FORM 51-102F3

MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

Slate Office REIT (the "**REIT**")
121 King Street West, Suite 200
Toronto, Ontario M5H 3T9

2. DATE OF MATERIAL CHANGE

January 17, 2018

3. PRESS RELEASE

A news release was issued and disseminated on January 17, 2018 and on January 26, 2018, each through Marketwired. Such news releases have been filed on SEDAR.

4. SUMMARY OF MATERIAL CHANGE

The REIT announced that it had agreed to acquire seven properties located in the Greater Toronto Area and Atlantic Canada (the "**Acquisition Properties**"). The Acquisition Properties are part of a portfolio of real estate assets to be sold by Cominar Real Estate Investment Trust and are the subject of a sale contract among Slate Acquisitions Inc. (on behalf of Slate Canadian Real Estate Opportunity Fund I L.P.) and Cominar Real Estate Investment Trust. The REIT will acquire the assets that comprise the Acquisition Properties for $191.4 million.

The REIT also announced that it had entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets and National Bank Financial Inc. to issue $103,508,280 of subscription receipts (including an over-allotment to purchase additional subscription receipts) and $28,750,000 through the sale of 5.25% convertible unsecured subordinated debentures (including an over-allotment to purchase additional subscription receipts), in each case on a "bought deal" basis.

5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Full Description of Material Change

Acquisitions

On December 8, 2017, Slate Acquisitions Inc., on behalf of Slate Canadian Real Estate Opportunity Fund I L.P. (the "**Purchaser**"), entered into a purchase and sale agreement (as amended by a waiver and amending agreement dated December 15, 2017 and as may be further amended from time to time, the "**Acquisition Agreement**") to acquire a portfolio of real estate assets (the "**Cominar Portfolio**") together with the equity interests in certain property-related subsidiaries from Cominar Real Estate Investment Trust and certain of its subsidiaries (collectively, "**Cominar**"). On January 19, 2018, the REIT entered into an agreement with the Purchaser (the "**REIT Acquisition Agreement**") to acquire seven of such properties for an aggregate purchase price of $191.4 million, exclusive of GST/HST, subject to adjustments, to be partially satisfied by the REIT assuming the Existing Mortgages (as defined herein) (collectively, the "**Acquisition**"). The REIT Acquisition Agreement was subsequently amended by an amending agreement entered into between the REIT and the Purchaser on January 26, 2018 (the "**Amending Agreement**").

The closing of the Acquisition will be conditional upon the satisfaction of certain conditions including minority approval at a meeting of the REIT's unitholders to be held on March 8, 2018 (the "**Meeting**"). If approval of the Acquisition is obtained at the Meeting, it is anticipated that the closing of the Acquisition will occur on or about March 26, 2018 but in any event on or before July 31, 2018 (the "**Acquisition Closing**").

The Acquisition Agreement contains representations, warranties and covenants relating to Cominar and the Purchaser as are customary in arm's length transactions of this nature. All representations and warranties, unless otherwise stated in the Acquisition Agreement will survive for one year after the Acquisition Closing. The Acquisition Agreement provides that, except as set out in the representations and warranties of Cominar, the Acquisition Properties are being purchased on an "as is, where is" basis in reliance on the Purchaser's own due diligence with respect to the Acquisition Properties.

On January 19, 2018 the REIT entered into the REIT Acquisition Agreement, pursuant to which the Purchaser agreed to cause Cominar to transfer the Acquisition Properties to the REIT and the REIT agreed to acquire the Acquisition Properties from Cominar pursuant to the terms of the REIT Acquisition Agreement and the Acquisition Agreement (as it relates to the Acquisition Properties). The REIT Acquisition Agreement is conditional on satisfaction of certain conditions, including satisfaction of the conditions under the Acquisition Agreement and conditional upon regulatory approval under the Competition Act (Canada) in respect of the REIT's acquisition of the Acquisition Properties. There is no certainty, nor can the REIT provide any assurance, that these conditions will be satisfied and, as such, there is no assurance that the Acquisition will be completed, or if completed, will be on terms that are exactly the same as discussed in the Information Circular. The Purchaser will act as representative for the Purchaser, the REIT, and all other persons acquiring assets comprising the Cominar Portfolio for the purposes of administering claims among other matters. The REIT has completed customary due diligence to satisfy itself that further due diligence is not required in connection with the Acquisition. In connection with the Purchaser completing the purchase of the Acquisition Properties, the REIT will execute and deliver all Closing Documents (as defined in the Acquisition Agreement) relating to the Acquisition Properties, together with other general closing documents and will be bound by the provisions contained in the Acquisition Agreement applicable to the Acquisition Properties and the REIT will indemnify the Purchaser from and against all claims that may be made by Cominar in connection with the Acquisition Agreement, as it relates to the Acquisition Properties or such closing documents arising out of, incidental to or in connection with any breach by the REIT of any of its obligations under the Acquisition Agreement, the REIT Acquisition Agreement or the closing documents it delivers in respect of the period following the Acquisition. Pursuant to the Amending Agreement, the REIT is subject to the possible payment of an expense reimbursement amount of $2,500,000 in the event that the purchase of the Acquisition Properties does not close as a result of the default of the REIT or if the REIT does not receive unitholder approval in respect of the purchase of the Acquisition Properties and the REIT will be paid a reciprocal expense reimbursement amount of $2,500,000 in the event that the purchase of the Acquisition Properties does not close as a result of the default of the Purchaser.

In connection with the Acquisition, the REIT intends to assume certain existing mortgages in respect of the Acquisition Properties held by various lenders (collectively, the "**Mortgagees**" and each a "**Mortgagee**") in the aggregate amount of $81.9 million with maturity dates ranging from May 2021 to October 2026, together with all related security granted in favour of the Mortgagees (the “**Existing Mortgages**”). The REIT intends to obtain financing on the three unencumbered properties upon or after the Acquisition Closing, the proceeds of which are intended to be used to repay amounts drawn on the REIT’s revolving operating facility.

The REIT expects that the Acquisition will result in a number of benefits for Unitholders, including: (i) adding presence and scale to the REIT’s existing markets; (ii) being an off-market transaction that provides attractive economics at $192 per square foot which are expected to be immediately accretive to 2018 Adjusted Funds From Operations (“**AFFO**”)[1]; and (iii) strengthening and diversifying the REIT’s tenant credit profile with significant high quality tenants, including Canadian governments and multinational corporations.

The Acquisition was unanimously recommended by a special committee of the board of trustees of the REIT (the “**Board**”) composed entirely of independent trustees consisting of Pamela Spackman (Chair), Monty Baker, Nora Duke, Thomas Farley and John O’Bryan (the “**Special Committee**”).

The Special Committee retained Blair Franklin Capital Partners Inc. (“**Blair Franklin**”) to prepare and deliver a valuation (the “**Formal Valuation**”) in respect of the Acquisition Properties in accordance with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), and a written opinion (the “**Fairness Opinion**”) as to the fairness to the REIT, from a financial point of view, of the consideration to be paid by the REIT for the Acquisition Properties. The Formal Valuation and the Fairness Opinion indicate that, as of January 17, 2018 and based on and subject to the assumptions, factors considered and limitations described therein, the fair market value range of the Acquisition Properties is $185 million to $205 million, and the consideration of $191.4 million to be paid by the REIT for the Acquisition Properties pursuant to the definitive agreement, is fair, from a financial point of view, to the REIT. There are no Prior Valuations (as such term is defined in MI 61-101) in respect of the Acquisition Properties that have been made within 24 months before the date of the announcement of the Acquisition, that are known, after reasonable inquiry, to the REIT or to any trustee or senior officer of the REIT.

Following its review of the Formal Valuation and the Fairness Opinion and after careful deliberation, the Special Committee confirmed its prior determination that the Acquisition is in the best interests of the REIT and unanimously recommended to the Board that the Board recommend to the Unitholders that they vote in favour of the Acquisition at the Unitholder Meeting. In arriving at its unanimous recommendation in favour of the Acquisition, the Special Committee considered several additional factors, which will be outlined in public filings to be made in connection therewith.

Following receipt of the unanimous recommendation by the Special Committee, the Board (with interested trustees abstaining) has unanimously approved the Acquisition and unanimously resolved to recommend to Unitholders that they vote in favour of the Acquisition at the Unitholder Meeting.

Pursuant to MI 61-101, the Acquisition could be considered a “related party transaction” for the REIT by virtue of the relationship between the REIT and SCREO, and as such, the REIT will seek to obtain minority Unitholder approval of the Acquisition at the Unitholder Meeting.

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[1] AFFO is a non-IFRS measure that is used by management of the REIT, certain of the real estate industry and investors to measure the cash flows generated from operations including certain capital costs, leading costs, tenant improvements and the impact of non-cash revenue. It is a meaningful measure used to evaluate the extent of cash available for distribution to unitholders. The REIT’s use and calculation of AFFO may be different from the use or as disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others.

If minority approval is obtained at the Unitholder Meeting, the Acquisitions are expected to close by the end of March 2018.

The following Unitholders will be excluded from voting their units of the REIT ("**Units**") at the Meeting for the purposes of determining whether approval for the Acquisition Resolution has been obtained: (i) the Purchaser, which holds 1,687,251 Units, representing 3% of the outstanding Units; and (ii) the following officers of the Purchaser: Robert Armstrong, Lisa Rowe, Steve Hodgson, Ramsey Ali, Scott Antoniak, Blair Welch and Brady Welch, who collectively own 112,361 Units, representing in aggregate 0.2% of the outstanding Units (or less than 0.07% of the outstanding Units in the case of each of them).

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

Collectively, to the knowledge of the REIT after reasonable inquiry, the Excluded Unitholders exercise control or direction over 1,799,612 Units representing 3.2% of the outstanding Units.

<u>The Offering</u>

In order to partially finance the Acquisition, the REIT has raised gross proceeds of $103,508,280 through the sale of 12,778,800 subscription receipts (the "**Subscription Receipts**") at a price of $8.10 per Subscription Receipt (which includes proceeds from the full exercise of an over-allotment option to purchase additional Subscription Receipts) (the "**Subscription Receipt Offering**"), which closed on January 26, 2018 (the "**Offering Closing**"). Concurrent with the Offering Closing, the REIT raised gross proceeds of $28,750,000 through the sale of 5.25% convertible unsecured subordinated debentures (the "**Debentures**") (which includes proceeds from the full exercise of an over-allotment option to purchase additional Debentures) (the "**Debenture Offering**" and together with the Subscription Receipt Offering, the "**Offering**"). The proceeds raised by the REIT from the sale of the Debentures is expected to be used by the REIT to reduce outstanding indebtedness under the REIT's revolving operating facility and for general trust purposes.

Pursuant to the terms of an underwriting agreement dated January 17, 2018 (the "**Underwriting Agreement**") between the REIT and a syndicate of underwriters co-led by BMO Capital Markets and National Bank Financial Inc. (the "**Underwriters**"), the REIT paid the Underwriters a fee equal to 4.0% of the gross proceeds from the sale of the Subscription Receipts (the "**Underwriters' Fee**") and a fee equal to $37.50 per $1,000 principal amount of Debentures on account of their services rendered in connection with the Offering.

Debentures

The Debentures bear interest at an annual rate of 5.25% payable semi-annually in arrears on February 28 and August 31 in each year commencing on August 31, 2018. The Debentures will mature on February 28, 2023.

Subscription Receipts

The Subscription Receipts were issued at the Offering Closing pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated the date of the Offering

Closing between the REIT, BMO Capital Markets and a subscription receipt agent (the "**Subscription Receipt Agent**").

The proceeds from the sale of the Subscription Receipts, less 50% of the Underwriters' Fee (the "**Escrowed Funds**"), were delivered to, and are now held, by the Subscription Receipt Agent pending the earlier to occur of the Acquisition Closing and the occurrence of a Termination Event (as defined herein).

Upon the Acquisition Closing and satisfaction of the other conditions to the exchange of the Subscription Receipts: (a) one Unit will be automatically issued in exchange for each Subscription Receipt, without payment of additional consideration or any further action on the part of the holder; (b) an amount per Subscription Receipt equal to the amount per Unit of any cash distributions made by the REIT for which record dates have occurred during the period from and including the Offering Closing to and including the date immediately preceding the date upon which Units are issued or deemed to be issued pursuant to the Subscription Receipt Agreement, if any, less applicable withholdings taxes, if any, will become payable in respect of each Subscription Receipt; and (c) the Escrowed Funds (less the remaining 50% of the Underwriters' Fee and any remaining fees and expenses of the Subscription Receipt Agent) will be released to the REIT, which will then be utilized to pay a portion of the purchase price for the Acquisition and the REIT's expenses of the Acquisition. The Subscription Receipt Agreement contains customary anti-dilution provisions with respect to the Subscription Receipts.

Upon determining that the time of closing of the Acquisition Closing (the "**Acquisition Closing Time**") will occur on or before July 31, 2018 (the "**Deadline**"), the REIT will execute and deliver to the Subscription Receipt Agent, the Underwriters and TSX Trust Company (the "**Transfer Agent**"), a notice of the Acquisition Closing Time, and will issue and deliver the Units (one Unit for each Subscription Receipt then outstanding) to the Subscription Receipt Agent.

If (a) the completion of the Acquisition does not occur on or before 5:00 p.m. (Toronto time) on July 31, 2018, (b) the REIT delivers to the Underwriters and the Subscription Receipt Agent a notice, executed by the REIT, declaring that the Acquisition Agreement has been terminated or that the REIT will not be proceeding with the Acquisition, or (c) the REIT formally announces to the public by way of a press release that it does not intend to proceed with the Acquisition (each, a "**Termination Event**"), each Subscription Receipt will entitle the holder thereof to receive an amount equal to the aggregate of (i) $8.10 (the "**Subscription Receipt Price**"), (ii) his or her pro rata share of the interest or other income actually earned on the investment of the Escrowed Funds from, and including, the date of the Offering Closing to, but excluding, the date of the Termination Event (the "**Earned Interest**"), and (iii) his or her pro rata share of the interest that would have otherwise been earned on the 50% of the Underwriters' Fee paid to the Underwriters on the Offering Closing as if such 50% of the Underwriters' Fee had been held in escrow as part of the Escrowed Funds and not paid to the Underwriters (the "**Deemed Interest**"). In the event that the gross proceeds of the Subscription Receipt Offering are required to be remitted to purchasers of the Subscription Receipts, the REIT will pay an amount equal to half of the Underwriters' Fee payable with respect to the Subscription Receipt Offering plus the Deemed Interest such that all of the gross proceeds of the Subscription Receipt Offering would be refunded to purchasers of the Subscription Receipts.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

No information has been intentionally omitted from this form.

8. EXECUTIVE OFFICER

For further information, contact Robert Armstrong, Chief Financial Officer at 416 583 1784.

9. DATE OF REPORT

January 26, 2018