

## PRESS RELEASE

FOR IMMEDIATE RELEASE

March 19, 2019

### FRONSAC REIT ANNOUNCES THE ISSUANCE OF UNITS FOR SERVICES RENDERED AND A NEW UNIT COMPENSATION PLAN THAT FURTHER ALIGNS EXECUTIVE MANAGEMENT AND UNITHOLDER INTERESTS

#### ISSUANCE OF UNITS FOR SERVICES RENDERED

**Montreal (Quebec)** - (TSX-V: FRO.UN) Fronsac Real Estate Investment Trust (“**Fronsac REIT**”) announces the issuance of 312,000 units of Fronsac REIT at a price of \$0.57 per unit, which equates to \$177,840 as partial compensation for the services rendered by certain members of management and the board of trustees during the fiscal year ended on December 31<sup>st</sup>, 2018, subject to the approval of the TSX Venture Exchange. The issuance of the units of Fronsac REIT constitutes a portion of salaries as per their employment contract and board compensation package.

#### NEW UNIT COMPENSATION PLAN

Fronsac REIT announces a new unit compensation plan that further aligns executive management and unitholder interests. At the annual and special meeting of unitholders to be held on May 24<sup>th</sup>, 2019, unitholders will be asked, among other matters, to consider, and if deemed appropriate, to pass resolutions approving the unit compensation plan as outlined below (the “**Compensation Plan**”). The Compensation Plan remains subject to the approval of the TSX Venture Exchange and disinterested unitholder approval.

This new Compensation Plan is a testament to the willingness of the board of trustees and the executive management team to embrace compensation alternatives intended to maximize unitholder value. The Compensation Plan promotes an “ownership mentality” by rewarding outcomes that are directly aligned with the execution of Fronsac REIT’s strategic direction and facilitates a long-term management perspective that will support the success of Fronsac REIT for years to come.

#### Details of the Compensation Plan

**Overview** - the Compensation Plan is an incentive plan, under which delivery of units of Fronsac REIT will be conducted as executive compensation during the three-year period from the fiscal year ending December 31<sup>st</sup>, 2019 to the fiscal year ending March 31<sup>st</sup>, 2022, according to performance metrics and other criteria.

**Individuals eligible under the Compensation Plan** - The President and Chief Executive Officer of the Fronsac REIT, the Chief Financial Officer, the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Corporate Governance Committee, and each trustee who attended 75% or more of the meetings of the Board for any one fiscal year of Fronsac REIT are eligible to participate in the Compensation Plan (“**Eligible Individuals**”).

**Number of units to be delivered to Eligible Individuals** - The number of units granted to a participant under the Unit Compensation Plan, for any one fiscal year of the Fronsac REIT, shall be the following, unless determined otherwise by the Board:

- The equivalent of \$30 000 units for the Chairman of the Board, plus any units granted to him or her as trustee.
- 8 000 units for the Chairman of the Audit Committee.
- 4 000 units for the Chairman of the Corporate Governance Committee.
- 10 000 units for each trustee who attended 75% or more of the meetings of the Board for a particular fiscal year, in addition to any unit granted to a participant as Chairman of the Board, or Chairman of the Audit Committee, or Chairman of the Corporate Governance Committee.
- A minimum of 100,000 units up to a maximum of 200,000 units for the President and Chief Executive Officer of Fronsac REIT as a performance bonus. The Corporate Governance Committee shall be responsible of setting the bonus, which is based on multiple qualitative and quantitative performance metrics determined by the Corporate Governance Committee.
- A minimum of 50 000 units up to a maximum of 100 000 units for the Chief Financial Officer as a performance bonus. The Corporate Governance Committee shall be responsible of setting the bonus, which is based on multiple qualitative and quantitative performance metrics determined by the Corporate Governance Committee.

**Insider Participation Limits** – The aggregate number of units issuable to any Eligible Individual within any one fiscal year of Fronsac REIT under the Compensation Plan, together with any other security-based compensation arrangement, cannot cause the Eligible Person to hold more than 10% of the issued and outstanding units (on a non-diluted basis).

**Maximum Units** – Assuming the approbation of the Compensation Plan by the disinterested unitholders, a maximum of 1,206,000 units will be authorized for issuance under the Compensation Plan.

**About Fronsac** – Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality triple net and management-free commercial real estate properties.

**Forward-Looking Statements** – This press release contains forward-looking statements and information as defined by applicable securities laws. Fronsac warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new standards, as well as other risks and factors described from time to time in the documents filed by Fronsac with securities regulators, including the management report. Fronsac does not intend or undertake to update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

Neither the TSX Venture Exchange Inc. nor its Regulation Services Provider (as that term is defined in the Policy of the TSX Venture Exchange) accepts any responsibility for the adequacy or accuracy of this release.

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