

INOVALIS

REAL ESTATE INVESTMENT TRUST

**NOTICE OF
ANNUAL MEETING OF UNITHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR
TO BE HELD ON JULY 13, 2021**

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NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of holders (the “**Unitholders**”) of units and special voting units (collectively, the “**Voting Units**”) of Inovalis Real Estate Investment Trust (the “**REIT**”) will be held as a live virtual-only webcast at www.virtualshareholdermeeting.com/INOVALIS2021 on **Tuesday, July 13, 2021** at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited financial statements of the REIT for the financial year ended December 31, 2020, and the auditor’s report thereon;
2. to elect the Trustees of the REIT;
3. to re-appoint Ernst & Young LLP, as auditor of the REIT for the ensuing year and to authorize the Trustees of the REIT to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

The REIT’s Board of Trustees has fixed June 4, 2021 as the date (the “**Record Date**”) for determination of Unitholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof. Each registered Unitholder at the close of business on the Record Date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Management Information Circular dated June 18, 2021 prepared by management in connection with the Meeting.

Meeting materials have been mailed to all registered and beneficial Unitholders of the REIT.

Registered Unitholders and duly appointed proxyholders (including non-registered Unitholders who have appointed themselves as proxyholders) will be able to attend, submit questions and vote at the Meeting online in real time. Non-registered (beneficial) Unitholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting, but will not be able to vote at the Meeting.

Unitholders are encouraged to vote online at www.proxyvote.com, by telephone or by completing, dating, signing and delivering the enclosed form of proxy or voting instruction form in accordance with the instructions contained in the Management Information Circular and on the form of proxy or voting instruction form, which must be received by AST Trust Company (Canada) no later than 5:00 p.m. (Toronto time) on July 9, 2021, or at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed meeting. Non-registered Unitholders (for example, if you hold your Units in an account with a broker, dealer or other intermediary) should follow the instructions in the voting instruction form or other document provided for additional information on how you can vote your Units.

Given the ongoing COVID-19 pandemic and the associated public health guidelines, the Meeting will be conducted via live virtual-only webcast. It is important to note that Unitholders will not be able to attend this year’s Meeting in person. Those wishing to access and vote at the Meeting during the live webcast will need to ensure that they remain connected to the Meeting at all times in order to vote when balloting commences, and it is your responsibility to ensure internet connectivity for the duration of the Meeting.

DATED at Toronto, Ontario, this 18th day of June, 2021.

BY ORDER OF THE BOARD OF TRUSTEES

“David Giraud”

Chief Executive Officer

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Inovalis Real Estate Investment Trust (the “**REIT**”) for use at the annual general meeting of holders (the “**Unitholders**”) of units of interest in the REIT (the “**Units**”) and special voting units (the “**Special Voting Units**”), together, the “**Voting Units**” of the REIT to be held at the time and in the manner and for the purposes set forth in the Notice of Meeting.

The information contained in this Circular is given as of June 4, 2021 except where otherwise indicated. No person is authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the REIT. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Circular.

June 4, 2021 is the record date for the Notice of the Meeting and for determining holders of outstanding units entitled to vote (the “**Record Date**”).

Quorum

A quorum for any meeting of the Unitholders or any class of Unitholders, as the case may be, shall be individuals represented at the Meeting by proxy, not being less than two in number and such persons holding or representing by proxy in aggregate not less than 5% of the total number of Voting Units. If a Unitholder submits a properly executed form of proxy or votes by telephone or the Internet, that Unitholder will be considered part of the quorum.

Advance Notice Policy

The REIT’s Declaration of Trust contains an advance notice policy which requires a nominating Unitholder (other than Inovalis S.A.) to provide notice to the REIT of proposed Trustee nominations not less than 30 days prior to the date of the applicable annual meeting (being not later than June 13, 2021 for purposes of the Meeting). This advance notice period is intended to give the REIT and its Unitholders sufficient time to consider any proposed nominees. A copy of Advance Notice Policy is on the REIT’s website at www.inovalisreit.com and in the Declaration of Trust, which sets out this policy, may be viewed under the REIT’s profile on SEDAR at www.sedar.com.

Questions and Answers on the Voting Process

Q: What items of business am I voting on?

A: You will be voting on:

- the election of Trustees, and
- the appointment of the external auditors and authorization of the Trustees to fix the external auditors’ remuneration.

Q: Am I entitled to vote?

A: You are entitled to vote if you were a holder of Voting Units (a “**Voting Unitholder**”) as at the close of business on June 4, 2021, which is the Record Date of the Meeting.

Q. Am I a registered Voting Unitholder?

A: You are a registered Voting Unitholder if you hold Units or Special Voting Units in your own name and you have a unit certificate. As a registered Voting Unitholder, you are identified on the unit register maintained by the REIT’s registrar and transfer agent, AST

Trust Company (Canada). Registered Voting Unitholders will receive a form of proxy for voting purposes.

Q: Am I a non-registered (or beneficial) Voting Unitholder?

A: Most Voting Unitholders are beneficial Voting Unitholders. You are a Voting Unitholder if your Units are held in an account in the name of an intermediary, such as a bank, broker or trust company. As a beneficial Voting Unitholder, you do not have a unit certificate registered in your name, but your ownership interest in Units is recorded in an electronic system. As such, you are not identified on the unit register maintained by AST Trust Company (Canada) as being a Voting Unitholder. Instead, the REIT's unit register shows the holder of your Units as being the intermediary or depository through which you own your Units.

The REIT distributes copies of the proxy-related materials in connection with the Meeting to intermediaries so that they may distribute the materials to the beneficial Voting Unitholders. Beneficial Unitholders will receive a voting instruction form for voting purposes. Intermediaries often forward the materials to beneficial Voting Unitholders through a service company (such as Broadridge). Beneficial Voting Unitholders who have not objected to their intermediary disclosing certain information about them to the REIT are referred to as "**NOBOs**", whereas beneficial Voting Unitholders who have objected to their intermediary disclosing ownership information about them to the Trust are referred to as "**OBOs**". The REIT pays for an intermediary to deliver the proxy-related materials to NOBOs and OBOs.

Q. How will my Voting Units be voted?

A: On the form of proxy or voting instruction form, you can indicate how you want your proxyholder to vote your Voting Units or you can let your proxyholder decide for you. If you have specified on the form of proxy or voting instruction form how you want your Voting Units to be voted on a particular issue (by marking FOR or WITHHOLD), then your proxyholder must vote your Voting Units accordingly. If you have not specified on the form of proxy or voting instruction form how you want your Voting Units to be voted on a particular issue, then your proxyholder can vote your Voting Units as he or she sees fit.

Unless contrary instructions are provided, Voting Units represented by proxies appointing the REIT's representative provided as the proxyholder will be voted:

- **FOR the election of the Trustees, and**
- **FOR the re-appointment of Ernst & Young LLP as the external auditors of the REIT and the authorization of the Trustees to fix the external auditors' remuneration.**

Q: What if there are amendments or if other matters are brought before the Meeting?

A: Your proxyholder has discretionary authority to vote in respect of amendments that are made to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting or the date that any adjourned Meeting has been reconvened. As of the date of this Circular, management of the REIT is not aware of any such amendments or other matters to be presented at the Meeting; however, if any such matter is presented, your Voting Units will be voted in accordance with the best judgment of the proxyholder named in the form. If you have not specifically appointed a person as proxyholder, a REIT representative named in the enclosed proxy form will be your proxyholder, and your Voting Units will be voted in accordance with the best judgment of the Trust representative.

Voting Procedures and Attending the Meeting

Determine whether you are a Beneficial (Non-registered) Unitholder or a Registered Unitholder	
Beneficial (Non-registered) Unitholders	Registered Unitholders
An intermediary such as a securities broker, trustee or financial institution holds your Units.	Your Units are registered directly in your name with our transfer agent, AST Trust Company (Canada).
Your intermediary sent you a voting instruction form with the Notice of Meeting.	A form of proxy was sent to you with the Notice of Meeting.

VOTE BY PROXY BEFORE THE MEETING

All Unitholders	
<p>Prior to the voting deadline of July 9, 2021 at 5:00 p.m. (Toronto time), you may vote by using your 16 digit control number listed on the voting instruction form or proxy form that was mailed with this Management Information Circular and:</p> <ul style="list-style-type: none">  visiting www.proxyvote.com  telephoning 1-800-474-7493 (English) or 1-800-474-7501 (French)  completing your voting instruction form and returning it by mail in the envelope provided. 	
Changed your mind?	
Beneficial (Non-registered) Unitholders	Registered Unitholders
<p>If you have already submitted your voting instructions online at www.proxyvote.com and you change your mind, you can log in using the original voting instructions and vote again to override your original instructions.</p> <p>If you originally voted by telephone, contact your intermediary immediately.</p> <p>Changes to voting must be complete prior to the proxy voting deadline of July 9, 2021 at 5:00 p.m. (Toronto time).</p>	<p>If you have already submitted your voting instructions online at www.proxyvote.com and you change your mind, you can log in using the original voting instructions and vote again to override your original instructions.</p> <p>Alternatively, registered Unitholders can revoke their instructions by delivering a signed written notice changing their instructions by email to Mr. Khalil Hankach, Chief Financial Officer and Secretary at khalil.hankach@inovalis.com.</p> <p>Changes to voting must be complete prior to the proxy voting deadline of July 9, 2021 at 5:00 p.m. (Toronto time).</p>

VOTING ONLINE AT THE MEETING

Beneficial (Non-registered) Unitholders <i>Advance arrangements required</i>	Registered Unitholders
<ul style="list-style-type: none"> • Prior to the voting cutoff at July 9, 2021 at 5:00 p.m. (Toronto time), write your own name in the space provided on your voting instruction form to instruct your intermediary to appoint you as proxyholder. • Sign and return the voting instruction form according to the delivery instructions provided. • Do not complete the voting instructions section of the voting instruction form as you will be attending and voting online at the Meeting. • Register yourself as your proxyholder, as described below under “Appointing a proxyholder to attend and vote your Units online at the Meeting”. <p>Beneficial (Non-registered) Unitholders who have not duly appointed themselves as proxyholder will not be able to vote online at the meeting.</p>	<ul style="list-style-type: none"> • Do not complete or return your form of proxy as you will be attending and voting online at the Meeting.

Appointing a proxyholder to vote your Units online at the meeting
<p>The form of proxy or voting instruction form appoints Daniel Argiros, Trustee or David Giraud, CEO of the REIT, as your proxyholder, which gives them the authority to vote your Units at the meeting or any adjournment.</p> <p>You can appoint yourself or, another person or company, including a person who is not a Unitholder as your proxyholder to vote your Units during the meeting.</p> <p>To do this, you must perform two steps:</p> <ol style="list-style-type: none"> 1. Use the instructions above at “Voting before the meeting” to appoint yourself or another person as proxyholder. 2. Use the instructions below at “How do I attend the Meeting” to appoint yourself or another person as proxyholder and obtain an Appointee Identification Number control number (“AIN”). <p>Failure to appoint the proxyholder as set out in this Circular will mean the proxyholder will be unable to vote at the Meeting.</p>

INSTRUCTIONS FOR ATTENDING THE MEETING

Registered Unitholders and Beneficial (Non-registered) Unitholders as Proxyholders
<ul style="list-style-type: none"> • To participate in the Meeting as a proxyholder, you will need your unique 16 digit control number or 8 character Appointee Identification Number (“AIN”) that you can create yourself at www.proxyvote.com. • Locate the control number on your voting instruction form, go to www.proxyvote.com and create an AIN.

Registered Unitholders and Beneficial (Non-registered) Unitholders as Proxyholders

- On the day of the Meeting, preferably no later than 9:45 a.m. log in at:



www.virtualshareholdermeeting.com/INOVALIS2021 and enter your control number or AIN.

Without a control number or AIN you will not be able to participate in the meeting by voting or submitting comments; however, you will be able to attend as a guest and listen. See the section below “Attend as a Guest”.

Attending as a Guest

Anyone may attend the Meeting to listen as a guest. To do so, log into the web address below as a guest, preferably no later than 9:45 a.m.

www.virtualshareholdermeeting.com/INOVALIS2021

GENERAL INFORMATION

Q: Who counts the vote?

A: For any matter for which a vote is taken at the Meeting by ballot, the votes, including those cast by way of proxies, will be counted by Broadridge who will be appointed as scrutineers at the Meeting.

Q: Who is soliciting my proxy?

A: Management of the REIT is soliciting your proxy. Proxies will be solicited primarily by mail, but employees and agents of the Trust may also use electronic means. Intermediaries will be reimbursed for their reasonable charges and expenses in forwarding the proxy materials to beneficial Voting Unitholders. The REIT will bear the cost of all proxy solicitations on behalf of management of the REIT.

Q: Can I access the annual disclosure documents electronically?

A: The REIT’s annual report, which includes its annual financial statements and management’s discussion and analysis, the Management Information Circular and the Annual Information Form, are available for review on its website at www.inovalisreit.com or under the REIT’s SEDAR profile at www.sedar.com.

Q: Who do I contact if I have questions?

A: If you have any questions, you may email Mr. Khalil Hankach, Chief Financial Officer and Secretary at khalil.hankach@inovalis.com for further information.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The REIT is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units, of which 32,400,585 Units were issued and outstanding as at the Record Date.

As at June 4, 2021	Units, Deferred Units and Special Voting Units	% of Issued and Outstanding Units
Trustees and Officers	Units 1,524,766	4.7%
	Deferred Units 43,299	
Inovalis S.A. ⁽¹⁾	Units 1,138,947	6.3%
	Special Voting Units 1,113,663	
Total Units that Trustees and Officers beneficially own, directly or indirectly, or exercise control or direction over.		11.0%

(1) Mr. Stéphane Amine, President of the REIT indirectly exercises control or direction over the Units and Special Voting Units held by Inovalis S.A., the external manager of the REIT.

REIT Notes Program Ltd. holds 4,489,127 or 14% of the issued and outstanding Units at June 4, 2021. To the knowledge of management of the REIT, except as set out above, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding Units or Special Voting Units.

BUSINESS TO BE TRANSACTED AT THE MEETING

1. Financial Statements

The REIT's audited consolidated financial statements for the year ended December 31, 2020 and the report of the auditors on those statements as well as management's discussion and analysis ("MD&A") will be placed before the meeting. Copies of the financial statements and MD&A may be accessed at www.sedar.com or www.inovalisreit.com or may be obtained from the Secretary of the REIT upon request.

2. Election of Trustees

The Declaration of Trust of the REIT dated February 8th, 2013 as amended and restated on April 20, 2013, January 20, 2016 and April 9, 2020 (the "**Declaration of Trust**") provides for a flexible number of Trustees, subject to a minimum of five and a maximum of twelve. The number of Trustees within such minimum and maximum numbers may be changed by the Unitholders or by the Trustees from time to time at their discretion. At this time, the number of Trustees has been determined by the Board upon the recommendation of the Compensation and Governance Committee to be five.

The Declaration of Trust also provides that, so long as the number of Trustees is set at up to nine, Inovalis S.A. shall have the exclusive right to nominate: (i) two Trustees so long as Inovalis S.A. (a) holds Units or securities exchangeable into Units representing 6% or more of the outstanding Units or (b) serves as the manager of the REIT, or (ii) one Trustee so long as Inovalis S.A. holds Units or securities exchangeable into Units representing 3% or more but less than 6% of the outstanding Units. In addition, so long as a Trustee nominated by Inovalis S.A. is serving on the Board of Trustees, Inovalis S.A. has the right to appoint one such Trustee as the Chair of the Board of Trustees. Inovalis S.A. has not exercised the right to nominate appointees or appoint the Chair at this time.

In the event a nominee is unable or unwilling to serve, an event that management of the REIT has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Unitholder has specified in the form of proxy that the Units subject to such proxy are to be withheld from voting for the election of Trustees.

The present term of office of each Trustee of the REIT will expire upon the election of Trustees at the Meeting. It is proposed that each of the persons whose name appears below be elected as a Trustee of the REIT to serve until the close of the next annual meeting of Unitholders or until his or her successor is elected.

For each Trustee, the following information includes the Trustees' municipality and province of residence; their age; all positions and offices held by them with the REIT; their attendance at meetings; their principal occupations or employment during the past five years; their status as an independent or non-independent Trustee; other public board memberships, past and present; interlocking board relationships, skills and experience that qualify them for their role as Board and committee members, Trustee fees received, voting results at the previous annual meeting of Unitholders, and the number and value of REIT securities owned by each of them as at Record Date. Two of the nominees for election as Trustees of the REIT are currently Trustees of the REIT, Mr. Jean-Daniel Cohen and Mr. Marc Manasterski. The terms for incumbents Mr. Daniel Argiros, Mr. Michael Lagopoulos, Ms. Jo-Ann Lempert, Mr. Robert Picard and Mr. Michael Missaghie will terminate on July 13, 2021.

In May, 2021, a professional services firm was engaged to undertake the process of identifying potential nominees to fill the vacancies on the Board of Trustees. The REIT's skills and experience matrix was applied to find candidates with industry experience, acquisition and asset management background, financial skill and governance experience. The professional services firm was instructed to give consideration to candidates that would bring diversity to the Board while ensuring that all potential candidates had the requisite financial acumen and practical experience necessary to satisfy the needs of the audit committee as well as governance and/or investment and real estate experience that would be relevant and appropriate to provide value to the REIT. From a pool of over 100 possible candidates which was then refined based on individual experience, capacity, conflicts and other criteria, eight candidates were ultimately selected to be interviewed and vetted. Following the interview and vetting process, the Compensation and Governance Committee nominated Mr. Michael Bonneveld, Ms. Laetitia Pacaud and Mr. Robert Waxman for election which was approved by the Board of Trustees.

Nominees

<p>Michael Bonneveld <i>Elora, Ontario</i> Age 51</p>	<p>Trustee Board Details:</p> <ul style="list-style-type: none"> • Nominee • Independent 	<p>Mr. Bonneveld is Director of Acquisitions and VP of Asset Management the Skyline group of companies which encompasses the privately held Skyline Apartment REIT, Skyline Retail REIT, Skyline Commercial REIT, and Skydev where he has led acquisitions since 2009. Prior to this role, Mr. Bonneveld was a Director in the Real Estate Corporate Finance Group at BMO Capital Markets between 2006 and 2009. Before 2006, he was Director of Acquisitions with Allied Properties REIT. Mr. Bonneveld holds a Bachelor of Arts (Urban Development) from the University of Western Ontario.</p>		
<p>Board / Committee membership</p>	<p>2020 Attendance</p>	<p>Skills / experience</p>		
<p>Trustee</p>	<p>N/A</p>	<p>Executive leadership Operations Equity market</p>	<p>Real estate industry Risk management Investment</p>	<p>Strategy Finance</p>
<p>Equity Ownership</p>		<p>Trustee fees</p>		
<p>Securities</p>	<p>Value of Securities at June 4 2021</p>	<p>N/A</p>		
<p>0 Units</p>	<p>N/A</p>			
<p>Public Board Interlocks</p>		<p>Current and Former Public Board Memberships in the last 5 years</p>		
<p>None</p>		<p>None</p>		

<p>Jean-Daniel Cohen <i>Paris, France</i></p> <p>Age 58</p>	<p>Trustee Board Details:</p> <ul style="list-style-type: none"> • Trustee since Feb 2013 • 2020 AGM voting results: 81.5% • Independent 	<p>Since 2001, Mr. Cohen has served as the Chair and CEO of Hoche Partners Group of Companies, an international investment bank focused on providing advisory, structured financing, private equity and real estate services to family offices and medium-sized businesses. He also serves as Managing Director of LAURAD, a real estate-focused private equity investment group. Mr. Cohen is Chair of Realia Properties Inc. (formerly Titanstar Properties Inc.). Prior to creating Hoche Partners, Mr. Cohen was the Managing Partner at Aurel-Leven, a leading independent French brokerage and investment bank, the Managing Partner at UFFI REAM, a real estate asset manager, and CEO of Louis Dreyfus Finance (Banque), the banking arm of the Louis Dreyfus Group. Mr. Cohen graduated from Ecole Centrale de Paris.</p>		
<p>Board / Committee membership</p>	<p>2020 Attendance</p>	<p>Skills / experience</p>		
<p>Trustee</p> <p>Audit Committee</p> <p>Compensation and Governance Committee</p>	<p>11/11 (100%)</p> <p>11/12 (100%)</p> <p>4/4 (100%)</p>	<p>Executive leadership</p> <p>Operations</p> <p>Equity market</p> <p>Governance</p>	<p>Real estate industry</p> <p>International business</p> <p>Risk management</p>	<p>Strategy</p> <p>Finance</p> <p>Investment</p>
<p>Equity Ownership</p>		<p>Trustee fees</p>		
<p>Securities</p>	<p>Value of Securities at June 4, 2021</p>	<p>2020 \$75,140</p> <p>2019 \$44,500</p> <p>2018 \$32,500</p>		
<p>111,000 Units</p> <p>4,771 Deferred Units</p>	<p>\$1,151,921</p>			
<p>Public Board Interlocks</p>		<p>Current and Former Public Board Memberships in the last 5 years</p>		
<p>None</p>		<p>Société Centrale des Bois et Scieries de la Manche (SCBSM), NYSE, Euronext Paris</p> <p>Focière Volta, NYSE Euronext, Paris</p> <p>Advenis SA, Euronext Paris</p> <p>Realia Properties Inc. TSX Venture</p>	<p>2014 - Current</p> <p>2018 - Current</p> <p>2014 - Current</p> <p>2015 - Current</p>	

Marc Manasterski <i>Paris, France</i> Age: 72	Trustee Board Details: <ul style="list-style-type: none"> • Trustee since Feb 2013 • 2020 AGM voting results: 99.6% • Independent 	Mr. Manasterski is a partner and Head of Quilvest Real Estate, a division of Quilvest, a multi-family office with global reach. Before joining Quilvest in February 2008, Mr. Manasterski served as Chief Executive Officer of Alliance Hospitality Group, managing a large hotel portfolio in France, Belgium and Italy on behalf of Whitehall, Goldman Sachs' real estate opportunity fund. Prior to that, Mr. Manasterski acquired more than 20 years of direct experience in real estate development. Mr. Manasterski was Chief Executive Officer of several private investment funds owned by banks or/and high net worth individuals. Mr. Manasterski holds an H.N.D. in Marketing from the College for the Distributive Trades (London) and a Masters degree in Business Administration from INSEAD, Fontainebleau.
Board / Committee membership	2020 Attendance	Skills / experience
Trustee Investment Committee	11/11 (100%) 4/4 (100%)	Executive leadership Real estate industry Strategy Governance International business Equity market Finance Risk management Investment
Equity Ownership		Trustee fees
Securities	Value of Securities at June 4, 2021	2020 \$69,140 2019 \$42,500 2018 \$32,247
0 Units 4,771 Deferred Units	\$47,471	
Public Board Interlocks		Current and Former Public Board Memberships in the last 5 years
None		None

Laetitia Pacaud <i>Toronto, Ontario</i> Age 49	Trustee Board Details: <ul style="list-style-type: none"> • Nominee • Independent 	Ms. Pacaud is the Chief Operating Officer and Chief Financial Officer at Epic Investment Services, a fully integrated North American real estate platform managing a portfolio of office, retail, industrial and multi-family residential properties. Previously, Laetitia joined MDC Group (now operating as Epic Investment Services in Canada) as Executive Vice-President of Business Development in January 2018. Prior to joining MDC Group, Laetitia was President and a founding member of Strathallen Capital Corporation which was founded in 2003. Ms. Pacaud is a Chartered Professional Accountant and has an ICD.D designation from the Rotman School of Management, Directors Education.		
Board / Committee membership	2020 Attendance	Skills / experience		
Trustee	N/A	Executive leadership Finance Risk management Operations	Real estate industry International business Investment	Governance Equity market Strategy
Equity Ownership		Trustee fees		
Securities	Value of Securities at June 4 2021	N/A		
0 Units	\$0			
Public Board Interlocks		Current and Former Public Board Memberships in the last 5 years		
None		Centurion Asset Management	2019 - present	

Robert Waxman <i>Toronto, Ontario</i> Age 49	Trustee Board Details: • Nominee • Independent	Since 2018, Mr. Waxman has been Chief Financial Officer of Skyline Investments, a Canadian company publicly listed in Tel-Aviv. The Company owns Canadian and US hotel and resorts and has a strategic land development business. Between 2016 and 2018, Mr. Waxman was a Senior Advisor in the Finance Modernization & Effectiveness group with the advisory branch of Deloitte LLP. Prior to that period, Mr. Waxman was Chief Financial Officer of the TSX venture exchange-listed CHC Student Housing Corp. from 2013 to 2015. He also founded Silvercove Capital, an asset management firm which he led from 2009 until 2013. Mr. Waxman is a Chartered Professional Accountant, a Chartered Financial Analyst and holds a Bachelor of Business Administration from Wilfrid Laurier University. He is on the Board of Directors of a private manufacturing company.
Board / Committee membership	2020 Attendance	Skills / experience
Trustee	N/A	Executive leadership Real estate industry Governance Finance International business Equity market Risk management Investment Strategy Operations
Equity Ownership		Trustee fees
Securities	Value of Securities at June 4 2021	N/A
0 Units	\$0	
Public Board Interlocks		Current and Former Public Board Memberships in the last 5 years
None		None

3. Appointment of Auditors

Ernst & Young LLP was first appointed auditor of the REIT in February 2013. Upon the recommendation of the Audit Committee of the Board of Trustees of the REIT, the Board of Trustees of the REIT recommends that Ernst & Young LLP, Chartered Professional Accountants, be reappointed as the REIT's auditors to hold office until the close of the next annual meeting and that the Trustees be authorized to fix their remuneration.

This reappointment of Ernst & Young LLP as auditors must be approved by a simple majority of votes cast by Unitholders at the meeting.

The following table sets forth the fees billed by the REIT's external auditor, Ernst & Young LLP, for each category of service for the financial years ended December 31, 2020 and 2019.

Category of fees	December 31, 2020	December 31, 2019
Audit Services ⁽¹⁾	\$814,200	\$678,800 ⁽¹⁾
Audit Related Services	0	19,000
Tax Services ⁽²⁾	32,000	35,950
All Other Services	0	0
Total	\$846,200	\$733,750

(1) Refers to all fees incurred in respect of audit services, being the professional services rendered by the external auditors for the audit of the REIT's consolidated financial statements, as well as services normally provided by the external auditors in connection with regulatory filings and engagements.

(2) The REIT's income tax filings in Canada.

Prior Year Voting Results for the Appointment of the Auditor

Below are the voting results from Annual General Meetings of the REIT for Ernst & Young LLP.

Unitholder Voting Results		
Year	Votes in favour of Ernst & Young LLP	Proxies received from Unitholders
2020	99.8%	33.6%
2019	99.9%	36.6%
2018	99.9%	45.3%
2017	99.6%	33.2%
2016	100.0%	48.1%

CORPORATE GOVERNANCE DISCLOSURE

Board of Trustees

The name, municipality of residence, positions held with the REIT (or functions performed on behalf of the REIT) and positions on other public boards for each Trustee as of the date of this Circular is described under the section entitled “Business to be Transacted at the Meeting, Election of Trustees”.

To facilitate the Board of Trustees functioning independent of management, where appropriate, during regularly scheduled meetings, non-independent Trustees and members of management are excluded from certain discussions.

In addition, the Declaration of Trust requires the approval of at least a majority of the REIT’s independent Trustees who have no interest in the matter for the following matters:

- a. making any material change to the Management Agreement (including any termination thereof) or any increase in the fees payable thereunder (or any change thereto which has the effect of increasing the fees payable thereunder);
- b. entering into any agreement or transaction in which any related party has a material interest or making a material change to any such agreement or transaction;
- c. approving or enforcing any agreement entered into with a related party;
- d. permitting any of the REIT or any of its subsidiaries to acquire any real or other property in which a related party has an interest or to sell any interest in any real or other property to a related party; and
- e. making or prosecuting any claim by or against any related party.

Mandate of the Trustees

The mandate of the Board of Trustees is one of stewardship and oversight of the REIT and its investments. In fulfilling its mandate, the Board of Trustees has adopted a written charter, in the form set out as Appendix A to this Management Information Circular, setting out its responsibilities.

Position Descriptions

Written position descriptions are in place for the Chair of the Board of Trustees which sets out his responsibilities, including, as applicable, duties relating to setting meeting agendas of the Board of Trustees, chairing meetings of Unitholders, Trustee development and communicating with Unitholders and regulators. The Board of Trustees has also adopted a written position description for each of the committee chairs which set out each of the committee chair’s key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of each committee.

Board Leadership

Mr. Daniel Argiros, an independent Trustee is the Chair of the Board and will step down from this position when his term expires on July 13, 2021. Following the election of Trustees at the Meeting, a new Chair will be appointed.

The Board maintains a position description for the Chair that is reviewed annually and approved by the Compensation and Governance Committee and the Board.

The Chair directs the operations of the Board. He chairs each meeting of the Board and is responsible for the management and effective functioning of the Board and provides leadership to the Board in all matters. More specifically, the Chair works in consultation with the members of executive management to, among other things, set the agenda for each Board meeting; ensures that the Board has all the information it needs to discuss the matters brought before it; and ensures that all of the Board's responsibilities, as set out in the Board mandate, are being fulfilled.

The Chair monitors the reports from the committees of the Board to ensure the committees are fulfilling the responsibilities delegated to them by the Board. The Chair also chairs meetings of the Unitholders and facilitates the response by management to Unitholder concerns. The Chair ensures that strategic plans are communicated to the Board and that such plans are evaluated as to their success.

Relationship of the Board of Trustees and Management

The Board of Trustees has in place appropriate structures to ensure that it can function independently of management.

Management's responsibilities are determined by the Board of Trustees of the REIT. The day-to-day role and responsibilities of the Chief Executive Officer is determined by the REIT's Board of Trustees. The Chief Executive Officer has a position description that is reviewed annually and approved by the Board of Trustees. All major policy decisions relating to the REIT's business are made by the REIT's Board of Trustees or a committee of the Board.

Committees of the Board

To assist the Board in fulfilling its responsibilities, three committees of the Board are in place. All committee chairs and members are independent.

Compensation and Governance Committee

The Compensation and Governance Committee consists of Mr. Lagopoulos, Mr. Cohen and Mr. Picard with Mr. Lagopoulos as Chair, each of whom is considered to be an independent trustee. The terms of Messrs. Lagopoulos and Picard will end on July 13, 2021. Below is a description of the skills and experience that qualified each Trustee to fulfill their duties as a member of this Committee.

Mr. Lagopoulos acquired his experience in governance matters primarily as Deputy Chair of RBC Wealth Management and through his responsibilities for the corporate governance of major RBC Wealth Management subsidiaries internationally. His compensation experience is directly related to his role in determining compensation as CEO and Head of RBC International Wealth Management and before that as an Executive Vice President of the Bank and Head of RBC Global Private Banking.

Mr. Cohen's experience with respect to governance and compensation is related to the Chief Executive Officer role he currently holds at Hoche Partners Group of Companies and former role as Chief Executive Officer of Realia Properties Inc. He has also served on the boards of both private and public companies where he gained broad experience in governance and executive compensation matters.

Mr. Picard's governance and compensation experience is drawn from his legal background which has provided him with exposure to governance practices across numerous industries, including real estate. A partner with Gardiner Roberts LLP, Mr. Picard has served on the firm's management board and a number of governing committees where he dealt with complex human resources and executive compensation matters.

The Compensation and Governance Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies and the compensation policies of the REIT. In addition, the Compensation and Governance Committee is responsible for: (i) assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees; (ii) overseeing the recruitment and selection of candidates as Trustees of the REIT; (iii) organizing an orientation and education program for new Trustees and coordinating continuing Trustee development programs; (iv) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board of Trustees as a whole or on behalf of the independent Trustees; (v) reviewing and making recommendations to the Board of Trustees concerning any change in the number of Trustees composing the Board of Trustees; (vi) administering any Unit option or purchase plan of the REIT or any other compensation incentive programs; (vii) assessing the performance of the officers and other members of the executive management team of the REIT; (viii) reviewing and approving the compensation paid by the REIT, if any, to consultants of the REIT; and (ix) reviewing and making recommendations to the Board of Trustees concerning the level and nature of the compensation payable, if any, to the Trustees and officers of the REIT.

Independent Advice

The Compensation and Governance Committee mandate provides the authority to select, engage and compensate any outside consultant the committee determines to be necessary to permit it to carry out its duties at the REIT's expense. The committee is ultimately responsible for its own decisions, and may take into consideration more than the information and recommendations provided by its consultants.

Compensation and Governance Committee highlights in 2020

- reviewed and updated the mandates of the Board, Board Chair, committees and committee chairs;
- reviewed and where necessary, updated the Board Tenure Policy, Code of Business Conduct and Ethics, Confidential Information Policy, Disclosure Policy, Diversity Policy, Insider Trading Policy, Interlock Policy; Majority Voting Policy, Minimum Unitholding Policy, Privacy Policy, Trustee Compensation and Whistleblowing Policy;
- reviewed the CEO position description;
- reviewed the CEO's performance against 2020 corporate goals and objectives;
- considered the 2021 corporate goals and objectives for the CEO;
- reviewed the succession plan for the CEO;
- monitored compliance with the Code of Ethics and Business Conduct;
- reviewed the trustee compensation structure;
- reviewed compensation of trustees in peer organizations;
- recommended approval of grants under the Deferred Unit Plan;
- recommended housekeeping amendments to the Second Amended and Restated Declaration of Trust;
- monitored minimum unitholding guidelines for trustees;
- reviewed SEDI reporting for insiders of the REIT;
- reviewed the orientation and education plans for trustees;
- reviewed the skills required for Trustee nominees;
- reviewed the independence of the trustees;
- reviewed the Board size;
- reviewed candidates for Trustee vacancies;
- reviewed and obtained approval from the Board for the:
 - 2021 trustee nominees;
 - Form of Proxy;
 - Management Information Circular, and
- reviewed legislative, regulatory and policy updates and developments in leading practices in governance, compliance, director compensation and related matters.

Investment Committee

The Investment Committee consists of Mr. Manasterski who is Chair of the Investment Committee, Mr. Missaghie and Mr. Argiros, each of whom is considered to be an independent trustee. Mr. Argiros' and Mr. Missaghie's roles on the Committee will end when their respective terms as Trustee expire as of July 13, 2021.

The Investment Committee may authorize, without the Board of Trustees' approval, proposed acquisitions, dispositions or borrowings where the acquisition, disposition or borrowing, including the assumption or granting of any mortgage, does not exceed €40 million. The Investment Committee may also recommend to the Board of Trustees whether to approve or reject proposed transactions, where the value of such transaction exceeds €40 million.

Investment Committee highlights in 2020

- reviewed the pipeline of proposed investment opportunities in new and existing markets;
- reviewed the Distributions Policy;
- reviewed and monitored the effect of the COVID-19 pandemic on assets and leasing;
- recommended the sale of the Courbevoie asset;
- recommended approval of the buy-out of joint-venture investments in the Arcueil, Bad Homburg and Stuttgart assets; and
- recommended exercising the call option on the 20% interest in the entity holding the Rueil asset.

Audit Committee

The Audit Committee consists of Ms. Jo-Ann Lempert who is Chair of the Audit Committee, Mr. Jean-Daniel Cohen and Mr. Michael Lagopoulos, each of whom is considered to be an independent trustee. Ms. Lempert's and Mr. Lagopoulos' roles on the Audit Committee will end when their terms as Trustee expire as of July 13, 2021.

The Audit Committee's charter and the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is detailed in the sections entitled "Audit Committee" and "Audit Committee Charter" in the Annual Information Form dated March 24, 2021 which can be found on SEDAR and on the REIT's website. The Annual Information Form is incorporated in this Circular by reference.

The Audit Committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the external auditor. The Audit Committee is required to review the REIT's interim and annual financial statements, MD&A and related press releases prior to public disclosure of these matters. Each member of the Audit Committee is independent and financially literate.

Audit Committee Highlights in 2020

- received reports from the Chief Financial Officer;
- reviewed and recommended for approval by the Board, the:
 - quarterly unaudited and annual audited financial statements, management's discussion and analysis, and related press releases;
 - Annual Information Form;
 - principal risks;
- reviewed reports from a leading independent accounting firm that led the design testing and implementation of internal controls and updated financial reporting processes;
- monitored the principal risks;
- conducted the annual review of the external auditor's performance and recommended approval by the Board for the auditor's re-appointment at the 2021 annual and special meeting of unitholders;
- reviewed the Audit Plan for 2020;
- reviewed the Auditor's fees;
- met *in camera* with the auditor after every meeting;
- reviewed the Audit Committee Charter;

- reviewed reports on the CEO and CFO certification process;
- reviewed reports on the REIT's compliance with its financial covenants and financial risk management policies;
- reviewed the REIT's distributions and recommended termination of the dividend reinvestment program;
- reviewed reports on tax compliance matters;
- reviewed and provided oversight on the restructuring of the Luxembourg holding entity CanCorp Europe into a specialized investment fund;
- reviewed changes to tax legislation;
- monitored litigation; and
- monitored the whistleblowing process.

Special Committee – Strategic Review

On October 28, 2020, the REIT announced the formation of a special committee of independent members of the Board of Trustees (the "Special Committee") to consider strategic alternatives available to the REIT. The Special Committee reviewed and evaluated a wide range of strategic alternatives to enhance unitholder value.

Strategic Review

During its review process, the Special Committee considered and agreed to a renewed two-year extension to the REIT's management agreement with Inovalis S.A., and considered and evaluated a number of expressions of interest relating to some or all of the assets of the REIT.

Strategic Plan

The Special Committee ultimately determined that it was in the best interest of the REIT and its Unitholders to pursue a strategy (the "Strategic Plan") that it had developed in conjunction with management during its review process. The Strategic Plan investment strategy focuses on deployment of cash by investing in "core and core+" assets that meet the REITs investment criteria and that are accretive to AFFO/unit on a normalized leverage neutral basis of 50% primarily in France and Germany and consideration of investment in up to 15% of total assets in other continental European markets such as Spain, where Inovalis S.A. currently has operations and expertise.

Structure

By the end of 2022, the Inovalis S.A. intends to, either acquire or dispose of current joint ventures in accordance with their respective agreements in an attempt to simplify the REIT's corporate structure and governance. The REIT's preference will be to acquire new properties as wholly-owned assets.

Participatory Distribution and Asset Recycling Plan

The strategic review assisted in identifying the manager's strong track record of crystallizing value in mature assets in the REITs portfolio. Expressions of interest on individual assets of the REIT also assisted in identifying attractive value opportunities yet to be realized.

The REIT intends to continue to sell mature assets where it believes value can be maximized and utilize the new capital to invest in higher return AFFO accretive opportunities.

As part of the strategic review process, the REIT has quantified the portion of its current balance sheet cash attributable to profitable asset monetization over IFRS fair market value as approximately \$20 million generated by the sale of the Vanves and Rueil properties. In order to allow the REIT unitholders to participate in these profitable sales, the REIT intends to implement a supplementary "participatory" distribution program to provide unitholders with 50% of the incremental profit generated from any such sales.

The Board of Trustees announced it will begin the "participatory" distribution program with a special distribution of \$10 million to be paid with the regular June distribution on July 15, 2021. This is based on 50% of the current cash attributable to sales over IFRS fair market value on the Vanves and Rueil properties, and represents \$0.307 per unit.

The REIT expects additional properties, including Jeuneurs, to be included in the Asset Recycling Plan, in which case not less than half of after-tax realized cash would be distributed. In all instances, remaining proceeds will be deployed in AFFO accretive acquisition opportunities in accordance with the above-noted investment strategy.

Regular Monthly Distribution

The Special Committee also performed a review of the sustainability of the REIT's current regular monthly distribution, and concluded that the current regular monthly distribution level should remain in place at \$0.06875 per unit (\$0.825 per annum) for the foreseeable future.

Renewal of Management Agreement

As previously announced and discussed in its Q1 MD&A, further to the Special Committee's review, the Board of Trustees approved an extension of the Management Agreement with Inovalis S.A. by way of entry into an amended and restated Management Agreement, effective April 1, 2021, with a term ending March 31, 2023, subject to an additional one-year extension.

The Board of Trustees and Inovalis SA also agreed that given its relative size, the REIT will aim to internalize the finance functions on, or before, April 1, 2022.

The REIT and Inovalis S.A. have also agreed to certain goals and priorities for the REIT's ongoing business operations. See "Asset and Property Management Services – Performance Goals".

To achieve the objective to become the preferred vehicle for investors to gain exposure to European Real Estate Assets in the Canadian REIT market, an active review and selection process for a Canadian-based investor relations group and on-ground presence is underway, with engagement expected by Q3, 2021. Going forward, the REIT also intends to compare its performance to a European REIT index in order to allow investors to better track its relative performance.

The REIT has also undertaken a board renewal initiative, resulting in the nomination of three new independent Trustee nominees and two incumbent Trustees for election to the Board of Trustees at the Meeting. It has been determined for a REIT of this size it would be more efficient to reduce the number of trustees from eight to five.

The process and recommendations of the Special Committee which were approved by the Board of Trustees are more particularly described in the press release dated June 7, 2021 which is available at www.sedar.com and on the REIT's website at www.inovalisreit.com.

COVID-19 Board Response

As the effect of the worldwide COVID-19 pandemic became apparent in March 2020, the Board of Trustees immediately responded by taking steps to understand the impact on the security of its assets, the health and safety of the Manager's employees, tenants and Board members, evolving regulatory changes, insurance coverage and cashflow implications. The Board already had a structure in place to meet by video-conference and a board portal to manage Board meeting materials so the transition to virtual Board meetings for the balance of 2020 and ongoing was seamless across time zones. In 2020 and again in 2021, arrangements for the annual meetings of Unitholders have been converted to a virtual format. The Board continues to monitor the impact of the COVID-19 pandemic on the REIT's people, operations and assets.

Amendments to the Second Amended and Restated Declaration of Trust

On April 9, 2020, on the recommendation of the Compensation and Governance Committee, the Board of Trustees approved housekeeping amendments to the Second Amended and Restated Declaration of Trust dated January 20, 2016 by adopting the third amended and restated declaration of trust dated April 9, 2020 (the "**Third Amended and Restated Declaration of Trust**").

The Third Amended and Restated Declaration of Trust allows the REIT to hold electronic or virtual meetings of Unitholders and the requirements that annual meetings of Unitholders take place in Canada, that voting be by a show of hands, and that officers of the REIT be Canadian residents were removed. The Third Amended and Restated Declaration of Trust is available on SEDAR at www.sedar.com.

Orientation and Continuing Education

The Compensation and Governance Committee has put in place an orientation program for new Trustees under which a new Trustee will meet with the Chair of the Board of Trustees and members of the executive management team of the REIT. The Orientation Plan encompasses operations, finance, strategy, organizational structure, board roles, board operations and integration with other Trustees.

The Compensation and Governance Committee is responsible for overseeing the Trustee Education Program which is focused on providing the Trustees with in-depth information about key aspects of the REIT's business, including the material risks and opportunities facing the REIT. Trustees also receive ongoing education on topics affecting the REIT such as changes to accounting standards, the insurance landscape, environmental regulations, leading practices in governance, current and anticipated trends in governance disclosure, regulatory reporting and requirements. Trustees are solicited for input into the agenda for the education program and management is asked to schedule presentations and seminars covering these areas, some of which may be presented by management and others by external consultants or experts.

The REIT encourages Trustees to attend other appropriate continuing education programs and the REIT contributes to the cost of attending such programs. As well, written materials likely to be of interest to Trustees that have been published in periodicals, newspapers or by legal or accounting firms are forwarded to Trustees. Furthermore, the REIT also believes that serving on other corporate and not-for-profit boards is a valuable source of ongoing education.

Arrangements had been made for the Trustees to tour the REIT's properties in 2020 but were postponed indefinitely due to the COVID-19 pandemic.

Upon election, the REIT's new Trustees will be provided with comprehensive orientation and education as to the nature and operation of the REIT, its business, the role of the Board of Trustees and its committees, and the contribution that an individual trustee is expected to make.

Nomination of Trustees

The Compensation and Governance Committee co-ordinates and manages the process of recruiting, interviewing, and recommending candidates to the Board of Trustees. This Committee has a formal written charter which outlines the committee's responsibilities, requisite qualifications for new trustees, the appointment and removal of trustees and the reporting obligations to the Board of Trustees. The committee has identified the key skills required on the Board and reviews these annually to identify potential skill gaps on the Board. The assessment process for incumbent Trustees, described below, is an important component of the consideration of nominees.

Trustee Voting Results from Previous Annual Meetings of Unitholders

The following is a summary of the voting results from the REIT's annual meetings of Unitholders with respect to the election of Trustees that are nominee Trustees for the Meeting.

	2020	2019	2018	2017
% of Proxies Received from Holders of Voting Rights	33.6%	36.6%	45.3%	33.3%
Name of Trustee	Voting Results	Voting Results	Voting Results	Voting Results
Stéphane Amine ⁽¹⁾	92.2%	n/a	n/a	99.5%
Daniel Argiros	99.6%	88.4%	99.9%	99.5%
Jean-Daniel Cohen	81.5%	70.1%	94.7%	99.5%
Michael Lagopoulos	81.9%	88.2%	99.9%	n/a
Jo-Ann Lempert	82.2%	88.3%	91.4%	n/a
Marc Manasterski	99.6%	88.3%	86.5%	99.2%
Michael Missaghie ⁽²⁾	99.7%	n/a	n/a	n/a
Robert Picard	99.5%	88.3%	99.9%	n/a

(1) Mr. Amine did not stand for Trustee in 2018 and 2019. He was appointed Trustee June 2019.

(2) Mr. Missaghie was appointed Trustee in November 2019.

Skills

The Compensation and Governance Committee believes that the Board should be comprised of Trustees with a broad range of experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively. The information is used to assess the Board's overall strengths and to assist in the Board's ongoing renewal process, which balances the need for experience and knowledge of the Trust's business with the benefit of board renewal and diversity. The nominee Trustees' skills matrix is set out below:

Skills	Michael Bonneveld	Jean-Daniel Cohen	Marc Manasterski	Laetitia Pacaud	Robert Waxman
Real estate industry	✓	✓	✓	✓	✓
Executive leadership	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓
International business		✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓
Equity market	✓	✓	✓	✓	✓
Governance		✓	✓	✓	✓
Operations	✓	✓		✓	✓
Investment	✓	✓	✓	✓	✓
Strategy	✓	✓	✓	✓	✓

Board evaluation

The Compensation and Governance Committee is responsible for assessing the effectiveness of the Board of Trustees, each of its committees and individual Trustees. These assessments are completed on an annual basis. Every year, Trustees are issued an anonymous questionnaire that solicited quantitative ratings and narrative comment in key areas of business operations, strategy, Unitholder value, risk management, use of time, board structure, size and process. The Audit Committee, Compensation and Governance Committee and Investment Committees are similarly assessed as they relate to the responsibilities under their mandates as well as leading practices in their respective areas of expertise.

Summary reports on the respective evaluations are prepared by an external advisor and are to be tabled by the Chair of the Compensation and Governance at an *in camera* meeting of the Board. The Board discusses the report and acts on recommendations, as appropriate.

All Trustees complete an annual evaluation of their peers through an additional anonymous electronic questionnaire process. Trustees are evaluated on a number of behavioral competencies evidenced at Board and Committee meetings. The findings are submitted in a confidential report by an external consultant to the Chair of the Compensation and Nominating Committee.

Each year, the Chair of the Board meets with each Trustee individually to engage in open dialogue on any issues which either wish to raise, and uses the same meeting to discuss any specific issues that may have come up in the peer review questionnaire process.

In all these ways, each Trustee receives feedback on their individual contribution to Board effectiveness. The results of the individual Trustee performance assessments is one of the factors taken into account when considering the Trustee nominees to be recommended to Unitholders and in determining the membership of the Committees.

Trustee Minimum Unit Ownership Guidelines

The Board has established a policy which sets out expectations that independent Trustees personally hold a minimum of three times the value of the annual Trustee retainer; the threshold

to be met by the later of five years from December 2017 for Trustees in office at that date or within five years after the date of appointment or election of each trustee to the board. The Deferred Unit Plan supports Trustees toward meeting the minimum ownership expectations.

Name of Trustee	Value of Unit and Deferred Unit Holdings at June 4, 2021 ⁽¹⁾	Value of 3 x annual retainer at June 4, 2021	Target Date for Meeting Minimum Unit Ownership Expectation	Expectations Met
Michael Bonneveld	n/a ⁽²⁾	\$90,000	June 2026	n/a ⁽²⁾
Jean-Daniel Cohen	\$1,151,921	\$90,000	December 2022	✓
Marc Manasterski	\$47,471	\$90,000	December 2022	n/a ⁽²⁾
Laetitia Pacaud	n/a ⁽²⁾	\$90,000	June 2026	n/a ⁽²⁾
Robert Waxman	n/a ⁽²⁾	\$90,000	June 2026	n/a ⁽²⁾

(1) Using the \$9.95 closing value of a Unit on June 4, 2021, the Record Date for the Meeting.

(2) The target date for meeting the minimum unit ownership requirement has not occurred.

Board Tenure, Term Limits, Trustee Retirement and Other Mechanisms of Board Renewal

The REIT has not adopted term limits for Trustees because the Trustees believe the imposition of arbitrary term limits may result in an effective Trustee being disqualified and discounts the value of experience and continuity. The REIT also does not have a retirement policy.

The Compensation and Governance Committee is responsible for assessing the effectiveness of the Board of Trustees and board renewal is one of the factors the Compensation and Governance Committee uses in its evaluation.

The Compensation and Governance Committee, in conjunction with its review of the Trustees' skills and experience, also reviews each Trustee's tenure on the Board as further set out below. The Committee:

1. has an annual Board effectiveness evaluation that enables the Committee and the Board to solicit feedback regarding Trustee contribution, skill set and expertise;
2. has a diversity policy to guide the Committee on objectives for diversity when choosing Trustee candidates;
3. maintains a Trustee skills matrix to ensure that, in choosing Trustee candidates, it focuses appropriately on critical skills and experience; and
4. annually reviews committee chairs and committee memberships with a view to balancing a desire for fresh perspectives with the need for experience and subject matter expertise.

The Compensation and Governance Committee, as part of its mandate, undertakes a review of the composition and performance of the Board and the mandate and composition of the committees of the Board. Recommendations for changes, if any, are developed and subsequently discussed with the full Board. The Board is of the view that this process works well and reflects a strong governance practice.

2020 Trustee Attendance

	Stéphane Amine	Dan Argiros	Jean-Daniel Cohen	Jo-Ann Lempert	Michael Lagopoulos	Marc Manasterski	Michael Missaghie	Robert Picard
Board of Trustees	11/11 (100%)	11/11 (100%)	11/11 (100%)	11/11 (100%)	11/11 (100%)	11/11 (100%)	11/11 (100%)	10/11 (91%)
Audit Committee	n/a	n/a	11/12 (83%)	12/12 (100%)	12/12 (100%)	n/a	n/a	n/a
Compensation	n/a	n/a	4/4	n/a	4/4	n/a		4/4

and Nominating Committee			(100%)		(100%)			(100%)
Investment Committee	n/a	4/4 (100%)	n/a	n/a	4/4 (100%)	4/4 (100%)	n/a	n/a

On October 28, 2020, the Board of Trustees announced the establishment of a Special Committee. See “Special Committee – Strategic Review”. The Special Committee set up sub-committees and together the sub-committees and the Special Committee held a number of meetings in addition to the regular Board and standing committee meetings.

All of the Trustees attended the REIT’s virtual Annual and Special Meeting held on May 13, 2020.

Trustees’ Compensation

The Trustees’ compensation program is designed to attract and retain qualified individuals to serve on the Board of Trustees. A summary of the 2020 Trustee fees are set out below and are for independent Trustees only. All fees are paid in cash. In addition, Trustees may be granted up to \$20,000 in the form of Deferred Units as part of the annual retainer.

The Trustees are also entitled to be reimbursed for their out-of-pocket expenses incurred in acting as Trustees. In addition, Trustees are entitled to receive remuneration for services rendered to the REIT in any other capacity, except in respect of their service as trustees of any of the REIT’s subsidiaries. Trustees who are employees of and who receive salary from the REIT or Inovalis S.A. are not entitled to receive any remuneration for their services in acting as Trustees.

In Q3, 2020, the Compensation and Governance Committee reviewed the fee structure for Trustees in the context of the changes to meeting formats necessitated by the pandemic and stay-at-home orders by government officials. Fees for attendance at meetings for the REIT had historically been based on attendance in person or, at a lower fee by telephone which presumed that such meetings required little preparation and no travel time. All meetings held by the Board and Committee were held by conference call or video conference due to the pandemic.

In early 2019 the Compensation and Governance Committee reviewed the fee structure for Trustees using a comparator set of trustee compensation data from 2018 management information circulars for the following REITs: Dream Global REIT, Slate Office REIT, Plaza Retail REIT, Agellan Commercial REIT, Automotive Properties REIT, and Partners REIT.

<u>Type of 2020 Trustee Fee</u>	<u>Amount</u>
Board retainer	\$30,000 ⁽¹⁾
Chair and Committee fees	
- Board Chair	\$10,000
- Compensation and Governance Committee Chair	\$5,000
- Compensation and Governance Committee member	\$0
- Audit Committee Chair	\$10,000
- Audit Committee member	\$0
- Investment Committee Chair	\$5,000
- Investment Committee member	\$0
Attendance fees	
- Board, standing committee or Special Committee meeting longer than thirty minutes.	\$1,000
- Board standing committee or Special Committee meeting, in person, 30 minutes or less	\$500
- Annual or Special Meeting of Unitholders	\$1,000

(1) In addition to the \$30,000 cash compensation, Trustees may be granted up to \$20,000 in the form of Deferred Units.

In consideration for serving on the Board of Trustees, each Trustee received the following compensation for the fiscal year of the REIT ended December 31, 2020:

Name of Trustee	Fees Earned (\$)	Unit-based awards	Non-equity incentive plan compensation	All other compensation (\$)	Total compensation (\$)
Stéphane Amine ⁽¹⁾	-	-	-	-	\$0
Daniel Argiros ⁽²⁾	\$71,000	\$17,140	-	-	\$88,140
Jean-Daniel Cohen	\$58,000	\$17,140	-	-	\$75,140
Michael Lagopoulos	\$70,500	\$17,140	-	-	\$87,640
Jo-Ann Lempert	\$74,000	\$17,140	-	-	\$91,140
Marc Manasterski	\$52,000	\$17,140	-	-	\$69,140
Michael Missaghie	\$58,500	\$17,140	-	-	\$75,140
Robert Picard	\$57,000	\$17,140	-	-	\$74,140
Total					\$560,980⁽²⁾

(1) Mr. Amine was compensated by the external manager, Inovalis S.A. and was therefore not eligible for trustee compensation.

(2) \$105,000 of this total is attributable to the Special Committee Strategic Review process.

The Board approved compensation for various ad hoc meetings held by Trustees on the matters related to the engagement of an accounting firm to oversee implementation of internal controls and updated financial reporting processes as well as the Special Committee which is included in the above-noted table of fees earned.

Equity Plan

Units Subject to the Deferred Unit Plan

The unitholders of the REIT approved a deferred unit plan (the “**Deferred Unit Plan**”) on May 15, 2019.

A “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit, and recorded in accordance with the terms and conditions of the Deferred Unit Plan and for greater certainty consists of both Granted DUs and Elected DUs (each as defined below).

Individuals eligible to participate in the Deferred Unit Plan (“**Participant**”) consist of Trustees and Officers of the REIT. The Deferred Unit Plan provides for:

- i) Deferred Units issued to a Participant in connection with such Participant’s election, in accordance with the Deferred Unit Plan, to receive a portion of their Trustee Fees otherwise payable in cash, in the form of Deferred Units (“**Elected DUs**”), and
- ii) Deferred Units granted from time to time to Participants at the discretion of the Board (“**Granted DUs**”).

Elected DUs and Granted DUs are tied to the REIT’s financial and Unit trading performance and accrue over a number of years and align the interests of those individuals eligible to participate in the Deferred Unit Plan more closely with the interests of Unitholders.

Units Available for Grant:

The maximum number of Units that may be outstanding under the Deferred Unit Plan is 200,000 Units including the equivalent of eligible Additional Deferred Units which are cash distributions paid on Granted Units and credited to the Participant’s Deferred Unit Account. If any Deferred Unit granted under the Deferred Unit Plan is redeemed, terminated, expired 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.

The Deferred Unit Plan is considered an “evergreen” plan, since the Units covered by Deferred Units which have vested and have been redeemed shall be available for subsequent grants under the Deferred Unit Plan.

The maximum aggregate number of Units that may be subject to grants of Deferred 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 Units.

a) Election by Trustees:

Each Participant who elects to receive between 0% and 100% of the Trustee fees in the form of Elected DUs in lieu of cash (an “**Electing Person**”) will be required to file a notice of election with the Chief Financial Officer of the REIT or other designated REIT officer: (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 2020 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 Deferred Unit 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.

b) Specific Terms of Deferred Units:

Unless otherwise determined by the Board in its sole discretion, Deferred Units issued to Participants pursuant to the terms of the Deferred Unit Plan will vest as follows:

- i) Elected DUs will vest immediately upon grant (including Additional Deferred Units credited to a Participant’s account in connection with cash distributions).
 - ii) Granted DUs will vest (i) 1/3 of the first anniversary of such grant; (ii) 1/3 on the second anniversary of such grant; and (iii) 1/3 on the third anniversary of such grant (including Additional Deferred Units credited to a Participant’s account in connection with cash distributions paid on vested Deferred Units).
- c) Event of Termination (Accelerated Vesting) (“**Accelerated Vesting**”) shall occur upon
- i) the termination of employment of a Participant with the REIT or a Subsidiary of the REIT:
 - a) without Cause (as defined in the Deferred Unit Plan); or
 - b) upon the Participant’s resignation for Good Reason (as defined in the Deferred Unit Plan); or
 - ii) a Participant who is a Trustee of the REIT ceases to be a Trustee of the REIT;

Upon the occurrence of Accelerated Vesting, all of a Participant’s unvested Deferred Units will automatically vest and become vested Deferred Units on the date such event of termination occurs (including Additional Deferred Units credited to a Participant’s account in connection with cash distributions paid on vested Deferred Units).

Upon redemption of vested Deferred Units, the REIT will issue Units to Participants on the basis of one Unit for each Deferred Unit and Additional Deferred Unit. Units are issued by the REIT at no cost to Participants.

Any unvested Deferred Units or Additional Deferred Units held by a Deferred Unit Participant will be forfeited upon termination of the Participant’s service with the REIT for any reason, whether voluntarily or involuntarily. However, pursuant to the Deferred Unit Plan, the Board may, in its discretion if the circumstances warrant, accelerate the vesting of such Deferred Units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested Deferred Units will vest effective upon the termination date of the individual with the exception of Deferred Units that have been granted in lieu of cash for Trustee fees which immediately vest effective upon grant date.

(d) Term: The Deferred Unit Plan became effective on January 1, 2019 and will be subject to renewal on May 15, 2022.

(e) Assignability: Deferred Units and Additional Deferred Trust Units are non-transferable, except to a Participant’s estate, and the rights of Participants under the Deferred Unit Plan are not assignable, 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.

(f) Amendments: The Compensation and 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, amend any outstanding Deferred Units, as well as terminate the Deferred Unit Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Deferred Unit Plan or outstanding Deferred Units as applicable, that would: (i) result in any increase in the number of Units that may be reserved for issuance from time to time under the Deferred Unit Plan or in the maximum number of Units issuable under the Deferred Unit Plan; (ii) permit Deferred Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes; (iii) change the individuals eligible to participate under the Deferred Unit Plan; or (iv) amend the amendment provisions set out in this section, will be subject to the approval of Unitholders. Subject to the foregoing, the Board 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 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 Units issued under the Deferred Unit Plan; and (d) 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 Units previously granted under the Deferred Unit Plan without the consent of the affected Participant.

Number of Securities Issued and Remaining at December 31, 2020

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights at December 31, 2020	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans at December 31, 2020
Equity compensation plans approved by security holders	42,805 Deferred Units	N/A	157,195 Deferred Units
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	42,805 Deferred Units	N/A	157,195 Deferred Units

Outstanding Unit Based Awards at December 31, 2020

Name	Number of Units that have not vested at December 31, 2020	Market or payout value of unvested Unit-based awards at Dec 31, 2020 ⁽¹⁾	Market or payout value of vested Unit-based awards not paid out or distributed at Dec 31, 2020 ⁽¹⁾
Daniel Argiros	4,038	\$ 36,059	\$ 65,037
Jean-Daniel Cohen	4,038	\$ 36,059	\$ 6,314
Michael Lagopoulos	4,038	\$ 36,059	\$ 6,314
Jo-Ann Lempert	4,038	\$ 36,059	\$ 6,314
Marc Manasterski	4,038	\$ 36,059	\$ 6,314
Michael Missaghie	2,728	\$ 24,361	\$ -
Robert Picard	4,038	\$ 36,059	\$ 51,240
Total	26,956	\$ 240,717	\$ 141,532

(1) Using the \$8.93 closing price of a Unit on the TSX at December 31, 2020

Burn Rate for Equity Plans

The burn rate is calculated using the TSX prescribed methodology, which is the total number of Units granted under the arrangement during the applicable fiscal year, divided by the weighted average number of Units (assuming all Special Voting Units are exchanged for Units) outstanding for the fiscal year ("Burn Rate"). The Burn Rate for Deferred Units is shown below.

	2020
# of Deferred Units and Distribution Equivalent Deferred Units granted in the fiscal year	29,981
Diluted weighted average number of Units outstanding for the fiscal year	32,400,585
Burn rate for Deferred Units	0.09%

Securities Issued Under Equity Plans

	Balance of Securities Remaining for Issuance	Balance of Securities Remaining for Issuance as a Percentage of Issued and Outstanding Units at June 4, 2021	Maximum Number of Securities that can be issued under the Plan
Equity Incentive Plan	157,195	0.49%	200,000

Unitholder Rights Plan

The unitholders of the REIT approved a unitholder rights plan (the “**Unitholder Rights Plan**”) on May 13, 2020.

The primary objectives of the Rights Plan are to ensure, to the extent possible, the equal treatment of all Unitholders in connection with any take-over bid for the Units and, in the event of an unsolicited take-over bid, to provide the Board with sufficient time to evaluate the bid and to explore and develop alternatives.

While the existing legislative framework for take-over bids in Canada has addressed many concerns related to unequal treatment of Unitholders, there will continue to be a role for rights plans in protecting the REIT and protecting against unequal treatment of Unitholders. In particular, some remaining areas of concern include:

- protecting against “creeping bids” (the accumulation of more than 20 percent of the Units through purchases exempt from the Canadian take-over bid regime, such as (i) purchases from a small group of Unitholders under private agreements at a premium to the market price, resulting in a change of control transaction without the payment of a premium to all Unitholders, (ii) acquiring control or effective control through the slow accumulation of Units over a stock exchange without the payment of a control premium, or (iii) through other transactions outside of Canada without regard to the take-over bid protections of Canadian securities laws), and requiring the bid to be made to all Unitholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing Unitholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

Terms of the Rights Plan

General

To implement the Rights Plan, the Trustees will authorize the issuance of one right (a “**Plan Right**”) in respect of each Unit when issued. Each Plan Right entitles the registered holder to purchase from the REIT one Unit for the Exercise Price, subject to adjustment as set out in the Rights Plan. In the event of an occurrence of a Flip-in Event (as defined below), each Plan Right entitles the registered holder to purchase from the REIT that number of Units that have an aggregate Market Price (as defined in the Rights Plan) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined in the Rights Plan), in accordance with the terms of the Rights Plan, for an amount in cash equal to the Exercise Price, subject to certain adjustments. The Plan Rights are not exercisable prior to the Separation Time (as defined below). The issuance of the Plan Rights will not affect reported earnings per Unit until the Plan Rights separate from the underlying Units and become exercisable. The issuance of Plan Rights will not change the manner in which Unitholders currently trade their Units. The Rights Plan must be approved by the TSX and reconfirmed by a resolution passed by

a majority of the votes cast by all Unitholders at every third annual meeting of Unitholders. If the Rights Plan is not so reconfirmed, the Rights Plan and all outstanding Plan Rights shall terminate and be void and of no further force and effect, provided that such termination shall not occur if a Flip-in Event that has not been waived pursuant to the Rights Plan has occurred prior to such annual meeting.

Flip-in Event

A “**Flip-in Event**” means a transaction as a result of which a Person becomes an Acquiring Person (as defined below). On the occurrence of a Flip-in Event, any Plan Rights beneficially owned on or after a date determined in accordance with the Rights Plan by an Acquiring Person (including any affiliate or associate thereof or any Person acting jointly or in concert with an Acquiring Person or any affiliate or associate of an Acquiring Person) and certain transferees of Plan Rights will become void and any such holder will not have any right to exercise Plan Rights under the Rights Plan and will not have any other rights with respect to the Plan Rights.

Acquiring Person

An “**Acquiring Person**” is, generally, a Person who is the Beneficial Owner of 20% or more of the then outstanding Units of the REIT. Under the Rights Plan there are various exceptions to this rule, including that an Acquiring Person: (i) shall not include: (A) the REIT or a subsidiary of the REIT, and (B) an underwriter or selling group member during the course of a public distribution, and (ii) may not, in certain circumstances, include a Person who becomes the Beneficial Owner of 20% or more of the outstanding Units as a result of any one of certain events or combinations of events that include: (A) a Unit reduction through an acquisition or redemption of Units by the REIT, and (B) an acquisition of Units made pursuant to a Permitted Bid (as defined below) or a Competing Permitted Bid.

Beneficial Ownership

A Person is deemed to be the “**Beneficial Owner**” of, and to “**Beneficially Own**”, Units in circumstances where that Person or any of its affiliates or associates: (i) is the owner of the Units at law or in equity, or (ii) in certain circumstances, has the right to become the owner at law or in equity where such right is exercisable within 60 days and includes any Units that are Beneficially Owned by any other Person with whom such Person is acting jointly or in concert. Under the Rights Plan there are various exceptions to this rule, including where a Person:

- a) has agreed to deposit or tender Units to a take-over bid pursuant to a permitted lock-up agreement in accordance with the terms of the Rights Plan; or
- b) is an investment fund manager or a trust company acting as trustee or administrator who holds such Units in the ordinary course of such duties for the account of another Person or other account(s), an administrator or trustee of one or more registered pension funds or plans, a crown agent or agency, a manager or trustee of a certain mutual funds or a Person established by statute to manage investment funds for employee benefit plans, pension plans, insurance plans or various public bodies, provided that such Person is not making and has not announced an intention to make a take-over bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Units (as defined in the Rights Plan) pursuant to a distribution by the REIT, by means of a Permitted Bid, or by means of ordinary market transactions executed through the facilities of a stock exchange or organized over-the-counter market.

Lock-Up Agreements

A bidder, any of its affiliates or associates or any other Person acting jointly or in concert with the bidder may enter into lock-up agreements (each, a “**Lock-up Agreement**”) with the REIT’s Unitholders (each, a “**Locked-up Person**”) whereby such Locked-up Persons agree to tender their Units to the take-over bid or otherwise commit to support a control transaction (the “**Subject Bid**”) without a Flip-in Event occurring. Any such agreement must permit the Locked-up Person to withdraw their Units from the lock-up to tender to another take-over bid or support another transaction that (i) will provide greater value to the Locked-up Person than the Subject Bid or

(ii) contains an offering price per Unit that exceeds by as much or more than a specified amount (a “**Specified Amount**”) the value offered under the Subject Bid, and does not provide for a Specified Amount that is greater than 7% of the value offered under the Subject Bid.

Under a Lock-up Agreement no “break-up” fees, “top-up” fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of: (i) 2.5% of the value payable to the Locked-up Person under the Subject Bid; and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Subject Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender their Units to the Subject Bid or withdraws such Units previously tendered thereto in order to tender such Units to another take-over bid or participate in another transaction. Any Lock-up Agreement is made available to the public.

Permitted Bid

A Flip-in Event will not occur if a take-over bid is structured as a Permitted Bid. A Permitted Bid is a take-over bid made by means of a take-over circular, which also complies with the following provisions:

- a) the take-over bid is made to all registered Unitholders of the REIT, wherever resident, other than the Person making the bid;
- b) the take-over bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:
 - i) no Units will be taken-up or paid for pursuant to the take-over bid: (A) before the close of business on a date that is not less than 105 days following the date of the take-over bid or such shorter minimum initial deposit period that a non-exempt take-over bid must remain open for deposits, in the applicable circumstances at such time, pursuant to NI 62-104; and (B) then only if, at the close of business on such date, the Units deposited or tendered pursuant to the take-over bid and not withdrawn constitute
 - ii) more than 50% of the Units outstanding which are held by “independent unitholders” (as defined in the Rights Plan);
 - iii) unless the take-over bid is withdrawn, Units may be deposited pursuant to the take-over bid at any time before the close of business on the date of the first take-up of or payment for Units;
- c) any Units deposited pursuant to the take-over bid may be withdrawn until taken-up and paid for; and
- d) if the requirement in clause (b) (i) (B) is satisfied, the Person making the bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Units for not less than ten days from the date of such public announcement.

Trading of Rights

Until the Separation Time (as defined below), the Plan Rights will be evidenced by the associated issued and outstanding Units of the REIT. The Rights Plan provides that, until the Separation Time, the Plan Rights will be transferred with, and only with, the associated Units. Until the Separation Time, or earlier termination or expiration of the Plan Rights, each new Unit certificate issued after the applicable record time, if any, will display a legend incorporating the terms of the Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Plan Rights (“**Plan Rights Certificates**”) will be mailed to registered Unitholders, other than an Acquiring Person and in respect of any Plan Rights Beneficially Owned by such Acquiring Person, as of the close of business at the Separation Time, and thereafter the Plan Rights Certificates alone will evidence the Plan Rights.

Separation Time

The Plan Rights will separate and trade apart from the Units after the Separation Time until the Expiration Time. Subject to the right of the Trustees to defer it, the “Separation Time” means the close of business on the eighth business day after the earliest of: (i) the first date of a public announcement that a Person has become an Acquiring Person; (ii) the commencement or first

public announcement of the intent of any Person to commence a take-over bid other than a Permitted Bid; and (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

Waiver

Without the consent of Unitholders or, if applicable, holders of Plan Rights, the Trustees may waive the application of the Rights Plan to a Flip-in Event that would occur by reason of a take-over bid made by means of a take-over bid circular to all Unitholders of the REIT provided that, if the Trustees waive the application of the Rights Plan to such Flip-in Event, they will be deemed to have waived the application of the Rights Plan to any other Flip-in Events occurring by reason of a take-over bid made by means of a take-over bid circular to all Unitholders of the REIT which is made prior to the expiry of any take-over bid in respect of which a waiver has been granted by the Trustees. The Trustees may also, subject to certain conditions, waive the application of the Rights Plan to a Flip-in Event triggered by inadvertence.

Redemption

The Trustees with the approval of a majority vote of the votes cast by Unitholders (or the holders of Plan Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Plan Rights at \$0.001 per Plan Right, subject to adjustment in accordance with the Rights Plan. Plan Rights will become void and be of no further effect on the date that any Person who has made a Permitted Bid, Competing Permitted Bid or Exempt Acquisition (as defined in the Rights Plan) takes up and pays for the Units pursuant to such transaction.

Power to Amend

The REIT may make amendments to the Rights Plan to correct clerical or typographical errors without the approval of the holders of Plan Rights. The REIT may make amendments to the Rights Plan to preserve the validity of the Rights Plan in the event of any change in applicable legislation, rules or regulations thereunder with the approval of the Unitholders of the REIT or, in certain circumstances, the holders of Plan Rights, in accordance with the Rights Plan. In other circumstances, amendments to the Rights Plan may require the prior approval of the Unitholders of the REIT or, the holders of Plan Rights.

Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Units are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Pension Plan

The REIT does not have a pension plan for Trustees.

Ethical Business Conduct

The REIT has a Code of Business Conduct and Ethics (the “**Code**”) that applies to all Trustees, officers and employees of the REIT and those employees of Inovalis S.A. that work on REIT matters. The objective of the Code is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality. The Code addresses conflicts of interest, protecting the REIT’s assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code any person subject to the Code is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the REIT’s best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board of Trustees monitors compliance with the Code by encouraging all trustees, officers and employees to talk to supervisors, managers or other appropriate personnel about observed illegal behavior and when in doubt about the best course of action in a particular situation.

All Trustees, Officers and employees of the REIT and of Inovalis S.A. who work on REIT matters are required to certify their compliance with the Code annually. The Compensation and Governance Committee reports annually to the Board on compliance with the Code. There were no reported breaches of the Code in 2020. The Board of Trustees has ultimate responsibility for the stewardship of the Code.

The Code is available on SEDAR at www.sedar.com.

Diversity Policy

The Trustees recognize and support the benefits of diversity in the Board and in the executive management team. Diversity is important to ensure that members of the Board and the executive management provide the necessary range of perspectives, experience and expertise required to achieve the REIT's objectives.

Meaning of Diversity

"Diversity" amongst other things is any characteristic or quality that can be used to differentiate groups and people from one another and includes gender, age, race, nationality, culture, language, ethnic distinctions, education, regional and industry experience, and expertise.

Application of the Diversity Policy to the Board

The Compensation and Governance Committee of the Board is responsible for reviewing and assessing Board size, composition and effectiveness, and for recommending to the Board (i) the Trustee nominees to stand for election at the next annual meeting of Unitholders and (ii) any candidates for appointment to the Board between AGMs, as appropriate.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due consideration will be given to diversity in identifying candidates and selecting candidates.

The REIT recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board nominees will include female candidates.

In December 2020, the Compensation and Governance Committee established targets for having two women on the Board by 2024 and three women by 2026. One woman is being nominated for election at the 2021 Annual General Meeting (20% of the positions). As noted in the section "*Business to be Transacted at the Meeting – Election of Trustees*", the search for three nominees for the 2021 election of Trustees considered a pool of over 100 possible candidates which was then refined based on individual experience, capacity, conflicts and other criteria; eight candidates were interviewed and vetted. Half of the candidates considered met the diversity criteria; one of the three new nominees (33%) is a woman.

The Compensation and Governance Committee will periodically (i) assess the effectiveness of the Board appointment/nomination process at achieving the REIT's diversity objectives and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity on the Board. At any given time, the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

Application of the Diversity Policy to Executive Management

Executive management of the REIT are employed by Inovalis S.A. The Board of the REIT has communicated its philosophy as it relates to diversity to Inovalis S.A. and has expressed a request for consideration of the policy as it relates to succession planning matters and the appointment of members of the REIT's Chief Executive Officer and other key executive officers. The REIT does not have authority to make hiring decisions or to establish measurable goals for executive management at Inovalis S.A. There are no women currently on the executive management team for the REIT.

Majority Voting Policy

The Board has a Majority Voting Policy. Pursuant to this policy, in an election of Trustees other than a contested election, if the number of proxy votes withheld for a particular nominee is 50% plus 1 of the total votes, the nominee will be considered by the board not to have received the support of the Unitholders, even though duly elected as a matter of corporate law. Such a nominee will be asked to forthwith submit his or her resignation to the Board of Trustees, effective on acceptance by the Board.

The Board will promptly accept the resignation unless it determines that there are extraordinary circumstances that should delay the acceptance of the resignation or justify rejecting it. The resignation will be accepted (or in exceptional cases, rejected) within 90 days of the meeting. The Board will not consider any of the following as factors to constitute exceptional circumstances: the length of service, the trustee's qualifications, the trustee's attendance at meetings, the trustee's experience or the trustee's contributions to the issuer as this information is made available to Unitholders in its proxy voting materials.

Subject to any corporate law restrictions, the Board of Trustees may (1) leave a vacancy in the Board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new trustee whom the Board considers to merit the confidence of the Unitholders, or (3) call a special meeting of Unitholders to consider new board nominee(s) to fill the vacant position (s).

The REIT will promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

In the event that any Trustee who received a majority withheld vote does not offer his or her resignation in accordance with this Policy, he or she will not be re-nominated by the Compensation and Governance Committee or the Board.

A copy of the REIT's Majority Voting Policy is available on its website at www.inovalisreit.com.

Director / Trustee Interlocks

The Board has adopted a policy that no more than two Board members may sit on the same public company board with a market capitalization in excess of \$10 million.

There are no interlocks between Board members.

Unitholder/Investor Communications Policy and Feedback

The REIT has procedures to effectively communicate with its stakeholders, including its Unitholders, employees and the general public. The fundamental objective of these procedures is to ensure an open, accessible and timely exchange of information with Unitholders, employees and other stakeholders concerning the business, affairs and performance of the REIT.

The Board approves all of the REIT's significant communications with stakeholders, including financial statements and management's discussion and analysis, this management information circular, significant press releases, the annual information form and other disclosure documents.

Through the REIT's website, Unitholders and other stakeholders may access the REIT's most recent presentation made to the investment community.

The Chair of the Board of Trustees may be contacted by writing to Chair, c/o Inovalis REIT at 151 Yonge Street, 11th floor Toronto, ON M5C 2W7. Unitholders can provide feedback to the REIT by contacting its Chief Executive Officer, David Giraud, by email at david.giraud@inovalis.com.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the REIT, no proposed Trustee:

- a. is, as at the date of this, or has been, within 10 years before the date of this Circular, a director or trustee, chief executive officer or chief financial officer of any company (including the REIT) that, (i) was subject to an order that was issued while the proposed Trustee was acting in the capacity as trustee, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed Trustee ceased

to be a trustee or director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as trustee, chief executive officer or chief financial officer;

- b. is, as at the date of this, or has been within 10 years before the date of this Circular, a director or trustee or executive officer of any company (including the REIT) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- c. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Trustee;
- d. has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed Trustee.

Financial Literacy

All Trustees meet the standard for financial literacy defined by the Ontario Securities Commission as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Risk Management Oversight

The Board of Trustees is entrusted with responsibility for assessment of the REIT's risk management practices, identification of the principal risks of the REIT's business and efforts to ensure that those risks are effectively managed. Among other things, it reviews and approves risk management policies and systems designed to work together with supporting corporate standards and operating guidelines developed by management. The Audit Committee is specifically tasked with ensuring that areas of risk for the REIT are properly defined and managed and measured against the REIT's risk tolerance. The Audit Committee also ensures that any area of risk oversight delegated to a committee of the Board of Trustees is appropriately delegated. The Audit Committee reviews, at least annually, the REIT's risk management framework and the REIT's policies and practices to control significant risks.

At least quarterly, management reports to the Board of Trustees on developments and progress made on its strategies for managing the key business risks including: tenant-related, geographic concentration, financing and exchange rates. A more comprehensive listing of risk factors applicable to the REIT is provided in the Annual Information Form and Management's Discussion and Analysis.

REPORT ON EXECUTIVE COMPENSATION

The REIT's senior management team currently consists of individuals employed or contracted by Inovalis S.A. Inovalis S.A. provides strategic, advisory, asset management, project management, property management and administrative services to the REIT and its subsidiaries pursuant to a management agreement for which the relevant subsidiary of the REIT will pay certain fees. See "Management Agreement" below for further information regarding such management agreement and the services provided by Inovalis S.A. to the REIT.

The REIT does not have any employment agreements with members of senior management.

For the officers employed by Inovalis S.A, the REIT does not pay any compensation, directly or indirectly. Rather, those individuals are compensated by Inovalis S.A. A portion of the compensation paid to certain employees of Inovalis S.A. is attributable to time spent on the REIT's activities.

The REIT's officers named in the "Summary Compensation Table" below are referred to herein as the "Named Executive Officers" (or "NEOs"). Inovalis S.A. has sole responsibility for determining the compensation of the Named Executive Officers.

Compensation Discussion and Analysis

The compensation for the REIT's senior management team employed or contracted by Inovalis S.A. is determined by Inovalis S.A. and is not subject to the general discretion of the Board of Trustees of the REIT; nor will any variability in cash compensation paid to the Inovalis S.A. officers have an impact on the REIT's financial results.

Principal Elements of Compensation

The compensation of the Named Executive Officers includes two major elements: (a) base salary and (b) an annual cash bonus. As a private company, Inovalis S.A.'s process for determining executive compensation is relatively straightforward, involving board discussion with input from senior management of the company. There is no specific formula for determining the amount of each element, nor is there a formal approach applied by Inovalis S.A. for determining how one element of compensation fits into the overall compensation objectives in respect of the REIT's activities. No compensation paid in 2020 was related to specific performance goals for the executive management as it related to the REIT. The base salary and annual bonus compensation for Named Executive Officers was determined in 2018 using comparable market data provided by the recruiter and independent sources and remains unchanged. The variations between years shown in the Summary Compensation Table are attributable to currency fluctuations as the NEOs are paid in Euros. The Named Executive Officers do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the Named Executive Officers.

The two principal elements of compensation are described below:

Base salaries. Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the REIT's success, the position and responsibilities of the Named Executive Officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. Inovalis S.A. did not engage compensation consultants in 2019 or 2020. Increases in base salary are at the sole discretion of Inovalis S.A. for their employees.

Annual cash bonuses. Annual cash bonuses for Inovalis S.A. officers, if awarded, are at the sole discretion and expense of Inovalis S.A. Annual cash bonuses may be awarded based on qualitative and quantitative performance standards. The determination of the REIT's performance may vary from year to year depending on economic conditions and conditions in the real estate industry, and may be based on certain performance measures that have not yet been established.

Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day-to-day management responsibilities.

Deferred Unit Plan

No officers of the REIT currently participate in the Deferred Unit Plan which is described in the section "*Equity Plan*" under Trustee Compensation.

Pension Plan

The REIT does not have a pension plan for the Named Executive Officers.

Termination

The REIT has no plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the REIT or a change in the Named Executive Officer's responsibilities following such a change of control.

Trading in Securities

The REIT's Insider Trading Policy prohibits its Trustees, officer and employees, including those of the external manager, to purchase or sell REIT securities if they have any knowledge of a material fact or a material change in the REIT's affairs that has not been generally disclosed to the public and sufficient time has elapsed for such information to have been adequately disseminated to the public. Nor may they inform anyone of such material fact or material change (other than in the necessary course of business) or advise anyone to purchase, sell, hold or exchange the REIT's securities (or any other securities whose price or value may reasonably be expected to be affected by material changes affecting the REIT).

The policy allows Trustees, officers and employees to buy REIT securities for investment purposes with the provision that they not actively purchase or sell with the expectation of making a profit on a short-term rise or fall of the market price of the Units. Trustees, officers and employees prohibited from the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars, or Units of exchange funds, designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly by the Trustee officer or employee.

The policy endures beyond the expired terms of Trustees until such time as the REIT is no longer in a blackout period.

Officers of the REIT

The following table sets forth the name, municipality of residence and positions held by each officer of the REIT:

Name	Office	Principal Occupation	Municipality of Residence
Stéphane Amine	President	Chief Executive Officer, Inovalis S.A.	Paris, France
David Giraud	Chief Executive Officer	Deputy Managing Director, Inovalis S.A.	Luxembourg City, Luxembourg
Khalil Hankach	Chief Financial Officer and Secretary	Deputy Managing Director, Inovalis S.A.	Paris, France
Anne Smolen	Chief Financial Officer (Europe)	Chief Financial Officer (Europe), Inovalis S.A.	Paris, France

Summary Compensation Table

The following table sets out the compensation paid to each of the Named Executive Officers for the fiscal years of the REIT ended December 31, 2020, 2019 and 2018. For greater certainty, the REIT does not have any employment agreements with Mr. Amine, Mr. Giraud, Mr. Hankach or Ms. Smolen and the REIT does not pay cash compensation to these individuals directly or indirectly.

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Unit-based awards	Non-equity incentive plan compensation (\$)	All other compensation ⁽⁶⁾ (\$)	Total compensation (\$) ⁽¹⁾
Stéphane Amine ⁽²⁾ President	2020	\$270,000	-	-	-	\$270,000
	2019	\$218,000	-	-	-	\$218,000
	2018	\$250,000	-	-	-	\$250,000
David Giraud ⁽³⁾ Chief Executive Officer	2020	\$187,000	-	-	-	\$187,000
	2019	\$175,000	-	-	-	\$175,000
	2018	\$150,000	-	-	-	\$150,000
Khalil Hankach ⁽⁴⁾ Chief Financial Officer	2020	\$233,000	-	-	-	\$233,000
	2019	\$218,000	-	-	-	\$218,000
	2018	\$220,000	-	-	-	\$220,000
Anne Smolen ⁽⁵⁾ Chief Financial Officer (Europe)	2020	\$272,000	-	-	-	\$272,000
	2019	\$233,000	-	-	-	\$233,000
	2018	\$206,250	-	-	-	\$206,250

- (1) Compensation for the NEOs is paid in Euros and has remained constant for 2018, 2019, 2020; the variances between years in this table are due to the effect of changes in the Euro / CAD currency exchange rate.
- (2) The salary for Mr. Amine represents the portion of salary paid by Inovalis S.A. that is attributable to the 50% of his time spent on the REIT's activities.
- (3) The salary for Mr. Giraud represents the portion of salary paid by Inovalis S.A. that is attributable to the 50% of his time spent on the REIT's activities.
- (4) The salary for Mr. Hankach represents the portion of salary paid by Inovalis S.A. that is attributable to the 50% of his time spent on the REIT's activities. Mr. Hankach was appointed Chief Financial Officer in June 2019. Prior to that he was the Chief Operating Officer of the REIT.
- (5) Ms. Smolen spends 100% of her time spent on the REIT's activities Perquisites and personal benefits
- (6) The perquisites and personal benefits for each of the Named Executive Officers did not exceed the lesser of \$50,000 and 10% of the individual's salary for the year.

The total cost of the NEO's compensation was 0.8% of the REIT's net income.

Clawback Provision

The REIT does not have a "clawback" provision that would allow the Board to recover bonus compensation from NEOs in the event of wrongdoing.

Minimum Unitholding Requirement for Officers

The REIT does not have minimum unitholding guidelines for officers.

Position Description for the CEO

A written position description is in place for the Chief Executive Officer. The CEO's responsibilities are general to:

- a. oversee the REIT's strategic plan.
- b. provide leadership and direction to the other members of the management team;
- c. foster and maintain a positive image and reputation of the REIT;
- d. foster a corporate culture that promotes ethical practices and encourages individual integrity and initiative;
- e. maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels;
- f. develop, or supervise the development of, and recommend to the Board a long-term strategy and vision for the REIT that leads to enhancement of Unitholder value;
- g. ensure that the day-to-day business affairs of the REIT are appropriately managed;

- h. strive to achieve the REIT's financial and operating goals and objectives;
- i. design or supervise the design and implementation of effective disclosure and internal controls;
- j. maintain responsibility for the integrity of the financial reporting process;
- k. ensure that the REIT has an effective management team below the level of the CEO and has a plan for management development and succession; and
- l. serve as chief spokesperson for the REIT, subject to the direction of the Board.

Succession Plan for the CEO and CFO

The Compensation and Governance Committee has responsibility for reviewing succession plans for the CEO and other senior officers from time to time. The Board of Trustees has a short-term and longer-term succession plan for the position of CEO which is reviewed and updated annually as required. Currently, no succession plans are in place for the other senior officers of the REIT.

Performance Graph

The following chart compares the Unitholder Cumulative Total Return (appreciation of capital and reinvestment of distributions) on the REIT's Units to the S&P / TSX Composite Index and to the S&P / TSX Capped REIT Index, each assuming reinvestment of distributions or dividends for the most recent five years.

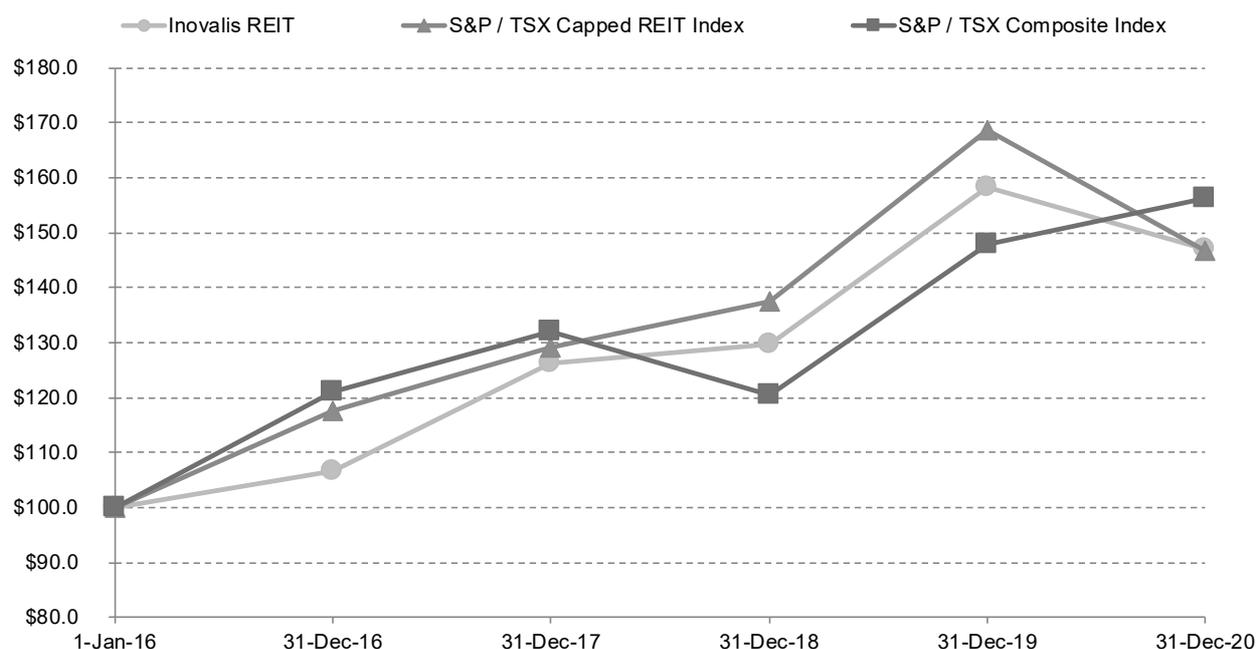
Unitholder Cumulative Total Return Since IPO

Unitholders achieved positive returns between January 1, 2016 and December 31, 2020 as shown in the performance graph below.

The compensation of the NEOs is not directly tied to the cumulative total return to Unitholders for two reasons:

1. The REIT is primarily managed by an external manager. There is no correlation between NEO compensation and cumulative total return.
2. Cumulative total return has not been a specific performance objective for NEOs.

There is no intended relationship between total compensation of NEOs and Unitholder cumulative total return.



	1-Jan-16	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20
Inovalis REIT	\$100.0	\$106.7	\$126.1	\$129.6	\$158.3	\$147.1
S&P / TSX Capped REIT Index	\$100.0	\$117.6	\$129.2	\$137.4	\$168.7	\$146.6
S&P / TSX Composite Index	\$100.0	\$121.1	\$132.1	\$120.3	\$147.8	\$156.1

Asset and Property Management Services

Pursuant to a management agreement entered into between the REIT, Inovalis S.A. and certain other entities on April 10, 2013 amended and restated, dated May 15, 2018 and March, 23 2021 (the “**Management Agreement**”), Inovalis S.A. is the manager of the REIT and provides the strategic, advisory, asset management, project management, construction management, property management and administrative services necessary to manage the operations of the REIT. For purposes of the Management Agreement, a reference to the REIT includes its subsidiaries, as applicable. The address of Inovalis S.A. is 52 rue de Bassano, 75008 Paris, France. Inovalis S.A. has over 350 employees.

In October 2020, in anticipation of the end of the term of the Management Agreement, the Board of Trustees of the REIT formed a Special Committee to review, among other matters, alternatives available to the REIT for asset and property management services. Subsequent to year-end, the Board of Trustees approved a two-year extension of the Management Agreement with Inovalis S.A. by way of an amended and restated management agreement to be effective April 1, 2021. The Board of Trustees and Inovalis S.A. agreed that, given the REIT’s relative size, it was in the REIT’s best interests to not internalize the asset and property management functions at that current time. The extended agreement contemplates internalization of the finance functions of the REIT which is scheduled to occur on or before April 1, 2022.

The following modifications were approved in the amended and restated Management Agreement:

- **Term:** The extension is for two (2) years ending on March 31, 2023. The agreement may be renewed upon mutual agreement of the parties for an additional term of one (1) year.
- **Asset Management Fees:** Calculated as a percentage of the value of the assets of the REIT managed by Inovalis S.A., as determined at the end of each fiscal year by an external valuator selected by the REIT (“**Assets Under Management**”) in accordance with a scale of 0.5 % on the first \$1.0 billion of Assets under Management, 0.4 % on Assets Under Management from \$1 billion to \$2.0 billion, and 0.3 % on Assets Under Management \$2.0 billion and over. The asset management fee will be reduced by \$500,000 once the REIT finance function internalization is completed.
- **Disposition Fees:** Inovalis S.A. is entitled to receive a cash fee equal to (a) 1.0% of the gross proceeds resulting from any disposition of a property completed by Inovalis S.A or (b) 0.5% of Assets Under Management in the event of (i) a change of control of the REIT which results in a termination of the management agreement, (ii) a sale of all or substantially all of the assets of the REIT, or (iii) a sale or other disposition of CanCorpEurope S.A. (referred to as Luxco). In any case, a disposition fee will only be payable if the net proceeds of such sale or other disposition are paid to or distributed as a special distribution to Unitholders.
- **General and Administrative Expense Budget (“G&A”):** Measures will be established that require Inovalis S.A. to reimburse the REIT for amounts in excess of the G&A budgeted amounts based on a scale. In the event that the actual G&A expenses of the REIT are significantly less than the G&A budgeted amount, the REIT shall pay to Inovalis S.A. an additional fee based on the percentage of the savings in accordance with a scale. Also, from January 1, 2021 until the completion of the REIT finance function internalization, Inovalis S.A. will reimburse the REIT for 50% of all costs related to the REIT finance functions.
- **Change of Control:** Upon the occurrence of a change of control of the REIT, the Board of Trustees has the option to terminate the Management Agreement, exercisable within 90 days.

In connection with the Management Agreement, Inovalis S.A. provides the services of a senior management team to the REIT, and the administrative, management and

executive personnel as is reasonably necessary provide the following services on an ongoing basis:

- a) assist the REIT in its selection of third-party providers or affiliates of the Manager to provide property management services paid by the tenants, by recommendation on a regular basis, in order to meet the quality standards required by the Canadian capital market authorities and European regulators, on a cost-effective basis;
- b) make available the capacities, resources and professional licenses (including AIFM licenses) to manage the European-regulated entities as required, while supervising all legal, accounting and third party providers that have been engaged by the Client and its Affiliates directly and at their own cost;
- c) provide the services of such management and executive personnel to be provided to the Client as is reasonably necessary, including CEO and CFO;
- d) advise the Board on strategic matters, including potential acquisitions, dispositions, financings, development and redevelopment and otherwise promptly follow and implement the directions of the Board or any subcommittee of the Board;
- e) provide guidance to property managers on operating and capital expenditures;
- f) assist the REIT with respect to investor relations strategies and activities, including compiling and preparing the materials required for those strategies and activities;
- g) advise the REIT with respect to regulatory compliance requirements, risk management policies and certain litigation matters, and coordinating with legal counsel in all jurisdictions to this end;
- h) provide all documents, reports, data and analysis required by the REIT for its filings and documents necessary for its continuous disclosure requirements pursuant to applicable stock exchange rules and securities laws in all jurisdictions;
- i) supervise and conduct all leasing services, including research to find potential tenants, contacting potential tenants, coordinating with third-party brokers, negotiations with tenants and assisting in finalizing leasing agreements;
- j) provide construction management services through the Manager's affiliates or third-party providers, provided that the costs related to such construction management services will be charged directly to the applicable direct or indirect subsidiary of the REIT;
- k) supervise property expansions, capital projects and development and redevelopment projects for the REIT;
- l) identify, evaluate, recommend, negotiate, and assist in the structuring of acquisitions, dispositions and other transactions;
- m) supervise property management services through third-party providers, including the following:
 - collection of all rents, revenues or monies accruing to the properties, or sums which may be due and payable in connection with or incidental to the properties, provided that the Manager will not be liable for loss of revenues by virtue of vacancies or default of any tenant to pay his rent or other assessments, nor for damages to or destruction of the Properties or any part thereof, nor for the removal of any articles by tenants or others, nor for misappropriation or theft by tenants or others not employed by the Manager;
 - establishing the terms and conditions (including rent and duration) of all leases and renewals thereof in accordance with the market practice in each jurisdiction in which the REIT operates;
 - maintaining the properties in good operating condition and state of repair, arrange for and supervise the making or installation of such maintenance, repairs, improvement (including tenant improvements) and alterations as may be required;

- negotiating, settling and administering all contracts as may be reasonably necessary for the operation and maintenance of the Properties (including all agreements with municipalities and the owners or occupants of neighbouring lands) and contracting for the purchase of all services, materials and supplies as may be necessary in the performance of its duties and responsibilities;
 - receiving and attending to complaints of tenants and occupants of the Properties;
 - preparing and submitting to the REIT for approval a budget for the operation and maintenance of the Properties at such times and containing such information as the Trustees may reasonably request;
 - acting as the liaison for the REIT Finance Functions once the REIT Finance Function Internalization has been completed;
- n) cause to be fulfilled or performed, on behalf of the REIT, all of the obligations, covenants and agreements to tenants, mortgagees, contractors and all others to whom the REIT or the Manager shall have contracted with respect to the Properties, from time to time, and enforce the rights of the Client under any leases, agreements or other contracts with respect to the Properties;
- o) obtain and renew all licenses, permits and approvals which may be required (i) in connection with the operation and maintenance of the Properties, and (ii) for compliance with all deed and/or property restrictions and all laws and regulations of applicable government authorities in the course of said operation and maintenance, subject to limitations imposed by or pursuant to the Agreement;
- p) provide advisory, consultation and investment management services and monitor the financial performance of the REIT;
- q) advise and assist with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- r) make recommendations with respect to the payment of distributions;
- s) establish and maintain disclosure controls and procedures and internal controls over financial reporting of the Client;
- t) prepare all reports reasonably requested by the Client, including operational reporting such as cash flow by property and by asset type, reports on development costs and executive summaries by asset type, and providing budgets and annual plans for each asset; and
- u) provide any additional services as may from time to time be agreed to in writing by the REIT and the Manager for which the Manager will be compensated on terms to be agreed upon between the Manager and the REIT prior to the provision of such services.

Until the completion of the REIT finance function internalization, Inovalis S.A. will provide the REIT finance functions. For greater certainty, upon completion of the REIT finance function internalization, all of the REIT finance functions shall be performed by the REIT, except for the role of Chief Financial Officer which shall continue to be performed by Inovalis S.A.

Notwithstanding the foregoing, it may at times be prudent for Inovalis S.A. to delegate certain of its responsibilities under the Management Agreement to a third party provider. As a result, Inovalis S.A. is entitled to subcontract certain of its obligations under the Management Agreement where it is appropriate to do so, provided that, unless otherwise provided, such subcontracting is done at the expense of Inovalis S.A. and will not relieve Inovalis S.A. of its obligations or liability under the Management Agreement.

The REIT may pay the Annual Asset Management Fee in the form of securities exchangeable into Units at the discretion of the REIT as provided in the relevant annual budget, subject to any required Unitholder or regulatory approvals including the approval of the TSX. The aggregate number of securities exchangeable into Units issuable to Inovalis S.A. as payment for the Annual

Asset Management Fee during the term of this agreement) shall not exceed 3,500,000 Units without prior approval of the TSX and Unitholders of the REIT.

Performance Goals

As announced in a press release at the conclusion of the Special Committee and Strategic Review on June 7, 2021, the REIT and Inovalis S.A. have agreed to certain goals and priorities for the REIT's ongoing business operations, including:

- reducing normalized AFFO distribution payout ratio <95% in 12 months and <85% within three years
- exiting all existing joint ventures by the end of 2022
- achieving three-year average AFFO/unit growth of 2-3% per year
- evaluating the Asset Recycling "participatory" distribution program over a three-year period with the goal of increasing the overall distribution payout by a minimum of 10% annualized
- increasing the institutional shareholder base to 25% over three years

A full copy of the Fourth Amended and Restated Management Agreement and the June 7, 2021 press release may be obtained by contacting the REIT at the address set forth under the section "Additional Information". It is also available on the REIT's website at www.inovalisreit.com and on SEDAR at www.sedar.com.

Management Fees Paid In 2020

In 2020, Inovalis S.A. was compensated under the terms of the Third Amended and Restated Management Agreement dated May 15, 2018.

All Management Fees in 2020 and 2019 were incurred as follows:

Management Fees	Total Value (million)		Cash (million)		Exchangeable Securities and Equivalent # of Special Voting Units	
	2020	2019	2020	2019	2020	2019
Asset Management Fee	\$3.1	\$3.1	\$1.8	\$1.6	216,581	142,909
Acquisition Fee	\$0.0	\$1.4	\$0.0	\$1.4	0	0
Property Management ⁽¹⁾	\$1.4	\$1.3	\$1.4	\$1.3	n/a	n/a

(1) This fee does not include the Property Management Fees paid for properties owned in partnership.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described in this Circular, the Annual Information Form dated March 24, 2021 and in the notes to the 2020 audited consolidated financial statements of the REIT, no informed person (as such term is defined in the *Securities Act* (Ontario)) or proposed nominee for election as a Trustee, nor any associate or affiliate of the foregoing, has any interest, direct or indirect, in any material transactions in which the REIT has participated since the formation of the REIT or in any proposed transaction which has materially affected or will materially affect the REIT.

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No Trustee, executive officer or senior officer of the REIT or proposed management nominee for election as a Trustee, nor each associate of any such Trustee, officer or proposed management nominee, is or has been indebted to the REIT at any time during the last completed financial year.

ADDITIONAL INFORMATION

Additional information relating to the REIT is available on SEDAR at www.sedar.com. Financial information is provided in the REIT's financial statements and management's discussion and analysis for its most recently completed financial year. Unitholders may contact the REIT at 151 Yonge Street, 11th floor, Toronto, Ontario, M5C 2W7 to request copies of such documents, free of charge.

APPROVAL OF THE BOARD OF TRUSTEES

The contents of this Circular and the sending of it to each Trustee of the REIT, to the auditor of the REIT, to those Unitholders who have requested it and to the applicable regulatory authorities, have been approved by the Trustees of the REIT.

DATED at Toronto, Ontario, this 18th day of June, 2021.

“David Giraud”

David Giraud
Chief Executive Officer

APPENDIX A

MANDATE FOR THE BOARD OF TRUSTEES

Pursuant to the amended and restated declaration of trust for Inovalis Real Estate Investment Trust (the “REIT” or the “Trust”) dated February 8, 2013 as amended and restated on April 20, 2013, January 20, 2016 and April 9, 2020, (the “Declaration of Trust”), the REIT may have a board of trustees (the “Board of Trustees”) consisting of between five and twelve trustees at any given time, although a majority of the trustees must be resident Canadians. The trustees are elected by the holders of the units of the REIT and the special voting units of the REIT (the “Unitholders”). Although trustees may be elected by the Unitholders to bring special expertise or a point of view to Board of Trustees’ deliberations, they are not chosen to represent a particular constituency. The best interests of the REIT must be paramount at all times.

DUTIES OF TRUSTEES

The Board of Trustees is responsible for the stewardship of the activities and affairs of the REIT. The Board of Trustees seeks to discharge such responsibility by reviewing, discussing and approving the REIT’s strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of the REIT and the underlying value of the REIT.

It is recognized that every trustee in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the REIT and its Unitholders. Trustees must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, trustees are expected to carry out their duties in accordance with policies and regulations adopted by the Board of Trustees from time to time, the current trustees’ regulations being annexed hereto as Schedule B.

It is expected that management of the REIT will co-operate in all ways to facilitate compliance by the Board of Trustees with its legal duties by causing the REIT and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board of Trustees that may affect such compliance.

The Board of Trustees discharges its responsibility for overseeing the management of the REIT’s activities and affairs by delegating to the REIT’s senior officers the responsibility for day-to-day activities of the REIT. The Board of Trustees discharges its responsibilities both directly and through its committees, the Audit Committee, the Compensation and Governance Committee and the Investment Committee. In addition to these regular committees, the Board of Trustees may appoint ad hoc committees periodically to address certain issues of a more short-term nature.

The Board of Trustees’ primary roles are overseeing performance and providing quality, depth and continuity of management to meet the REIT’s strategic objectives.

The Board of Trustees is explicitly responsible for the stewardship of the REIT. Other principal duties include, but are not limited to the following categories:

Board of Trustees Organization

1. The composition and organization of the Board of Trustees, including: the number, qualifications and remuneration of trustees; the number of Board of Trustees meetings; Canadian residency requirements; quorum requirements; meeting procedures and notices of meetings are required by applicable law and the Declaration of Trust, subject to any exemptions or relief that may be granted from such requirements.
2. A majority of the Board of Trustees must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 58-101 – Disclosure of

Corporate Governance Practices, as replaced or amended from time to time (including any successor rule or policy thereto).

3. A majority of the trustees must be persons who are resident in Canada for purposes of the *Income Tax Act* (Canada) and the regulations thereunder, as replaced or amended from time to time.
4. The Board of Trustees will respond to recommendations received from the Compensation and Governance Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the chair of the Board of Trustees (the “Chair”) and a lead trustee (the “Lead Trustee”) candidates nominated for election to the Board of Trustees, committee and committee chair appointments, committee charters and director compensation.
5. The Board of Trustees may establish committees, where required or prudent, and define their mandate. A majority of the trustees constituting each committee must be persons who are resident in Canada for purposes of the *Income Tax Act* (Canada) and the regulations thereunder, as replaced or amended from time to time. The Board of Trustees may delegate to its committees matters it is responsible for, including the approval of compensation of the Board of Trustees and management, the conduct of performance evaluations and oversight of internal controls and management information systems, but the Board of Trustees retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Meetings

6. The Board of Trustees will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair, in consultation with the Lead Trustee and management, is primarily responsible for the agenda and for supervising the conduct of the meeting. Any trustee may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board of Trustees meeting raise subjects that are not on the agenda for that meeting.
7. Agendas will be distributed to the trustees before each meeting. Whenever practicable, information and reports pertaining to Board of Trustees meeting agenda items will be circulated to the trustees in advance of the meeting. Reports may be presented during the meeting by members of the Board of Trustees, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.
8. The independent members of the Board of Trustees shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent trustees and members of management are not present. Each trustee is expected to attend all meetings of the Board of Trustees and any committee of which he or she is a member. Trustees will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.
9. Individual trustees will be permitted to engage outside advisors at the cost of the REIT.
10. One or more members of the Board of Trustees may participate in such a meeting by teleconference from outside of Canada, so long as a majority of those Trustees attending the meeting are physically present in Canada. While it is the intent of the Board of Trustees to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone Board of Trustees meetings may be required to be called in order for trustees to be in a position to better fulfill their legal obligations. Alternatively, management may request the trustees to approve certain matters by unanimous written consent.

Strategic Planning

11. The Board of Trustees has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the REIT and its objectives and goals.
12. The Board of Trustees is responsible for adopting a strategic planning process and participating in the development of, and reviewing and approving, the business, financial and strategic plans, on at least an annual basis, by which it is proposed that the REIT may reach those goals.
13. The Board of Trustees will review and approve, on at least an annual basis, a budget for the REIT.
14. The Board of Trustees is responsible for supervising the activities, managing the investments and affairs and approving major decisions of the REIT.
15. The Board of Trustees is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
16. The Board of Trustees will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for Unitholders.
17. The Board of Trustees is responsible for reviewing the debt strategy of the REIT.

Monitoring of Financial Performance and Other Financial Reporting Matters

18. The Board of Trustees is responsible for enhancing congruence between Unitholder expectations, REIT plans and management performance.
19. The Board of Trustees is responsible for:
 - a) adopting processes for monitoring the REIT's progress toward its strategic and other goals, and to revise and alter its direction to management in light of changing circumstances affecting the REIT;
 - b) reviewing and approving the REIT's financial objectives; and
 - c) taking action when REIT performance falls short of its objectives, goals or other special circumstances warrant.
20. The Board of Trustees is responsible for approving the audited financial statements, interim financial statements and the notes and management's discussion and analysis accompanying such financial statements.
21. The Board of Trustees is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board of Trustees is required to approve under the Declaration of Trust and other governing documents, including the payment of distributions, purchase and redemptions of securities, acquisitions and dispositions.

Risk Management

22. The Board of Trustees is responsible for overseeing the identification of the principal risks of the REIT's business and ensure that appropriate systems have been implemented to effectively monitor and manage such risks with a view to the long-term viability of the REIT and achieving a proper balance between the risks incurred and the potential return to the REIT's Unitholders.

Policies and Procedures

23. The Board of Trustees is responsible for:
 - a) approving and assessing compliance with all significant policies and procedures by which the REIT is operated;
 - b) ensuring the integrity of the REIT's internal control and management information systems;
 - c) succession planning; and

d) approving policies and procedures designed to ensure that the REIT operates at all times within applicable laws and regulations, audit and accounting policies and in accordance with ethical and moral standards.

24. The Board of Trustees shall enforce its policy respecting confidential treatment of the REIT's proprietary information and the confidentiality of Board of Trustees' deliberations.

Communications and Reporting

25. The Board of Trustees has approved and will revise from time to time as circumstances warrant a disclosure policy to address communications with Unitholders, employees, financial analysts, governments and regulatory authorities, the media and the Canadian and international communities.

26. Generally, communications from Unitholders and the investment community will be directed to the Chief Financial Officer, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to the Chair, the Lead Trustee or to other individual trustees, management will be informed and consulted to determine any appropriate response.

27. The Board of Trustees is responsible for:

- a) overseeing the accurate reporting of the financial performance of the REIT to Unitholders, other securityholders and regulators on a timely and regular basis;
- b) overseeing that the financial results are reported fairly and in accordance with International Financial Reporting Standards and related legal disclosure requirements;
- c) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the REIT;
- d) reviewing and approving the REIT's major communications to Unitholders and the public, including the annual report, management information circular, the annual information form and any prospectuses which may be issued;
- e) ensuring effective and adequate communication with Unitholders, other stakeholders and the public, including reporting annually to Unitholders on its stewardship for the preceding year;
- f) overseeing the REIT's implementation of systems which accommodate feedback from stakeholders;
- g) ensuring the integrity and adequacy of internal controls and management information systems;
- h) maintaining records and providing reports to Unitholders;
- i) determining the amount and timing of distributions to Unitholders; and
- j) acting for, voting on behalf of the REIT and representing the REIT as a holder of securities of the REIT's subsidiaries and investments.

SCHEDULE A TO THE MANDATE OF THE BOARD OF TRUSTEES**INOVALIS REAL ESTATE INVESTMENT TRUST****TRUSTEES' REGULATIONS****INTERPRETATION**

1. **Interpretation.** In these Trustees' Regulations, unless the context otherwise specifies or requires:
 - a. all terms used in these Trustees' Regulations not otherwise defined herein shall have the meanings given to such terms in the Declaration of Trust;
 - b. words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other gender; and
 - c. the headings used in these Trustees' Regulations are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

MEETINGS OF TRUSTEES

2. **Place and Time of Meeting.** All meetings of the Trustees called by the giving of notice shall be held at a place in Canada and, unless consented to in writing by a majority of the Trustees, on a business day which place and time shall be specified in the notice.
3. **Notice.** The notice of any meeting need not specify the purpose of or the business to be transacted at the meeting.
4. **Adjournment.** Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting, with the consent of the meeting, to another business day at a fixed time and place. Notice of any adjourned meeting of Trustees is not required to be given if the time and place of the adjourned meeting is announced at the original meeting, but notice of the adjourned meeting shall be given to the Trustees not present at such original meeting by delivering (not mailing) the same not less than one day (exclusive of the day on which the notice is delivered but inclusive of the day for which notice is given) before the adjourned meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Trustees who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.
5. **Minutes of Meetings.** The Chairperson shall appoint a secretary to act as secretary of each meeting of the Trustees and of the Unitholders. Written records and minutes of all meetings of Trustees shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust. Any written records and minutes of meetings of any committee of Trustees shall be maintained by the secretary of such meeting may but need not be placed in the minute book of the Trust. There shall be inserted or entered into the records and minutes of the meetings of Trustees all written disclosures or requests made to have entered into the minutes of the meeting, of the nature and extent of a Person's interest in a material agreement or

transaction or proposed material agreement or transaction with the Trust made pursuant to Section 4.10 of the Declaration of Trust.

FOR THE PROTECTION OF TRUSTEES AND OFFICERS

6. **For the Protection of Trustees and Officers.** The provisions of the Declaration of Trust pertaining to the liability and indemnification of Trustees shall apply mutatis mutandis to the officers of the Trust or Persons who act or acted at the Trust's request as a director or officer of a body corporate of which the Trust is or was a shareholder or creditor, and his heirs and legal representatives.

The Trust shall also indemnify any such Person in such other circumstances as the Declaration of Trust or law permits, subject to the Declaration of Trust, or requires. Nothing in these Trustees' Regulations shall limit the right of any Person entitled to indemnity to claim indemnity apart from the provisions of these Trustees' Regulations to the extent permitted by the Declaration of Trust or law.

OFFICERS

7. **Appointment and Removal.** The Trustees may annually or more often, pursuant to the provisions of the Declaration of Trust, appoint the officers of the Trust who may or may not be Trustees. Notwithstanding the foregoing, each incumbent officer of the Trust shall continue in office until the earliest of (a) his resignation, which resignation shall be effective 30 days from the time a written resignation is received by the Trust or at the time specified in the resignation, whichever is later, (b) the appointment of his successor, (c) his removal, and (d) his death. The Trustees may from time to time and subject to the provisions of the Declaration of Trust, prescribe, vary, add to or limit the duties and powers of any officer.

All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Trustees at any time, with or without cause (or at a meeting of Unitholders).

8. **Chairperson.** The Chairperson of Trustees shall be appointed from among the Trustees. The Chairperson shall preside as chair at all meetings of the Trustees and at all meetings of the Unitholders, unless a Trustee who is not the Chairperson is selected to do so by the Trustees in accordance with Section 8.4 of the Declaration of Trust.
9. **Powers and Duties.** Subject to the provisions of the Declaration of Trust, all officers of the Trust shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Trustees.
10. **Duties May be Delegated.** Subject to the provisions of the Declaration of Trust, in case of the absence or inability to act of any officer of the Trust or for any other reason that the Trustees may deem sufficient, the Trustees may delegate all or any of the powers of such officer to any other officer or to any Trustee for the time being.
11. **Vacancies.** If the office of any officer of the Trust shall be or become vacant by reason of death, resignation, removal or otherwise, the Unitholders or the remaining Trustees (so long as they constitute a quorum and a majority of the Trustees constituting the quorum are Residents) may appoint a Person to fill such vacancy by resolution

UNITHOLDERS' MEETINGS

12. **Place and Time of Meetings.** Each meeting of the Unitholders shall be held at a place in Canada on a Business Day which place and time shall be specified in the notice calling the meeting.
13. **Notice.** A printed, written or typewritten notice stating the day, hour and place of any meeting of the Unitholders as well as the purpose shall be given by serving such notice on each Unitholder entitled to vote at such meeting, on each Trustee and on the auditor of the Trust in the manner provided for in the Declaration of Trust and in these Trustees' Regulations. A meeting of the Unitholders may be held for any purpose on any day and at any time without notice if all of the Unitholders and all other Persons entitled to attend such meeting are present in Person or, where appropriate, represented by proxy at the meeting (except where a Unitholder or other Person attends the meeting for the express purpose of objecting to the transaction of any business on the

grounds that the meeting is not lawfully called) or if all of the Unitholders and all other Persons entitled to attend such meeting who are not present in Person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

14. **Waiver of Notice.** A Unitholder and any other Person entitled to attend a meeting of the Unitholders may in any manner waive notice of a meeting of the Unitholders and attendance of any such Person at a meeting of the Unitholders shall constitute a waiver of notice of the meeting except where such Person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
15. **Votes.** Every question submitted to any meeting of the Unitholders, other than in respect of a Special Resolution, shall be decided in the first instance by a show of hands unless a Person entitled to vote at the meeting has demanded a ballot.

A ballot may be demanded either before or after any vote by show of hands by any Person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairperson or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of Trustees, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairperson of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

Where two or more Persons hold the same Unit or Units jointly, one of those holders present at a meeting of the Unitholders may, in the absence of the other or others, vote the Unit or Units but if two or more of those Persons who are present, in Person or by proxy vote, they shall vote as one on the Unit or Units jointly held by them.

At any meeting of the Unitholders unless a ballot is demanded, a declaration by the chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

16. **Proxies.** At every meeting at which he is entitled to vote, every Unitholder and/or Person appointed by proxy and/or individual so authorized to represent a Unitholder who is present in Person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every Unitholder present in Person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the Declaration of Trust) have one vote for every Unit held by him.

A proxy shall be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Units are publicly traded, a proxy appointing a proxyholder ceases to be valid one year from its date.

A proxy may be in the following form:

The Undersigned Unitholder of Inovalis Real Estate Investment Trust hereby appoints _____ of _____ or failing him, _____

As the nominee of the undersigned to attend and act for the undersigned at the said meeting of the Unitholders of the said Trust to be held on the day of and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is [not] solicited by or on behalf of management of the Trust.

DATED this day of

Signature of Unitholder

The Trustees may from time to time institute procedures regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of the Unitholders is to be held and for particulars of such proxies to be sent by telecopier or in writing before the meeting or adjourned meeting to the Trust or any agent of the Trust for the purpose of receiving such particulars and providing that proxies so lodged may be voted

upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such procedures shall be valid and shall be counted. The chairperson of any meeting of the Unitholders may, in his discretion, accept telecopier or written communication as to the authority of any Person claiming to vote on behalf of and to represent a Unitholder notwithstanding that no proxy conferring such authority has been lodged with the Trust, and any votes given in accordance with such telecopier or written communication accepted by the chairperson of the meeting shall be valid and shall be counted.

17. **Adjournment.** The chairperson of any meeting of the Unitholders may with the consent of the meeting adjourn the same from time to time to another Business Day at a fixed time and place and no notice of such adjournment need be given to the Unitholders. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting the original meeting shall be deemed to have terminated forthwith after its adjournment.

18. **Quorum.** No business shall be transacted at any meeting of the Unitholders unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present within 30 minutes after the time appointed for a meeting of the Unitholders the Persons present and entitled to vote may adjourn the meeting to another business day not less than 14 days later at a fixed time and place but may not transact any other business and the provisions of paragraph 17 with regard to notice shall apply to such adjournment.

19. **Minutes of Meetings.** Written records and minutes of each meeting of the Unitholders shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust.

CERTIFICATES

20. **Certificates.** Certificates representing Units shall be signed by at least one Trustee or officer of the Trust holding office at the time of signing and unless otherwise decided by the Trustees, by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Trust and any signatures required on a certificate representing Units may be printed or otherwise mechanically reproduced thereon.

A certificate representing Units containing the signature of a Person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the Person has ceased to be a Trustee or an officer, as the case may be, of the Trust and shall be as valid as if he were a Trustee or an officer, as the case may be, at the date of its issue.

TRANSFER OF UNITS

21. **Register.** The Register shall be kept as provided for in the Declaration of Trust at the principal office of the Trust in Toronto, Ontario.

VOTING SHARES AND SECURITIES IN BODIES CORPORATE

22. **Voting Shares and Securities in Bodies Corporate.** All of the shares or other securities carrying voting rights of any body corporate held from time to time by the Trust may be voted at any and all meetings of Unitholders or holders of other securities (as the case may be) of such body corporate and in such manner and by such Person or Persons as the Trustees shall from time to time determine. The duly authorized signing officers of the Trust may also from time to time execute and deliver for and on behalf of the Trust proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Trustees.

NOTICES

23. **Service.** If a notice or document is sent to a Unitholder by prepaid first-class mail in accordance with the provisions of the Declaration of Trust and the notice or document is returned on three consecutive occasions because the Unitholder cannot be found, it shall not be necessary to send any further notices or documents to the Unitholder until he informs the Trust in writing of his new address.
24. **Units Registered in More Than One Name.** All notices or other documents with respect to any Units registered in more than one name shall be given to whichever of such Persons is named first in the records of the Trust and any notice or other document so given shall be sufficiently given to all of the holders of such Units.
25. **Deceased Unitholders.** Any notice or other document delivered or sent in a manner contemplated in the Declaration of Trust to the address of any Unitholder as the same appears in the records of the Trust shall, notwithstanding that such Unitholder be then deceased, and whether or not the Trust has notice of his death, be deemed to have been duly served in respect of the Units held by such Unitholder (whether held solely or with any other Person or Persons) until some other Person be entered in his stead in the records of the Trust as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all Persons, if any, interested through him or with him in such Units.
26. **Signature to Notices.** The signature of any Trustee or officer of the Trust to any notice or document to be given by the Trust may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.
27. **Computation of Time.** Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the Declaration of Trust or these Trustees' Regulations, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period, but the day of receipt of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.
28. **Proof of Service.** With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in the Declaration of Trust and in these Trustees' Regulations and put into a post office or into a letter box. A certificate of an officer of the Trust in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of Units of the Trust as to facts in relation to the sending or delivery of any notice or other document to any Unitholder, Trustee, officer or auditor of the Trust or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every Unitholder, Trustee, officer or auditor of the Trust, as the case may be.

CHEQUES, DRAFTS AND NOTES

29. **Cheques, Drafts and Notes.** All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers of the Trust or Person or Persons, whether or not officers of the Trust, and in such manner as the Trustees may from time to time designate.

CUSTODY OF SECURITIES

30. **Custody of Securities.** All shares and other securities owned by the Trust shall be lodged (in the name of the Trust) with a chartered bank or a trust company, in a safety deposit box or with a law firm acting on behalf of the Trust or, if so authorized by resolution of the Trustees, with such other depositories or in such other manner as may be determined from time to time by the Trustees.

All shares and other securities belonging to the Trust may be issued, or held in the name of a nominee or nominees of the Trust (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and any shares or other securities so issued or held shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

EXECUTION OF INSTRUMENTS

31. **Execution of Instruments.** All contracts, documents or instruments in writing requiring the signature of the Trust may be signed by any officer or Trustee of the Trust and all contracts, documents and instruments in writing so signed shall be binding upon the Trust without any further authorization or formality. The Trustees shall have power from time to time to appoint any officer or officers, or any Person or Persons, on behalf of the Trust either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used in these Trustees' Regulations shall include (without limitation) security certificates, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations and conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

Without limiting the foregoing, any officer or Trustee of the trust shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Trust and to sign and execute all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the officers and Trustees of the Trust and/or of any other Person or Persons appointed as aforesaid by the Trustees may, if specifically authorized by the Trustees, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust executed or issued by or on behalf of the Trust and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust on which the signature or signatures of any one or more of the foregoing officers or Trustees or the officers or Persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the Trustees shall be deemed to have been manually signed by each such officer, Trustee or Person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, Trustee or Person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust.

INCONSISTENCIES WITH DECLARATION OF TRUST

32. **Inconsistencies.** In the event of any conflict or inconsistency between these Trustees' Regulations and the provisions of the Declaration of Trust, as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of such Declaration of Trust to the extent necessary to resolve such conflict or inconsistency.

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REAL ESTATE INVESTMENT TRUST
