

INOVALIS

REAL ESTATE INVESTMENT TRUST

Management Information Circular

For the Annual General Meeting

To be held on May 9, 2017

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NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of holders (the “**Unitholders**”) of units and special voting units (collectively, the “**Units**”) of Inovalis Real Estate Investment Trust (the “**REIT**”) will be held at the offices of Goodmans LLP, 333 Bay Street, 34th floor, Toronto, Ontario, Canada on **Tuesday, May 9, 2017** at 11:00 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, 2016, 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 **March 15, 2017** as 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 that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the information circular dated March 15, 2017 prepared by management in connection with the Meeting (the “Information Circular”).

Notice-and-Access

Inovalis is using the “notice-and-access” system adopted by the Canadian Securities Administrators for the delivery of the Management Information Circular and Inovalis’ annual report in respect of fiscal 2016, which comprises management’s discussion and analysis and Inovalis’ annual audited consolidated financial statements for the fiscal year ended December 31, 2016 (collectively, the “**Meeting Materials**”). Under notice-and-access, you still receive a proxy or voting instruction form enabling you to vote at the meeting. However, instead of a paper copy of the Management Information Circular, beneficial and registered unitholders receive this notice which contains information about how to access the Meeting Materials electronically. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities. The Management Information Circular and form of proxy (or voting instruction form) for Inovalis’ units (the “Units”) provide additional information concerning the matters to be dealt with at the meeting. You should access and review all information contained in the Management Information Circular before voting.

Unitholders with questions about notice-and-access can call our transfer agent CST Trust Company (“CST”) at 1-888-433-6443 from Canada and the United States or collect at 416-682-3860 or contact us by email at fulfilment@canstockta.com.

Beneficial and Registered Unitholders

If you would like paper copies of the Meeting Materials, you should first determine whether you are (i) a beneficial holder of the Units, as are most of Inovalis’ Unitholders or (ii) a registered unitholder.

You are a beneficial unitholder (also known as a non-registered unitholder) if you own Units indirectly and your Units are registered in the name of a bank, trust company, broker or other intermediary. For example, you are a beneficial unitholder if your Units are held in a brokerage account of any type.

You are a registered unitholder if you hold a paper unit certificate or certificates and your name appears directly on your unit certificate(s).

How to Obtain Paper Copies of the Meeting Materials

Beneficial and registered unitholders may request that paper copies of the Meeting Materials be mailed to them at no cost. Requests may be made up to one year from the date that the Management Information Circular was filed on SEDAR by contacting CST by phone at 1-888-433-6443 from Canada and the United States or collect at 416-682-3860 or by email at fulfilment@canstockta.com. Requests should be received by May 1, 2017 (i.e., at least seven business days in advance of the date and time set out in beneficial unitholders' voting instruction form and registered unitholders' proxy form as a voting deadline) if you would like to receive the Meeting Materials in advance of the voting deadline and meeting date.

Voting

Beneficial unitholders should complete, sign and return the voting instruction form in accordance with the directions on the form. Voting instruction forms provided by Broadridge permit the completion of the voting instruction form using the following options:

INTERNET: www.proxyvote.com
TELEPHONE: 1-800-474-7493 (English) or 1-800-474-7501 (French)
MAIL: Data Processing Centre, P.O. Box 2800, Stn. LCD Malton,
Mississauga ON L5T 2T7

Broadridge must receive voting instructions from beneficial unitholders by 5:00 p.m. on May 4, 2017 which is one business day in advance of the proxy deposit date of May 5, 2017 or, if the meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed meeting.

If a beneficial unitholder wishes to attend and vote at the meeting in person (or have another person attend and vote on such unitholder's behalf), he or she must complete the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to such beneficial holder.

Registered unitholders who are unable to be present at the meeting should exercise their right to vote by signing and returning the form of proxy in accordance with the directions on the form.

DATED at Toronto, Ontario, this 7th day of April, 2017.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) "*David Giraud*" 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 meeting (the “**Meeting**”) of holders (the “Unitholders”) of units (the “Units”) and special voting units (the “Special Voting Units”) of the REIT to be held at the time and place and for the purposes set forth in the Notice of Annual Meeting.

The information contained in this Circular is given as of March 15, 2017, 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.

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 Voting Unitholder as at the close of business on March 15, 2017, which is the record date of the Meeting. As at March 15, 2017, Inovalis REIT had 21,564,572 Units outstanding and 1,808,051 Special Voting Units outstanding, each carrying the right to one vote per Unit or Special Voting Unit, as the case may be. Special Voting Units are issued only for the purpose of providing voting rights with respect to the holders of exchangeable securities. The Exchangeable securities are, in all material respects, economically equivalent to the Units on a per Unit basis. All of the outstanding Special Voting Units are held by Inovalis SA, the external manager of the REIT

Q: How do I vote?

A: How you vote depends on whether you are a registered or a non-registered Voting Unitholder. Please read the voting instructions below that are applicable to you.

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, CST.

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

A: Most Voting Unitholders are non-registered Voting Unitholders. You are a non-registered 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 nonregistered 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 CST 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 non-

registered Voting Unitholders. Intermediaries often forward the materials to nonregistered Voting Unitholders through a service company (such as Broadridge Investor Communications Corporation). Non-registered Voting Unitholders who have not objected to their intermediary disclosing certain information about them to the Trust are referred to as “NOBOs”, whereas non-registered Voting Unitholders who have objected to their intermediary disclosing ownership information about them to the Trust are referred to as “OBOs”. The Trust pays for an intermediary to deliver the proxy-related materials to NOBOs.

Q: How do I vote if I am a registered Voting Unitholder?

A: If you are a registered Voting Unitholder, you may vote your Units or Special Voting Units at the Meeting or by proxy.

1. Voting at the Meeting

If you wish to vote your Units or Special Voting Units in person at the Meeting, do not complete or return the form of proxy sent to you. Your vote will be taken and counted at the Meeting. Please register with CST upon arrival at the Meeting.

2. Voting by proxy

You can vote by proxy whether or not you attend the Meeting. To vote by proxy, complete the enclosed form of proxy and return it by mail, courier or hand to CST at the address listed below. You may authorize the management representatives named in the enclosed proxy form to vote your Voting Units, or you may appoint another person or company to be your proxyholder. The names already inserted on the form of proxy are David Giraud, Chief Executive Officer and Anne Smolen, Chief Financial Officer of the REIT. Unless you choose another person or company to be your proxyholder, you are giving these persons the authority to vote your Voting Units at the Meeting.

To appoint another person or company to be your proxyholder, you must insert the other person’s or company’s name in the blank space provided. That person or company must be present at the Meeting to vote your Voting Units. If you do not insert a name in the blank space, the management representatives named above are appointed to act as your proxyholder. You may also use a different form of proxy than the one included with the materials sent to you.

Please note that in order for your vote to be recorded, your proxy must be received by CST at Proxy Department, P.O. Box 721, Agincourt, ON M1S 0A1 no later than 5:00 p.m. (Toronto time) on May 5, 2017, or two business days before any reconvening of the adjourned or postponed Meeting.

Q. Can I revoke my proxy?

A: If you are a registered Voting Unitholder, you may revoke your proxy by taking one of the following steps:

- you may submit a new proxy to CST before 5:00 p.m. (Toronto time) on May 5, 2017, or two business days before any reconvening of an adjourned Meeting;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of the REIT and deposited at the registered office of CST at any time up to and including the last business day preceding the day of the Meeting or an adjourned or postponed Meeting, at which the proxy is to be used; or
- you (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chair of the Meeting on the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used.

Q: How will my Voting Units be voted?

A: On the form of proxy, 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 how you want your Voting Units to be voted on a particular issue (by

marking FOR or WITHHOLD or AGAINST), then your proxyholder must vote your Voting Units accordingly. If you have not specified on the form of proxy 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: How do I vote if I am a non-registered (or beneficial) Voting Unitholder?

A: If you are a non-registered Voting Unitholder, you may vote your Units in one of the following ways:

1. Through your intermediary

A voting instruction form will be included with the materials sent to you. The purpose of this form is to instruct your intermediary on how to vote on your behalf. Please follow the instructions provided on the voting instruction form.

2. Attend the Meeting

If you wish to vote your Units in person at the Meeting, you should take these steps:

- Insert your name in the space provided on the voting instruction form provided by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder.
- Do not otherwise complete the form, as you will be voting at the Meeting.
- Please register with CST upon arrival at the Meeting.

3. Designate another person to be appointed as your proxyholder

You can choose another person (including someone who is not a Voting Unitholder) to vote for you as a proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote for you. If you wish to appoint a proxyholder, you should insert that person's name in the space provided on the voting instruction form provided to you by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint that person as proxyholder. Do not otherwise complete the form, as your proxyholder will be voting at the Meeting. When your proxyholder arrives at the Meeting, he or she should register with CST upon arrival at the Meeting.

Q: Can I revoke my voting instruction?

A: If you are a non-registered Voting Unitholder, you should contact your intermediary through which you hold Units and obtain instructions regarding the procedure for the revocation of any voting instructions that you have previously provided to your intermediary.

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 Trust 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 Trust 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.

GENERAL INFORMATION

Q: How many Voting Units are entitled to be voted?

A: As of the March 15, 2017 Record Date, there were 21,564,572 Units and 1,808,051 Special Voting Units outstanding. Each Unit and Special Voting Unit is entitled to one vote on each matter to be voted upon at the Meeting.

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 representatives of CST 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 non-registered 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 notes, the 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 call CST at 1-800-387-0825 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 (the "Special Voting Units"), of which 21,564,572 Units and 1,808,051 Special Voting Units were issued and outstanding as at the date of this Circular.

As of March 15, 2017, the Trustees and executive officers of the REIT, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 540,876 Units, representing approximately 2.3% of the 23,372,623 issued and outstanding Units including the Exchangeable securities. In addition, through his controlling equity interest in Inovalis SA, Mr. Stephane Amine, Trustee and Chair of the REIT, indirectly exercises control or direction over the Units and Special Voting Units held by Inovalis. Inovalis SA beneficially owns 995,427 Units and 1,808,051 Special Voting Units, representing a 12.0% effective interest in the REIT.

To the knowledge 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**Financial Statements**

The REIT's audited consolidated financial statements for the year ended December 31, 2016 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 Inovalis upon request and will be available at the meeting.

Election of Trustees

The Declaration of Trust of the REIT dated February 8th, 2013 as amended and restated on April 20, 2013 and January 20, 2016 (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 Nominating Committee to be seven.

The Declaration of Trust also provides that, so long as the number of Trustees is set at up to nine, Inovalis shall have the exclusive right to nominate: (i) two Trustees so long as Inovalis (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 holds Units or securities exchangeable into Units representing 3% or more but less than 6% of the outstanding Units. Inovalis has specified to the Board of Trustees that its nominees for election at the Meeting are Stéphane Amine and Jean-Daniel Cohen. In addition, so long as a Trustee nominated by Inovalis is serving on the Board of Trustees, Inovalis will have the right to appoint one such Trustee as the Chair of the Board of Trustees.

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' jurisdiction 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 general meeting, and the number and value of REIT securities owned by each of them. All of the nominees for election as Trustees of the REIT are currently Trustees of the REIT.

Stéphane Amine <i>Paris, France</i> Age: 49	Trustee Board Details: <ul style="list-style-type: none"> Trustee since Feb 2013 2016 AGM voting results: 99.5% Non-independent 	Mr. Amine has over 20 years of management experience in the European real estate market and serves as the Chair of the REIT. Since founding of Inovalis SA in 1998, Mr. Amine has helped build Inovalis SA into one of Western Europe's leading privately owned real estate investment management companies with assets under management \$10 billion. Prior to founding Inovalis SA, Mr. Amine managed the multinational investors of Constructa S.A., a leading developer and property manager with offices, at the time, in the United Kingdom, Switzerland and the United States. Mr. Amine graduated with a Masters degree in Management from Reims Management School (RMS Grand Ecole / Sup de Co Reims).
Board / Committee membership	Attendance	Skills / experience
Trustee, Chair	7/7 (100%)	Executive leadership Real estate industry Operations International business Finance Investment Equity market Strategy
Equity Ownership at December 31, 2016		Trustee fees received
Units	Value of Units	2016 \$0
5,200	\$47,736	2015 \$0
		2014 \$0
		Mr. Amine is compensated by the external manager
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks
Advenis SA	2014 – Current	Jean-Daniel Cohen
		Advenis SA TitanStar Properties Inc.

Daniel Argiros <i>Toronto, Canada</i> Age: 53	Trustee Board Details: <ul style="list-style-type: none"> Trustee since Feb 2013 2016 AGM voting results: 99.5% Independent 	Mr. Argiros is President and CEO of Conundrum Capital, a real estate private equity fund manager serving major pension funds and institutional investors that he co-founded in 2000. Mr. Argiros was the founder of Potentia Solar Inc. and served as its Chief Executive Officer from 2010 until March 2016. He was founder, President and Chief Executive Officer of Acanthus Real Estate Corporation, between 1997 and 2000. Prior to forming Acanthus, Mr. Argiros led the investment management subsidiary of Corporate Planning Associates, from 1988 to 1997. Mr. Argiros began his career with the national accounting firm, Deloitte, Haskins & Sells in 1985, after completing his Bachelor of Commerce degree at the University of Toronto. He obtained his designation as a Chartered Professional Accountant the following year. Mr. Argiros is a Director and Past President of ProAction, Cops and Kids.
Board / Committee membership	2016 Attendance	Skills / experience
Lead Trustee	7/7 (100%)	Executive leadership Real estate industry
Audit Committee	5/5 (100%)	Operations International business
		Finance Investment
		Equity market Strategy
Equity Ownership at December 31, 2016		Trustee fees received
Units	Value of Units at Dec 31, 2016	2016 \$47,000
37,800	\$347,004	2015 \$48,000
		2014 \$48,000
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks
None		None

MANAGEMENT INFORMATION CIRCULAR

<p>Jean-Daniel Cohen <i>Paris, France</i></p> <p>Age: 54</p>	<p>Trustee Board Details:</p> <ul style="list-style-type: none"> • Trustee since Feb 2013 • 2016 AGM voting results: 99.5% • 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. Prior to his current role, 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>	
Board / Committee membership	2016 Attendance	Skills / experience	
Trustee Audit Committee	7/7 (100%) 4/5 (80%)	Executive leadership Operations Finance Equity market Risk management	Real estate industry International business Investment Strategy
Equity Ownership at December 31, 2016		Trustee fees received	
Units	Value of Units	2016 \$36,000	
111,000	\$1,018,980	2015 \$36,000	
		2014 \$37,000	
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks	
Société Centrale des Bois et Scieries de la Manche (SCBSM), NYSE Euronext Paris Crosswood, NYSE Euronext, Paris Focière Volta, NYSE Euronext, Paris	2014 - current	Stéphane Amine	Advenis SA TitanStar Properties Inc.

<p>Richard Dansereau <i>Quebec, Canada</i></p> <p>Age: 56</p>	<p>Trustee Board Details:</p> <ul style="list-style-type: none"> • Trustee since Feb 2013 • 2016 AGM voting results: 99.5% • Independent 	<p>Mr. Dansereau has over 30 years of real estate experience. He is currently a Managing Director at Stonehenge Partners, a New York-based real estate company. Prior to joining Stonehenge, Mr. Dansereau was President and Chief Operating Officer of Cadim, a real estate division of Caisse de depot et placement du Québec, from 2000 to 2009 and, prior to that, he was Vice-President of Acquisitions for Canadian Real Estate Investment Trust from 1997 to 2000. He has served on the boards of private and public companies, including MCAN Mortgage Corp. Mr. Dansereau has a certificate in marketing from the Business School of the University of Montreal.</p>	
Board / Committee membership	2016 Attendance	Skills / experience	
Trustee Compensation and Governance Committee, Chair Investment Ctee	7/7 (100%) 3/3 (100%) 3/3 (100%)	Executive leadership Operations Finance Equity market International business	Real estate industry Governance Investment Strategy
Equity Ownership at December 31, 2016		Trustee fees received	
Units	Value of Units	2016 \$43,000	
5,894	\$54,107	2015 \$43,000	
		2014 \$43,000	
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks	
Agellan Commercial REIT	2013 - present	None	

Marc Manasterski <i>Paris, France</i> Age: 68	Trustee Board Details: <ul style="list-style-type: none"> Trustee since Feb 2013 2016 AGM voting results: 99.0% 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	2016 Attendance	Skills / experience
Trustee	6/7 (86%)	Executive leadership
Compensation and Governance Committee	2/3 (67%)	Real estate industry
Investment Committee	2/3 (67%)	Operations
		Finance
		Equity market
		Investment
		Governance
		International business
		Strategy
Equity Ownership at December 31, 2016		Trustee fees received
Units	Value of Units	2016 \$35,000
0	\$0	2015 \$35,000
		2014 \$34,000
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks
None		None

Raymond Paré <i>Quebec, Canada</i> Age: 47	Trustee Board Details: <ul style="list-style-type: none"> Trustee since Feb 2013 2016 AGM voting results: 99.5% Independent 	Mr. Paré is the Chief Financial Officer of SAQ as of November 2016. He held various executive positions with Alimentation Couche-Tard Inc. between 2003 and 2016, most recently as Chief Financial Officer and Vice President. In 1992, Mr. Paré began his professional career at Ernst & Young as a Chartered Professional Accountant and, prior to joining Alimentation Couche-Tard Inc., held several senior positions in financial and operational management at JAC Canada / USA Inc. and Bombardier Inc. Mr. Paré has a Bachelors degree in Accounting from the Université du Québec and a Masters degree in Business Administration in Financing and has a CA.
Board / Committee membership	2016 Attendance	Skills / experience
Trustee	6/7 (86%)	Executive leadership
Audit Committee, Chair	4/4 (100%)	International business
		Operations
		Finance
		Equity market
		Investment
		Governance
		Risk management
		Strategy
Equity Ownership at December 31, 2016		Trustee fees received
Units	Value of Units	2016 \$45,000
38,600	\$354,348	2015 \$48,000
		2014 \$47,000
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks
None		None

Michael Zakuta <i>Quebec, Canada</i> Age: 57	Trustee Board Details: <ul style="list-style-type: none"> Trustee since Feb 2013 2016 AGM voting results: 99.5% Independent 	Mr. Zakuta has served as President, Chief Executive Officer and Director/Trustee of Plaza Retail REIT (previously named Plazacorp Retail Properties Limited) since 2005. Previously, Mr. Zakuta was Vice-President of Plazacorp Retail Properties Limited. He is a co-founder of Plaza Retail REIT and has served as a Director/Trustee of the company since its inception in 1999. He began his career in real estate after obtaining a law degree (L.L.B) from the University of Montreal and a business degree (B. Comm) from McGill University.
Board / Committee membership	2016 Attendance	Skills
Trustee	7/7 (100%)	Executive leadership
Compensation and Governance Committee	3/3 (100%)	Operations
Investment Committee, Chair	3/3 (100%)	Real estate industry
		Governance
		Finance
		Risk management
		Equity market
		Strategy
		International business
		Investment
Equity Ownership at December 31, 2016		Trustee fees received
Units	Value of Units	2016 \$43,000
176,000	\$1,615,680	2015 \$42,000
		2014 \$43,000
Current and Former Public Board Memberships in the last 5 years		Public Board Interlocks
Plaza Retail REIT	2005 – Present	None
Fronsac REIT	1999 - Present	

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. Representatives of Ernst & Young LLP will be present at the meeting and will be given the opportunity to make a statement if they so wish and will respond to appropriate questions.

At each of the May 13, 2016, May 13, 2015 and May 7, 2014 Annual General Meetings of the REIT, Ernst & Young LLP received 100% of the votes cast at the meetings.

The following table sets forth all services rendered by Ernst & Young LLP, the REIT’s external auditor, for fees related to the REIT for each category of service for the financial years ended December 31, 2016 and 2015.

Category of fees	December 31, 2016	December 31, 2015
Audit Services ⁽¹⁾	\$315,326	\$190,677
Audit Related Services	\$16,000	\$16,000
Tax Services	\$0	\$0
All Other Services	\$0	\$0
Total	\$331,326	\$206,677

(1) Audit fees and expenses related to the fiscal year audit and interim reviews, notwithstanding when the fees and expenses were billed or when the services were rendered.

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”.

The Chair of the Board, Mr. Stéphane Amine, is not considered to be an independent Trustee because he is the Chair and Founder of Inovalis. The lead Trustee, Mr. Daniel Argiros is an independent Trustee.

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 hereto, setting out its responsibilities.

Position Descriptions

Written position descriptions are in place for the Chair and the Lead Trustee of the Board of Trustees which set out their respective, 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. Stéphane Amine is the Chair of the Board. 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.

The Board has also appointed an independent Trustee, Mr. Daniel Argiros, to serve as Lead Trustee. The Lead Trustee provides leadership to the Board and particularly to the independent Trustees. He ensures that the Board operates independently of management and that the Trustees have an independent leadership contact. The Lead Trustee chairs meetings of the independent Trustees. The Board maintains a position description for the Lead Trustee. The Lead Trustee meets periodically with the other independent Trustees to obtain insight as to areas where the Board and its committees can operate more effectively and to ensure that the Board is able to discharge its responsibilities independent of management.

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, including the appointment of a Lead Trustee of the Board of Trustees of the REIT, who is an independent Trustee.

The responsibilities of the Lead Trustee of the Board of Trustees of the REIT are described above in the section called "Board Leadership". 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. All major policy decisions relating to the REIT's business are made by the REIT's Board of Trustees or a committee thereof.

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. Dansereau, Mr. Manasterski and Mr. Zakuta, with Mr. Dansereau as Chair, each of whom is considered to be an Independent Trustee.

Mr. Dansereau's experience with respect to governance and compensation is related to the senior roles he held at Cadim, a real estate division of Caisse de dépôt et placement du Québec, including President and Chief Operating Officer. He has also served on the boards of

both private and public companies and gained experienced in governance and executive compensation matters.

Mr. Manasterski's governance and compensation experience is drawn from on his executive leadership roles, particularly with publicly traded companies over a long career. As CEO of Alliance Hospitality Group, he reported to a board of directors and was responsible for establishing key governance and compensation policies. His experience in leading large management teams gave him breadth in the evaluation of management performance and development of compensation plans.

Mr. Zakuta has directly related governance and compensation experience, derived from the CEO roles he has held with Plazacorp Retail REIT and Fronsac REIT. He was responsible for setting compensation policy as well as oversight of the publication of key disclosure documents for both REITs. He has overseen succession plans for Board and management and participated in the recruitment and selection for both.

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 accomplishments in 2016

- reviewed and updated the mandates of the Board, Board Chair, Committees and Committee Chairs;
- developed and obtained Board approval for the following policies:
 - Majority Voting Policy
 - Diversity Policy
 - Board Tenure, Term Limits and Trustee Retirement Policy
- reviewed and updated the
 - Code of Business Conduct and Ethics
 - Disclosure Policy
 - Confidential Information Policy
 - Insider Trading Policy
 - Whistleblowing Policy
- initiated a board, committee and peer trustee evaluation process;
- conducted an assessment of the Committee's performance;
- reviewed the CEO position description;
- reviewed the 2017 corporate goals and objectives for the CEO;

- initiated short and long term succession planning for the CEO;
- reviewed the trustee compensation structure and obtained approval from the Board for changes;
- considered a minimum unitholding guideline for Trustees;
- reviewed the orientation and education plans for Trustees;
- initiated Trustee succession planning;
- reviewed the skills required for Trustee nominees;
- reviewed the independence of the Trustees;
- reviewed the Board size;
- reviewed and obtained approval from the Board for the:
 - 2016 Trustee nominees;
 - 2016 Form of Proxy;
 - 2016 Management Information Circular; and
- prepared and prioritized a workplan for the Committee for 2017.

Investment Committee

The Investment Committee consists of Mr. Zakuta, Mr. Dansereau and Mr. Manasterski, with Mr. Zakuta as Chair, each of whom is considered to be an Independent Trustee.

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 2016

- reviewed and recommended to the Board, acquisitions, dispositions and developments;
- conducted site visits of:
 - a number of potential investment properties;
 - certain properties in the existing portfolio;
- reviewed the Investment Plan;
- conducted an assessment of the Committee's performance;
- reviewed the REIT's Investment Guidelines and Operating Policies;
- received reports on the performance of the REIT's portfolio; and
- prepared and prioritized a workplan for the Committee for 2017.

Audit Committee

The Audit Committee consists of Daniel Argiros, Jean-Daniel Cohen and Raymond Paré as Chair, each of whom is considered to be an Independent Trustee.

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 30, 2017 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 financial statements, MD&A and annual and interim press releases prior to public disclosure of these matters. Each member of the Audit Committee is independent and financially literate.

Audit Committee Highlights in 2016

- 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;
- monitored the principal risks;
- conducted an annual review of the external auditor's performance and recommended approval by the Board for the auditor's re-appointment at the Annual General Meeting of Unitholders;
- reviewed the Audit Plan for 2016;
- reviewed the Auditor's fees;
- met *in camera* with the auditor after every meeting;
- reviewed and recommended to the Board, amendments to 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;
- conducted an assessment of the Committee's performance;
- reviewed and recommended to the Board for approval, the REIT's prospectus and public debt issuance;
- reviewed the REIT's distributions;
- reviewed reports on tax compliance matters;
- reviewed changes to tax legislation;
- monitored litigation; and
- monitored the Whistleblowing process.

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 and Lead Trustee 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 Corporate 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.

All of the members of the Investment Committee, the Chair and the CEO have made site visits to each of the REIT's eleven properties. Although not on the Investment Committee, Mr. Paré has also visited a number of the properties in France. As opportunities arise, the other three Trustees will visit the REIT's properties.

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.

Voting Results from 2016 Annual General Meeting

The following is a summary of the voting results from the REIT's Annual General Meetings for the election of Trustees held in each of the last three years.

	2016	2015	2014
% of Proxies Received from Holders of Voting Rights	48.1%	48.5%	49.2%
Name of Trustee	Voting Results	Voting Results	Voting Results
Stéphane Amine	99.5%	99.6%	99.1%
Daniel Argiros	99.5%	99.6%	99.9%
Jean-Daniel Cohen	99.5%	99.7%	99.9%
Richard Dansereau	99.5%	99.6%	99.1%
Marc Manasterski	99.0%	99.6%	99.1%
Raymond Paré	99.5%	99.9%	99.1%
Michael Zakuta	99.5%	99.9%	99.9%

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 current Trustees' skills matrix is set out below:

Skills	Amine	Argiros	Cohen	Dansereau	Manasterski	Paré	Zakuta
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 done on an annual basis. For the year ended December 31, 2016, Trustees were issued an anonymous, electronic 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 were 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 were prepared by an external advisor and will be tabled by the Chair of the Compensation and Governance at an upcoming meeting of the Board. The Board will discuss its report and assign review of the Committee reports to the respective Committees. Each will consider the findings and act 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 behavioural 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 Board Chair 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 will be 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 Unit Ownership Guidelines

The REIT does not currently have guidelines on the ownership of Units by Trustees.

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 Board 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.

Trustee Attendance

	Stéphane Amine	Dan Argiros	Jean-Daniel Cohen	Richard Dansereau	Marc Manasterski	Raymond Paré	Michael Zakuta
Board of Trustees	7/7 (100%)	7/7 (100%)	7/7 (100%)	7/7 (100%)	6/7 (86%)	6/7 (86%)	7/7 (100%)
Audit Committee	n/a	5/5 (100%)	4/5 (80%)	n/a	n/a	4/5 (80%)	n/a
Compensation and Nominating Committee	n/a	n/a	n/a	3/3 (100%)	2/3 (67%)	n/a	3/3 (100%)
Investment Committee	n/a	n/a	n/a	3/3 (100%)	2/3 (67%)	n/a	3/3 (100%)

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 2016 Trustee fees are set out below and are for independent Trustees only. All fees are paid in cash. The REIT does not have an equity compensation plan. Each Trustee is reimbursed for all reasonable travel and ancillary expenses incurred. The Trustees do not receive any additional remuneration for acting as directors on the boards of the REIT's Subsidiaries.

The Compensation and Governance Committee reviewed the fee structure for Trustees in 2016. The Committee considered a comparator set using trustee compensation data from 2015 management information circulars for the following REITs: Melcor REIT, Summit REIT, Pure Industrial REIT, Slate Office REIT and Agellan Commercial REIT. No compensation consultant was used in 2016 or 2015.

The Committee recommended that, with effect in 2017, the Board approve the elimination of fees for in-person or phone meetings of 30 or fewer minutes in duration, and a reduced fee of \$500 for phone meetings that are longer than 30 minutes in duration. A fee for attendance at an annual or special meeting of unitholders was also recommended. The Board approved these changes to the compensation structure. Otherwise, the fees remain unchanged since 2013.

<u>Type of Trustee Fee</u>	<u>Amount</u>
Board retainer	\$25,000
Chair and Committee fees	
- Lead Trustee fee	\$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 or Committee meeting, in person, longer than 30 minutes	\$1,000
- Board or Committee meeting, in person, 30 minutes or less	\$0
- Board or Committee meeting, by phone, longer than 30 minutes	\$500
- Board or Committee meeting, by phone, 30 minutes or less	\$0
- At Annual or Special Meeting of Unitholders	\$1,000

In consideration for serving on the Board of the Trustees, each Trustee that is not an employee of the REIT or Inovalis received the following compensation in cash for the fiscal year of the REIT ended December 31, 2016:

Name of Trustee	Fee Earned (\$)	Unit-based awards	Non-equity incentive plan compensation	All other compensation (\$)	Total compensation (\$)
Stéphane Amine ⁽¹⁾	\$0	-	-	-	\$0
Daniel Argiros	\$47,000	-	-	-	\$47,000
Jean-Daniel Cohen	\$36,000	-	-	-	\$36,000
Richard Dansereau	\$43,000	-	-	-	\$43,000
Marc Manasterski	\$35,000	-	-	-	\$35,000
Raymond Paré	\$45,000	-	-	-	\$45,000
Michael Zakuta	\$43,000	-	-	-	\$43,000
Total					\$249,000

(1) Mr. Amine did not receive Trustee compensation as he is compensated by Inovalis. See Summary Compensation Table.

The Compensation and Governance Committee reviews the compensation of the Board of Trustees periodically and holds meetings as necessary.

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 are not entitled to receive any remuneration for their services in acting as Trustees, but are entitled to reimbursement of their out-of-pocket expenses incurred in acting as Trustees.

Trustee Pension Plan

The Trustees do not have a pension plan.

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 its external manager. 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 the asset manager 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. 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 REIT Board and in the executive management team. Diversity is important to ensure that members of the Board and the REIT 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 and age, race, nationality, culture, language and other 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 REIT 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.

Inovalis 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.

The REIT does not currently have any targets for the recruitment of women to the Board; there are no women on the REIT's Board at this time.

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 the external manager. The Board of the REIT has communicated its philosophy as it relates to diversity to the external manager 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. There is currently one woman (Chief Financial Officer) representing 33% of 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 greater than the votes in favour of such nominee, the nominee shall be required to promptly submit his or her resignation to the Chair of the Board following the Meeting.

The Compensation and Governance Committee will consider the offer of resignation and, except in exceptional circumstances that would warrant the continued service of the individual, will accept and recommend that the Board accept the resignation. The Board will make its decision to accept or reject the resignation within ninety (90) days following the Meeting and promptly disclose its decision via press release, including the reasons for rejecting the resignation, if applicable. If a resignation is accepted, the Board may, subject to the provisions of the Declaration of Trust, (i) leave the resultant vacancy in the Board unfilled until the next annual meeting of Unitholders, appoint a new Trustee to fill the vacancy created by such resignation, (iii) reduce the size of the Board, or (iv) call a special meeting of Unitholders at which there will be presented a new candidate(s) to fill the vacant position(s).

Director / Trustee Interlocks

The Board’s approach to board interlocks is to the effect that no more than two Board members may sit on the same public company board with a market capitalization greater than \$10 million. The directorships of all Trustee nominees on other public companies, are described under the section entitled “Nominees for Appointment” in this Circular.

Common memberships on boards of public companies among our current Trustees are set out in this table. The Board has determined that these board interlocks do not impair the ability of these Trustees to exercise independent judgement as members of the REIT’s Board.

Company	Director /Trustee	Committees
Advenis, SA, <i>Paris, France</i>	Stéphane Amine	None
TitanStar Properties Inc*, <i>Vancouver Canada</i>	Jean-Daniel Cohen	None

* TitanStar Properties Inc. is a TSX Venture Exchange listed company with a market capitalization of \$1.3 million. As such, it does not meet the threshold of the REIT’s Director Interlock Policy which would prevent Messrs. Amine and Cohen from participating on this Board.

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 Mr. Amine 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 AIF 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, the external manager. Inovalis 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 to the REIT thereunder.

The REIT does not have any employment agreements with members of senior management and the REIT does not pay any cash compensation to any individuals serving as officers of the REIT, directly or indirectly. Rather, those individuals are compensated by Inovalis. A portion of the compensation paid to certain employees of Inovalis is attributable to time spent on the REIT's activities.

The REIT's officers named in the "Summary Compensation Table" below are employees of Inovalis. These officers 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 REIT's senior management team is employed or contracted by Inovalis. The compensation of Inovalis is calculated in accordance with the management agreement between the REIT and Inovalis, and is not subject to the general discretion of the Board of Trustees of the REIT. Compensation paid to Inovalis' senior management and its employees and contractors is not within or subject to the discretion of the Board of Trustees; nor will any variability in cash compensation paid to the Named Executive 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' 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 for determining how one element of compensation fits into the overall compensation objectives in respect of the REIT's activities. No compensation paid in 2016 was related to specific performance goals for the executive management as it related to the REIT. There are no planned changes to compensation policies in the coming year.

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 did not engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable real estate businesses in 2015 or 2016. Increases in base salary are at the sole discretion of Inovalis.

Annual cash bonuses. Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward the REIT's performance and/or the Named Executive Officer's individual performance. 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 measures such as unit price performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet performance.

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

Equity or Pension Plan

The REIT does not have any unit option plan, equity compensation plan or other incentive plan, or any pension plan that provides for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the Named Executive Officers or Trustees.

Termination

The REIT has no plan or arrangement whereby any Named Executive Officer or Trustee may be compensated in the event of that Named Executive Officer's or Trustee'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.

Purchase of 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 trade. There are no restrictions on the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars, or Units of exchange funds, which are 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.

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
David Giraud	Chief Executive Officer	Managing Partner, Inovalis SA	Paris, France
Anne Smolen	Chief Financial Officer and Secretary	Chief Financial Officer and Secretary, Inovalis REIT	Paris, France
Khalil Hankach	Chief Investment Officer	Deputy Managing Director, Inovalis SA	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, 2016, 2015, 2014 and 2013. For greater certainty, the REIT does not have any employment agreements with members of senior management and the REIT does not pay cash compensation to any individuals serving as officers of the REIT, directly or indirectly.

Name and principal position	Year	Salary (\$)	Unit-based awards	Non-equity incentive plan compensation	All other compensation (\$)⁽⁶⁾	Total compensation (\$)
Stéphane Amine⁽¹⁾ Chair	2016	\$260,000	-	-	-	\$260,000
	2015	\$260,000	-	-	-	\$260,000
	2014	\$260,000	-	-	-	\$260,000
	2013	\$260,000	-	-	-	\$260,000
David Giraud⁽²⁾ Chief Executive Officer	2016	\$200,000	-	-	-	\$200,000
	2015	\$200,000	-	-	-	\$200,000
	2014	\$200,000	-	-	-	\$200,000
	2013	\$200,000	-	-	-	\$200,000
Antoine Tronquoy⁽³⁾ Chief Financial Officer (resigned)	2016	\$113,500	-	-	-	\$113,500
	2015	\$227,000	-	-	-	\$227,000
	2014	\$227,000	-	-	-	\$227,000
	2013	\$227,000	-	-	-	\$227,000
Anne Smolen⁽⁴⁾ Chief Financial Officer	2016	\$105,000	-	-	-	\$105,000
	2015	n/a	-	-	-	n/a
	2014	n/a	-	-	-	n/a
	2013	n/a	-	-	-	n/a

MANAGEMENT INFORMATION CIRCULAR

Name and principal position	Year	Salary (\$)	Unit-based awards	Non-equity incentive plan compensation	All other compensation (\$) ⁽⁶⁾	Total compensation (\$)
Khalil	2016	\$140,000	-	-	-	\$140,000
Hankach ⁽⁵⁾	2015	\$140,000	-	-	-	\$140,000
Chief Investment Officer	2014	\$140,000	-	-	-	\$140,000
	2013	\$140,000	-	-	-	\$140,000

- (1) The salary for Mr. Amine represents the portion of salary paid by Inovalis attributable to the 50% of his time spent on the REIT's activities. Mr. Amine is also a Trustee of the REIT but does not receive any compensation in that capacity.
- (2) The salary for Mr. Giraud represents the portion of salary paid by Inovalis attributable to the 50% of his time spent on the REIT's activities. No other compensation paid to Mr. Giraud is attributable to his work on the REIT.
- (3) The salary for Mr. Tronquoy represents the portion of salary paid by Inovalis attributable to the 75% of his time spent on the REIT's activities. The salary for 2016 has been prorated from January 1 – June 30, 2016 at which time his resignation came into effect. No other compensation paid to Mr. Tronquoy is attributable to his work on the REIT. The salary amount was incorrectly stated in the 2014 and 2015 Management Information Circulars and is corrected here.
- (4) The salary for Ms. Smolen represents the portion of salary paid by Inovalis attributable to the 100% of her time spent on the REIT's activities. The salary for 2016 was prorated from July 1 – December 31, 2016. No other compensation paid to Ms. Smolen is attributable to her work on the REIT.
- (5) The salary for Mr. Hankach represents the portion of salary paid by Inovalis attributable to the 50% of his time spent on the REIT's activities. No other compensation paid to Mr. Hankach is attributable to his work on the REIT.
- (6) 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 \$818,500 which is 24.2% of the total asset management fees paid by the REIT and 5.2% of Funds from Operations, a term which is fully defined in the Annual Information Form.

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 as it is externally managed and does not pay compensation directly to the NEOs.

Minimum Unitholding Requirement

The REIT does not have minimum unitholding guidelines for Officers. The Compensation and Governance Committee will consider this matter in 2017.

Position Description for the CEO

A written position description is in place for the Chief Executive Officer. Mr Giraud'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
- I. serve as chief spokesperson for the REIT, subject to the direction of the Board.

Principal Elements of the NEO's Employment Agreements

The NEOs do not have employment contracts.

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. Currently, no succession plans are in place for the CEO and other senior officers of the REIT although the Compensation and Governance Committee has initiated the planning process.

Performance Graph

The REIT's Units began trading on the TSX on April 10, 2013. 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.

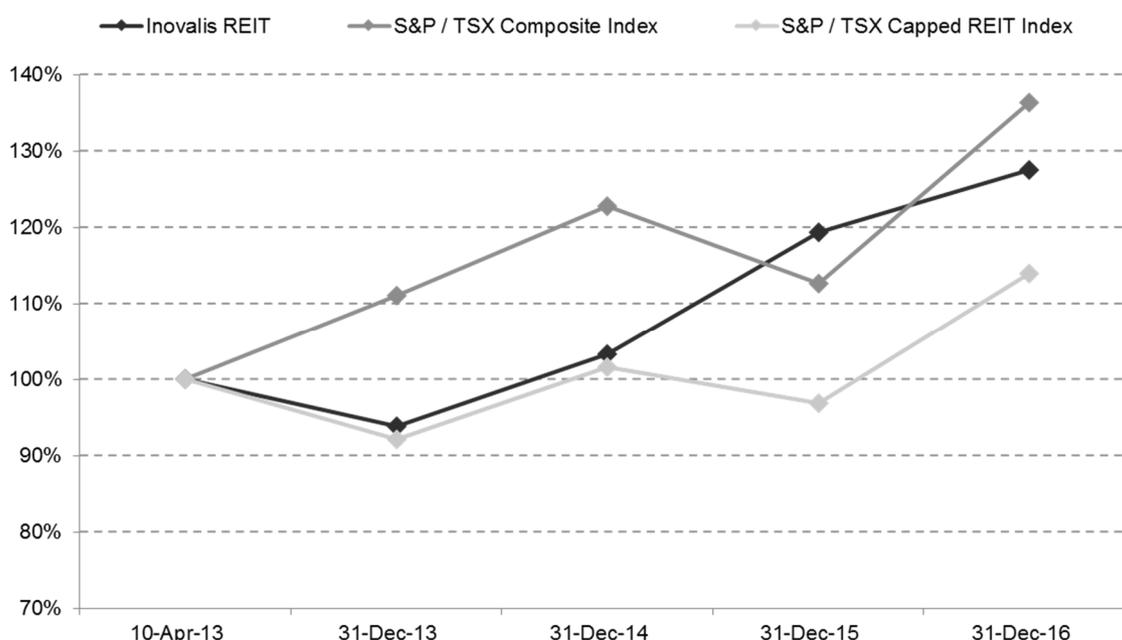
Unitholder Cumulative Total Return Since IPO

REIT Unitholders achieved positive returns in 2016, as shown in the performance graph below.

The compensation of the NEOs is not directly tied to the cumulative total return to Unitholders during the period since the REIT's initial public offering for two reasons:

1. The REIT is managed by an external manager. There is no correlation between NEO total income 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.



	10-Apr-13	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Inovalis REIT	100%	93.9%	103.3%	119.4%	127.5%
S&P / TSX Capped REIT Index	100%	92.1%	101.6%	96.9%	114.0%
S&P / TSX Composite Index	100%	111.1%	122.9%	112.6%	136.4%

MANAGEMENT AGREEMENT

Pursuant to a management agreement entered into between the REIT, Inovalis and certain other entities on April 10, 2013 (the “**Management Agreement**”), Inovalis 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 is 52 rue de Bassano, 75008 Paris, France.

In particular, in connection with the Management Agreement, Inovalis has agreed to: provide the services of a senior management team to the REIT; provide the services of administrative, management and executive personnel as is reasonably necessary; provide advisory, consultation and investment management services and monitor the financial performance of the REIT; advise the Trustees on strategic matters, including potential acquisitions, dispositions, financings, development and redevelopment; provide guidance to property managers on operating and capital expenditures; identify, evaluate, recommend, negotiate and assist in the structuring of acquisitions, dispositions and other transactions; 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; make recommendations with respect to the payment of distributions; prepare business plans and annual budgets, implement such plans and budgets and report on the financial performance of the REIT, establish and maintain disclosure controls and procedures and internal controls over financial reporting of the REIT; maintain the books and financial records of the REIT’s properties and prepare reports, tax returns and other disclosure documents based on the maintenance of such books and records; assist the REIT with respect to investor relations strategies and activities, including compiling and preparing the materials required for those strategies and activities; advise the REIT with respect to regulatory compliance requirements, risk management policies and certain litigation matters; prepare 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; prepare all reports reasonably requested by the REIT, including operational reporting such as cash flow by property and by asset type, reports on development costs and executive summaries by asset type describing each of the REIT’s properties; supervise and conduct all leasing services (including research to find potential tenants, contacting potential tenants, coordination of potential third-party brokers, negotiations with tenants and support in finalization of the leasing agreements); provide property management services (including through third parties); provide construction management services; supervise property expansions, capital projects and development and redevelopment projects for the REIT; and provide any additional services as may from time to time be agreed to in writing by the REIT and Inovalis for which Inovalis will be compensated on terms to be agreed upon between Inovalis and the REIT prior to the provision of such services. Notwithstanding the foregoing, it may at times be prudent for Inovalis to delegate certain of its responsibilities under the Management Agreement to a third party provider. As a result, Inovalis 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 and will not relieve Inovalis of its obligations or liability under the Management Agreement. Inovalis subcontracts the REIT’s accounting and tax-related functions to third parties pursuant to the foregoing. The expenses associated with such functions are borne by the REIT.

Upon the earlier of (i) the REIT achieving a market capitalization of \$750 million (including any Exchangeable securities held by Inovalis SA) based on the VWAP over a 20-day trading period; and (ii) April 10, 2018, the Management Agreement will terminate and the management of the REIT will be internalized at no additional cost.

Management Fees

In performing its obligations under the Management Agreement, Inovalis will be entitled to receive the following fees from the relevant subsidiary of the REIT:

- a) An annual asset management fee (the "Annual Asset Management Fee") in the amount of 0.75% of the Historical Gross Purchase Price of the REIT's properties;
- b) A leasing fee (the "Leasing Fee") in an amount equal to (i) 10% of the first year annual rent for lease renewals signed by existing tenants, or (ii) 20% of the first year annual rent for leases signed by new tenants, payable on the signing of a binding lease, extension, renewal or amending document; provided, that Inovalis is responsible for the fees of any external real estate agent retained to assist with a lease renewal or to find a new tenant;
- c) A construction management fee (the "Construction Management Fee") payable on capital projects in an amount equal to 5% of all hard construction costs incurred on a project excluding work done on behalf of tenants or any maintenance capital expenditures;
- d) An acquisition fee ("Acquisition Fee") in the amount of 0.50% of the purchase price of any property acquired by the REIT or its subsidiaries payable on completion of each acquisition plus HST/VAT, provided that no such acquisition fee will be payable in respect of the acquisition of properties managed by Inovalis; and
- e) An annual property management fee (the "Property Management Fee") in an amount equal to 3.5% of the Gross Revenue of REIT's properties, payable quarterly in arrears.

(the Annual Asset Management Fee, Leasing Fee, Construction Management Fee, Acquisition Fee and Property Management Fee are collectively referred to as the "Management Fees").

All Management Fees will be paid entirely in cash, except as follows:

- a) The Annual Asset Management Fee will be payable quarterly in arrears, entirely in Exchangeable securities, subject to any required regulatory approvals. 50% of the Exchangeable securities paid as part of the Annual Asset Management Fee will be subject to an escrow agreement pursuant to which the Exchangeable Securities will be immediately released from escrow upon termination of the Management Agreement for any reason, except in the case of internalization of the management of the REIT, in which case (i) one third of the Exchangeable securities will be automatically released upon internalization of the REIT; and (ii) one third of the Exchangeable securities will be released on the first and second anniversaries of the internalization of the REIT.
- b) The Acquisition Fee will be paid 50% in cash and, subject to any required regulatory approvals, 50% in Exchangeable securities upon completion of the applicable acquisition. All of such Exchangeable securities will be subject to an escrow agreement (the "Acquisition Fee Escrow" and collectively with the Annual Asset Management Fee Escrow, the "Fee Escrow") pursuant to which the Exchangeable securities will be immediately released from escrow upon termination of the Management Agreement for any reason, except in the case of internalization of the management of the REIT, in which case (i) one third of the Exchangeable securities will be automatically released upon internalization of the REIT; and (ii) one third of the Exchangeable securities will be released on the first and second anniversaries of the internalization of the REIT.

Fees Paid in 2016	Compensation Value (million)	Cash (million)	Exchangeable Securities and Equivalent # of Special Voting Units
Asset Management	\$3.22	n/a	345,729
Acquisition	\$0.32	\$0.16	15,888
Property Management ⁽¹⁾	\$1.23	\$1.23	n/a

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

Additional information regarding the Management Agreement can be found in the REIT's annual information form filed on SEDAR at www.sedar.com. Unitholders may also request a copy of such document, free of charge, by contacting the REIT at the address set forth below under "Additional Information".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

On November 6, 2014, Metropolitan LLC, a 100% subsidiary of the REIT, made a loan to Inovalis in the amount of \$17.7 million (€12.5 million) so that Inovalis SA could acquire a property in Paris, France (the "**Acquisition Loan**"). The Acquisition loan on the Metropolitan property was repaid by Inovalis SA when the REIT purchased the property on March 21, 2016.

Except as set out herein, 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.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except in so far as they may be Unitholders and unless otherwise disclosed in this Circular, no person who has been a Trustee or executive officer of the REIT at any time since the beginning of the REIT's last financial year, or proposed nominee for election as a Trustee, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of Trustees.

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 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 7th day of April, 2017.

(signed) "*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") dated February 8, 2013 as amended and restated on April 20, 2013 and January 20, 2016 a, (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 A.

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.

9. 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.
10. Individual trustees will be permitted to engage outside advisors at the cost of the REIT.
11. 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

12. 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.
13. 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.
14. The Board of Trustees will review and approve, on at least an annual basis, a budget for the REIT.
15. The Board of Trustees is responsible for supervising the activities, managing the investments and affairs and approving major decisions of the REIT.
16. 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.
17. 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.
18. The Board of Trustees is responsible for reviewing the debt strategy of the REIT.

Monitoring of Financial Performance and Other Financial Reporting Matters

19. The Board of Trustees is responsible for enhancing congruence between Unitholder expectations, REIT plans and management performance.
20. 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.
21. 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.
22. 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

23. 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

24. 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.
25. 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

26. 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.
27. 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.
28. 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 APPENDIX A

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 shareholders 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.

INOVALIS

REAL ESTATE INVESTMENT TRUST
