

CANADIAN NET REAL ESTATE INVESTMENT TRUST

**NOTICE OF THE ANNUAL AND SPECIAL
MEETING OF UNITHOLDERS
TO BE HELD ON MAY 25, 2022
AND
MANAGEMENT INFORMATION CIRCULAR**

April 14, 2022

IMPORTANT NOTICE

Canadian Net Real Estate Investment Trust will hold its annual and special meeting in a virtual-only format on May 25th, 2022. You will not be able to attend the meeting physically.

Meeting to be held virtually on May 25th, 2022

Canadian Net Real Estate Investment Trust's upcoming annual and special meeting of unitholders on **May 25, 2022, at 11:00 a.m. (Montreal Time)** will be held in a virtual-only format whereby unitholders may attend and participate in the annual and special meeting via live webcast. Unitholders will not be able to attend the meeting in person, in line with our commitment to taking all prudent precautions to ensure the health and well-being of our employees, clients, unitholders, communities, and other stakeholders, and with the latest directives from public health and government officials in connection with the COVID-19 outbreak.

Registered unitholders and duly appointed proxyholders will be able to attend the meeting, ask questions and securely vote in real-time, online at <https://web.lumiagm.com/#/476388904>, through a web-based platform instead of attending the meeting in person.

Non-registered unitholders (beneficial unitholders who hold their units through an intermediary such as a securities broker, trustee, or financial institution) who have duly appointed themselves as proxyholder will also be able to attend the meeting, ask questions and securely vote in real time, online at <https://web.lumiagm.com/#/476388904>.

Non-registered (beneficial) unitholders who have not duly appointed themselves as proxyholder and other interested parties will be able to attend the meeting **as guests** and ask questions online through a live webcast at <https://web.lumiagm.com/#/476388904>.

Guests will not be able to vote at the meeting.

How can I vote before the virtual meeting?

Whether or not unitholders plan to attend the virtual meeting, they may still vote by submitting their proxy in advance of the meeting by one of the methods described in the circular and proxy materials previously distributed for the meeting.

What do I need to do if I wish to attend the virtual meeting?

If you are a **registered unitholder** and wish to attend and vote at the virtual meeting, no action is required ahead of the meeting. At the meeting, you will be able to vote by completing a ballot online, as further described below under "How do I attend the virtual meeting?".

If you are a **non-registered (beneficial) unitholder** and wish to attend and vote at the virtual meeting, you **MUST** write your own name in the space provided on your voting instruction form, sign and return the voting instruction form according to the delivery instructions provided by your intermediary **AND** register yourself as your proxyholder, as described below under "Vote by proxy". By doing so, you are instructing your intermediary to appoint you as its proxyholder. Do not complete the instructions section of the voting instruction form as you will be voting at the meeting.

Non-registered (beneficial) unitholders who have not duly appointed themselves as proxyholder will not be able to vote at the meeting but will be able to attend the meeting as guests and ask questions.

How can I appoint a proxyholder?

Registered unitholders and non-registered (beneficial) unitholders who do not plan on attending the virtual meeting may appoint a person other than the management nominees identified in the form of proxy or voting instruction form to attend the meeting as their proxyholder and vote their units. In order to do so, they **MUST** submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder as per the instructions set forth in the section "Vote by proxy" of the circular.

You MUST ALSO have the proxyholder either call TSX Trust at 1-866-751-6315 (within North America) or 1-212-235-5754 (outside of North America) or complete the electronic form available at <https://www.tsxtrust.com/control-number-request> by **no later than May 23, 2022**, at 11:00 a.m. (Montreal Time) (the “**voting deadline**”) so that TSX Trust may provide the proxyholder with a 13-digit proxyholder control number via email. **Failure to register will result in the proxyholder not receiving a proxyholder control number that is required to vote at the meeting and they will only be able to attend as a guest.**

How do I attend the virtual meeting?

Attending the virtual meeting enables registered unitholders and duly appointed proxyholders, including non-registered (beneficial) unitholders who have appointed themselves as proxyholders, to attend the meeting, ask questions, and vote, all in real time. Registered unitholders and duly appointed proxyholders can vote at the appropriate times during the meeting. Guests, including non-registered (beneficial) unitholders who have not duly appointed a proxyholder, can log in to the meeting as set out below. Guests can watch the meeting but are not able to vote.

- Log in online at <https://web.lumiagm.com/#/476388904>. We recommend that you log in at least one hour before the meeting starts.
- Click “Control # / No de contrôle” and then enter your 13-digit control number and password “net2022” (case sensitive).

OR

- Click “I am a guest” and then complete the online form.

Please note that if you vote during the virtual meeting, you will be revoking any and all previously submitted proxies.

Registered unitholders: The 13-digit control number located on the form of proxy or in the email notification you received is your control number.

Duly appointed proxyholders: TSX Trust will provide the proxyholder with a 13-digit proxyholder control number by email upon request once the proxyholder has been duly appointed AND registered as described in “How can I appoint a proxyholder” above.

If you attend the meeting online, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. You should allow ample time to check into the meeting online and complete the related registration.

General Proxy Matters

If you are not sure whether you are a registered unitholder or non-registered (beneficial) unitholder, or for additional information regarding submissions of forms of proxy and voting instructions forms before the virtual meeting, voting deadline, revocation of proxies and other general proxy matters, please contact TSX Trust:

Phone: Canada & United States (English & French) 1 (800) 387-0825

Fax: Canada & United States 1 (888) 249-6189
International 1 (514) 985-8843

Mail: TSX Trust
1 Toronto Street, Suite 1200
Toronto, Ontario, M5C 2V6

CANADIAN NET REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS WHICH WILL BE HELD ON MAY 25, 2022

NOTICE IS HEREBY GIVEN that the annual and special meeting of unitholders of Canadian Net Real Estate Investment Trust (the “**Trust**”) will be held in a virtual-only format on May 25, 2022 at 11:00 a.m. (Montreal Time) (the “**meeting**”), for the following purposes:

1. to receive the management report and consolidated financial statements of the Trust for the financial period ended on December 31, 2021, and the reports of the independent auditors thereon;
2. to elect the trustees of the Trust for the current financial period;
3. to appoint the auditors for the current financial period and to authorize the trustees to determine their compensation;
4. to consider and, if deemed advisable, approve the equity incentive plan of the Trust, as more fully described in the circular; and
5. to consider any other business that may properly be brought before the meeting or any adjournment of the meeting.

For additional information regarding the items above, please refer to the management information circular (the “**circular**”) enclosed. The information included in the circular is up to date as at April 14, 2022.

Made this April 14, 2022.

By order of the board of trustees

(s) Kevin Henley
Kevin Henley
Secretary

The board of trustees has set the time of the close of business on April 14, 2022 as the record date to determine the unitholders entitled to receive the notice of meeting or of any adjournment thereof and to exercise their voting rights.

The unitholders who cannot attend the meeting are invited to sign the enclosed proxy form and return it with the envelope provided or by e-mail at proxyvote@tmx.com. To be valid, the proxy forms must be deposited at the office of the transfer agent and registrar of the Trust, TSX Trust Company, at 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, or by e-mail at proxyvote@tmx.com, or at the head office of the Trust, at 106, avenue Gun, Pointe-Claire, Québec, H9R 3X3, no later than 11:00 a.m. (Montreal Time) on May 23, 2022, or, if the meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting.

TABLE OF CONTENTS

PURPOSE OF THE SOLICITATION	1
AVAILABILITY OF PROXY DOCUMENTATION ON THE INTERNET	1
VOTING BY PROXY	1
APPOINTMENT OF PROXIES	1
REVOCAION OF PROXIES	2
ADVICE TO BENEFICIAL OWNERS OF UNITS ON VOTING UNITS	2
AGENDA ITEMS	3
INTEREST OF CERTAIN PERSONS IN AGENDA ITEMS	3
CANADIAN NET REAL ESTATE INVESTMENT TRUST	3
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF	3
ELECTION OF TRUSTEES	4
COMPENSATION OF EXECUTIVE OFFICERS AND TRUSTEES	6
<i>Analysis of management compensation</i>	<i>6</i>
<i>Option-based awards</i>	<i>7</i>
<i>Summary Compensation Table</i>	<i>7</i>
<i>Unit options and other securities awarded as compensation</i>	<i>8</i>
<i>Benefits under a pension plan, in the event of termination of duties or change of control</i>	<i>8</i>
UNIT PURCHASE OPTION PLAN	8
EQUITY INCENTIVE PLAN	9
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	12
INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS	12
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	13
APPOINTMENT OF AUDITORS	13
<i>External Auditors Fees</i>	<i>13</i>
COMMITTEES OF THE TRUST	13
<i>Audit Committee</i>	<i>13</i>
<i>Governance and Compensation Committee</i>	<i>15</i>
<i>Investment Committee</i>	<i>15</i>
MANAGEMENT CONTRACTS	16
STATEMENT REGARDING CORPORATE GOVERNANCE	16
OTHER MATTERS	16
ADDITIONAL INFORMATION	16
APPROVAL OF TRUSTEES	17
SCHEDULE A – ORDINARY RESOLUTION APPROVING THE EQUITY INCENTIVE PLAN OF THE TRUST	18
<i>EXHIBIT A-1 – EQUITY INCENTIVE PLAN</i>	<i>19</i>
SCHEDULE B – CHARTER OF AUDIT COMMITTEE	20
SCHEDULE C – GOVERNANCE PRACTICE	21

CANADIAN NET REAL ESTATE INVESTMENT TRUST

MANAGEMENT INFORMATION CIRCULAR

PURPOSE OF THE SOLICITATION

THIS MANAGEMENT INFORMATION CIRCULAR IS PROVIDED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CANADIAN NET REAL ESTATE INVESTMENT TRUST (THE “TRUST”) FOR THE ANNUAL AND SPECIAL MEETING OF UNITHOLDERS OF THE TRUST WHICH WILL BE HELD IN A VIRTUAL-ONLY FORMAT ON MAY 25, 2022, AT 11 H, TIME OF MONTREAL, AS WELL AS ANY ADJOURNMENT THEREOF, FOR THE PURPOSES STATED IN THE NOTICE OF MEETING. **Although it is expected that the solicitation of proxies will take place mainly by mail, proxy forms may also be solicited by the management of the Trust by telephone or in person. Solicitation costs will be borne by the Trust.**

AVAILABILITY OF PROXY DOCUMENTATION ON THE INTERNET

Pursuant to the “Notice and Access” rules for the distribution of documentation which were adopted by the Canadian Securities Administrators, businesses now have the option to send a notice rather than sending by mail all of the proxy-related documentation. This year, the Trust has decided to send all of the documentation by mail to its unitholders. In the future, the Trust may distribute its documentation pursuant to the Notice and Access procedure. If, in the future, the Trust elects to send notices to its unitholders, these notices will provide instructions on how to access the notice of meeting and the management information circular of the Trust on the Internet. The notices will also explain to the unitholders what they need to do in order to request to have the proxy documentation sent to them electronically or by mail, either for this year’s meeting or at all times.

VOTING BY PROXY

Voting rights attached to all units represented at the meeting by duly signed proxies will be exercised during the meeting, and where a preference pertaining to a particular point on the agenda has been specified in the proxy form, the voting rights attached to the units represented by this proxy form will be exercised in accordance with such instructions. **IN THE ABSENCE OF SUCH INSTRUCTIONS, THE TRUST DESIGNEES, IF THEY HAVE BEEN APPOINTED AS PROXY HOLDER, WILL VOTE IN FAVOUR OF ALL MATTERS SET OUT HEREIN.**

THE ENCLOSED PROXY FORM CONFERS DISCRETIONARY AUTHORITY UPON THE TRUST DESIGNEES, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS MANAGEMENT INFORMATION CIRCULAR, THE TRUST IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE TRUST DESIGNEES INTEND TO VOTE IN ACCORDANCE WITH THEIR JUDGMENT.

Proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Trust, TSX Trust Company, at 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, or by e-mail at proxyvote@tmx.com or at the head office of the Trust, 106, avenue Gun, Pointe-Claire, Québec, H9R 3X3, at the attention of the Secretary of the Trust, no later than 11:00 a.m. (Montreal Time) on May 23, 2022, or, if the meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting.

APPOINTMENT OF PROXIES

A UNITHOLDER MAY DESIGNATE A PERSON (WHICH DOES NOT HAVE TO BE A TRUSTEE OF THE TRUST) OTHER THAN MICHEL TRUDEAU AND KEVIN HENLEY, THE TRUST DESIGNEES, TO PARTICIPATE AND ACT ON HIS BEHALF AT THE MEETING. This right may be

exercised by inserting in the space provided in the form of proxy attached hereto and striking out the names printed thereon or complete another form of proxy and, in either case, by depositing the form of proxy at the office of the Registrar and Transfer Agent of the Trust, TSX Trust Company, at 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, or by e-mail at proxyvote@tmx.com or at the head office of the Trust, 106, avenue Gun, Pointe-Claire, Québec, H9R 3X3, at the attention of the Secretary of the Trust, no later than 11:00 a.m. (Montreal Time) on May 23, 2022 or, if the meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting.

REVOCATION OF PROXIES

A unitholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A unitholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing no later than 11:00 a.m. (Montreal Time) on May 23, 2022, or, if the meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting, at one of the following locations:

- (1) at the office of the Registrar and Transfer Agent of the Trust, TSX Trust Company, at 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, or by e-mail at proxyvote@tmx.com; or
- (2) at the head office of the Trust, 106, avenue Gun, Pointe-Claire, Québec, H9R 3X3, at the attention of the Secretary of the Trust.

In addition, a proxy may be revoked by the unitholder executing another form of proxy bearing a later date and depositing the same at the office of the Registrar and Transfer Agent of the Trust within the time period set out under the heading "VOTING BY PROXY", or by the unitholder personally attending the Meeting and voting his units.

ADVICE TO BENEFICIAL OWNERS OF UNITS ON VOTING UNITS

The information set forth in this section is of significant importance to many unitholders, as a substantial number of unitholders do not hold units in their own name. Unitholders who do not hold their units in their own name (referred to in this circular as "**Beneficial Owners**") should note that only proxies deposited by unitholders who appear on the records of the Trust as registered holders of units will be recognized and acted upon at the meeting. If units are listed in an account statement provided to a Beneficial Owner by a broker, those units will, in all likelihood, not be registered in the unitholder's name. Such units will more likely be registered under the name of the unitholder's broker or an agent of that broker. Units held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Owner. Without specific instructions, brokers and their agents and nominees are prohibited from voting units for the broker's clients. **Therefore, each Beneficial Owner should ensure that voting instructions are communicated to the appropriate persons well in advance of the meeting.**

Existing regulatory policy, including *National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer*, requires brokers and other intermediaries to seek voting instructions from Beneficial Owners in advance of unitholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Owners in order to ensure that their units are voted at the Meeting. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). The voting instruction form supplied to a Beneficial Owner by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered unitholders by the Company. However, its purpose is limited to instructing the registered unitholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Owner. **A Beneficial Owner who receives a Broadridge voting instruction form cannot use that form to vote units directly at the meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of units must otherwise be communicated to Broadridge) well in advance of the meeting in order to have the units voted.**

Although a Beneficial Owner may not be recognized directly at the meeting for the purposes of voting units registered in the name of his or her broker, a Beneficial Owner may attend the meeting as proxyholder for the registered unitholder and vote the units in that capacity. Beneficial Owners, who wish to attend the meeting and indirectly vote their units as proxyholder for the registered unitholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same to their broker (or the broker's agent) or Broadridge in accordance with the instructions provided by such broker or Broadridge well in advance of the meeting.

AGENDA ITEMS

To the knowledge of the trustees of the Trust, the only matters to be placed before the meeting are the matters set forth in the notice of meeting, related to the receipt of the financial statements, the election of the trustees, the approval of the Equity Incentive Plan (as defined below), and the appointment of the auditors of the Trust.

INTEREST OF CERTAIN PERSONS IN AGENDA ITEMS

To the best knowledge of the trustees and executive officers of the Trust, no trustee or executive officer, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, as beneficial owner or otherwise, in the matters on the agenda of the meeting, except as disclosed herein and to the extent that they may be unitholders, and except that such trustees and executives officers may be eligible to receive, or may currently hold, unit-based compensation awards under the unit-based compensation plan proposed to be approved by the unitholders as described under the section Equity Compensation Plan of this Circular.

CANADIAN NET REAL ESTATE INVESTMENT TRUST

The Trust is an unincorporated open-ended real estate investment trust, created under the laws of the province of Québec, in accordance with the provisions of a contract of trust dated March 11, 2011 as amended and restated on June 17, 2021 (the "**Contract of Trust**").

Prior to its reorganization as a real estate investment trust, the Trust existed as a corporation under the name of Fronsac Capital Inc. Fronsac Capital Inc. was incorporated on June 2, 2006 under the *Canada Business Corporations Act* and completed its first initial public offering on May 25, 2007. Fronsac Capital Inc. was a Capital Pool Company according to the policies of the TSX Venture Exchange, until the completion of its Qualifying Transaction on August 5, 2008.

On July 1, 2011, Fronsac Capital Inc. completed a plan of arrangement and was reorganized as a real estate investment trust under the name of "Fronsac Real Estate Investment Trust". Pursuant to the plan of arrangement, all issued and outstanding shares of Fronsac Capital Inc. were exchanged for units of the Trust.

The Trust is a reporting issuer in Quebec, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and its units are listed on the TSX Venture Exchange under the symbol "NET.UN" since June 22, 2021. Prior to that, the units were listed under the symbol "FRO.UN" from August 7, 2018 to June 22, 2021 and "GAZ.UN" from July 1, 2011 to August 7, 2018.

On November 10, 2020, the Trust completed a consolidation of units on the basis of one (1) post-consolidation unit for every ten (10) pre-consolidation units.

The Trust focuses on the acquisition of triple net and management-free commercial real estate properties.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Contract of Trust authorizes the issuance of one class of units only. Each unit represents an equal undivided beneficial interest in any distribution from the Trust and in the net assets of the Trust in the event of its dissolution or liquidation. As at the date hereof, 20,492,296 units of the Trust are issued and outstanding.

The board of trustees (the “**Board**”) has set April 14, 2022 as the record date for determining which unitholders shall be entitled to receive notice of the meeting and to vote at the meeting on the basis of one vote per unit held.

Pursuant to the terms of the Contract of Trust, two persons present at the meeting which are unitholders or representing unitholders by proxy holding not less than 5% of the votes attaching to all outstanding units of the Trust shall constitute the quorum required for any meeting.

To the knowledge of the trustees and the executive officers, no person or company owns of record or beneficially, directly or indirectly, or exercises control or direction over voting securities of the Trust carrying 10% or more of the voting rights attached to any category of voting securities of the Trust, or exercise control or direction over any of such securities.

ELECTION OF TRUSTEES

The Contract of Trust provides that the Trust will have a minimum of three and a maximum of fifteen trustees. For the next fiscal year, it is proposed that seven (7) trustees shall be nominated individually to hold office until the next general annual meeting of unitholders or until their successors are duly elected or appointed. **UNLESS OTHERWISE SPECIFIED, THE TRUST DESIGNEES, IF THEY ARE DESIGNATED AS PROXY, INTEND TO VOTE FOR THE ELECTION OF THE FOLLOWING CANDIDATES.** The management has no reason to believe that any of the candidates would be unable to fulfill their mandate as trustee.

The following table and notes thereto state the names of each person proposed to be nominated for election as trustee, their principal occupation, the period during which they acted as trustee of the Trust and the approximate number of units beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof:

Name, province and country of residences for each proposed candidate	Principal occupations during the previous years	Trustee since	Number of units of the Trust ⁽¹⁾
Michael Zakuta ^{(3) (4)} Québec, Canada <i>Independent</i>	Mr. Zakuta is President, Chief Executive Officer and trustee of Plaza REIT (Toronto Stock Exchange) and of Plaza Group Management Limited. Mr. Zakuta is a property developer and entrepreneur since 1986.	May 24, 2012	1,093,999 ⁽⁵⁾
Guy Laframboise ⁽⁴⁾ Québec, Canada <i>Independent</i>	Mr. Laframboise has been the President of Restaurant Subway Quebec Ltd., since 1990. The chain has since grown and now has over 600 outlets across Quebec.	September 15, 2014	759,873 ⁽⁶⁾
François-Olivier Laplante ⁽²⁾ Québec, Canada <i>Independent</i>	Mr. Laplante is a partner at Nymbus Capital, a Canadian investment management firm for which he manages a real estate-focused hedge fund. He is also President of Folco Capital Inc., a corporation managing a variety of investments, focusing on real estate assets. From 2003 to 2014, François served as Vice-President, Director and Head of Liability Trading on the Institutional Equity Trading team at Desjardins Securities, part of a \$260 billion financial institution.	April 11, 2016	298,399

Name, province and country of residences for each proposed candidate	Principal occupations during the previous years	Trustee since	Number of units of the Trust ⁽¹⁾
Guy Dancosse ⁽³⁾ Québec, Canada <i>Independent</i>	Guy Dancosse, Q.C., ICD.D., CPHR, is currently legal counsel at Dunton Rainville LLP. He was a member of the board of directors of the Royal Canadian Mint, where he chaired the human resources committee, and numerous other public companies. He is currently on the board of directors of Devonian Health Group Inc., where he is on the audit and remuneration committee. He is a certified member of the Institute of Corporate Directors and of CPHR (Canada) and holds the title of Queen's Counsel (QC).	April 11, 2016	Nil
Katia Marquier ⁽²⁾ Québec, Canada <i>Independent</i>	Katia Marquier is the Chief Financial Officer of Fednav since January 2020, where she previously spent 3 years as Vice President, Finance. Ms. Marquier is a member of the Order of Chartered Professional Accountants (CPA, CA) and is also a certified corporate director “Administrateur de Sociétés Certifié” (ASC). She has more than 20 years of experience in financial management especially at Gaz Metro l.l.p. (Énergir) and KPMG. Ms. Marquier is also a member of the Investment committee – development capital of Fonds de Solidarité FTQ.	September 30, 2017	28,756
Michel Trudeau ⁽²⁾⁽³⁾⁽⁴⁾ Québec, Canada <i>Independent</i>	Michel Trudeau is a corporate director. Since September 2019, Mr. Trudeau is a director of Valeo Pharma Inc., a Canadian-based pharmaceutical company listed on the Canadian Securities Exchange. Mr. Trudeau was Vice Chairman of Laurentian Bank Securities Inc. from October 2018 to October 2019. Mr. Trudeau was previously President and Chief Executive Officer of Laurentian Bank Securities Inc. between 2003 and 2018.	May 25, 2018	467,042
Jason Parravano Québec, Canada <i>Non-independent</i>	Mr. Parravano is the President and Chief Executive Officer of the Trust since March 15, 2017. He joined the Trust in March 2015. He is a member of the Order of Chartered Professional Accountants of Quebec. Mr. Parravano comes from a public accountancy background specializing in public issuers and has been involved in various financing activities for both public and private companies alike. Mr. Parravano held the position of Chief Financial Officer of the Trust from 2015 until March 15, 2017.	May 24, 2019	121,835 ⁽⁷⁾

Notes

(1) Does not include units which may be acquired following the exercise of options to purchase units or warrants.

- (2) Member of the Audit Committee.
- (3) Member of the Governance and Compensation Committee.
- (4) Member of the Investment Committee.
- (5) Of these units, 514,133 are owned by Z-Corp Financial 2007 Inc., a corporation indirectly and partially held by Mr. Zakuta, 133,200 are held by Société en commandite RDL-1, a partnership in which Mr. Zakuta has indirect ownership in the general partner, 366,566 are held by Plaza Z-Corp Properties Inc., a corporation indirectly and partially held by Mr. Zakuta and 80,100 units are owned by Mr. Zakuta personally.
- (6) Of these units, 754,273 are owned by Gestion Laframboise Inc., a corporation controlled by Mr. Laframboise, and 5,600 units are owned by Mr. Laframboise personally.
- (7) Of these units, 30,400 are owned by his wife and controlled by Mr. Parravano via a voting trust agreement and 17,600 are deferred trust units.

To the knowledge of the Trust, and according to the information that the nominees provided to it, none of the nominees were:

- a) director, chief executive officer or chief financial officer of a corporation (including the Trust) which was subject to an order rendered while the nominee held the position of director, chief executive officer or chief financial officer, or an order rendered after the nominee ceased to hold the position of director, chief executive officer or chief financial officer for events that occurred while he held such office; or
- b) director or executive officer of a corporation (including the Trust) which, while he held such position 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 manager or trustee appointed to hold its assets.

As at the date hereof, to the knowledge of the management, none of the nominees have, within the 10 years before the date hereof, 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 its assets.

As at the date hereof, to the knowledge of the management, none of the nominees have been subject to i) 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 ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

COMPENSATION OF EXECUTIVE OFFICERS AND TRUSTEES

Analysis of management compensation

The purpose of this compensation analysis is to inform the reader of the objectives and the basis for establishing the compensation of the management of the Trust and to comment decisions related to the compensation of executive officers for the fiscal year ended December 31, 2021. During this fiscal year, the Trust had three executive officers, being Jason Parravano, President and Chief Executive Officer of the Trust, Kevin Henley, Secretary and Chief Investment Officer of the Trust, and Charles Benjamin Gazith, Treasurer and Chief Financial Officer of the Trust. As of December 31, 2021, there were no trustee or executive officer of the Trust who accumulated \$150,000 or more in salary or bonuses, other than Jason Parravano, Kevin Henley and Charles Benjamin Gazith as described below.

The reorganization of Fronsac Capital Inc. into a trust was effective as of July 1, 2011. The Trust is at a stage where the control of its operating costs is of utmost importance to ensure that the funds required to achieve its business plan are available.

The Governance and Compensation Committee is responsible for establishing and submitting to the Board for approval the compensation of the trustees. During the fiscal year ended December 31, 2021, the Trust paid a total of \$8,000 to Mr. Guy Dancosse for the meetings he attended. During this fiscal year, the Trust has not paid any other cash compensation to its trustees for services rendered in this capacity. For the same reasons mentioned in the above section "Analysis of management compensation", the Trust does not intend to pay any material cash compensation to its trustees in the short and medium term. The objective pursued by the trustees is to compensate the trustees in the least onerous way and to harmonize the interests of the trustees with those of the unitholders of the Trust.

The primary goal of the Trust is to continue its development and to offer financial performance to its unitholders. The trustees and executive officers hold a significant number of units of the Trust and acknowledge the importance of this approach.

Option-based awards

The Trust grants option-based awards sparingly to the executive officers of the Trust. The Board is of the opinion that option awards to the executive officers and their ownership of units of the Trust contributes to encourage the achievement of short-and-medium term objectives of the Trust and are at the same time beneficial to the unitholders. The Board bases its decisions, regarding option awards, on the level of responsibilities and the contribution of each beneficiary to the achievement of the Trust's objectives. No option has been awarded in accordance with the unit purchase option plan of the Trust during the fiscal year ended December 31, 2021.

Summary Compensation Table

The following summarizes all compensation paid or payable to the President and Chief Executive Officer, the Secretary and Chief Investment Officer, the Treasurer and Chief Financial Officer and the trustees of the Trust during the fiscal years ended December 31, 2020 and December 31, 2021, except for securities granted as compensation.

Name and Position	Fiscal year	Salary (\$)	Attendance fees (\$)	Other compensation (\$)	Total Compensation (\$)
Jason Parravano President and Chief Executive Officer	2021	170,000	0	12,000	182,000
	2020	148,838	0	12,000	160,838
Kevin Henley Secretary and Chief Investment Officer ⁽¹⁾	2021	95,615	0	6,000	101,615
	2020	80,000	0	6,000	86,000
Charles Benjamin Gazith, Treasurer and Chief Financial Officer ⁽²⁾	2021	58,153	0	3,000	61,154
	2020	0	0	0	0
Guy Dancosse Trustee	2021	0	8,000 ⁽³⁾	0	8,000
	2020	0	7,000 ⁽³⁾	0	7,000
François-Olivier Laplante Trustee	2021	0	0	0	0
	2020	0	0	0	0
Michael Zakuta Trustee	2021	0	0	0	0
	2020	0	0	0	0
Guy Laframboise Trustee	2021	0	0	0	0
	2020	0	0	0	0
Katia Marquier Trustee	2021	0	0	0	0
	2020	0	0	0	0
Michel Trudeau Trustee	2021	0	0	0	0
	2020	0	0	0	0

Notes

- (1) Mr. Henley became Chief Investment Officer on June 1st, 2021. Mr. Henley was previously Chief Financial Officer since November 7, 2017.
- (2) Mr. Gazith became Chief Financial Officer on June 1st, 2021. Mr. Gazith was previously Corporate Controller since January 2020.
- (3) The Trust has agreed to pay to Mr. Dancosse total amounts of \$7,000 and \$8,000 for 2020 and 2021, respectively, for his attendances to meetings of the Board and of the Governance and Compensation Committee.

Unit options and other securities awarded as compensation

The following table summarizes the outstanding unit purchase options and other securities granted as compensation to each executive officer and each trustee of the Trust during the fiscal year ended December 31, 2021. No other executive officer or trustee of the Trust exercised any unit purchase option or were granted any securities as compensation during the fiscal year ended December 31, 2021.

Name and position	Type of securities	Name of securities, amount of underlying securities and percentage of the category ⁽¹⁾⁽²⁾	Date of issuance or award	Price of issuance, conversion or exercise (\$)	Closing price of the security or the underlying security at the date of award ⁽³⁾ (\$)	Closing price of the security or the underlying security at the end of the fiscal year (\$)	Value of securities granted as compensation ⁽⁴⁾ (\$)
Jason Parravano President and Chief Executive Officer	Issuance of units	20,000 (0.10%)	February 15, 2021	6.95	6.85	8.05	161,000
Kevin Henley Chief Investment Officer & Secretary	Issuance of units	8,000 (0.04%)	February 15, 2021	6.95	6.85	8.05	64,400
Charles Benjamin Gazith Chief Financial Officer & Treasurer ⁽⁵⁾	Issuance of units	8,000 (0.04%)	February 15, 2021	6.95	6.85	8.05	64,400
Katia Marquier Trustee	Issuance of units	1,800 (0.01%)	February 15, 2021	6.95	6.85	8.05	14,490
Guy Laframboise Trustee	Issuance of units	1,400 (0.01%)	February 15, 2021	6.95	6.85	8.05	11,270
François-Olivier Laplante Trustee	Issuance of units	1,000 (0.00%)	February 15, 2021	6.95	6.85	8.05	8,050
Michael Zakuta Trustee	Issuance of units	1,000 (0.00%)	February 15, 2021	6.95	6.85	8.05	8,050
Michel Trudeau Trustee	Issuance of units	2,000 (0.01%)	February 15, 2021	6.95	6.85	8.05	16,100

Notes

- (1) Units and per unit amounts are shown on a post-consolidation basis
- (2) Calculation of percentage takes into consideration the amount of issued and outstanding units as at the date hereof.
- (3) Represents the closing price per unit on February 16th, 2021. The units were granted on February 15th, 2021, a statutory holiday, using the closing price of the last trading day being February 12th, 2021, at \$6.95.
- (4) Calculated based on the closing price at the end of the fiscal year of the Trust on December 31, 2021, being \$8.05 per unit.
- (5) Mr. Gazith became an officer of the Trust on June 1, 2021, but received the units when he was Corporate Controller

Benefits under a pension plan, in the event of termination of duties or change of control

The Trust does not have any plan or arrangement in respect of compensation received or that may be received by the executive officers or the trustees pursuant to a pension plan, in the event of termination of duties or a change in their responsibilities arising from a change of control.

UNIT PURCHASE OPTION PLAN

The entirety of the options held by the trustees and the executive officers of the Trust is subject to the fixed unit purchase option plan (326,160 units) of the Trust (the “**Option Plan**”). As of December 31, 2021, the Trust was able to issue options for 256,160 units of the Trust.

Following the terms of the Option Plan, the terms and other conditions of unit awards as well as the price of the options are determined by the trustees or a committee duly mandated by the Board, subject to the restrictions imposed by any exchange where the units of the Trust are listed at the time of the award. The Option Plan provides that no option shall be awarded to anyone, except upon the recommendation of the trustees of the Trust and only the trustees, executive officers, employees, key personnel and consultants of the Trust or its subsidiaries may receive unit purchase options. The Option Plan provides that any option awarded may not be awarded for a period exceeding 10 years. No person may hold options representing more than 5% of the issued and outstanding units of the Trust.

EQUITY INCENTIVE PLAN

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, approve a resolution in the form attached as Schedule A hereto, approving the equity incentive plan of the Trust (the “**Equity Incentive Plan**”). A copy of the Equity Incentive Plan, which has been conditionally approved by the TSX Venture Exchange, subject to the approval of the Disinterested Unitholders, is attached hereto as Exhibit A-1 to Schedule A. Capitalized terms used in this section not otherwise defined shall have the meanings given to them in the Equity Incentive Plan. “Disinterested Unitholder” refers to any Unitholder which would not become an eligible person under the Equity Incentive Plan and is not an associate of such Unitholder. To the knowledge of the Trust, there are no Unitholders which would not be entitled to vote on the approval of the Equity Incentive Plan.

Purpose

The purpose of the Equity Incentive Plan is to attract, retain and motivate trustees, officers and employees (or any similar positions) of the Trust and to advance the interests of the Trust by providing such persons with the opportunity, through awards made under the Equity Incentive Plan, to acquire a proprietary interest in the Trust. The Equity Incentive Plan consolidates, amends and restates the existing unit compensation plan of the Trust, as approved on April 19, 2019, as amended on May 22, 2020, and as further amended on March 26, 2021, and the deferred trust unit plan of the Trust, as approved on March 26, 2021.

Administration

The Equity Incentive Plan is administered by the Board which has the power to establish policies and to adopt rules and regulations for carrying out the purposes of the Equity Incentive Plan, implementing its provisions and administering it, determine the number and type of Equity Awards to be granted and establish the terms and conditions of each Award Agreement between the Trust and any Participant. The Board may delegate to the Governance Committee all determinations to be made and actions to be taken by the Board under the Equity Incentive Plan.

Eligibility

Those eligible to participate in the Equity Incentive Plan include trustees, officers and employees (or any similar positions) of the Trust or any subsidiary of the Trust (each, an “**Eligible Individual**”).

Types of Awards

The Equity Incentive Plan provides for awards of Compensation Units, Performance Units, Restricted Units and Deferred Units (as each such term is defined below).

Compensation Units

Units of the Trust (“**Compensation Units**”) may be issued to a trustee in payment, in whole or in part, of the annual retainer payable to such trustee in respect of a calendar year for service on the Board, together with committee fees, if any (collectively, the “**Board Compensation**”).

The number of Compensation Units that a trustee shall be entitled to receive shall be equal to (a) the amount of Board Compensation to be paid in Compensation Units; divided by (b) the closing price of the Units on the TSX-V on the date immediately preceding the date of issuance of such Compensation Units or, if that day is not a trading day on the TSX-V, the closing price on the immediately preceding trading day.

Compensation Units are Units of the Trust and therefore entitle a Participant to all rights as a Unitholder, including voting rights, distribution entitlements or rights of liquidation.

Performance Units

Performance units (“**Performance Units**”) may be granted and credited to a Participant’s Performance Unit Account, subject to such terms and conditions as the Board may impose. Each Performance Unit has an initial value equal to the Market Price of a Unit when the Equity Award is made. Performance Units are non-assignable (other than by will or the law of succession). In determining whether the Performance Unit Measures have been met or exceeded for a particular grant, the Board will use a Performance Unit Adjustment Factor on thresholds set out in the Performance Unit Measures attached to such grant of Performance Units. The Board will provide a schedule to each Participant for each Performance Unit Period that links level of performance to a related Performance Unit Adjustment Factor. Performance Units may be granted in the form of Short-Term Performance Units or Long-Term Performance Units.

The Performance Unit Period for the Short-Term Performance Units shall be one year and their Adjusted Performance Unit Award shall fully vest on the First Financial Statement Approval Date following a determination of the Adjusted Performance Unit Award.

The Performance Unit Period for Long-Term Performance Units shall be one year and their Adjusted Performance Unit Award shall vest as follows: 25% on the First Financial Statement Approval Date, 25% on the Second Financial Statement Approval Date and 50% on the Third Financial Statement Approval Date, in each case following a determination of the Adjusted Performance Unit Award.

Any Performance Unit for a Performance Unit Period that does not vest due to the Performance Unit Adjustment Factor being zero shall be cancelled and automatically forfeited as of the First Financial Statement Approval Date.

Restricted Units

A restricted unit (“**Restricted Unit**”) represents the right, subject to the terms of the grant, to receive one Unit on the Restricted Unit Settlement Date subject to fulfillment of any applicable conditions on the Restricted Unit Settlement Date. Each Restricted Unit has an initial value equal to the Market Price of a Unit when the Equity Award is made. Restricted Units are non-assignable (other than by will or the law of succession). All other terms and conditions governing Restricted Units, such as vesting, performance criteria (if any), time and form of payment, and termination of Restricted Units will be set forth in the applicable Award Agreement between the Trust and the Participant.

Restricted Units will vest on and after the third anniversary of the date of grant, although the Board has the right to establish different vesting dates at the time of grant and may determine at any time after the time of grant that a particular Restricted Unit will vest at an earlier or later time.

Deferred Units

Each deferred unit (“**Deferred Unit**”) represents, subject to terms of the grant, the right to receive one Unit. Each Deferred Unit has an initial value equal to the Market Price of a Unit when the Equity Award is made. Deferred Units are non-assignable (other than by will or the law of succession). Deferred Units granted pursuant to the terms of the Equity Incentive Plan will vest immediately upon grant. If a Participant ceases to be an Eligible Individual for any reason and has Deferred Units remaining in their Deferred Unit Account, the Deferred Units may be settled for Units.

Whenever a Cash Distribution is paid on the Units, additional Deferred Units will accrue and vest on the same terms and time as the Deferred Units.

Total Units Subject to the Plan and Participation Limits

The maximum number of Units reserved for issuance at any time under the Equity Incentive Plan and any other security-based compensation plan of the Trust shall be 1,024,615. Any Unit issued under the Equity Incentive

Plan shall reduce the number of Units reserved for issuance thereunder accordingly. If any Equity Award granted under the Equity Incentive Plan is terminated, expired or is cancelled, new Equity Awards may thereafter be granted covering such Units, subject to any required prior approval by the TSX-V or other stock exchange upon which the Units are listed. At all times, the Trust will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Equity Awards granted under the Equity Incentive Plan. Subject to applicable law or the requirements of the TSX-V or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, including disinterested unitholder approval, the Board may, in its discretion, amend the Equity Incentive Plan to increase such limit without notice to Participants.

The maximum aggregate number of Units that may be subject to grants of Equity Awards under the Equity Incentive Plan and any other security-based compensation plan of the Trust to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units on a non-diluted basis.

In addition, unless the Trust has obtained the requisite disinterested unitholder approval, (i) the maximum aggregate number of Units issuable to Insiders (as a group), at any time, pursuant to the Equity Incentive Plan and any other security-based compensation plan of the Trust cannot exceed 10% of the issued and outstanding Units on a non-diluted basis; and (ii) the maximum aggregate number of Units that may be issued pursuant to Equity Awards to such Insiders (as a group) during any one-year period, including those Units issuable under any other security-based compensation plan of the Trust, cannot exceed 10% of the issued and outstanding Units on a non-diluted basis calculated as at the date any such Equity Award or Unit is granted or issued to any Insider

The Equity Incentive Plan is an “evergreen” plan. If and to the extent a Performance Unit, Restricted Unit or Deferred Unit is cancelled or forfeited for any reason, the associated Units subject to that Performance Unit, Restricted Unit or Deferred Unit will again become available for grant under the Equity Incentive Plan.

Termination of Employment

The Board may, at the time of the granting of Equity Awards under the Equity Incentive Plan, determine the provisions relating to vesting or expiration of Equity Awards upon the bankruptcy, death, disability, voluntary resignation, retirement or termination of employment of the Participant.

Adjustments

If at any time after the grant of an Equity Award to any Participant and prior to the expiration of the term of such Equity Award, the Units are subdivided, consolidated, reclassified, reorganized or otherwise changed, the Participant will be entitled to receive upon any subsequent exercise of his or her Equity Award the number of Units to which he or she would have been entitled upon exercise of the aggregate number of securities of the appropriate class and/or such other consideration from the Trust or any successor entity that the Participant would have been entitled to receive.

Termination and Amendments

The trustees may, subject to regulatory approval, amend the Equity Incentive Plan and any Equity Award under the Equity Incentive Plan at any time without notice to or approval from the Unitholders of the Trust or any Participant, for any purpose whatsoever, including, without limitation for the purpose of:

- a) amendments of a “housekeeping” nature;
- b) correcting any ambiguity, defective provision, error or omission in the provisions of the Equity Incentive Plan;
- c) amending the vesting provisions of the Performance Units, the Restricted Units or the Deferred Units under the Equity Incentive Plan;
- d) amending the Performance Unit Period set out in the Equity Incentive Plan;
- e) amending the termination provisions of the Performance Units, the Restricted Units or the Deferred Units, or the Equity Incentive Plan; and
- f) any other amendment that does not require Unitholder approval under applicable laws or rules of the TSX-V, provided, however, however, subject to the terms of the Equity Incentive Plan, no amendment may adversely affect the Equity Awards previously granted under the Equity Incentive Plan without the consent of the affected Participant.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the information regarding compensation plans under which equity securities of the Company are authorized for issuance, as on December 31, 2021.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity Compensation Plans approved by unitholders	10,000	\$3.80	256,160
Equity Compensation Plans not approved by unitholders	Nil	Nil	Nil

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

Other than as set out below, as at the date of this circular, there is no indebtedness outstanding of any current or former trustee, executive officer or employee of the Trust or any of its subsidiaries which is owing to the Trust or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

AGGREGATE INDEBTEDNESS		
Purpose	To the Trust or its subsidiaries	To other entities ⁽¹⁾
Unit Purchase	\$210,000 ⁽²⁾	0
Other	0	0

(1) Indebtedness of any trustee or executive officer Trust to any entity other than the Trust or one of its subsidiaries that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any of its subsidiaries.

(2) The Trust granted a loan of \$50,000 to Mr. Jason Parravano, President and Chief Executive Officer, on May 7, 2019 for the purchase of units of the Trust. The loan was granted for a term of 5 years, and bears interest at the rate of the line of credit of the Trust with the National Bank of Canada, being the prime rate plus 0.75% per annum, which is in excess of the Trust's least expensive line of credit. Interest is payable quarterly on the outstanding balance.

The Trust granted a loan of \$60,000 to Mr. Jason Parravano, President and Chief Executive Officer, on December 14, 2021 per the terms of his employment agreement. The loan was granted for a term of 5 years, and bears interest at the rate of the line of credit of the Trust with the Royal Bank of Canada, being the prime rate plus 0.75% per annum, which is in excess of the Trust's least expensive line of credit. Interest is payable quarterly on the outstanding balance.

The Trust granted a loan of \$50,000 to Mr. Kevin Henley, Secretary and Chief Investment Officer, on November 9, 2020 for the purchase of units of the Trust. The loan was granted for a term of 5 years, and bears interest at the rate of the line of credit of the Trust with the Royal Bank of Canada, being the prime rate plus 0.75% per annum, which is in excess of the Trust's least expensive line of credit. Interest is payable quarterly on the outstanding balance.

The Trust granted a loan of \$50,000 to Mr. Charles Benjamin Gazith, Treasurer and Chief Financial Officer, on November 9, 2020 for the purchase of units of the Trust. The loan was granted for a term of 5 years, and

bears interest at the rate of the line of credit of the Trust with the Royal Bank of Canada, being the prime rate plus 0.75% per annum, which is in excess of the Trust's least expensive line of credit. Interest is payable quarterly on the outstanding balance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Trust, no insider, proposed nominee for election as a director, or any associate or affiliate of the foregoing, had any material interest, direct or indirect, in any transaction or proposed transaction since January 1, 2021 which has materially affected or would materially affect the Company or its subsidiaries, except for the following transactions:

The loans receivable include an amount of \$210,000 (Q4 2020: \$150,000) due from officers of the Trust. Interest income on the loans amount to \$6,424 (2020: \$5,476) for which no amount is receivable as at December 31, 2021 (Q4 2020: \$0).

APPOINTMENT OF AUDITORS

MNP LLP of 1155 René-Lévesque Boulevard, 23rd floor, Montreal, QC, H3B 2K2, were first appointed auditors for the Trust on May 21, 2021.

THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, INTEND TO VOTE THE UNITS REPRESENTED BY ANY SUCH PROXY FOR THE APPOINTMENT OF MNP LLP., AS AUDITORS OF THE TRUST FOR A COMPENSATION TO BE FIXED BY THE BOARD OF TRUSTEES, unless the unitholder specified in his proxy that his units are to be withheld from voting the appointment of said auditors.

External Auditors Fees

The following table presents by category the fees billed by BDRF CPA Inc., the external auditors of the Trust for the fiscal year ending December 31, 2020, and MNP LLP, the external auditors of the Trust for the fiscal year ending December 31, 2021.

	Fiscal Year ended	
	December 31, 2020 \$	December 31, 2021 \$
Audit fees ⁽¹⁾	55,000	82,000
Audit-related fees ⁽²⁾	36,740	Nil
Tax fees ⁽³⁾	Nil	Nil
Other fees ⁽⁴⁾	Nil	Nil
Fees and disbursements	Nil	Nil
Total fees	91,740	82,000

- (1) Refers to the total fees charged by the external auditors of the Trust for audit services.
- (2) Refers to the total fees charged for related services rendered by the external auditors that are reasonably related to the performance of the audit or review of the Trust and which are not included in the fees referred to in 1 above.
- (3) Refers to total fees charged for professional services rendered by the external auditors for tax compliance, tax planning and tax advice.
- (4) Refers to supporting services to the audit committee, to analysis work with respect to acquisition or development projects of the Trust.

COMMITTEES OF THE TRUST

Audit Committee

Mandate of the Audit Committee

The Audit Committee shall assist the Board in its oversight responsibility towards unitholders, potential holders, the financial community and other interested parties, with respect to the financial statements, the disclosure process of financial information, the internal accounting and financial monitoring systems and internal monitoring system of the work and independence of the external auditors of the Trust. By doing so, it is also responsible to ensure the free and open communication between the trustees and the external auditors of the Trust.

The complete mandate of the Audit Committee can be found in Schedule B of this circular.

Audit Committee Members

The audit committee from January 1, 2021 to December 31, 2021 was comprised of Katia Marquier, who acted as Chair of the Committee, Michel Trudeau and François-Olivier Laplante.

Under *National Instrument 52-110 - Audit Committee*, an “independent” member of the Audit Committee is one who has no direct or indirect material relationship with the Trust, meaning a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. The Board believes that all the members of the Audit Committee in office for the fiscal year ended December 31, 2021, were independent and financially literate within the meaning of *National Instrument 52-110 - Audit Committee*.

Relevant Education and Experience

The following sets out the education and experience of each member of the Audit Committee relevant to the performance of their responsibilities, in particular any education or experience that provides the member with one or more of the following abilities: a) understanding of the accounting principles used by the Trust to prepare its financial statements; b) the capacity to generally assess the application of the accounting principles related to the accounting of estimates, accounts receivable, accounts payable and reserves; c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Trust’s financial statements, or experience actively supervising one or more persons engaged in such activities; and d) an understanding of internal controls and procedures for financial reporting.

Katia Marquier is the Chief Financial Officer of Fednav since January 2020, where she previously spent 3 years as Vice President, Finance. Ms. Marquier is a member of the Order of Chartered Professional Accountants (CPA, CA) and is also a certified corporate director “Administrateur de Sociétés Certifié” (ASC). She has more than 20 years of experience in financial management especially at Gaz Metro I.I.p. (Énergir) and KPMG. Ms. Marquier is also a member of the Investment committee – development capital of Fonds de Solidarité FTQ.

Michel Trudeau is a corporate director. Since September 2019, Mr. Trudeau is a director of Valeo Pharma Inc., a Canadian-based pharmaceutical company listed on the Canadian Securities Exchange. Mr. Trudeau was Vice Chairman of Laurentian Bank Securities Inc. from October 2018 to October 2019. Mr. Trudeau was previously President and Chief Executive Officer of Laurentian Bank Securities Inc. between 2003 and 2018. He previously worked for more than 15 years within the institutional and fixed income sectors, including 10 years at Merrill Lynch where he successively occupied various senior management positions.

François-Olivier Laplante is a partner at Nymbus Capital, a Canadian investment management firm for which he manages a real estate-focused hedge fund. He is also President of Folco Capital Inc., a corporation managing a variety of investments focusing on real estate assets. From 2003 to 2014, Mr. Laplante served as Vice-President, Director and Head of Liability Trading on the Institutional Equity Trading team at Desjardins Securities.

Monitoring of Audit Committee

During the fiscal year ended December 31, 2021, all recommendations from the Audit Committee regarding the appointment and compensation of external auditors were adopted by the Board of the Trust.

Reliance on certain Exemptions

The Trust relies on the exemption in section 6.1 of *National Instrument 52-110 Audit Committees* with respect to certain disclosure obligations. The Trust has not relied on any other exemption provided for under this instrument for the fiscal year ended December 31, 2021.

Pre-Approval Policies and Procedures

The charter of the Audit Committee requires the Audit Committee to pre-approve all non-audit services to be provided by the external auditors of the Trust.

Governance and Compensation Committee

Mandate of the Governance and Compensation Committee

The Governance and Compensation Committee is responsible for reviewing, overseeing and evaluating the governance policies of the Trust. The Board has adopted a written charter for the Governance and Compensation Committee setting out its responsibilities for: (i) assessing annually, and at such other times as it deems appropriate, the effectiveness of the Board, each of its committees and individual Trustees; (ii) organizing an orientation and education program for new Trustees; (iii) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the independent Trustees; and (iv) reviewing and making recommendations to the Board concerning any change in the number of Trustees composing the Board, annually and at such other times as it deems appropriate.

In addition, pursuant to its written charter, the Governance and Compensation Committee is responsible for: (i) considering questions of management succession; (ii) administering any unit option or purchase plan of the Trust and any other compensation incentive programs; (iii) assessing the performance of management of the Trust; (iv) reviewing and approving the compensation paid by the Trust, if any, to the officers, advisers and consultants of the Trust; and (v) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to Trustees and officers of the Trust.

Governance and Compensation Committee Members

From January 1, 2021 to May 21, 2021, the Governance and Compensation Committee was comprised of Michael Zakuta, who acted as Chair of the Committee, Michel Trudeau and Guy Dancosse. From May 21, 2021 to December 31, 2021, the Governance and Compensation Committee was comprised of Guy Dancosse, who acted as Chair of the Committee, Michel Trudeau and Michael Zakuta. Each of these individuals is an independent Trustee. Each member of the Governance and Compensation Committee possesses considerable education and experience relevant to the performance of his responsibilities as a Governance and Compensation Committee member.

Guy Dancosse, Q.C., IAS.A., CRIA, is an attorney at the Montreal law firm Dunton Rainville, LLP. Since he started his career over 30 years ago, he has developed a large expertise in the fields of arbitration, mediation and negotiation, both at the national and international level, and in all subjects related to business, work relations and human resources.

Michel Trudeau is a corporate director. Since September 2019, Mr. Trudeau is a director of Valeo Pharma Inc., a Canadian-based pharmaceutical company listed on the Canadian Securities Exchange. Mr. Trudeau was Vice Chairman of Laurentian Bank Securities Inc. from October 2018 to October 2019. Mr. Trudeau was previously President and Chief Executive Officer of Laurentian Bank Securities Inc. between 2003 and 2018. He previously worked for more than 15 years within the institutional and fixed income sectors, including 10 years at Merrill Lynch where he successively occupied various senior management positions.

Michael Zakuta has extensive experience in the real estate field. Mr. Zakuta is President, Chief Executive Officer and trustee of Plaza REIT (Toronto Stock Exchange) and of Plaza Group Management Limited. Mr. Zakuta is a property developer and entrepreneur since 1986.

Investment Committee

Mandate of the Investment Committee

The members of the Investment Committee shall be appointed by the Board. The Committee is composed of 3 members and is responsible to evaluate potential acquisitions and dispositions brought forward by management. The Investment Committee will carry out its responsibilities with a view to achieving the Trust's strategic objectives of building a portfolio of high-quality assets that fit within the business model of the Trust.

Investment Committee Members

For the period of January 1, 2021 to December 31, 2021 the investment committee was comprised of Guy Laframboise, who acted as Chair of the Committee, Michael Zakuta and Michel Trudeau. The members of the investment committee are not compensated for their role.

Mr. Laframboise has been the President of Restaurant Subway Quebec Ltd., since 1990. The chain has since grown and now has over 600 outlets across Quebec.

Mr. Zakuta has extensive experience in the real estate field. Mr. Zakuta is President, Chief Executive Officer and trustee of Plaza REIT (Toronto Stock Exchange) and of Plaza Group Management Limited. Mr. Zakuta is a property developer and entrepreneur since 1986.

Mr. Trudeau is a corporate director. Since September 2019, Mr. Trudeau is a director of Valeo Pharma Inc., a Canadian-based pharmaceutical company listed on the Canadian Securities Exchange. Mr. Trudeau was Vice Chairman of Laurentian Bank Securities Inc. from October 2018 to October 2019. Mr. Trudeau was previously President and Chief Executive Officer of Laurentian Bank Securities Inc. between 2003 and 2018. He previously worked for more than 15 years within the institutional and fixed income sectors, including 10 years at Merrill Lynch where he successively occupied various senior management positions.

MANAGEMENT CONTRACTS

The duties related to the management of the Trust are fulfilled by the trustees and executive officers of the Trust and are not, at any material degree, fulfilled by any other person or corporation.

STATEMENT REGARDING CORPORATE GOVERNANCE

The *National Instrument 58-101 - Disclosure of Corporate Governance Practices* and the *National Policy 58-20 - Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Trust, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Board and the management of the Trust believe that appropriate corporate governance practices are important for the effective management of the Trust and value creation for its unitholders. Schedule C of this circular summarizes the corporate governance practices of the Trust which it is required to disclose.

OTHER MATTERS

Management of the Trust knows of no other matters which should be presented before the meeting. If, however, any other matters properly come before the meeting, the persons designated in the accompanying proxy shall vote on such matters in accordance with their best judgement pursuant to the discretionary authority conferred on them by the proxy with respect to such matters.

ADDITIONAL INFORMATION

The Trust will send the following documents to any person requesting it to the Secretary of the Trust, at 106, avenue Gun, Pointe-Claire (Québec), H9R 3X3:

- (i) one copy of the comparative consolidated financial statements of the Trust for its fiscal year ended December 31, 2021 and the related management discussion and analysis, as well as the interim financial statements for periods subsequent to December 31, 2021 and the related management discussion and analysis; and
- (ii) one copy of the notice of annual meeting of unitholders and of this circular.

These documents, as well as other information regarding the Trust, are available on SEDAR at the address www.sedar.com.

APPROVAL OF TRUSTEES

The Board has approved the content and sending of this management information circular by management and its sending to unitholders, trustees and auditors of the Trust.

Made this April 14, 2022

By order of the board of trustees

(s) Kevin Henley
Kevin Henley
Secretary

Pointe-Claire, this April 14, 2022

SCHEDULE A –

ORDINARY RESOLUTION APPROVING THE EQUITY INCENTIVE PLAN OF THE TRUST

WHEREAS on March 23, 2022, the board of trustees of Canadian Net Real Estate Investment Trust / Fonds de placement immobilier Canadien Net (the “**Trust**”) adopted the equity incentive plan of the Trust (the “**Equity Incentive Plan**”), the material terms and conditions of which are described in the Management Information Circular of the Trust dated 14 April, 2022, subject to the approval of the disinterested unitholders of the Trust;

THEREFORE, BE IT RESOLVED:

THAT the Equity Incentive Plan is hereby approved;

THAT the trustees of the Trust are hereby authorized and directed to implement the Equity Incentive Plan; and

THAT any trustee of the Trust is hereby authorized and directed, acting for, in the name of and on behalf of the Trust, to execute or cause to be executed and to deliver or to cause to be delivered, all such other deeds, documents, instruments and to do or cause to be done all such other acts as in the opinion of such trustee of the Trust may be necessary or desirable to carry out the terms of the foregoing resolutions.

EXHIBIT A-1 – EQUITY INCENTIVE PLAN

Attached.



Equity Incentive Plan

■, 2022

CANADIAN NET REAL ESTATE INVESTMENT TRUST
EQUITY INCENTIVE PLAN

ARTICLE 1
PURPOSE

1.1 **Establishment**

Canadian Net Real Estate Investment Trust / Fonds de placement immobilier Canadien Net (the “**Trust**”) hereby establishes an equity incentive plan (as the same may be amended from time to time in accordance with its terms, the “**Plan**”). The Plan permits the grant of Compensation Units, Performance Units (whether Short-Term Performance Units or Long-Term Performance Units), Restricted Units and Deferred Units (each as defined below). The Plan was approved by the Board (as defined below) on ■, 2022, subject to approval by the Unitholders (as defined below). The Plan shall become effective on the date approved by the Board (the “**Effective Date**”).

1.2 **Purpose**

The purpose of the Plan is to promote a greater alignment of interests between the trustees, officers and employees (or any similar positions) of the Trust who participate in the Plan and the holders (the “**Unitholders**”) of units of the Trust (the “**Units**”), to foster the growth and success of the Trust and to assist the Trust in attracting and retaining qualified individuals. The Plan consolidates, amends and restates the existing unit compensation plan of the Trust, as approved on April 19, 2019, as amended on May 22, 2020, and as further amended on March 26, 2021 (the “**Legacy Unit Compensation Plan**”), and the deferred trust unit plan of the Trust, as approved on March 26, 2021 (the “**Legacy DTU Plan**”).

1.3 **Successor Plan**

The Plan shall (i) in respect of Compensation Units serve as the successor to the Legacy Unit Compensation Plan, to the extent applicable, and (ii) in respect of Deferred Units serve as the successor to the Legacy DTU Plan, no further awards shall be made under such plans from and after the Effective Date, and each Deferred Unit granted under the Legacy DTU Plan shall continue to be governed by the terms and conditions of such plan and the instrument, as amended, if applicable, evidencing such grant.

ARTICLE 2
INTERPRETATION

2.1 **Definitions**

Where used herein or in any schedules or amendments hereto, the following terms shall have the following meanings:

- (a) “**Additional Deferred Units**” has the meaning ascribed to such term in Section 8.4(a) hereof;

- (b) **“Adjusted Performance Unit Award”** has the meaning ascribed to such term in Section 6.4 hereof;
- (c) **“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts that the Trust is required by law to withhold from any amounts to be paid or credited under the Plan;
- (d) **“Associate”** means any associate, as such term is defined in the QSA;
- (e) **“Award Agreement”** means, with respect to Compensation Units, Performance Units, Restricted Units and Deferred Units, the written document or instrument that sets forth the terms of that particular Equity Award;
- (f) **“Board”** means the board of trustees of the Trust, as constituted from time to time; provided, however, that, if the Board appoints the Governance Committee or any other committee of the Board to perform some or all of the Board’s administrative functions under the Plan, references in the Plan to the “Board” will be deemed to refer to the Governance Committee or such other committee in connection with matters to be performed by the Governance Committee or such other committee in accordance with such appointment;
- (g) **“Board Compensation”** means the annual retainer payable by the Trust to a trustee of the Trust in respect of a calendar year for service on the Board, together with committee fees, Board or committee chairmanship fees, attendance fees, and additional fees and retainers to a trustee of the Trust;
- (h) **“Business Day”** means a day, other than a Saturday, a Sunday or a statutory holiday in Montreal, Québec;
- (i) **“Cash Distributions”** means distributions declared and paid in cash (or in additional Units) on any outstanding Units, whether pursuant to regular monthly or other related periodic or special like distributions, but excluding extraordinary non-related distributions;
- (j) **“Cause”** has the meaning ascribed to such term in Section 10.1(b)(iv) hereof;
- (k) **“Compensation Unit”** means a Unit issued to a Participant hereunder as Board Compensation (or portion thereof) in accordance with the terms and conditions of the Plan;
- (l) **“Deferred Unit”** means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan;
- (m) **“Deferred Unit Account”** has the meaning ascribed to such term in Section 8.5 hereof;
- (n) **“Deferred Unit Settlement Date”** means the date on which Units are issued to an Eligible Individual following the vesting of such Eligible Individual’s Deferred Units and subject to the Participant’s satisfaction of any conditions, restrictions or limitations imposed by the Board;

- (o) **“Distribution Equivalents”** means a bookkeeping entry equivalent in value to Cash Distributions paid on a Unit credited to a Participant in accordance with Section 8.4 hereof;
- (p) **“DU Election Notice”** has the meaning ascribed to such term in Section 8.2(b)(i) hereof;
- (q) **“Elected DUs”** has the meaning ascribed to such term in Section 8.2(a) hereof;
- (r) **“Eligible Individual”** has the meaning ascribed to such term in Section 4.1 hereof;
- (s) **“Equity Award Accounts”** means the Performance Unit Accounts, the Restricted Unit Accounts and the Deferred Unit Accounts; and **“Equity Award Account”** means any one of them;
- (t) **“Equity Awards”** means the Compensation Units, the Performance Units, the Restricted Units and the Deferred Units granted under this Plan; and **“Equity Award”** means any one of them;
- (u) **“Financial Statement Approval Date”** has the meaning ascribed to such term in Section 6.4 hereof;
- (v) **“First Financial Statement Approval Date”** has the meaning ascribed to such term in Section 6.4 hereof;
- (w) **“Governance Committee”** means the Corporate Governance Committee of the Board, as constituted from time to time;
- (x) **“Insider”** means any insider, as such term is defined in Section 89 of the QSA, of the Trust, other than a Person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary of the Trust, and includes any Associate of any such insider;
- (y) **“Investor Relations Activities”** has the meaning ascribed to such term in Policy 1.1 – *Interpretation* of the TSX-V;
- (z) **“Long-Term Performance Unit”** means a right granted under and subject to restrictions pursuant to Article 6 hereof;
- (aa) **“Market Price”** on any particular day means the market price of one (1) Unit and shall be calculated by reference to the closing price for a board lot of Units on the TSX-V, on that day, or if at least one (1) board lot of Units shall not have been traded on the TSX-V on that day, on the immediately preceding day for which at least one (1) board lot was so traded (or, if such Units are not listed and posted for trading on the TSX-V, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Units are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such Units as determined by the Board in its sole discretion;

- (bb) **“Participant”** means an Eligible Individual to whom Equity Awards are granted;
- (cc) **“Performance Unit”** means a right granted under and subject to restrictions pursuant to Article 6 hereof, and includes, for greater certainty, a Short-Term Performance Unit or a Long-Term Performance Unit;
- (dd) **“Performance Unit Account”** has the meaning ascribed to such term in Section 6.7;
- (ee) **“Performance Unit Adjustment Factor”** has the meaning ascribed to such term in Section 3.1(b)(v) hereof;
- (ff) **“Performance Unit Measures”** has the meaning ascribed to such term in Section 3.1(b)(v) hereof;
- (gg) **“Performance Unit Period”** means the period commencing on January 1 in the year of the grant of a Performance Unit and ending not later than December 31 of the same year;
- (hh) **“Performance Unit Settlement Date”** means the date on which Units or Deferred Units, as applicable, are issued to a Participant following the vesting of such Participant’s Performance Units and subject to the Participant’s satisfaction of any conditions, restrictions or limitations imposed by the Board, such date being as soon as practicable after the vesting of such Performance Units. For greater certainty, this Plan provides for three (3) Performance Unit Settlement Dates, respectively immediately after the First Financial Statement Approval Date, the Second Financial Statement Approval Date and the Third Financial Statement Approval Date;
- (ii) **“Person”** means an individual, partnership, limited partnership, corporation, limited liability company, trust, joint venture, unincorporated association, or other entity or association;
- (jj) **“Plan”** has the meaning ascribed to such term in Section 1.1 hereof;
- (kk) **“Policy 4.4”** means Policy 4.4 – *Security Based Compensation* of the TSX-V;
- (ll) **“QSA”** means the *Securities Act (Québec)*, as amended;
- (mm) **“Redemption Date”** has the meaning ascribed to such term in Section 10.1(c) hereof;
- (nn) **“Restricted Unit”** means a right granted under and subject to restrictions pursuant to Article 7 hereof;
- (oo) **“Restricted Unit Account”** has the meaning ascribed to such term in Section 7.3 hereof;
- (pp) **“Restricted Unit Settlement Date”** means the date on which Units or Deferred Units, as applicable, are issued to an Eligible Individuals following the vesting of such Eligible Individual’s Restricted Units and subject to the Participant’s

satisfaction of any conditions, restrictions or limitations imposed by the Board, such date being as soon as practicable after the vesting of such Restricted Units;

- (qq) “**Retirement Eligibility Requirement**” has the meaning ascribed to such term in Section 10.1(b)(iii) hereof;
- (rr) “**Second Financial Statement Approval Date**” has the meaning ascribed to such term in Section 6.5.2(a)(ii) hereof;
- (ss) “**Security Based Compensation Plan**” has the meaning ascribed to such term in Policy 4.4 of the TSX-V;
- (tt) “**Short-Term Performance Unit**” means a right granted under and subject to restrictions pursuant to Article 6 hereof;
- (uu) “**Subsidiary**” has the meaning ascribed thereto in the QSA, provided that the term “company” in the definition is deemed to be replaced by the term “Person” as used in the Plan;
- (vv) “**Termination Date**” has the meaning ascribed to such term in Section 10.1(a) hereof;
- (ww) “**Third Financial Statement Approval Date**” has the meaning ascribed to such term in Section 6.5.2(a)(ii) hereof;
- (xx) “**Trust**” has the meaning ascribed to such term in Section 1.1 hereof, and includes any successor and Subsidiary thereof;
- (yy) “**TSX-V**” means the TSX Venture Exchange or any successor thereof;
- (zz) “**Unit**” has the meaning ascribed to such term in Section 1.1 hereof; and
- (aaa) “**Unitholder**” has the meaning ascribed to such term in Section 1.1 hereof.

2.2 Construction

In this Plan, unless otherwise expressly stated or the context otherwise requires:

- (a) the terms “Plan”, “this Plan”, “the Plan”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Plan in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Plan;
- (c) the division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan;
- (d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;

- (e) the word “including” is deemed to mean “including without limitation”;
- (f) whenever the Board is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or, if applicable, the Governance Committee or any other Person to whom the Board has delegated the relevant authority; and
- (g) all dollar amounts refer to Canadian dollars, except where otherwise noted.

2.3 Schedules

The following Schedules are attached to and form an integral part of this Plan:

Schedule A – *DU Election Notice*

Schedule B – *Redemption Notice*

2.4 Governing Law

The Plan shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Québec and the laws of Canada applicable therein. The participation of a Participant in the Plan shall be construed as acceptance of the terms and conditions of the Plan by such Participant and as the Participant’s agreement to be bound thereby.

2.5 Severability

If any provision of the Plan is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of the Plan shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto.

2.6 Policy 4.4

The Plan is subject to the provisions of Policy 4.4 of the TSX-V.

ARTICLE 3 **ADMINISTRATION**

3.1 Administration of the Plan

(a) The Plan shall be administered by the Board or the Governance Committee, as determined by the Board from time to time.

(b) The Board or the Governance Committee, as the case may be, is authorized, subject to the provisions of the Plan:

- (i) to establish policies and to adopt rules and regulations as it deems necessary for the proper administration of the Plan;

- (ii) to interpret and construe the Plan and to determine all questions arising out of the Plan or any Equity Award, and any such interpretation, construction or determination made by the Board or the Governance Committee shall be final and conclusive for all purposes and binding on all parties, absent manifest error;
 - (iii) to determine the type of Equity Award to be granted;
 - (iv) to determine the number of Units, if any, to be covered by or underlying each Equity Award;
 - (v) to annually determine performance measures for the Performance Units (the "**Performance Unit Measures**"), which shall consist of defined metrics or sets of metrics and performance objectives and an adjustment factor (the "**Performance Unit Adjustment Factor**") that is linked to the achievement of thresholds set out in the Performance Unit Measures, each of which (x) shall apply during the relevant Performance Unit Period and (y) shall be set out in each Award Agreement;
 - (vi) to establish the terms and conditions of each Award Agreement between the Trust and the Participant;
 - (vii) to determine if the Units which are issuable on the exercise of an Equity Award will be subject to any restrictions upon the exercise of such Equity Awards; and
 - (viii) to prescribe the form of the instruments used in conjunction with the Plan, including the form of Award Agreement and the form of instruments relating to the grant and exercise of Equity Awards.
- (c) The Trust will be responsible for all costs relating to the administration of the Plan.
- (d) The Governance Committee may review and confirm the terms of the Plan from time to time and the Board may, upon recommendation of the Governance Committee and subject to applicable stock exchange rules, amend or suspend the Plan in whole or in part as well as terminate the Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Plan that would, among other things, result in any increase in the number of Equity Awards issuable under the Plan or permit Equity Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes or other than as set forth in Section 12.4 hereof will be subject to the approval of disinterested Unitholders. Without limitation, the Board or the Governance Committee, as the case may be, may, without obtaining the approval of Unitholders, make changes:
- (i) for the purpose of making formal, minor or technical modifications to any of the provisions of the Plan, including amendments of a "housekeeping" nature;
 - (ii) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;

- (iii) to amend the vesting provisions of the Performance Units, the Restricted Units or the Deferred Units;
- (iv) to amend the Performance Unit Period set out in this Plan;
- (v) to change the termination provisions of the Performance Units, the Restricted Units or the Deferred Units, or the Plan; or
- (vi) to provide for any other amendment that does not require Unitholder approval under applicable laws or rules of the TSX-V. However, subject to the terms of the Plan, no amendment may adversely affect the Equity Awards previously granted under the Plan without the consent of the affected Participant.

(e) The Board may decide to discontinue granting Equity Awards under the Plan at any time, in which case no further Equity Awards shall be awarded or credited under this Plan and all DU Election Notices then in effect shall be automatically terminated. Any Performance Unit, Restricted Unit or Deferred Unit which remains outstanding in a Participant's Equity Award Account at that time shall continue to be dealt with according to the terms of the Plan. For greater certainty, Distribution Equivalents shall continue to be awarded, as appropriate, in respect of outstanding Deferred Units pursuant to this Plan.

(f) Every trustee of the Trust will at all times be indemnified and saved harmless by the Trust from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such trustee may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the trustee, otherwise than by the Trust, for or in respect of any act done or omitted by the trustee in respect of the Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

(g) Unless otherwise determined by the Board, the Plan shall be unfunded and the Trust will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights under the Plan, such rights (unless otherwise determined by the Board in its discretion) shall be no greater than the rights of an unsecured creditor of the Trust.

(h) A Participant shall be solely responsible for all federal, provincial, and local taxes resulting from his or her participation in the Plan. In this regard, the Trust shall be able to deduct from any payments hereunder (whether in the form of securities or cash) or from any other remuneration otherwise payable to a Participant any Applicable Withholding Taxes or to require the Participant, as a condition to receiving entitlements under the Plan, to make arrangements satisfactory to the Trust to enable the Trust to satisfy its withholding obligations. Each Participant agrees to indemnify and save the Trust harmless from any and all amounts payable or incurred by the Trust or any of its Subsidiaries if it is subsequently determined that any greater amount should have been withheld in respect of Applicable Withholding Taxes or any other statutory withholding.

ARTICLE 4 **ELIGIBILITY**

4.1 Eligible Individuals

Persons eligible to participate in the Plan consist of trustees, officers and employees (or any similar positions) of the Trust (each an “**Eligible Individual**”).

4.2 Board Compensation

If authorized to do so by the Board, a trustee may elect to be paid his or her Board Compensation, in whole or in part, in Compensation Units or Deferred Units, in lieu of cash, subject to such terms and conditions as the Board may determine in its sole discretion.

4.3 Persons Performing Investor Relations Activities

Notwithstanding Section 4.1 of the Plan, Persons performing Investor Relations Activities shall not be able to participate in the Plan.

4.4 Representations of the Trust

The Trust represents that, and by his or her acceptance of an Equity Award granted hereunder each of the Participants shall be deemed to represent that, such Participant shall be a *bona fide* trustee, director, officer or employee of the Trust.

ARTICLE 5 **COMPENSATION UNITS**

5.1 Issuance

Compensation Units may be issued hereunder to trustees as Board Compensation (or portion thereof) in lieu of cash. The Compensation Units shall be issued as fully paid and non-assessable Units of the Trust.

5.2 Number of Compensation Units

The number of Compensation Units that a trustee shall be entitled to receive shall be equal to (a) the amount of Board Compensation to be paid in Compensation Units; divided by (b) the closing price of the Units on the TSX-V on the date immediately preceding the date of issuance of such Compensation Units or, if that day is not a trading day on the TSX-V, the closing price on the immediately preceding trading day.

ARTICLE 6 **PERFORMANCE UNITS**

6.1 Grants

Performance Units may be granted hereunder and credited to a Participant's

Performance Unit Account, subject to such terms and conditions as the Board may impose. Unless otherwise determined by the Board, and except as provided in Section 12.4(a) hereof, Performance Units are personal to each Participant and are non-assignable and shall not be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity. All other terms and conditions governing Performance Units, such as the Performance Unit Measures, the Performance Unit Adjustment Factor, vesting, time and form of payment, and termination of Performance Units shall be set forth in the applicable Award Agreement between the Trust and the Participant. Performance Units may be granted in the form of Short-Term Performance Units or Long-Term Performance Units in accordance with this Article 6.

6.2 **Initial Value**

Each Performance Unit shall initially have a value equal to the Market Price of a Unit when the subject Equity Award is made.

6.3 **Evaluation**

In determining whether the Performance Unit Measures have been met or exceeded for a particular grant, the Board shall use the Performance Unit Adjustment Factor based on thresholds set out in the Performance Unit Measures attached to such grant of Performance Units. The Board shall provide a schedule to each Participant for each Performance Unit Period that links level of performance to a related Performance Unit Adjustment Factor. Results in between thresholds shall be interpolated or calculated by other methods, as determined by the Board in its sole discretion.

6.4 **Adjustments**

Immediately prior to the date on which the Board approves the audited financial statements of the Trust (the “**Financial Statement Approval Date**”) for the financial year of the Performance Unit Period (the “**First Financial Statement Approval Date**”), an adjusted Equity Award of Performance Units (the “**Adjusted Performance Unit Award**”) shall be calculated as follows:

$$\begin{array}{l} \text{Adjusted} \\ \text{Performance Unit} \\ \text{Award} \end{array} = \begin{array}{l} \text{Performance Units} \\ \text{in a Participant's} \\ \text{Performance Unit} \\ \text{Account}^{(1)} \end{array} \times \begin{array}{l} \text{Performance Unit} \\ \text{Adjustment Factor} \\ \text{for such Participant}^{(2)} \end{array}$$

(1) Includes, for greater certainty, any Performance Unit credited pursuant to Section 6.7 hereof on or after the date on which the Performance Units are initially granted.

(2) Calculated in accordance with Section 6.3 hereof,

and the Performance Units in each Participant's Performance Unit Account shall be adjusted accordingly to correspond to the Adjusted Performance Unit Award.

6.5 **Vesting**

6.5.1. **Short-Term Performance Units**

(a) The Performance Unit Period for the Short-Term Performance Units shall be one (1) year and their Adjusted Performance Unit Award shall fully vest on the First Financial Statement Approval Date following a determination of the Adjusted Performance Unit Award.

(b) If it is determined that the Adjusted Performance Unit Award is zero as a result of the Performance Unit Adjustment Factor being zero, the Short-Term Performance Units for such Performance Unit Period shall be cancelled and automatically forfeited on the First Financial Statement Approval Date. If it is determined that the Adjusted Performance Unit Award is greater than zero, then the Participant shall be entitled to fully settle his or her Adjusted Performance Unit Award in accordance with Section 6.6 hereof after the First Financial Statement Approval Date.

6.5.2 **Long-Term Performance Units**

(a) The Performance Unit Period for Long-Term Performance Units shall be one (1) year and their Adjusted Performance Unit Award shall vest as follows:

- (i) 33 1/3% on the First Financial Statement Approval Date following a determination of the Adjusted Performance Unit Award;
- (ii) 33 1/3% on the Financial Statement Approval Date for the first financial year following the applicable Performance Unit Period (the “**Second Financial Statement Approval Date**”); and
- (iii) 33 1/3% on the Financial Statement Approval Date for the second financial year following the applicable Performance Unit Period (the “**Third Financial Statement Approval Date**”).

By way of example, if a trustee is granted 100 Long-Term Performance Units for the Performance Unit Period commencing on January 1, 2022 and ending on December 31, 2022, and his or her Performance Unit Adjustment Factor is 100%, his or her Adjusted Performance Unit Award shall be 100 Long-Term Performance Units and vest as follows: (i) 33 1/3 Long-Term Performance Units on the Financial Statement Approval Date for 2022 (being the First Financial Statement Approval Date), (ii) 33 1/3 Long-Term Performance Units on the Financial Statement Approval Date for 2023 (being the Second Financial Statement Approval Date), and (iii) 33 1/3 Long-Term Performance Units on the Financial Statement Approval Date for 2024 (being the Third Financial Statement Approval Date).

(b) If it is determined that the Adjusted Performance Unit Award is zero as a result of the Performance Unit Adjustment Factor being zero, the Long-Term Performance Units for such Performance Unit Period shall be cancelled and automatically forfeited on the First Financial Statement Approval Date. If it is determined that the Adjusted Performance Unit Award is greater than zero, then the Participant shall be entitled to exercise his or her Adjusted Performance Unit Award as it becomes vested in accordance with Section 6.5.2(a).

6.6 Settlement

Following vesting, and subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed by the Board, each Performance Unit granted to a Participant shall entitle the Participant to receive on the applicable Performance Unit Settlement Date, at the Participant's election, either (i) one (1) Unit to be issued from treasury or purchased on the secondary market, as determined by the Board in its sole discretion, or (ii) one (1) Deferred Unit. As of the applicable Performance Unit Settlement Date, the Performance Units in respect of which such Units or Deferred Units, as the case may be, are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Performance Units.

6.7 Performance Unit Accounts; Certificates

An account, to be referred to as a "**Performance Unit Account**", shall be maintained by the Trust for each Participant who are granted Performance Units and shall be credited with notional grants of Performance Units received by a Participant from time to time and shall contain the relevant terms attached to such Performance Units, including whether such Performance Units are Short-Term Performance Units or Long-Term Performance Units, the Performance Unit Measures and the Performance Unit Adjustment Factors. Statements of such account will be provided to Participants on an annual basis. Certificates need not be issued with respect to Performance Units.

ARTICLE 7 RESTRICTED UNITS

7.1 Grants

Restricted Units may be granted hereunder and credited to a Participant's Restricted Unit Account, subject to such terms and conditions as the Board may impose. Each Restricted Unit shall initially have a value equal to the Market Price of a Unit when the subject Equity Award is made. Each Restricted Unit will represent the right to receive from the Trust, subject to fulfillment of any applicable conditions on the Restricted Unit Settlement Date, one (1) Unit on the Restricted Unit Settlement Date. The issuance of Units to the Participant shall be made by the Trust as soon as practicable (and in any event not later than thirty (30) days) after vesting of the Restricted Unit and the fulfillment of any applicable conditions. Unless otherwise determined by the Board, and except as provided in Section 12.4(a) hereof, Restricted Units are personal to each Participant and are non-assignable and shall not be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity. All other terms and conditions governing Restricted Units, such as vesting, performance criteria (if any), time and form of payment, and termination of Restricted Units shall be set forth in the applicable Award Agreement between the Trust and the Participant.

7.2 Vesting; Settlement

(a) Restricted Units will vest on and after the **[third (3rd)]** anniversary of the date of grant, subject to the right of the Board to determine at the time of grant that a particular Restricted Unit will vest on different dates and to determine at any time after the time of grant that a particular Restricted Unit will vest at an earlier or later time.

(b) Following vesting, and subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed by the Board, each Restricted Unit granted to a Participant shall entitle the Participant to receive on the Restricted Unit Settlement Date, at the election of the Participant, either one (1) Unit to be issued from treasury or purchased on the secondary market, as determined by the Board in its sole discretion, or one (1) Deferred Unit. As of the Restricted Unit Settlement Date, the Restricted Units in respect of which such Units are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Restricted Units.

7.3 Restricted Unit Accounts; Certificates

An account, to be referred to as a "**Restricted Unit Account**", shall be maintained by the Trust for each Participant who are granted Restricted Units and shall be credited with notional grants of Restricted Units received by a Participant from time to time. Statements of such account will be provided to Participants on an annual basis. Certificates need not be issued with respect to Restricted Units.

ARTICLE 8 DEFERRED UNITS

8.1 Grants

Deferred Units may be granted hereunder and credited to a Participant's Deferred Unit Account, subject to such terms and conditions as the Board may impose. Each Deferred Unit shall initially have a value equal to the Market Price of a Unit when the subject Equity Award is made. Each Deferred Unit will represent, subject to vesting and following such vesting and the Deferred Unit Settlement Date, the right to receive from the Trust on the date designated by the Participant in a written notice to the Trust, one (1) Unit. Unless otherwise determined by the Board, and except as provided in Section 12.4(a) hereof, Deferred Units are personal to each Participant and are non-assignable and shall not be hypothecated, mortgaged, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity. All other terms and conditions governing Deferred Units, such as vesting, time and form of payment and termination of Deferred Units shall be set forth in the applicable Award Agreement between the Trust and the Participant.

8.2 Election to Receive Deferred Units in lieu of Units upon Vesting of Performance Units or Restricted Units

(a) **Election.** Following vesting of Performance Units or Restricted Units, as the case may be, a Participant may, subject to the conditions stated herein, elect to receive up to all of the Units payable to him or her under Section 6.6 or Section 7.2(b) hereof in the form of Deferred Units ("**Elected DUs**"). Participation in the Plan with respect to the receipt of Elected DUs is subject to execution and delivery of a DU Election Notice in accordance with Section 8.2(b) hereof. Participants who have elected to receive Elected DUs in lieu of Units shall be credited with such Elected DUs as at the date such Participant would have received the Units.

(b) **DU Election Notice.**

- (i) Each Eligible Individual who elects to receive Elected DUs pursuant to this Section 8.2 will be required to file a written notice of election in the form of Schedule A hereto (a “**DU Election Notice**”) with the Secretary of the Trust in respect of any or all of the Units payable to such Eligible Individual. Such DU Election Notice must be filed with the Secretary of the Trust: (i) in the case of an existing Eligible Individual, by December 31 of the calendar year immediately preceding the calendar year in which such DU Election Notice is intended to be effective; and (ii) in the case of a newly appointed Eligible Individual, within thirty (30) days of such appointment or employment.
- (ii) For greater certainty, an Eligible Individual may not elect to receive Elected DUs in respect of any Units payable in respect of the calendar year in which the DU Election Notice is delivered to the Trust.

(c) **Effect of Notice.** A duly filed DU Election Notice shall be binding upon the Participant who filed it and upon the Trust, unless and until such Participant has filed a subsequent DU Election Notice to terminate or change his or her election and such subsequent DU Election Notice has become effective in accordance with this Plan.

(d) **Termination or Change to Election.**

- (i) Each Participant is entitled to terminate or change his or her election specified in any DU Election Notice filed with the Trust by filing with the Secretary of the Trust a subsequent DU Election Notice. A DU Election Notice filed pursuant to this Section 8.2(d) shall be effective for all subsequent calendar years following receipt by the Trust of such DU Election Notice.
- (ii) Subject to the limitations set out in this Section 8.2(d), a Participant who has filed a subsequent DU Election Notice to terminate an earlier election by the Participant may thereafter again make an election in accordance with Section 8.2(b).

8.3 Vesting; Settlement

(a) Deferred Units granted to Eligible Individuals pursuant to the terms of this Plan will vest immediately upon grant.

(b) Each Participant who has Deferred Units credited to his or her Deferred Unit Account shall be entitled to receive, after the Participant ceases to be an Eligible Individual for any reason (subject to the right of the Board, at the written request of a Participant, once a year, to determine that a Participant may receive the number of Units to be issued from treasury or purchased on the secondary market, as determined by the Board in its sole discretion, equal to the number of vested Deferred Units credited to the Participant’s Deferred Unit Account, in whole or in part, and to determine the settlement date thereof, even if the Participant has not ceased to be an Eligible Individual) and after the Deferred Units credited to the Participant’s Deferred Unit Account have vested in accordance with Section 8.3(a) hereof, on a day

designated by the Participant and communicated to the Board by the Participant in writing at least fifteen (15) days prior to the designated day (or, with respect to a Participant that has ceased to be an Eligible Individual, such earlier date after the Participant ceases to be an Eligible Individual and after the Participant's Deferred Units have vested, as the Participant and the Trust may agree, which date shall be no later than the later of the end of the calendar year following the year in which (i) the Participant ceases to be an Eligible Individual, or (ii) the Participant's Deferred Units vest), and if no such notice is given, then on the first (1st) anniversary of the effective date the Participant ceases to be an Eligible Individual (the "**Deferred Unit Settlement Date**"), that number of Units equal to the number of Deferred Units credited to the Participant's Deferred Unit Account, such Units to be issued from treasury or purchased on the secondary market, as determined by the Board in its sole discretion.

8.4 Additional Deferred Units; Distribution Equivalents

(a) Whenever a Cash Distribution is paid on the Units, additional Deferred Units ("**Additional Deferred Units**"), the number of which will be computed pursuant to Section 8.4(b) hereof, shall accrue in respect of each Participant who has, prior to such Cash Distribution, been granted Deferred Units, provided that such Deferred Units have vested. Additional Deferred Units granted pursuant to this Section 8.4(a) will be credited to the Deferred Unit Account of the applicable Participant and will vest upon grant.

(b) The number of Additional Deferred Units which shall accrue in respect of each applicable Participant under Section 8.4(a) hereof shall be calculated by dividing: (i) the amount determined by multiplying (a) the number of vested Deferred Units credited to the Participant on the record date for the payment of such Cash Distribution by (b) the Cash Distribution paid per Unit; by (ii) the Market Price of a Unit on the Cash Distribution payment date for such Cash Distribution, in each case, with fractions computed to two (2) decimal places.

8.5 Deferred Unit Accounts; Certificates

An account, to be referred to as a "**Deferred Unit Account**" shall be maintained by the Trust for each Participant who are granted Deferred Units and Additional Deferred Units, as the case may be, and shall be credited with notional grants of Deferred Units and Additional Deferred Units received by a Participant from time to time. Statements of such account will be provided to Participants on an annual basis. Certificates need not be issued with respect to Deferred Units or Additional Deferred Units.

ARTICLE 9 ADJUSTMENTS

Subject to the approval of the TSX-V, as applicable, in the event of any Unit distribution, Unit split, combinations or exchange of Units, merger, consolidation, spin-off or other distribution of the Trust's assets to the Unitholders (other than normal Cash Distributions), or any other similar change affecting the Units, the account of each Participant and the Performance Units, the Restricted Units and the Deferred Units outstanding under the Plan and any Distribution Equivalents credited to such Participant in accordance with Section 8.4 hereof shall be adjusted in such manner, if any, as the Board may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Performance Units, Restricted

Units, Deferred Units or Distribution Equivalents will be granted to such Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

ARTICLE 10
REDEMPTION AND TERMINATION

10.1 **Redemption and Termination of Performance Units, Restricted Units and Deferred Units**

(a) Subject to Section 10.1(b) hereof and to any express resolution passed by the Board with respect to an award of Performance Units, Restricted Units or Deferred Units, Performance Units, Restricted Units and Deferred Units shall expire and terminate on the date on which the Participant ceases to be an Eligible Individual (the “**Termination Date**”).

(b) The Board may, in its entire discretion, at the time of the granting of Performance Units, Restricted Units or Deferred Units hereunder, determine the provisions relating to expiration of such Performance Units, Restricted Units or Deferred Units upon the bankruptcy, death, disability, voluntary resignation, retirement or termination of employment or engagement with the Trust of a Participant while holding Performance Units, Restricted Units or Deferred Units which have not been fully exercised or vested, as the case may be, provided, however, that upon the termination of a Participant’s position, employment or engagement with the Trust, the following principles shall apply:

- (i) If terminated with Cause or if the Participant resigns, any Performance Unit, Restricted Unit or Deferred Unit may be exercised by the Participant for that number of Units only which he or she was entitled to acquire at the time of such termination, provided that such Performance Unit, Restricted Unit or Deferred Unit shall in no event expire later than the earlier of (i) three (3) months following the Participant’s, employment, position or engagement being terminated with Cause or following the Participant’s resignation, as applicable, and (ii) the expiry date of such Performance Unit, Restricted Unit or Deferred Unit, as the case may be. The provisions relating to such expiration shall be contained in the written Award Agreement between the Trust and the Participant.
- (ii) If terminated without Cause (including by reasons of death or, subject to Section 10.1(b)(iii) hereof, retirement):
 - (A) any unvested Performance Unit outstanding immediately prior to the date of such termination shall be deemed to be unconditionally vested, provided that the First Financial Statement Approval Date has occurred and the Adjusted Performance Unit Award has been determined to be greater than zero, and
 - (B) any Restricted Unit or Deferred Unit outstanding immediately prior to the date of such termination (whether vested or unvested) shall be deemed to be unconditionally vested;

and any such vested Performance Unit, Restricted Unit or Deferred Unit may be exercised by the Participant (or, where the Participant has died,

his or her estate), provided that such Performance Unit, Restricted Unit or Deferred Unit shall in no event expire later than the earlier of (i) one (1) year following the Participant's, employment, position or engagement being terminated without Cause, and (ii) the expiry date of such Performance Unit, Restricted Unit or Deferred Unit, as the case may be. The provisions relating to such expiration shall be contained in the written Award Agreement between the Trust and the Participant.

- (iii) For the provisions of Section 10.1(b)(ii) hereof to apply in the event of retirement, the Participant shall be at least 50 years of age and have combined age and years of service with the Trust equal to at least 60 years (collectively, the "**Retirement Eligibility Requirement**"). By way of example, if a Participant is 52 years old, he or she must have completed eight (8) years of service with the Trust, and if a Participant is 59 years old, he or she must have completed one (1) year of service with the Trust. Should a Participant leaving for retirement not meet the Retirement Eligibility Requirement, the provisions of Section 10.1(b)(ii) hereof will not apply and the treatment of his or her Equity Awards will be subject to the provisions of Section 10.1(b)(i) hereof instead.
- (iv) The term "**Cause**" as used herein shall include, in addition to such meaning as shall have been or shall hereinafter be ascribed to such term from time to time by law, including the jurisprudence, the following: (a) the conviction of the Participant for a criminal act or other offence pursuant to the provisions of the *Criminal Code* (Canada) or any other criminal or penal statute of any applicable jurisdiction; (b) habitual inability by the Participant to carry out his or her functions due to alcohol or drug related causes; (c) any dishonest or fraudulent act by the Participant relating directly or indirectly to the course of his or her employment, position or engagement with the Trust; (d) a breach by the Participant of, or a failure or refusal by the Participant to perform, any of the Participant's obligations under the agreement governing his or her employment, position or engagement with the Trust if such breach, failure or refusal is not rectified by the Participant within five (5) Business Days following receipt of written notice from the Trust specifying the nature of such breach, failure or refusal; (e) a failure or refusal by the Participant to perform his or her duties for the Trust in a loyal manner with a view to promoting the best interests of the Trust; (f) the gross negligence or wilful conduct of the Participant or any act of moral turpitude; or (g) the failure or refusal by the Participant to comply with the policies of the Trust if such failure or refusal is not rectified by the Participant within five (5) Business Days following receipt of written notice from the Trust specifying the nature of such failure or refusal.
- (v) For the purposes of this Article 10 and any written Award Agreement between the Trust and a Participant, a determination by the Trust that the Participant was terminated for Cause shall be binding on the Participant.

(c) The Performance Units, Restricted Units or Deferred Units credited to a Participant's Equity Awards Account may be redeemed in whole or in part for Units issued from

treasury on the date on which the Participant files a written notice of redemption in the form of Schedule B hereto with the Secretary of the Trust (the “**Redemption Date**”).

(d) Subject to (i) the provisions of the Plan, and (ii) the receipt by CDS Clearing and Depository Services Inc. of the Participant’s brokerage account information from his or her securities broker, the Participant shall receive, within five (5) Business Days after the Redemption Date, a whole number of Units from the Trust equal to the whole number of Units which he or she was entitled to acquire under the Performance Units, Restricted Unit and Deferred Units at the time of the Termination Date, net of any Applicable Withholding Taxes.

(e) At the time of redemption, fractional Performance Units, Restricted Units or Deferred Units shall be rounded down, and no payment shall be made to the Participant with respect to the fractional Equity Awards standing to the Participant’s credit after the maximum number of whole Units due to such Participant have been issued by the Trust.

(f) Upon the issuance of the maximum number of whole Units due to a Participant, such Participant’s Equity Awards shall be cancelled and no additional Units shall be issuable hereunder in respect of such Equity Awards.

(g) For the avoidance of doubt and for purposes of this Section 10.1, as regards Performance Units and Restricted Units, the Participant shall not have the right to elect to receive Deferred Units in lieu of Units as set out in Sections 6.6 and 7.2(b) hereof.

ARTICLE 11 **NUMBER OF UNITS**

11.1 Total Units Subject to the Plan

(a) The maximum number of Units reserved for issuance at any time under this Plan and any other Security Based Compensation Plan of the Trust shall be 1,009,268. Any Unit issued hereunder shall reduce the number of Units reserved for issuance hereunder accordingly. Notwithstanding the above, subject to applicable law or the requirements of the TSX-V or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, including disinterested Unitholder approval, the Board may, in its discretion, amend this Plan to increase such limit without notice to Participants. If any Equity Award granted under this Plan is terminated, expired or is cancelled, new Equity Awards may thereafter be granted covering such Units, subject to any required prior approval by the TSX-V or other stock exchange upon which the Units are listed. At all times, the Trust will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Equity Awards granted under this Plan.

(b) No Equity Award may be granted if such grant would have the effect of causing the total number of Units subject to Equity Awards to exceed the total number of Units reserved for issuance pursuant to the exercise of Equity Awards as set forth in Section 11.1(a) hereof.

11.2 Individual Participants

The maximum aggregate number of Units that may be subject to grants of Equity Awards under this Plan and any other Security Based Compensation Plan of the Trust to any

one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units on a non-diluted basis.

11.3 Insiders

The maximum aggregate number of Units issuable to Insiders (as a group), at any time, pursuant to this Plan and any other Security Based Compensation Plan of the Trust shall not exceed 10% of the issued and outstanding Units on a non-diluted basis, unless the Trust has obtained the requisite disinterested Unitholder approval. The maximum aggregate number of Units that may be issued pursuant to Equity Awards to such Insiders (as a group) during any 12-month period, including those Units issuable under any other Security Based Compensation Plan of the Trust, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis calculated as at the date any such Equity Award or Unit is granted or issued to any Insider, unless the Trust has obtained the requisite disinterested Unitholder approval.

ARTICLE 12 GENERAL

12.1 Compliance with Applicable Laws

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If at any time the Board determines that the listing, registration or qualification of the Units subject to the Equity Award upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body, securities exchange, or the holders of the Units generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Equity Award or the issue of Units thereunder, no such Equity Award may be awarded or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board, in its sole discretion.

12.2 No Unitholder Rights other than Distribution Equivalents

Under no circumstances shall Performance Units, Restricted Units or Deferred Units be considered Units nor entitle a Participant to any rights as a Unitholder, including voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation. A Participant will acquire rights to Units in respect of Performance Units, Restricted Units or Deferred Units only upon the allotment and issuance to the Participant of certificates representing such Units or such other evidence of the issuance of such Units, including the electronic issuance thereof. Notwithstanding the foregoing, a Participant shall be entitled to Distribution Equivalents credited to him or her in respect of his or her Deferred Units in accordance with Section 8.4 hereof. For greater certainty, the Compensation Units are Units and therefore entitle a Participant to all rights as a Unitholder, including voting rights, distribution entitlements or rights of liquidation.

12.3 Voluntary Participation; No Other Rights

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or

privileges other than those rights and privileges expressly provided in the Plan. Nothing in the Plan or any award thereunder shall confer upon a Participant any right to continue in the employ of the Trust or any Subsidiary of the Trust, or affect in any way the right of the Trust or any Subsidiary of the Trust to terminate his or her employment at any time; nor shall anything in the Plan or any award thereunder be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Trust or any Subsidiary of the Trust to extend the employment of any Participant beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Trust or any Subsidiary of the Trust or any present or future retirement policy of the Trust or any Subsidiary of the Trust, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Trust or any Subsidiary of the Trust.

12.4 Assignment

(a) The rights and interests of a Participant under the Plan may not be assigned, encumbered, pledged, transferred or alienated in any way; provided that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law.

(b) Rights and obligations under the Plan may be assigned by the Trust to a successor in the business of the Trust.

12.5 Personal Information

Each Participant shall provide the Trust with all information (including personal information) required by the Trust in order to administer the Plan. Each Participant acknowledges that information required by the Trust in order to administer the Plan may be disclosed to the custodian and other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Trust to make such disclosure on the Participant's behalf.

12.6 Non-Recourse

The obligations of the Trust hereunder are not personally binding upon any trustee of the Trust, any registered or beneficial holder of Units or any annuitant under a plan of which a registered or beneficial holder of Units acts as trustee or carrier, and resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing (including their private property) for any liability whatsoever, in delict, tort, contract or otherwise, but the property of the Trust only shall be bound by such obligations. Any obligation of the Trust set out in this Plan shall to the extent necessary to give effect to such obligation be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees in their capacity as trustees of the Trust.

SCHEDULE A
DU ELECTION NOTICE

Reference is made to the equity incentive plan dated ■, 2022 (the “Plan”) of Canadian Net Real Estate Investment Trust / Fonds de placement immobilier Canadien Net (the “Trust”), as amended, supplemented or otherwise modified from time to time.

Please complete one of Section 1 [DU Election Notice], Section 2 [Election to Change Participation] or Section 3 [Election to Terminate an Election], and return a signed and dated copy of this DU Election Notice to the Secretary of the Trust at 106 Gun Avenue, Pointe-Claire, Québec, H9R 3X3. Capitalized terms used but not otherwise defined in this DU Election Notice have the respective meanings ascribed to those terms in the Plan, and grammatical variations of such terms have the corresponding meanings.

1. DU Election Notice

Pursuant to the Plan, I hereby elect to participate in the Plan and to receive _____% of the Units issuable to me under the Plan in respect of the calendar years following the date hereof, if any, in the form of Deferred Units, unless and until terminated or changed in accordance with a subsequently filed DU Election Notice.

2. Election to Change Participation

From and after the date hereof, I hereby elect, notwithstanding my previous election in the DU Election Notice dated _____, to change my election with respect to my participation in the Plan, in order to receive _____% of the Units issuable to me under the Plan in respect of the calendar years following the date hereof, if any, in the form of Deferred Units, unless and until terminated or changed in accordance with a subsequently filed DU Election Notice.

3. Election to Terminate an Election

From and after the date hereof, I hereby elect that notwithstanding my previous DU Election Notice dated _____, the Units issuable to me under the Plan in respect of the calendar years following the date hereof, if any, shall cease to be paid in Deferred Units in accordance with the terms of the Plan.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by such terms.
- (b) I understand that I will not be able to cause the Trust to convert Deferred Units granted under the Plan into Units until I am no longer an Eligible Individual.
- (c) I recognize that when Deferred Units credited pursuant to an election made under Section 2 or 3 of this DU Election Notice are converted into Units in accordance with the terms of the Plan, income tax liabilities and other liabilities will arise at that time that will be my obligations (and not the Trust’s, except as required by law). Upon conversion of the Deferred Units into Units, the Trust will be entitled to make all appropriate withholdings as required by law at that time

and to the extent it does so I will be considered to have received the withheld amount.

- (d) The value of Deferred Units are based on the value of the Units of the Trust and therefore are not guaranteed.
- (e) No funds will be set aside to guarantee the grant of Deferred Units.
- (f) I acknowledge and agree that, as described in greater detail in the Plan, I am not permitted to assign, pledge, charge or otherwise encumber the Deferred Units granted to me under the Plan.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan in its entirety.

Dated this ____ day of _____.

Print Name of Eligible Individual

By: _____
Signature

SCHEDULE B
REDEMPTION NOTICE

Reference is made to the equity incentive plan dated ■, 2022 (the “**Plan**”) of Canadian Net Real Estate Investment Trust / Fonds de placement immobilier Canadien Net (the “**Trust**”), as amended, supplemented or otherwise modified from time to time. Capitalized terms used but not otherwise defined in this Redemption Notice have the respective meanings ascribed to those terms in the Plan, and grammatical variations of such terms have the corresponding meanings.

I hereby advise the Trust that I wish to redeem _____ of the _____ credited to my account under the Plan in accordance with the terms of the Plan.

Dated this ____ day of _____.

Print Name of Participant

By: _____
Signature

SCHEDULE B – CHARTER OF AUDIT COMMITTEE

Attached.



AUDIT COMMITTEE CHARTER

Reviewed and Approved on March 26, 2021

Table of Content

I.	Establishment of Committee	3
a)	Committee	3
b)	Composition of Committee.....	3
c)	Appointment of Committee Members	3
d)	Appointment of Committee Chair	3
II.	Committee Procedure	4
a)	Meetings and In Camera Sessions.....	4
b)	Quorum	4
c)	Notice of Meetings	4
d)	Agenda.....	4
e)	Delegation.....	4
f)	Access	4
g)	Attendance of Officers at a Meeting.....	5
h)	Procedure, Records, and Reporting	5
i)	Outside Consultants or Advisors.....	5
I.	Mandate of Committee	5
a)	Charter	5
b)	Appointment and Oversight of the External Auditor	5
c)	Review Independence of Auditor	6
d)	Review Rotation of Lead Engagement Partner/ Engagement Quality Control Partner.....	6
e)	Approve Audit Plan	6
f)	Approve Audit Fees	6
g)	Pre-Approval of Non-Audit Services.....	6
h)	Other Communications with the External Auditor	6

i)	Evaluation of the External Auditor	6
j)	Approve Financial Information.....	6
k)	Approve Annual Information Form	7
l)	Complaints Procedure	8
m)	Legal Compliance	8
n)	Risk Management for Fraud and Misconduct	8
o)	Risk Management for Cyber Security	8
p)	Employees of the External Auditor	8
q)	Review Expenses	8
r)	Insurance	9
s)	Related Party Transactions	9

I. Establishment of Committee

a) Committee

The audit committee (the “**Committee**”) is established by the board of trustees (the “**Board**”) of Canadian Net Real Estate Investment Trust (the “**Trust**”) to assist the Board in fulfilling its oversight responsibilities relating to: (1) the financial reporting process, (2) systems of internal accounting and financial controls, (3) identifying and monitoring the management of principal risks that could affect the integrity of the Trust’s financial reporting, (4) the appointment and communication with the external auditor, including oversight of its work and monitoring its independence, (5) the Trust’s compliance with legal and regulatory requirements with respect to financial reporting matters, and (6) any other responsibilities that may be delegated from time to time by the Board.

b) Composition of Committee

In accordance with the Trust’s Contract of trust (the “**Contract of Trust**”), the Committee shall consist of not fewer than three (3) trustees. Each member shall be:

- a. a trustee of the Trust;
- b. independent (within the meaning of National Instrument 52-110, *Audit Committees* (“NI 52-110”)); and
- c. financially literate (as defined in NI 52-110).

c) Appointment of Committee Members

The members of the Committee shall be appointed by the Board in accordance with the Contract of Trust immediately following each annual meeting of the Trust and shall hold office until the next annual meeting, or until they are removed by resolution of the Board. If the appointment of members of the Committee is not so made, the trustees who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board by appointment from among its members.

d) Appointment of Committee Chair

Each year, the Board shall appoint a Chair for the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Chair may be removed and replaced by resolution of the Board.

Should the Chair be absent at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside at the meeting.

II. Committee Procedure

a) Meetings and In Camera Sessions

The Committee will meet as often as necessary to fulfill its responsibilities, provided that the Committee shall meet at least quarterly. Committee members will also meet *in camera*, without any members of management present, on a quarterly basis or as frequently as the Committee feels is appropriate or necessary to fulfil its responsibilities.

The Chair, any member of the Committee, the external auditor, the Chief Financial Officer, the Chair of the Board or the Chief Executive Officer may call a special meeting of the Committee.

b) Quorum

In accordance with the Contract of Trust, a majority of the members of the Committee, present in person or by telephone, videoconferencing or other communication facilities that permit all persons participating in the meeting to speak to each other, shall constitute a quorum.

c) Notice of Meetings

Regular meetings may be held without call or notice at a time and place fixed in accordance with the Contract of Trust. Notice of the time and place of any other meetings shall be emailed, mailed or otherwise verbally, by telephone or by other means of communication, given not less than forty-eight (48) hours before the meeting but may be waived in writing by any Committee member either before or after such meeting. Notice of such meeting need not specify the purpose of or the business to be transacted at the meeting. The attendance of a Committee member at a meeting, in person or by telephone, shall constitute a waiver of notice of such meeting except where a Committee member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

d) Agenda

The Chair, in conjunction with the Secretary, shall develop and set the Committee's agenda and consult with other members of the Committee and management, as necessary.

e) Delegation

The Committee shall have the power to delegate its authority and duties to individual members of the Committee as it deems appropriate.

f) Access

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Trust.

g) Attendance of Officers at a Meeting

At the invitation of the Chair of the Committee, one or more officers or employees of the Trust may, and if required by the Committee shall, attend a meeting of the Committee.

h) Procedure, Records, and Reporting

The Committee may adopt its own rules or procedures for meetings provided they are not inconsistent with the Contract of Trust, and shall keep records of its proceedings and report to the Board quarterly, and when the Committee may otherwise deem appropriate or when requested by the Board.

i) Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain at the Trust's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain or terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

I. Mandate of Committee

The Committee shall have the responsibilities set out below, as well as any others that are delegated to the Committee by the Board:

a) Charter

The Committee must maintain a written charter setting out the Committee's mandate and responsibilities. The Committee shall assess the adequacy of this charter on an annual basis and recommend any changes to the Board, in addition to ensuring that all responsibilities outlined in this charter have been carried out.

b) Appointment and Oversight of the External Auditor

The Committee shall recommend to the Board the appointment or reappointment, as the case may be, of the external auditor for purposes of preparing or issuing any audit report or performing other audit, review or attest services for the Trust, such appointment to be made by the Trust's unitholders at each annual meeting.

The Committee shall also be directly responsible for the oversight of the work of the external auditor for purposes of preparing or issuing an audit report or performing other audit, review, or attest services for the Trust, including the resolution of any disagreements between management and the external auditor regarding financial reporting. The Committee has the authority to communicate directly with the external auditor. This shall include holding quarterly *in camera* meetings with the external auditor.

The external auditor shall report directly to the Committee.

c) *Review Independence of Auditor*

The Committee shall review the independence of the external auditor at least annually.

d) *Review Rotation of Lead Engagement Partner/ Engagement Quality Control Partner*

The Committee shall, after taking into account the opinions of management, review the rotation of the lead engagement partner and engagement quality control partner of the external auditor when required or necessary.

e) *Approve Audit Plan*

Prior to the commencement of the annual audit, the Committee shall review with the external auditor and approve the proposed audit plan and scope of work. Any significant changes to the initial audit plan or scope of work shall also be approved by the Committee.

f) *Approve Audit Fees*

The Committee shall review and approve, and recommend to the Board for approval, on an annual basis the fees to be paid to the external auditor for audit services.

g) *Pre-Approval of Non-Audit Services*

The Committee shall pre-approve non-audit services to be provided to the Trust or its subsidiary entities by the external auditor or specifically approve each engagement for such services, in accordance with the Committee's Pre-approval Policy. The Committee will review and approve the Pre-approval Policy on an annual basis.

h) *Other Communications with the External Auditor*

Following completion of the annual audit, the Committee will review with each of management and the external auditor any significant issues or difficulties encountered during the course of the audit, including any unresolved issues, and management's response thereto.

The Committee shall review all other material communication between the external auditor and management, such as any management letter or schedule of unadjusted differences.

i) *Evaluation of the External Auditor*

Following the completion of the annual audit, the Committee and management will perform an annual performance evaluation of the external auditor, in form and substance as approved by the Committee.

j) *Approve Financial Information*

The Committee shall, prior to any public disclosure, review and discuss with management and the external auditor, and approve and recommend to the Board for approval:

- (1) the audited annual financial statements;
- (2) the annual management's discussion & analysis;
- (3) the annual earnings press release; and
- (4) all financial statements and significant financial information included in a prospectus or other offering document.

The Committee shall, prior to any public disclosure, review and discuss with management and if necessary, the external auditor and approve:

- (1) the unaudited interim financial statements;
- (2) the quarterly management's discussion and analysis;
- (3) any audited financial statements required to be prepared regarding the Trust or its subsidiaries if required to be made publicly available or filed with a regulatory agency; and
- (4) any quarterly earnings press release or press release which contains estimates or information regarding the Trust's future financial performance or prospects.

In conducting its review of the financial statements and related management's discussion and analysis, the Committee will:

- (1) discuss with the external auditor the quality and not just the acceptability of the Trust's accounting policies;
- (2) review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas;
- (3) review and discuss with the external auditor recent professional and regulatory pronouncements and understand their impact on the financial statements;
- (4) review issues related to liquidity, capital resources, and contingencies that could affect liquidity;
- (5) review any plans for financial derivatives and hedging activities or transactions of such nature which are not prohibited by the Trust;
- (6) review material off-balance sheet transactions, contingent liabilities and transactions with related parties;
- (7) receive and review reports from other board committees with regard to matters that could affect financial reporting; and
- (8) review and amend, as the case may be, the risks disclosure.

k) Approve Annual Information Form

The Committee shall, prior to public disclosure, review and discuss with management, and approve and recommend to the Board for approval, the Trust's annual information form.

The Committee will also oversee the adequacy of the Trust's financial reporting processes and internal controls to safeguard assets from loss and unauthorized use and to verify the accuracy of financial records. This shall include receiving annual confirmation from management regarding any significant changes to the Trust's internal control systems.

l) Complaints Procedure

The Committee will establish procedures for:

- (1) the receipt, retention and treatment of complaints received by the Trust under the process described in the Trust's Code of Business Conduct and Ethics (the "Code") regarding accounting, internal accounting controls or auditing matters; and
- (2) the confidential, anonymous submission by employees of the Trust or others of concerns regarding questionable accounting, auditing or other matters described in the Code. The Committee will cause this procedure to be tested at least annually.

The Committee may, at its discretion, refer to the Trust's Corporate Governance and Compensation Committee for its consideration, advice and recommendations on any matter relating to complaints received under the Code that the Committee deems appropriate.

m) Legal Compliance

The Committee will review any legal matters that could have a significant impact on the Trust's financial statements. It will also review with management any material inquiries received from regulators or governmental agencies, and will advise the Board accordingly.

n) Risk Management for Fraud and Misconduct

On at least an annual basis, the Committee shall review with management the risk of fraud and misconduct which are likely to have a significant financial, reputational or regulatory impact on the Trust's business and any relevant controls in place to address same.

o) Risk Management for Cyber Security

On at least an annual basis, the Committee shall review with management the Trust's cyber security risk, as well as relevant controls and procedures in place to address same. The Committee shall also receive quarterly cyber security incident reports.

p) Employees of the External Auditor

The Committee shall review and approve the hiring by the Trust of any partners, employees and former partners and employees of the present and former external auditor of the Trust.

q) Review Expenses

The Chair of the Committee will quarterly review expense claims of the Chief Executive Officer and Chairman of the Board and will report to the Committee thereon.

r) Insurance

The Committee will review the Trust's insurance program on an annual basis and report to the Board.

s) Related Party Transactions

The Committee will review the Trust's related party transactions when they occur and report to the Board.

SCHEDULE C – GOVERNANCE PRACTICE

1. Board of trustees

Specify how the board of trustees favors the exercise of independent judgement in the supervision of the management, notably provide the following information:

a) *Disclose the identity of directors who are independent;*

The board of trustees believe, following the evaluation of the roles and relationships of each trustee, that the following six (6) trustees, being eighty-five and seventy-one hundredths percent (85.71%) of the nominees proposed by management for the office of trustee, are independent. These six (6) trustees are:

- Guy Dancosse;
- Guy Laframboise;
- François-Olivier Laplante;
- Michael Zakuta;
- Katia Marquier; and
- Michel Trudeau

Within the meaning of section 1.4 of *National Instrument 52-110 Audit Committee*, an “independent” member of the audit committee is one who has no direct or indirect material relationship with the Trust, meaning a relationship which could, in the view of the board of trustees, reasonably interfere with the exercise of a member’s independent judgment. If required, the independent members of the board of trustees may convene a meeting without the presence of the non-independent trustees and executive officers.

b) *Disclose the identity of directors who are not independent, and describe the basis for that determination;*

The board of trustees believe, following the evaluation of the roles and relationships of each trustee, that the following one (1) trustee who is proposed by management for the office of trustee, is not independent:

- Jason Parravano is not independent as he currently is the President and Chief Executive Officer of the Trust.

2. Board Mandate

The board of trustees is responsible for the stewardship of the activities and affairs of the Trust. The board seeks to discharge such responsibility by reviewing, discussing and approving the strategic planning and organizational structure of the Trust, and by supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of the Trust and its underlying value. The board of trustees meets periodically to review and approve the strategic plans proposed by management. In addition, the board of trustees assesses major opportunities for the Trust and the risk impact of strategic decisions contemplated by management and monitors performance against such plans.

3. Positions Descriptions

Chair of the Board of Trustees

The Chair of the board of trustees is elected by the board of trustees. The primary responsibility of the Chair is to provide leadership to the board of trustees in order to enhance its effectiveness. The board of trustees has ultimate accountability for the supervision and management of the Trust. Critical to this accountability is the relationship between the board of trustees, management, unitholders and other stakeholders. The Chair, as presiding member, oversees that these relationships are effective, efficient and further the best interests of the Trust.

Committee Chairs

To fulfill his or her responsibilities and duties, the chair for each committee shall:

- (i) facilitate the effective operation and management of, and provide leadership to, the committee;

- (ii) chair meetings of the committee;
- (iii) set the agenda for each meeting of the committee and otherwise bring forward matters for consideration within the charter of the committee;
- (iv) facilitate the committee's interaction with management, the board of trustees and other committees of the board of trustees;
- (v) act as a resource and mentor for other members of the committee;
- (vi) report to the board of trustees on matters considered by the committee, its activities and compliance with the committee's charter; and
- (vii) perform such other duties and responsibilities as may be delegated to him or her by the board of trustees from time to time.

The above position descriptions are reviewed and reassessed annually by the Governance and Compensation Committee.

4. Directorships

If a trustee is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

- Michael Zakuta is a trustee of Plaza Retail REIT (Toronto Stock Exchange).
- Michel Trudeau is a director of Valeo Pharma Inc. (Canadian Securities Exchange).

5. Orientations and Continuing Education

Briefly describe what measures the board takes to provide continuing education for its trustees, if any.

The trustees keep themselves informed and receive copies of all required information and update during the meeting of the board of trustees or the committees. However, the Trust does not currently have a formal orientation program for its new trustees, nor has taken measure to provide continuing education to its trustees, chiefly due to the emergent nature of the Trust.

6. Ethical Business Conduct

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The code of conduct of the Trust was adopted by the Trust on March 26, 2021. The code has for objective to favors and promote a culture of ethical business conduct and helps to prevent misconducts. The code of conduct may be consulted on the Trust's profile on the SEDAR website at www.sedar.com.

In addition, to ensure the independence of the trustees while considering transactions and agreements in respect of which a trustee or executive officer has a material interest, these transactions are reviewed and discussed by the independent trustees and the trustee with a material interest abstain from taking part to the discussions and voting on the matter.

7. Nomination of trustees

Describe the process by which the board identifies new candidates for board nomination.

- (i) *Disclose who proceeds to the selection; and*
- (ii) *Disclose the selection process of new candidates.*

The Governance and Compensation Committee establishes the competencies of the trustees sought to fill vacancies on the board and identify eventual candidates who meet these requirements. Members of the committee then submit recommendations to the board of trustees with respect to the selected candidates.

8. Compensation

Describe the process by which the board determines the compensation for the trustees and officers:

- (i) Disclose who determines the compensation; and*
- (ii) Disclose the determination process of the compensation.*

The Governance and Compensation Committee is responsible of determining the compensation of trustees and officers of the Trust. The Trust is at a stage where the control of its operating costs is of utmost importance to ensure that the funds required to achieve its business plan are available. In this context, the trustees have decided, together with the executive officers, that the compensation for their services will be minimal in the short and medium term. The Governance and Compensation Committee approved the grant of units to trustees and officers as compensation for services rendered during the fiscal year 2021, and trustees and officers are the subject of a unit compensation plan submitted to the unitholders for approval, as described in the 2021 management information circular. The Trust records unit-based compensation in the year in which the unit are issued, hence the 2022 compensation will include units issued in that year.

9. Other Board Committees

If the board has standing committees other than the audit and governance and hiring committees, identify the committees and describe their function.

Other than the Audit Committee, the Investment Committee and the Governance and Compensation Committee, the board of trustees has no other standing committee.

10. Assessment

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution.

The current written charter of the governance and hiring provides that the committee must review periodically the efficiency of the board, its committees and trustees. In the exercise of this mandate, a formal evaluation exercise of the operation of the board and each of its members is performed when needed. Recommendations issued from this evaluation process are submitted to the chairman of the board for him to take, if any, any action or measure which is necessary or desirable in that regard. However, no evaluation was performed during the fiscal year ended December 31, 2021.