholders as interest and other financing costs.

**APPENDIX A**  
**AUDITOR RESOLUTION**

**FOR CONSIDERATION AT THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF  
SLATE RETAIL REIT**

**BE IT RESOLVED THAT:**

1. Deloitte LLP is hereby appointed the auditors of the REIT for the ensuing year and the trustees are hereby authorized to fix the remuneration of such auditors; and
2. any trustee or officer of the REIT is hereby authorized, for and on behalf of the REIT, to execute and deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions as trustees or otherwise to be entered into by the REIT, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

**APPENDIX B**  
**TRUSTEE RESOLUTION**

**FOR CONSIDERATION AT THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF  
SLATE RETAIL REIT**

**BE IT RESOLVED THAT:**

1. Samuel Altman, Colum Bastable, Thomas Farley, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch, who have consented to act as trustees of Slate Retail REIT (the “**REIT**”), are hereby appointed as trustees of the REIT for a term expiring upon the next annual election of trustees or when successors have been elected or appointed; and
2. any trustee or officer of the REIT is hereby authorized, for and on behalf of the REIT, to execute and deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions as trustees or otherwise to be entered into by the REIT, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

**APPENDIX C**  
**DEFERRED UNIT PLAN RESOLUTION**

**FOR CONSIDERATION AT THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF  
SLATE RETAIL REIT**

**BE IT RESOLVED THAT:**

1. an ordinary resolution ratifying and approving the adoption of a deferred unit plan (the “**Deferred Unit Plan**”) pursuant to which the trustees of Slate Retail REIT (the “**REIT**”) have the opportunity to acquire deferred class U units of the REIT, is hereby approved and authorized;
2. an ordinary resolution ratifying and approving the previous grant of approximately 12,846.90 deferred class U units of the REIT pursuant to the Deferred Unit Plan; and
3. any trustee or officer of the REIT is hereby authorized, for and on behalf of the REIT, to execute and deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions as trustees or otherwise to be entered into by the REIT, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

## APPENDIX D SUSO 3 RESOLUTION

### FOR CONSIDERATION AT THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF SLATE RETAIL REIT

#### BE IT RESOLVED THAT:

1. an ordinary resolution approving the proposed acquisition (the “**SUSO 3 Acquisition**”) by the REIT, directly and indirectly through one or more limited partnerships that are affiliated with and controlled by the REIT (the “**Slate Retail LPs**”), of a 100% indirect interest in all of the properties owned by Slate U.S. Opportunity (No. 3) Realty Trust (“**SUSO 3**”) through the acquisition of all of the assets of SUSO 3 and all of the partnership interests in Slate U.S. Opportunity (No. 3) Holding GP L.P. (“**SUSO 3 GP LP**”), in consideration for the issuance by the REIT of approximately 7,513,877 class U units of the REIT (“**Class U Units**”) to SUSO 3 and the issuance by the Slate Retail LPs of approximately 207,150 Class B limited partnership units (which will be economically equivalent to the Class U Units, subject to certain adjustments, and redeemable for cash or Class U Units) to the holders of the limited partnership interests in SUSO 3 GP LP, in each case subject to adjustment, which units collectively represent approximately 30.72% of the units of the REIT outstanding as at March 25, 2015 before giving effect to the SUSO 3 Acquisition (on a non-diluted basis but including economically equivalent securities of subsidiaries of the REIT redeemable for cash or Class U Units), as described in the REIT’s information circular dated April 2, 2015 (the “**Information Circular**”), is hereby authorized and approved;
2. all other matters related to the SUSO 3 Acquisition as described in the Information Circular are hereby authorized and approved;
3. notwithstanding that this resolution has been duly passed by the unitholders of the REIT, the trustees of the REIT are hereby authorized and empowered, without further notice to, or approval of, the unitholders of the REIT, not to proceed with the aforementioned acquisition; and
4. any trustee or officer of the REIT is hereby authorized, for and on behalf of the REIT, to execute and deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions as trustees or otherwise to be entered into by the REIT, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

Pursuant to the requirements under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and the Toronto Stock Exchange rules concerning the issuance of securities, the foregoing resolution must be approved by the affirmative vote of a majority of votes cast by Minority Unitholders present in person or represented by proxy at the Meeting (as such terms are defined in the Information Circular).

**APPENDIX E**  
**FORMAL VALUATION AND FAIRNESS OPINION**

(see attached)



April 2, 2015

The Special Committee of the Board of Trustees  
Slate Retail REIT  
200 Front Street West, Suite 2400  
Toronto, ON M5V 3K2

To the Special Committee:

Blair Franklin Capital Partners Inc. ("Blair Franklin") understands that Slate Retail REIT (the "REIT") has formed a Special Committee (the "Committee") of the Board of Trustees of the REIT (the "Board") to review the proposed acquisition by the REIT of all of the assets of Slate U.S. Opportunity (No. 3) Realty Trust ("SUSO 3") and all of the partnership interests in Slate U.S. Opportunity (No. 3) Holding GP L.P. (collectively, the "SUSO 3 Assets") for US\$80.8 million (the "Consideration") announced on February 25, 2015 (the "Transaction"). Subject to satisfaction of the conditions to closing, SUSO 3 will be issued 7,513,877 class U trust units of the REIT, and the holders of the limited partnership interests in Slate U.S. Opportunity (No. 3) Holding GP L.P. will be issued 207,150 class B limited partnership units of the REIT (which will be economically equivalent to the class U trust units of the REIT, subject to certain adjustments, and redeemable for cash or class U trust units of the REIT), in payment for the SUSO 3 Assets (at a deemed price per unit equal to US\$10.47), subject to adjustment. In connection with closing the acquisition, SUSO 3 will also make a special distribution of its remaining cash balance, estimated to be approximately US\$6 million to its current investors.

Blair Franklin understands that the Transaction would be subject to the requirements of Multilateral Instrument 61-101 (the "Rules"). Blair Franklin further understands that Slate Asset Management L.P. ("SLAM"), the manager of the REIT and SUSO 3, is an investor in both entities and post transaction will own approximately 6.2% of the REIT.

Blair Franklin understands that the terms of the Transaction will be more fully described in a notice of special meeting and management information circular (the "Circular") that will be mailed to the holders of units ("Unitholders") of the REIT in connection with the Transaction.

The Committee has selected and retained Blair Franklin to prepare and deliver to the Committee a written formal valuation of the SUSO 3 Assets (other than any units of the REIT held by SUSO 3) prepared in accordance with the requirements of the Rules (the "Valuation") and, if so requested, a written opinion (the "Opinion", or collectively with the Valuation, the "Opinions")

**Blair Franklin Capital Partners Inc.**

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T. 416.368.1211 F. 416.368.3752 [www.blairfranklin.com](http://www.blairfranklin.com)

as to the fairness to the REIT, from a financial point of view, of the Consideration to be paid by the REIT for the SUSO 3 Assets.

Altus Group Limited (“Altus”) has provided independent appraisals of the real properties indirectly owned by SUSO 3 (collectively, the “Altus Appraisals”).

### **Engagement**

The Committee initially contacted Blair Franklin regarding the potential assignment on March 9, 2015. Blair Franklin was formally engaged by the Committee pursuant to an agreement between the REIT and Blair Franklin (the “Engagement Letter”) dated March 20, 2015.

The Engagement Letter provides for the payment of a fee to Blair Franklin upon i) execution of our Engagement Letter, and ii) delivery of our Opinions to the Committee. The compensation of Blair Franklin under the Engagement Letter is not contingent upon the conclusions in the Opinions, or upon the completion of the Transaction. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and has been indemnified by the REIT in respect of certain matters relating to its engagement. Blair Franklin consents to the inclusion of this letter in its entirety and summaries thereof (provided such summaries are in a form acceptable to Blair Franklin) in the Circular and to the filing thereof, as necessary, by the REIT with the securities commissions or similar regulatory authorities in each province of Canada.

### **Relationship with Interested Parties**

Neither Blair Franklin nor any of its affiliated entities (as such term is defined for the purposes of the Rules) (i) is an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of the Rules) of SUSO 3, the REIT, SLAM, or any of their respective associates or affiliates (collectively, the “Interested Parties”), (ii) is an advisor to any of the Interested Parties in connection to the Transaction, or (iii) is a member of a soliciting dealer group formed in respect of the Transaction. Blair Franklin has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Interested Parties within the past two years, other than the services provided under the Engagement Letter and as described herein. There are no understandings, agreements or commitments between Blair Franklin and the Interested Parties with respect to any future business dealings. Blair Franklin may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Interested Parties.

Blair Franklin is of the view that it is independent of all Interested Parties in the Transaction (as such terms are defined for the purposes of the Rules).

### **Credentials of Blair Franklin**

Blair Franklin is an independent investment bank providing a full range of merger and acquisition, divestiture, valuation and financial restructuring services. The Opinions expressed herein represents the opinion of Blair Franklin and the form and content herein has been approved for release by a committee of its principals, each of whom is experienced in mergers, acquisitions, divestitures, and valuation matters.

## Scope of Review

In connection with the Opinions, Blair Franklin reviewed, considered, and relied upon (without attempting to verify independently the completeness or accuracy thereof) or carried out, among other things, the following:

1. Public filings of SUSO 3 and the REIT including but not limited to prospectuses, annual reports, quarterly reports, annual information forms and other material documents
2. Documents provided by the REIT to the Committee with respect to the Transaction
3. Access to the electronic data room provided by the REIT
4. The Altus Appraisals, as well as discussions with the representatives of Altus Group Limited
5. Latest independent Property Condition Assessments, Demographic Reports, Environmental Assessments and other property-related reports available to the REIT
6. Property specific forecasts prepared by SLAM
7. Site Plans for the SUSO 3 Assets
8. Academic studies
9. Equity research and general industry reports
10. Real estate market research reports
11. Discussions with the management of the REIT, SUSO 3 and SLAM as well as with the Committee and with counsel to the Committee

Blair Franklin has not, to the best of its knowledge, been denied access by the REIT or any of its respective associates or affiliates to any information requested by Blair Franklin.

## Prior Valuations

The REIT has represented to Blair Franklin that there have not been any prior valuations (as defined in the Rules) of the SUSO 3 Assets in the preceding 24-month period other than the Altus Appraisals.

## Assumptions and Limitations

With the Committee's approval and as provided for in the Engagement Letter, Blair Franklin has relied upon, without independent verification, all financial and other information that was obtained by Blair Franklin from public sources or that was provided to Blair Franklin by the REIT or any of its respective associates, affiliates, advisors or otherwise. Blair Franklin has assumed that this information is complete and accurate and does not omit any material fact or any fact necessary to be stated to make this information not misleading. The Opinions are conditional upon such completeness and accuracy. In accordance with the terms of Blair Franklin's engagement, but subject to the exercise of its professional judgment, Blair Franklin has not conducted any independent investigation to verify the completeness or accuracy of this information. With respect to the financial forecasts, projections, estimates or other forward-looking information provided to Blair Franklin and used in its analysis, Blair Franklin has assumed, subject to the exercise of its professional judgment, that they have been reasonably

prepared on a basis reflecting the best currently available estimates and judgments of management of the REIT as to the matters covered thereby.

Senior officers of the REIT have separately represented to Blair Franklin, in certificates provided to Blair Franklin, (the “Officer’s Certificates”), amongst other things: (i) that (except for forecasts, projections or estimates) the information, opinions and other materials (the “Information”) provided to Blair Franklin by or on behalf of the REIT was complete and correct in all material respects as at the date the Information was prepared or provided to Blair Franklin; and (ii) that, other than as disclosed in the Information, there has been no material change in the financial condition, assets, liabilities or prospects of the SUSO 3 Assets. Senior officers of the REIT also represented to Blair Franklin, in their respective Officer’s Certificates, that the Information which constitutes forecasts, projections or estimates was prepared using assumptions that were, in their respective opinions, reasonable in the circumstances.

The Opinions are based upon the securities markets, economic, general business and financial conditions prevailing today and the conditions and prospects, financial and otherwise, of the SUSO 3 Assets, as they were reflected in the Information reviewed by Blair Franklin. In its analysis and in preparing the Opinions, Blair Franklin has made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of Blair Franklin, the REIT, SUSO 3, or any of their respective associates or affiliates.

The Opinions have been provided for the use of the Committee and for inclusion in the Circular (together with summaries thereof in a form acceptable to Blair Franklin and the Board) and may not be used by any other person or relied upon by any other person without the express written consent of Blair Franklin. The Opinions are given as of the date hereof and Blair Franklin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinions which may come or be brought to Blair Franklin’s attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter after the date hereof, Blair Franklin reserves the right to change, modify or withdraw the Opinions.

Blair Franklin believes that its analyses must be considered as a whole and that selecting portions of its analyses and specific factors, without considering all factors and analyses together, could create a misleading view of the considerations underlying the Opinions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analyses or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinions should not be considered as a recommendation to any Unitholder as to whether or not to vote in favour of the Transaction.

### **SUSO 3 Assets Overview**

The SUSO 3 Assets are primarily comprised of an indirect 100% interest in a commercial real estate portfolio consisting of 13 grocery-anchored retail properties in the United States (the “Properties”). The Properties are subject to secured loans totaling US\$114.5 million. The Properties were acquired by SUSO 3 between December 2013 and September 2014 and total approximately 1.5 million square feet with each property being anchored by a grocery tenant. As

of December 31, 2014, the Properties had a 93.9% occupancy rate with a weighted average lease term of 6.5 years. All anchor tenants have signed leases with corporate covenants.

In addition to the Properties and the related debt, there are certain nominal assets within the SUSO 3 Assets that are considered in the valuation. The SUSO 3 Assets are not listed on a public exchange.

### **Definition of Fair Market Value**

For purposes of the Valuation, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, where each is acting at arm's length with the other and under no compulsion to act.

### **Approach to Value**

The Valuation is based upon the methodologies and assumptions Blair Franklin considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market values of the SUSO 3 Assets. The fair market value of the SUSO 3 Assets was analyzed on a going concern basis.

### **Valuation Methodologies**

In connection with the Transaction, Altus was engaged by the REIT to appraise each of the 13 properties owned individually by SUSO 3, which form the material assets within the SUSO 3 Assets. Drafts of the Altus Appraisals were received on March 24, 2015 with final versions received March 31, 2015. Blair Franklin has reviewed each of the appraisals in detail and held discussions with representatives of Altus during the appraisal process to understand the basis of their value analysis. Given the local market expertise of Altus, its familiarity with the properties and its general property appraisal credentials, Blair Franklin has relied upon the Altus Appraisals as a primary reference point for its overall value analysis.

Blair Franklin also relied on a discounted cash flow approach (the "DCF Approach") in conducting its Valuation. This analysis was completed on the cash flows from the Properties at a portfolio level. Blair Franklin also reviewed precedent transactions involving grocery-anchored shopping centres and the trading multiples of comparable public companies focused on grocery-anchored real estate. For each of these companies / transactions, we analyzed various metrics including the capitalization rates of net operating income ("NOI") implied by their respective enterprise values / purchase prices and applied them to the NOI of the Properties (the "Capitalization Approach").

After reviewing the Altus Appraisals and arriving at property values under the DCF Approach and Capitalization Approach, Blair Franklin subtracted the fair market value of the debt associated with the Properties and made adjustments for certain other assets and liabilities involved in the Transaction to arrive at an equity value for the SUSO 3 Assets.

## Appraisals

The Altus Appraisals relied on two methodologies to arrive at a value analysis which Altus defines as follows:

### Income Approach

**Direct Capitalization Approach:** This method measures the relationship of value to the fully leased Net Operating Income, normally at the first year. This method is also referred to as the Overall Capitalization Approach.

**Discounted Cash Flow:** Calculates the present value of the future cash flows over a specified time period, including potential proceeds of a deemed disposition, to determine market value.

### Direct Comparison Approach

The Direct Comparison Approach involves a comparison of the subject property with similar properties that have sold or are offered for sale. The common unit of comparison is often expressed on a price per square foot of rentable area basis.

The Altus Appraisals arrived at a total value for the Properties of US\$195 million. Relative to the aggregate acquisition cost of the Properties, which were purchased over the period from December 2013 to September 2014, the Altus Appraisals aggregate property value implies an increase of 12.2% with positive valuation variances on individual properties ranging from 2.9% to 39.0%.

Blair Franklin held discussions with management and Altus to understand factors impacting their respective views on value for each property. We also discussed the reasons for the positive valuation differential between the acquisition price of each of the properties and the fair market values expressed in the Altus Appraisals. We had further discussions with management to understand developments at each property since acquisition. Through these conversations, as well as its own analysis, Blair Franklin concluded that there were a number of reasons driving the value increase including: 1) a decline in US Treasury yields contributing to a general decline in cap rates observed in the market; 2) a compression in the spread in cap rates between larger, centrally located properties and smaller, less centrally located ones, reflecting an increase in investor demand for the latter category; and 3) positive developments in the underlying properties. Blair Franklin also considered reports of SUSO 3's ability to acquire properties outside of auction processes. Altus indicated that value increases in certain key properties can be partially attributed to (i) increases in occupancy and extended lease terms, (ii) investment by the anchor tenant in the property, (iii) the addition of new square footage, and (iv) reconfiguration of existing vacant space to attract new tenants.

Blair Franklin also considered the decline in the oil commodity market and its effect on Watford Plaza and Southgate Crossing, both located in North Dakota. Both properties have anchor tenants with very strong sales per square foot and are expected to continue to be top performers for their respective retail chains even if there is a significant decline in sales. Altus considered the recent construction of these properties and their strategic location in the local market. They expressed

the view that the properties are well positioned for continued success even if economic activity in the region declines.

Blair Franklin concluded that the approaches taken, assumptions employed and conclusions reached in the Altus Appraisals were, on balance, reasonable.

### **DCF Approach**

Blair Franklin utilized the DCF Approach to value the Properties. The DCF Approach involved discounting to present value (i) the 10-year forecast unlevered free cash flows (“UFCFs”) available for distribution; and (ii) a terminal value as of March 31, 2026.

The DCF Approach requires that certain assumptions be made regarding, among other things, future UFCFs, discount rates and terminal values. As a part of its DCF Approach, Blair Franklin reviewed management’s forecast cash flows in detail including assumptions by property on rents, occupancy, operating expenses and capex. Blair Franklin compared the Altus appraisal values and assumptions with management’s forecasts for each property. Discussions were also held with both management and Altus to clarify assumptions underlying their respective analyses and understand developments in each property since acquisition.

Blair Franklin also considered the management fee payable by the REIT to SLAM. The SUSO 3 Assets will be managed under the terms of the existing management agreement between SLAM and the REIT. The asset management fee within the REIT is equal to 40 basis points of the gross book value of the assets per annum. Most purchasers, whether managed internally or, in the case of the REIT, externally, would incur some incremental asset management cost. Blair Franklin believes that the 40 basis point fee is a reasonable proxy for this cost.

Upon review of the Altus Appraisals and discussions with management, Blair Franklin arrived at its own view on UFCF for each property. Blair Franklin developed a cash flow model for the years ending March 31, 2016 to March 31, 2026 with annual consolidated NOI and UFCF growing to US\$17.5 million and US\$15.3 million, respectively, by the end of the forecast period.

A terminal value was estimated by two separate methods: 1) applying a capitalization rate to terminal year NOI and 2) applying a perpetual growth rate. Both of these methods involved discounting to present value the implied terminal value, using the same discount rate used to discount the corresponding projected free cash flows.

Appropriate discount rates and terminal cap rates were applied based on market data, discussions with management, review of precedent transactions and Blair Franklin’s understanding of real estate pricing parameters and its understanding of the portfolio’s risk profile. The discount rate range used was 8.0% to 8.5% and terminal capitalization rates ranged between 7.0% and 7.5%.

Applying Blair Franklin’s range of cap rates and discount rates to the free cash flows yields property values of US\$180 million to US\$205 million under the DCF Approach.

## Capitalization Rate Approach

The following table illustrates the capitalization rates of NOI at which recent transactions involving REITS or other institutional real estate investors have been completed or announced. Blair Franklin focused on recent transactions involving retail, grocery anchored properties in the US. As such, some of the most relevant transactions involved the individual property acquisitions of the REIT as well as the individual property acquisitions of the SUSO 1, SUSO 2 and SUSO 3 portfolios. Blair Franklin also focused on precedent transactions highlighted in the Altus Appraisals which were considered to be local market equivalents. Finally, Blair Franklin reviewed precedents since January 2014 in the broader US market with a focus on grocery anchored retail portfolios.

### Precedent Transactions

	<u>Implied Cap Rate</u>	
	<u>Low</u>	<u>High</u>
REIT Acquisitions	7.3%	7.5%
SUSO 1 Acquisitions	8.0%	10.3%
SUSO 2 Acquisitions	7.8%	8.9%
SUSO 3 Acquisitions	7.5%	8.8%
Altus Appraisals Precedents	6.3%	8.8%
US Retail Portfolio Precedents	5.4%	7.3%
US Retail Single Asset Precedents	4.3%	7.4%

The US Retail precedents include properties located in primary markets which are not directly comparable to the Properties. Excluding the US Retail Precedents (Portfolio and Single Asset), cap rates range between 6.3% and 10.3% with an average of 7.7%. Blair Franklin believes that an appropriate cap rate range lies below this average – SUSO 1 and SUSO 2 acquisitions are dated and do not account for recent declines in US Treasury yields and the related decline in cap rates in general, as well as the cap rate spread compression referenced earlier. Based upon these observations, Blair Franklin believes that an appropriate cap rate range is 7.0% - 7.5%, which is in line with the average for the Appraisal Precedents of 7.4%. Applying this cap rate range to a stabilized NOI and adjusting for capex as well as the asset management fee results in a value for the Properties of US\$180 million to US\$194 million under the Capitalization Approach.

## Other Value Considerations

### *Secured Debt*

As a part of the Transaction, the REIT is assuming a secured term loan facility with a principal amount outstanding of US\$114.5 million. The loan is open to full repayment without penalty at any time. The facility has an interest rate of LIBOR plus a spread of 250 basis points. Blair Franklin has reviewed recent community and neighborhood centre related financings in the US and concluded that the market spread is approximately 125 – 175 basis points. Blair Franklin has not made a mark-to-market adjustment in its NAV analysis because the REIT 1) is not assuming below market debt that provides value, and 2) can refinance the debt without penalty at more favourable rates post Transaction (no negative implications of assuming the debt).

*Tax Considerations*

The Altus Appraisals effectively assume that the Properties get transferred as an asset with the purchaser able to increase the tax basis of the Properties to the purchase amount. Given the structure of the Transaction, the REIT is not getting the benefit of this step up in tax base. Using very conservative assumption that all the REIT investors are in the highest marginal tax bracket (an unlikely case), results in an estimated maximum amount of approximately US\$5 million in forgone tax savings. Blair Franklin is of the view that while the Transaction structure causes the REIT to forgo some tax attributes, these are offset by the avoidance of some costs effectively assumed in the appraisals (land transfer and registration) that the structure allows.

As part of the Transaction, the REIT will be acquiring deferred taxes within the SUSO 3 Assets. This relates to temporary differences between the tax and accounting basis of assets and liabilities and such taxes would not be payable unless the entire portfolio is sold at some point in the future to a taxable entity. Given the REIT has no plans to sell these assets at an asset level and trigger the taxes, Blair Franklin has made no adjustment to its value analysis to reflect deferred taxes.

*Other Assets and Liabilities*

A working capital deficit of US\$0.8 million is being transferred as a part of the Transaction. Blair Franklin has reviewed the working capital levels required and considers the amount being transferred to the REIT to be reasonable.

The Consideration also includes a nominal amount of units of the REIT held by SUSO 3. For the purposes of the Valuation of the SUSO 3 Assets, Blair Franklin has assumed that the value of the REIT units held by SUSO 3 are equal to the issue price per REIT unit used in connection with the Transaction (US\$10.47 per unit) which is also the issue price pursuant to the REIT's recent bought deal equity offering.

*Equity Value Summary*

Based upon the Appraisals, the DCF Approach and the Capitalization Approach, Blair Franklin believes that an appropriate value range for the Properties to be US\$180 million to US\$200 million. The following table shows this range plus the Other Value Considerations to arrive at equity value:

**Equity Value Summary**

<i>(in millions of USD)</i>	<b>Low Case</b>	<b>High Case</b>
Selected Value Range of the Properties	180.0	200.0
Add:		
Slate REIT Units	1.1	1.1
Less:		
Outstanding Debt Balance	(114.5)	(114.5)
Net Working Capital	(0.8)	(0.8)
<b>Equity Value Range of SUSO 3 Assets</b>	<b>65.8</b>	<b>85.8</b>

### **Distinctive Material Benefits of the Offer to the Interested Parties**

Blair Franklin reviewed and considered whether any distinctive material value would accrue to the Interested Parties through the Offer. Blair Franklin concluded that the following benefits would accrue to SLAM:

- 1) Consistent with the existing agreement with the REIT, SLAM will receive a 40 basis points asset management fee from the REIT based on the fair market value of the properties acquired. This fee equates to US\$0.8 million per year
- 2) Consistent with the existing agreement with SUSO 3, SLAM will receive a portion of the participation payment to the SUSO 3 general partner reflecting its 85% interest in the general partner. This amounts to US\$1.8 million paid to SLAM in REIT units

### **Valuation Conclusion**

Based upon and subject to the analyses and assumptions set out herein, Blair Franklin is of the opinion that, as at the date hereof, the fair market value of the SUSO 3 Assets is in the range of US\$66 million to US\$86 million.

### **Fairness Opinion**

In assessing the fairness to the REIT from a financial point of view of the Consideration to be offered to SUSO 3, Blair Franklin considered and relied upon a number of factors, including, but not limited to, the fact that under the terms of the Transaction, the Consideration (US\$80.8 million) for the SUSO 3 Assets is within the Blair Franklin valuation range.

### **Fairness Conclusion**

Based upon and subject to the foregoing, Blair Franklin is of the opinion that, as at the date hereof, the Consideration to be paid to SUSO 3 pursuant to the Transaction is fair, from a financial point of view, to the REIT.

Yours very truly,

*Blair Franklin Capital Partners Inc.*

**Blair Franklin Capital Partners Inc.**

**APPENDIX F**  
**DEFERRED UNIT PLAN TEXT**

(see attached)

## SLATE RETAIL REIT DEFERRED UNIT INCENTIVE PLAN

### ARTICLE 1 – PURPOSE

The purpose of this Plan is to advance the interests of Slate Retail REIT (the “**REIT**”) by enhancing the ability of the REIT to attract, motivate and retain trustees of the REIT (“**Trustees**”) and to reward such Persons for their sustained contributions and to encourage such Persons to take into account the long-term performance of the REIT.

### ARTICLE 2 – DEFINITIONS

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

- (a) “**Affiliate**” has the meaning given to it in Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (b) “**Annual Retainer**” means the annual retainer paid by the REIT to a Trustee in a calendar year for service on the Board expressed in U.S. dollars, and where all or any portion of such amount is paid in Canadian dollars, the U.S. dollar equivalent of such amount determined using the Bank of Canada noon rate of exchange on the payment date;
- (c) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that the REIT is required by law to withhold from any amounts to be paid or credited under the Plan;
- (d) “**Award Date**” means the date during the year on which Deferred Units are granted;
- (e) “**Board**” means the Board of Trustees of the REIT;
- (f) “**Business Day**” means a day on which there is trading on the Toronto Stock Exchange or such other stock exchange on which the Units are then listed and posted for trading, and if none, a day that is not Saturday or Sunday or a national legal holiday in Ontario;
- (g) “**Convertible Securities**” shall mean, Class A Units of the REIT, Class I Units of the REIT, Class B exchangeable limited partnership units of U.S. Grocery-Anchored Retail (1B) Limited Partnership, class B limited partnership units of Slate Retail One L.P. and class B limited partnership units of Slate Retail Two L.P.;
- (h) “**Code**” shall mean the *United States Internal Revenue Code of 1986*, as amended from time to time and any successor thereto;
- (i) “**Compensation Committee**” means the Compensation, Governance and Nominating Committee of the Board;
- (j) “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan;
- (k) “**Deferred Unit Account**” has the meaning ascribed thereto in Section 8.03;
- (l) “**Elected Amount**” in respect of a payment of the Annual Retainer or Trustee Fees, shall be an amount, as elected by the Trustee, in accordance with applicable tax law, between 0% and 100% of the Annual Retainer or Trustee Fees otherwise payable;

- (m) **“Electing Person”** means a person who is a Trustee on the applicable Election Date;
- (n) **“Election Date”** means the date on which the Electing Person files an Election Notice in accordance with Section 6.02;
- (o) **“Election Notice”** has the meaning ascribed thereto in Section 6.02;
- (p) **“Insider”** has the meaning given to such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time;
- (q) **“Market Value”** of a Unit means the volume weighted average price of all Units traded on the TSX under the symbol having the highest trading volume for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). Where the foregoing would result in a Market Value denominated in Canadian dollars, such Market Value shall be converted into U.S. dollars using the Bank of Canada noon rate of exchange on the applicable date for which a Market Value calculation is required. In the event that the Units are not listed and posted for trading on any stock exchange, the market value shall be the fair market value of the Units expressed in U.S. dollars as determined by the Board in its sole discretion;
- (r) **“Non-U.S. Taxpayer Redemption Date”** has the meaning ascribed thereto in Section 10.01;
- (s) **“Participant”** has the meaning ascribed thereto in Section 5.01;
- (t) **“Person”** means any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof;
- (u) **“Plan”** means this Deferred Unit Incentive Plan;
- (v) **“Redemption Date”** has the meaning ascribed thereto in Section 10.03;
- (w) **“Security Based Compensation Arrangement”** means an option, option plan, employee unit purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Units to one or more directors, Trustees or officers of the REIT or any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary including a Unit purchase from treasury by one or more Trustees, officers or directors of any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary which is financially assisted by the REIT or any Subsidiary by way of a loan, guarantee or otherwise;
- (x) **“Section 409A of the Code”** shall mean Section 409A of the Code, the Treasury Regulations promulgated thereunder as in effect from time to time, and related guidance as may be amended from time to time;
- (y) **“Separation from Service”** shall have the meaning given to such phrase in Treasury Regulation § 1.409A-1(h);
- (z) **“Subsidiary”** means any entity controlled by the REIT;
- (aa) **“Trustee”** means a trustee of the REIT;

- (bb) “**Trustee Fees**” means the Annual Retainer, meeting fees and additional compensation paid by the REIT to a Trustee in a calendar year for service on the Board expressed in U.S. dollars, and where all or any portion of such amount is paid in Canadian dollars, the U.S. dollar equivalent of such amount determined using the Bank of Canada noon rate of exchange on the payment date;
- (cc) “**TSX**” means the Toronto Stock Exchange;
- (dd) “**Unit**” means a Class U Unit of the REIT;
- (ee) “**Unitholder**” means a holder of Units;
- (ff) “**U.S. Taxpayer Redemption Date**” has the meaning ascribed thereto in Section 10.03.

### ARTICLE 3 – CONSTRUCTION AND INTERPRETATION

- 3.01 The effective date of the Plan is August 13, 2014.
- 3.02 The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 3.03 If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part hereof.
- 3.04 In the Plan, references to any gender include all genders; reference to the singular shall include the plural and vice versa, as the context shall require.
- 3.05 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

### ARTICLE 4 - ADMINISTRATION

- 4.01 The Plan shall be administered by the Board and the Compensation Committee.
- 4.02 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.03 The REIT will be responsible for all costs relating to the administration of the Plan.
- 4.04 The Compensation Committee may review and confirm the terms of the Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the Plan in whole or in part as well as terminate the Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Plan that would, among other things, result in any increase in the number of Deferred Units issuable under the Plan or permit Deferred Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes will be subject to the approval of Unitholders. Without limitation, the Compensation Committee may, without obtaining the approval of Unitholders, but subject to the rules of the TSX, make changes: (a) to correct errors, immaterial inconsistencies or ambiguities in the Plan; (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements); (c) to the vesting provisions applicable to Deferred Units issued under the Plan; (d) to add a provision permitting the REIT to match a percentage of the Elected Amount for each Participant such that the aggregate number of Deferred Units issued to each such Participant annual shall be increased by such percentage; and (e) any other amendment that does not

require unitholder approval under applicable laws or rules of the TSX. However, subject to the terms of the Plan, no amendment may adversely affect the Deferred Units previously granted under the Plan without the consent of the affected Participant.

4.05 If the Compensation Committee terminates the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and shall be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

4.06 Unless otherwise determined by the Compensation Committee, the Plan shall remain an unfunded obligation of the REIT and the rights of Participants under the Plan shall be general unsecured obligations of the REIT.

4.07 A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her participation in the Plan. In this regard, the REIT shall be able to deduct from any payments hereunder (whether in the form of securities or cash) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted or to require the Participant, as a condition to receiving entitlements under the Plan, to make arrangements satisfactory to the REIT to enable the REIT to satisfy its withholding obligations. Each Participant agrees to indemnify and save the REIT harmless from any and all amounts payable or incurred by the REIT or any of its Subsidiaries if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

## ARTICLE 5 – ELIGIBILITY

5.01 Trustees of the REIT who are neither full nor part-time employees of the REIT or Slate Properties Inc. or any of their Subsidiaries are eligible to participate in the Plan (“**Participants**”).

5.02 Nothing herein contained shall be deemed to give any person the right to be retained as a Trustee or officer of the REIT or its Subsidiaries.

## ARTICLE 6 – ELECTIONS BY TRUSTEES

6.01 Each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 6.02 to participate in the Plan and receive their Elected Amount in the form of Deferred Units in lieu of cash.

The “**Elected Amount**” in respect of a payment of the Annual Retainer or Trustee Fees, shall be an amount, as elected by the Trustee, in accordance with applicable tax law, between 0% and 100% of the Annual Retainer or Trustee Fees otherwise payable.

6.02 Each Electing Person who elects to participate in the Plan and receive their Elected Amount in the form of Deferred Units in lieu of cash will be required to file a notice of election in the form of Schedule A-1 hereto (the “**Election Notice**”) with the Chief Financial Officer of the REIT: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for the Trustee Fees payable for the 2014 financial year, in which case the existing Electing Person shall file the Election Notice by the date that is 30 days from the effective date of the Plan with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Trustee Fees in cash.

6.03 Subject to Section 6.04, the election of an Electing Person under Section 6.02 shall be deemed to apply to all of the Annual Retainer or Trustee Fees paid subsequent to the filing of the Election Notice, and such Electing Person is not required to file another Election Notice for subsequent calendar years.

6.04 Each Electing Person participating in the Plan who is not a U.S. taxpayer is entitled once per calendar year to terminate his or her participation in the Plan by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule A-2 hereto electing to terminate the receipt of additional Deferred Units. Such termination shall be effective immediately upon receipt. Thereafter, any portion of such Electing Person's Trustee Fees payable or paid in the same calendar year and, subject to complying with Section 6.02, in all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her election under this Article 6, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Trustee Fees, in Deferred Units in lieu of cash again until the calendar year following the year in which the termination notice is delivered. An election to participate in the Plan and receive the Elected Amount in Deferred Units in lieu of cash for any calendar year by a U.S. taxpayer is irrevocable for the year of participation.

6.05 Any Deferred Units granted under the Plan prior to the delivery of a termination notice pursuant to Section 6.04 shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.

## ARTICLE 7 – DEFERRED UNITS

7.01 Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation.

7.02 One (1) Deferred Unit is economically equivalent to one (1) Unit. Fractional Deferred Units are permitted under the Plan.

7.03 Deferred Units granted to Electing Persons further to their Elected Amount will vest immediately upon grant, including Additional Deferred Units credited to a Participant's account in connection with cash distributions pursuant to Section 8.04 shall vest on the same schedule as their corresponding Deferred Units and are considered issued on the same date as the Deferred Units in respect of which they were credited.

## ARTICLE 8 – DEFERRED UNIT GRANTS AND ACCOUNTS

8.01 The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Plan will be calculated by dividing (a) the Elected Amount, as determined by an Electing Person, or such other amount as allocated to the Participant by the Board or Compensation Committee, by (b) the Market Value of a Unit on the Award Date.

8.02 In addition to the foregoing, Deferred Units may be granted from time to time to Participants at the discretion of the Board or the Compensation Committee. For any Deferred Units issued under this Section 8.02, the Compensation Committee has full discretion to establish the terms of such issuance, including any vesting terms that may apply to the grant.

8.03 An account, to be known as a “**Deferred Unit Account**” shall be maintained by the REIT for each Participant and will be credited with notional grants of Deferred Units received by a Participant from time to time.

8.04 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit Account (“**Additional Deferred Units**”). The number of such Additional Deferred Units to be credited to a Participant's Deferred Unit Account in respect of a cash distribution paid on the Units shall be calculated by dividing (i) the amount determined by multiplying (a) the aggregate number of Deferred Units held on the relevant distribution record date by (b) the amount of distributions paid by the REIT on each Unit, by (ii) the Market Value of a Unit on the distribution payment date.

8.05 For greater certainty, the number of Deferred Units credited to a Participant's Deferred Unit Account shall count towards that Participant's ownership requirements as prescribed from time to time by the Board.

## ARTICLE 9 - ADJUSTMENTS

9.01 In the event of any Unit distribution, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution of the REIT's assets to the Unitholders (other than normal cash distributions), or any other similar change affecting the Units, the account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

## ARTICLE 10 – REDEMPTION AND TERMINATION OF DEFERRED UNITS

10.01 The Deferred Units shall be redeemable by the Participant (or, where the Participant has died, his or her estate) on or after the date (the “**Termination Date**”) on which the Participant ceases to be a Trustee, provided any such redemption date is not later than two years following the date the Participant ceases to be a Trustee.

10.02 For Participants that are not U.S. taxpayers, the Deferred Units credited to a Participant's Deferred Unit Account may be redeemed after the Termination Date in whole or in part for Units of the REIT issued from treasury or, subject to the approval of the Compensation Committee, cash, as elected by the Participant, on the date on which the Participant files a written notice of redemption in the form of Schedule A-3 hereto with the Chief Financial Officer of the REIT (the “**Non-U.S. Taxpayer Redemption Date**”).

10.03 For Participants that are U.S. taxpayers, the Deferred Units credited to a Participant's Deferred Unit Account will be redeemed automatically for Units of the REIT issued from treasury or, subject to the approval of the Compensation Committee, cash, as elected by the Participant (the “**U.S. Taxpayer Redemption Date**” and together with the Non-U.S. Taxpayer Redemption Date, the “**Redemption Date**”) within 90 days following the Trustee's Separation from Service. If a Participant who is a U.S. taxpayer is or was an employee of the REIT and is determined to be a “specified employee” within the meaning of Section 409A of the Code, based on an identification date of December 31, and if such Participant is eligible to receive payment of the Participant's Deferred Units solely because that Participant has a Separation from Service, no redemption will be made prior to the date that is six months after the date of Separation from Service (or, if earlier, the date of death of the Participant).

10.04 In the event Deferred Units are redeemed for Units pursuant to this Article 10 subject to (i) the provisions of the Plan (including Section 13.02), and (ii) the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from his or her securities broker, the Participant shall receive, within five Business Days after the applicable Redemption Date, such number of Units from the REIT equal to the number of Deferred Units then being redeemed from the Participant's Deferred Unit Account rounded down to the nearest whole number of Units, net of any Applicable Withholding Taxes.

10.05 In the event Deferred Units are redeemed for cash pursuant to this Article 10, subject to the provisions of the Plan (including Section 13.02), the REIT shall make, within five Business Days after the Redemption Date, a cash payment, net of any Applicable Withholding Taxes, to the Participant, calculated by multiplying (i) the number of Deferred Units to be redeemed by (ii) the Market Value of a Unit on the applicable Redemption Date.

10.06 Upon payment in full of the value of the Deferred Units to the Participant, the Deferred Units shall be cancelled.

## **ARTICLE 11 – NUMBER OF UNITS**

11.01 The maximum number of Units reserved for issuance under this Plan at any time shall be 5% of the total issued and outstanding Units (assuming conversion and/or redemption into Class U Units of all Convertible Securities) from time to time. Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, the Board may, in its discretion, amend this Plan to increase such limit without notice to Participants. If any Deferred Unit granted under this Plan is exercised, terminated, expires or is cancelled, new Deferred Units may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Deferred Units granted under this Plan.

11.02 The maximum aggregate number of Units that may be subject to grants of Deferred Units under this Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units.

11.03 The maximum aggregate number of Units issuable under this Plan to Insiders at any time, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis as of the Award Date of such Deferred Units and the maximum aggregate number of Units that may be issued pursuant to Deferred Units to such Insiders during any 12-month period, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis.

11.04 No Deferred Unit may be granted if such grant would have the effect of causing the total number of Units subject to Deferred Units to exceed the total number of Units reserved for issuance pursuant to the exercise of Deferred Units and set forth in Section 11.01.

11.05 For clarity, this Plan is considered an “evergreen” plan, since the Units covered by Deferred Units which have expired or which have been exercised, terminated or cancelled shall be available for subsequent grants under this Plan and the number of Deferred Units available to grant increases as the number of issued and outstanding Units increases.

## **ARTICLE 12 - ASSIGNMENT**

12.01 In no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law.

12.02 Rights and obligations under the Plan may be assigned by the REIT to a successor in the business of the REIT.

## **ARTICLE 13 – COMPLIANCE WITH APPLICABLE LAWS**

13.01 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Compensation Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units for Units pursuant to the provisions of Article 10, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the REIT equal to the Market Value of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any Applicable Withholding Taxes). Each Participant shall comply with all such laws, regulations, rules, orders and

requirements, and shall furnish the REIT with any and all information and undertakings, as may be required to ensure compliance therewith.

13.02           The REIT intends that the Plan and all Deferred Units be construed to avoid the imposition of additional taxes, interest, and penalties pursuant to Section 409A of the Code. Notwithstanding the REIT's intention, in the event any Deferred Unit is subject to such additional taxes, interest or penalties pursuant to Section 409A of the Code, the Board or the Compensation Committee, as applicable, may, in their sole discretion and without a Participant's prior consent, amend the Plan, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (a) exempt the Plan and/or any Deferred Unit from the application of Section 409A of the Code, (b) preserve the intended tax treatment of any such Deferred Unit, or (c) comply with the requirements of Section 409A of the Code, including without limitation any such regulations, guidance, compliance programs, and other interpretative authority that may be issued after the date of the grant. In no event shall the REIT or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent a Participant who is a U.S. taxpayer is a "specified employee" within the meaning of Treasury Regulation § 1.409A-1(i)(1) upon the Participant's Separation from Service, any amount payable upon such Separation from Service pursuant to a redemption under Article 10 will be delayed to the earliest Business Day following the end of the sixth month period from the date of such Participant's Separation from Service. Notwithstanding any provision in the Plan to the contrary, the timing of redemptions set forth in Article 10 with respect to U.S. taxpayers may be modified by the Compensation Committee as provided in Treasury Regulation § 1.409A-3(j)(4)(ix) with respect to the termination of a deferred compensation arrangement.

**SCHEDULE A-1**

**SLATE RETAIL REIT DEFERRED UNIT INCENTIVE PLAN (THE “PLAN”)**

**ELECTION NOTICE**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Pursuant to the Plan, I hereby elect to participate in the Plan and to receive [\_\_\_\_% of my Annual Retainer/\_\_\_\_\_% of my aggregate Trustee Fees] **[Note: Select either a percentage of the Annual Retainer or a percentage of the aggregate Trustee Fees but not both]** accrued after the date hereof in the form of Deferred Units in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the REIT will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units of the REIT and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand this election is irrevocable.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan’s text.

Date: (Name of Participant)

(Signature of Participant)

**SCHEDULE A-2**

**SLATE RETAIL REIT DEFERRED UNIT INCENTIVE PLAN (THE “PLAN”)**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED UNITS**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

Notwithstanding my previous election in the form of Schedule A-1 to the Plan, I hereby elect that no portion of the Trustee Fees accrued after the date hereof shall be paid in Deferred Units in accordance with the terms of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: (Name of Participant)

(Signature of Participant)

**Note:** An election to terminate receipt of additional Deferred Units can only be made by a Participant once in a calendar year.

**SCHEDULE A-3**

**SLATE RETAIL REIT DEFERRED UNIT INCENTIVE PLAN (THE “PLAN”)**

**REDEMPTION NOTICE FOR CANADIAN RESIDENTS**

*All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.*

I hereby advise Slate Retail REIT (the “**REIT**”) that I wish to redeem of the Deferred Units credited to my account under the Plan in accordance with the terms of the Plan in the form of [Units of the REIT/cash] [**Note: Select either Units or cash**].

Date: (Name of Participant)

(Signature of Participant)

**Note:** If the Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature should accompany this notice.



