



CANADIAN APARTMENT
PROPERTIES • REIT

Management Information Circular
Annual General Meeting: June 1, 2023

25th ANNUAL GENERAL MEETING
CAP
REIT

LETTER TO UNITHOLDERS



April 12, 2023

Dear Fellow Trust Unitholders,

On behalf of the Board of Trustees, we are pleased to invite you to the Annual Meeting of Trust Unitholders of Canadian Apartment Properties Real Estate Investment Trust (“CAPREIT”) on June 1, 2023. This year’s meeting will be held as a virtual meeting, by way of a live webcast. Trust Unitholders (as defined herein) will be able to listen, participate and vote at the meeting in real time through a web-based platform. As a holder of units, special voting units and preferred units, you have the right to receive our financial statements and to vote your trust units at the meeting.

Our 2022 Management Information Circular includes important details about the business of the meeting and the items that you will be voting on, as well as information about our governance practices and executive compensation program. Please read the Management Information Circular before you vote your trust units.

This past September, CAPREIT celebrated 25 years of growth and performance, and we are proud to have become Canada’s largest publicly-traded multi-residential real estate investment trust. Throughout this journey, our loyal Trust Unitholders have received a compounded annual return of 12% since inception. This is a testament to our proven value-enhancing strategies, the increasingly constructive fundamentals in our business and the strong leadership of our executive management team, fully supported by the Board of Trustees.

I am also pleased to provide an update on the proactive initiatives we have prioritized to contribute to Canada’s housing supply and affordability solutions. At the forefront, alongside other large publicly traded Canadian residential REITs, CAPREIT has led the launch of the Canadian Rental Housing Providers for Affordable Housing. This coalition has advanced numerous proposals to address issues around additional housing supply and affordable housing in Canada. CAPREIT will continue to advocate for changes in government policies and programs to address these important issues.

Environmental, social and governance (“ESG”) performance also remains a key focus at CAPREIT, and we achieved meaningful progress on our goals in 2022. Our ESG strategy and roadmap is supported by the Board of Trustees and all levels of the organization contribute to the implementation of our ESG strategy and achievement of deliverables. As part of our ongoing commitment to good governance, the Board of Trustees has recently implemented new Governance Guidelines, which include, amongst other things, a trustee overboarding policy and an auditor term policy, each of which are discussed in more detail in the Management Information Circular.

The Board of Trustees recognizes the importance of fostering diversity, equity and inclusion among the trustees, the executive management team and throughout the organization. We are proud that our ongoing commitment to diversity, equity and inclusion has been recently recognized by Equileap, a provider of gender equality insights on public companies, with CAPREIT being recognized for having achieved gender balance at all levels of our organization.

We are excited to have welcomed Mr. Gervais Levasseur and Mr. Ken Silver to CAPREIT's Board of Trustees in 2022. We are confident that Gervais' financial expertise and Ken's real estate experience will provide tremendous value to CAPREIT. Further to this, we recently announced that Ms. Jennifer Stoddart has additionally joined the Board of Trustees, bringing with her an extensive repertoire of expertise in the privacy field that will be invaluable as privacy legislation in Canada continues to evolve. We also had two retirements from the Board, Poonam Puri and Jamie Schwartz – we would like to thank both of them for their valued contributions during their terms.

Your vote is important to us, and we encourage you to read this Management Information Circular and vote your trust units. We look forward to welcoming you at the meeting.

Yours truly,

(signed) DR. GINA PARVANEH CODY, C.M., F.C.A.E.

Chair of the Board of Trustees



NOTICE IS HEREBY GIVEN THAT the Annual Meeting (the “**Meeting**”) of the holders (the “**Trust Unitholders**”) of units, special voting units and preferred units of Canadian Apartment Properties Real Estate Investment Trust (“**CAPREIT**”) will be held in a virtual only meeting format via live webcast online at <https://web.lumiagm.com/212807270> on June 1, 2023 at 4:00 p.m. (Toronto time) for the following purposes: to receive the audited consolidated financial statements of CAPREIT for the financial year ended December 31, 2022, together with the auditor’s report thereon;

1. to elect the trustees of CAPREIT;
2. to appoint Ernst & Young LLP as the auditor of CAPREIT and authorize the trustees to fix the remuneration to be paid to the auditor;
3. to consider and, if thought advisable, to approve a non-binding advisory say-on-pay resolution accepting CAPREIT’s approach to executive compensation, as more fully described in the annexed management information circular (the “**Management Information Circular**”); and
4. to transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

This year, the Meeting will be held in a virtual only format, which will be conducted via live webcast. Trust Unitholders will not be able to physically attend the Meeting.

Trust Unitholders and duly appointed proxyholders will be able to attend, submit questions, and vote at the Meeting online at <https://web.lumiagm.com/212807270> at 4:00 p.m. on June 1, 2023. Non-registered (beneficial) Trust Unitholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote or ask questions at the Meeting.

If you are not planning to or are unable to attend the Meeting online, kindly sign and return the form of proxy and deposit it with Computershare Investor Services Inc. (“**Computershare**”), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or via the internet at www.investorvote.com, not later than 4:00 p.m. (Toronto time) on May 30, 2023 or, if the Meeting is adjourned or postponed, prior to 4:00 p.m. (Toronto time) on the second business day before any adjournment or postponement of the Meeting.

Trust Unitholders who wish to appoint a proxyholder other than the persons designated by CAPREIT on the form of proxy (including a non-registered Trust Unitholder who wishes to appoint themselves as proxyholder) must carefully follow the instructions in this Notice of Meeting, the Management Information Circular, and on their form of proxy. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare at <http://www.computershare.com/CAPREIT>, after submitting their form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as the

proxyholder's log-in credentials and is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting online as a guest. Non-registered Trust Unitholders located in the United States must also provide Computershare with a duly completed legal proxy if they wish to vote at the Meeting or appoint a third party as their proxyholder.

This year, CAPREIT is using "notice-and-access" to deliver our meeting materials. Accordingly, this notice of meeting, the accompanying Management Information Circular, our audited annual financial statements for the financial year ended December 31, 2022, and the related management discussion and analysis have been posted on www.envisionreports.com/CAMQ2023 and under our profile on SEDAR at www.sedar.com. **Registered Trust Unitholders and non-registered Trust Unitholders who have previously provided standing instructions to receive paper copies will receive such documents by mail.**

For more information regarding notice-and-access, you may call Computershare toll-free at 1-866-964-0492. To obtain a paper copy of these documents you may call Computershare toll-free at 1-866-962-0498.

DATED at Toronto, Ontario this 12th day of April 2023.

**BY ORDER OF THE
BOARD OF TRUSTEES OF
CANADIAN APARTMENT
PROPERTIES REAL
ESTATE INVESTMENT
TRUST**

(Signed) MARK KENNEY

President and Chief Executive Officer

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MANAGEMENT INFORMATION CIRCULAR SUMMARY

This summary highlights information contained elsewhere in this Circular. It does not contain all of the information that you should consider when voting on the matters brought before the Meeting. Please read the entire Circular carefully before voting. Capitalized terms used in this summary and not defined herein have the meanings ascribed to them elsewhere in this Circular, unless otherwise specified.

Meeting Information

Date: Thursday, June 1, 2023

Time: 4:00 p.m. (Toronto time)

Virtual:

<https://web.lumiagm.com/212807270>

Voting Recommendations

Proposal	Board Recommendation
Elect the trustees of CAPREIT	FOR
Appoint the auditor of CAPREIT	FOR
Approve a non-binding advisory say-on-pay resolution	FOR

Record Date

You are entitled to vote at the Meeting if you were a holder of Trust Units at the close of business on April 10, 2023.

Vote Deadline

To ensure that your vote is counted, please vote by 4:00 p.m. (Toronto time) on May 30, 2023.

How You Can Vote

Your vote is important. To ensure that your shares will be represented and voted at the meeting, please submit your vote as soon as possible by one of the following methods:

Elect the Trustees

- The Board currently consists of nine (9) trustees.
- The following nine (9) nominees are being put forward for election to the Board: Lori-Ann Beausoleil, Harold Burke, Gina Parvaneh Cody, Mark Kenney, Gervais Levasseur, Ken Silver, Jennifer Stoddart, Elaine Todres and René Tremblay.



Internet

You will need to have your proxy form or voting instruction form in hand. Go to the website listed on the form that you received and follow the instructions on the screen.

Appoint the Auditor

- Trust Unitholders will be asked to approve the appointment of Ernst & Young LLP, as the auditor of CAPREIT to hold office until the close of the next annual meeting of Trust Unitholders.

Say-on-Pay Non-Binding Advisory Vote

- Trust Unitholders will be asked to approve an advisory resolution accepting CAPREIT's approach to executive compensation as disclosed in this Circular.



Telephone

You will need to have your proxy form or voting instruction form in hand. Dial the phone number listed on the form that you received and follow the voting prompts.



Mail

Complete your proxy form or voting instruction form and return using the enclosed postage-paid envelope.

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by and on behalf of the management of Canadian Apartment Properties Real Estate Investment Trust (“**CAPREIT**”) of proxies to be used at the annual meeting (the “**Meeting**”) of the holders of the units (the “**Units**”), special voting units (the “**Special Voting Units**”) and preferred units (the “**Preferred Units**”, together with the Units and Special Voting Units, the “**Trust Units**”) of CAPREIT, to be held on the 1st day of June 2023, in a virtual-only format at the time and for the purposes set forth in the notice of meeting (the “**Notice of Meeting**”) and at any adjournment(s) or postponement(s) thereof. The holders of Units (“**Unitholders**”) and Special Voting Units (“**Special Unitholders**”) are referred to collectively in this Circular as “**Trust Unitholders**”. The solicitation is being made primarily by sending certain proxy-related materials to Trust Unitholders by mail, and with respect to the delivery of the Notice of Meeting and this Circular, by posting the Notice of Meeting and this Circular on CAPREIT’s profile on SEDAR at www.sedar.com and by making such materials electronically available at www.envisionreports.com/CAMQ2023 a website hosted by Computershare Investor Services Inc. (“**Computershare**”), as provided in the package received by Trust Unitholders, pursuant to the notice and access mechanism. On April 12, 2023, the board of trustees of CAPREIT (the “**Board**”) approved the contents of this Circular and other ancillary meeting materials, including the approval of each of the matters to be voted on by Trust Unitholders. All information in this Circular is given as of March 29, 2023, unless otherwise indicated.

NOTICE AND ACCESS

CAPREIT has elected to use the “notice and access” process, as permitted by CAPREIT’s amended and restated declaration of trust dated June 1, 2022 (the “**Declaration of Trust**”) and the Canadian securities regulatory authorities, for distribution of the Notice of Meeting, the Circular, the audited financial statements for the year ended December 31, 2022, and the accompanying management’s discussion and analysis to both registered Trust Unitholders and Non-Registered Unitholders (defined below). Such materials are posted online for Trust Unitholders to access instead of being mailed to Trust Unitholders. Notice and access reduces printing and mailing costs and is more environmentally friendly as it uses less materials and energy consumption.

Trust Unitholders will receive a package in the mail which will include, among other information: (i) a form of proxy or voting instruction form with instructions on how to vote their Trust Units; (ii) basic information about the Meeting and the matters to be voted on thereat; (iii) instructions on how to access the meeting materials electronically; and (iv) instructions on how to receive a paper copy of the meeting materials in the alternative. **Registered Unitholders and Non-Registered Unitholders who have previously provided standing instructions to receive paper copies of the meeting materials will receive such documents by mail.**

In order to receive a paper copy of the meeting materials free of charge, requests by Trust Unitholders can be made to Computershare by phone at 1-866-964-0492. Paper copies must be requested by May 23, 2023, in order to be received prior to 4:00 p.m. (Toronto time) on May 30, 2023, which is the deadline for the submission of voting instructions. Trust Unitholders with questions about notice and access can call Computershare toll-free at 1-866-964-0492. If you are a registered Trust Unitholder and have previously provided standing instructions indicating that you wish to receive paper copies of the meeting materials, you may revoke your instructions by calling Computershare at the number above.

ATTENDING A VIRTUAL ONLY MEETING

This year, the Meeting will be held in a virtual-only format, which will be conducted via live webcast. Trust Unitholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. Trust Unitholders will not be able to physically attend the Meeting.

Trust Unitholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/212807270>. Such persons may enter the Meeting by clicking “I have a control number” and entering a valid control number and the password “capreit2023” (case sensitive) before the start of the Meeting. Registered Trust Unitholders will receive their control number on the form of proxy. Guests, including Non-Registered Unitholders who have not duly appointed themselves as a proxyholder, can login to the Meeting by clicking “I am a guest” and completing the online form. Guests will be able to listen to the Meeting but will not be able to ask questions or vote at the Meeting.

A summary of the information Trust Unitholders and duly appointed proxyholders will need to attend and vote at the Meeting online is provided in this Circular.

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 ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting. The Meeting will begin promptly at 4:00 p.m. (Toronto time) on June 1, 2023, unless otherwise adjourned or postponed. Online check-in will begin one hour prior to the meeting, at 3:00 p.m. (Toronto time). You should allow ample time for online check-in procedures. For technical difficulties with a registered Trust Unitholder’s control number or entering the Meeting, please visit <https://www.lumiglobal.com/faq>.

HOW DO I VOTE?

If you are a registered Trust Unitholder as of the close of business on the Record Date (as defined below), you may vote by proxy prior to the Meeting, or attend the virtual-only Meeting online at <https://web.lumiagm.com/212807270>. There are three ways to vote prior to the Meeting:

1. **Telephone Voting:** You may vote by calling the toll-free telephone number 1-866-732-VOTE (8683). You will be prompted to provide your control number printed on the form of proxy delivered to you. You may not appoint a person as proxyholder other than the management nominees named in the form of proxy provided if you vote by telephone. Please follow the voice prompts that allow you to vote your Trust Units and confirm that your instructions have been properly recorded.
2. **Internet Voting:** You may vote by logging on to www.investorvote.com and following the website prompts that allow you to vote your Trust Units and confirm that your instructions have been properly recorded.

- 3. Return Your Proxy Card by Mail:** If you requested proxy materials by mail, you may vote by completing, signing and returning the form of proxy in the envelope provided to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

APPOINTMENT OF PROXIES

If you are a registered Trust Unitholder and if it is not your intention to attend the Meeting online, you are asked to complete and return the form of proxy in the envelope provided. The proxy must be executed by the Trust Unitholder or the attorney of such Trust Unitholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or via the internet at www.investorvote.com, not later than 4:00 p.m. (Toronto time) on May 30, 2023 or, if the Meeting is adjourned or postponed, prior to 4:00 p.m. (Toronto time) on the second business day before any adjournment(s) or postponement(s) of the Meeting.

The persons designated in the form of proxy are trustees and executive officers of CAPREIT. Each Trust Unitholder has the right to appoint a person (who need not be a Trust Unitholder), other than the person specified in the form of proxy, to attend and act on his or her behalf at the Meeting or any adjournment(s) or postponement(s) thereof. Such right may be exercised by striking out the names of the specified persons and inserting the name of the Trust Unitholder's nominee in the space provided or by completing another appropriate form of proxy and, in either case, delivering the form of proxy to CAPREIT prior to the holding of the Meeting and registering your proxyholder online in the manner described below.

Registering your third-party proxyholder is an additional step to be completed after you have submitted your form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting.

- **Step 1: Submit your form of proxy:** To appoint a third-party proxyholder, insert such person's name in the blank space provided in the form of proxy and follow the instructions for submitting such form of proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy.
- **Step 2: Register your proxyholder:** To register a third-party proxyholder, Trust Unitholders must visit <http://www.computershare.com/CAPREIT> by 4:00 p.m. (Toronto time) on May 30, 2023, or, if the meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed meeting, and provide Computershare the required proxyholder contact information so that Computershare may provide the proxyholder with a control number via email.

Failure to register your proxyholder in the manner set out above will result in the proxyholder not receiving a control number that will act as the proxyholder's log-in credentials and is required for them to vote at the Meeting and, consequently, the proxyholder will not be able to vote or ask questions at the Meeting, instead only being able to attend the Meeting online as a guest. Non-Registered Unitholders located in the United States must also provide Computershare with a duly completed legal proxy if they wish to vote at the Meeting or appoint a third party as their proxyholder.

Non-Registered Unitholders

Only registered Trust Unitholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting online. Most Trust Unitholders are “non-registered” Trust Unitholders because the Trust Units they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Trust Units. More particularly, a person is not a registered Trust Unitholder in respect of Trust Units which are held on behalf of that person (the “**Non-Registered Unitholder**”), but which are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Unitholder deals with in respect of the Trust Units (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans (“**RRSPs**”), RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, CAPREIT has distributed copies of the notice and access notice and the form of proxy (collectively, the “**Notice and Access Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Unitholders.

Intermediaries are required to forward the Notice and Access Materials to Non-Registered Unitholders unless a Non-Registered Unitholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Notice and Access Materials to only registered Trust Unitholders. Generally, Non-Registered Unitholders who have not waived the right to receive Notice-and-Access Materials will either:

- (a) be given (typically by a facsimile, stamped signature) a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Trust Units beneficially owned by the Non-Registered Unitholder, but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Unitholder when submitting the proxy; or
- (b) more typically, Non-Registered Unitholders will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Unitholder and returned to the Intermediary or its designated service company, will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regularly printed proxy form accompanied by a page of instructions which contains a removable label containing a bar code and other information.
- (c) In either case, the purpose of these procedures is to permit Non-Registered Unitholders to direct the voting of the Trust Units which they beneficially own. Should a Non-Registered Unitholder who receives one of the above forms wish to attend and vote at the Meeting online or appoint a third-party proxyholder, the Non-Registered Unitholder should strike out the names of the

designated proxyholders, insert the Non-Registered Unitholder's name or third-party proxyholder in the blank space provided and register the Non-Registered Unitholder or third-party proxyholder online, as applicable, as described below. Registering the Non-Registered Unitholder or third-party proxyholder online, as applicable, is an additional step to be completed after submitting the proxy authorization form. Failure to register the Non-Registered Unitholder or third-party proxyholder online, as applicable, will result in such individual not receiving a control number that is required for them to vote at the Meeting. To summarize, the steps for the Non-Registered Unitholder who wishes to submit a proxy authorization form would be as follows:

- **Step 1: Submit your proxy authorization form:** properly complete the proxy authorization form and deliver it to the applicable Intermediary as provided above. This must be completed prior to registering the Non-Registered Unitholder or third-party proxyholder online, as applicable, which is an additional step to be completed once you have submitted your proxy authorization form.
- **Step 2: Register your proxyholder:** register your Non-Registered Unitholder or third-party proxyholder online, as applicable, as proxyholder. To register such individual, Non-Registered Unitholders must visit <http://www.computershare.com/CAPREIT> by 4:00 p.m. (Toronto Time) on May 30, 2023, or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time and date of the adjourned or postponed Meeting, and provide Computershare the required contact information so that Computershare may provide the proxyholder with a control number via email.

Failure to register the proxyholder according to the foregoing will result in the proxyholder not receiving a control number that will act as their log-in credentials and is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting online as a guest. Non-Registered Unitholders located in the United States must also provide Computershare with a duly completed legal proxy if they wish to vote at the meeting or appoint a third party as their proxyholder.

CHANGING YOUR VOTE

A Trust Unitholder may revoke its proxy at any time, by voting again online at www.investorvote.com or by phone or fax before 4:00 p.m. on May 30, 2023, or by completing an instrument in writing executed by such Trust Unitholder or by his or her attorney authorized in writing and:

- (a) depositing it with the registered office of CAPREIT, 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used; or
- (b) filing it electronically with Elise Lenser, the Corporate Secretary, at corporatesecretary@capreit.net on the day of the Meeting, or any adjournment(s) or postponement(s) thereof.

Only registered Trust Unitholders have the right to revoke a proxy. Non-Registered Unitholders who wish to change their vote must, at least seven (7) days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.

If as a registered Trust Unitholder, you are using your 15-digit control number to login to the Meeting and you accept the terms and conditions, you will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you vote by online ballot at the Meeting, you will be revoking any and all previously submitted proxies for the Meeting. If you do not vote by online ballot at the Meeting, your previously submitted proxies will not be revoked and will continue to be counted by Computershare in tabulating the vote with respect to the matters put forth at the Meeting. If you enter the Meeting as a guest, you will not be able to vote and you will not be able to ask questions.

EXERCISE OF DISCRETION BY PROXIES

The Trust Units represented by any proxy received by management will be voted or withheld from voting by the persons named in the form of proxy in accordance with the direction of the Trust Unitholder appointing them. In the absence of any direction to the contrary, it is intended that the Trust Units represented by proxies received by management will be voted on any ballot “**for**”: (i) the election of the trustees; (ii) the appointment of the auditor of CAPREIT; and (iii) a non-binding advisory say-on-pay resolution accepting CAPREIT’s approach to executive compensation.

The form of proxy confers discretionary authority upon the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof and with respect to amendments to or variations of matters identified in the Notice of Meeting. As at March 29, 2023, management knows of no such amendments, variations, or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and routine matters incidental to the conduct of the Meeting. If any further or other business is properly brought before the Meeting, it is intended that the persons appointed as proxy will vote on such other business in such manner as such persons then consider to be proper.

AUTHORIZED CAPITAL, VOTING UNITS AND PRINCIPAL HOLDERS THEREOF

The authorized capital of CAPREIT consists of an unlimited number of Units, an unlimited number of Special Voting Units, and 25,840,600 Preferred Units. As at March 29, 2023, 169,333,465 Units, 1,647,186 Special Voting Units, and no Preferred Units were issued and outstanding.

A holder of Units is entitled to one (1) vote in respect of each matter to be voted upon at the Meeting for each Unit registered in his or her name as at the close of business on April 10, 2023 (the “**Record Date**”). Only Trust Unitholders of record on the books of CAPREIT as of the close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

Subject to the restrictions set forth in the Declaration of Trust, each holder of Special Voting Units is entitled to a number of votes at all meetings of Trust Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable Securities (as defined in the

Declaration of Trust) to which such Special Voting Units relate are, directly or indirectly, exchangeable or convertible (other than in respect of Exchangeable Securities which have been so exchanged, converted or cancelled).

To the knowledge of the trustees and officers of CAPREIT, as at March 29, 2023, no person or company beneficially owns, controls, or directs, directly or indirectly, Trust Units carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of CAPREIT.

QUORUM

The quorum at the Meeting or any adjournment thereof shall be individuals present in person or by electronic means, as applicable, not being less than two (2) in number and being Trust Unitholders or a proxyholder representing by proxy Trust Unitholders, and who hold or represent by proxy, in the aggregate, not less than 25% of the total number of outstanding Trust Units entitled to vote.

NON-IFRS FINANCIAL MEASURES

In this Circular, CAPREIT discloses and discusses certain financial measures not recognized under International Financial Reporting Standards as set out in Part I of the CPA Canada Handbook (“**IFRS**”) and that do not have standard meanings prescribed by IFRS. These include Funds From Operations (“**FFO**”) and Normalized Funds From Operations (“**NFFO**”), FFO and NFFO per Unit amounts and FFO and NFFO payout ratios (collectively, the “**non-IFRS measures**”). These non-IFRS measures are further discussed below. Since FFO and NFFO are not measures determined under IFRS, they may not be comparable to similar measures reported by other issuers. CAPREIT has presented such non-IFRS measures because management believes these non-IFRS measures are relevant measures of the ability of CAPREIT to earn revenue and to evaluate CAPREIT’s performance and cash flows. The non-IFRS measures should not be construed as alternatives to net income (loss) or cash flows from operating activities determined in accordance with IFRS as indicators of CAPREIT’s performance or sustainability of CAPREIT’s distributions.

MATTERS REQUIRING UNITHOLDER APPROVAL

1. Election of Trustees

CAPREIT’s Declaration of Trust provides for a flexible number of trustees, subject to a minimum of seven (7) and a maximum of eleven (11) trustees. Trust Unitholders have authorized the Board to increase or decrease, from time to time, the number of trustees within the limits prescribed by the Declaration of Trust, provided that the trustees may not appoint an additional trustee if, after such appointment, the total number of trustees would be greater than one and one-third ($1\frac{1}{3}$) times the number of trustees in office immediately following the last annual meeting of Trust Unitholders.

The Board currently consists of nine (9) trustees. It is intended that on any resolution or ballot that may be called for relating to the election of the trustees, the Trust Units represented by proxies in favour of management nominees will be voted in favour of the election, separately, of each of Lori-Ann Beausoleil, Harold Burke, Gina Parvaneh Cody, Mark Kenney, Gervais Levasseur, Ken Silver, Jennifer Stoddart, Elaine Todres and René Tremblay as a trustee of CAPREIT, unless a Trust Unitholder has

specified in his or her proxy that his or her Trust Units are to be withheld from voting on the election of trustees. Management does not contemplate that any of the proposed nominees will be unable to serve as a trustee, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised to vote the Trust Units represented by such proxies for the election of such other person or persons as trustees nominated in accordance with the Declaration of Trust and the best judgment of the management nominees. CAPREIT has been informed by each nominee that he or she is willing to stand for election and to serve as a trustee.

The trustees have adopted a policy that entitles each Trust Unitholder to vote for each nominee on an individual basis. The trustees have also adopted a majority voting policy to require a trustee's resignation as a trustee to the Board when the trustee receives more "**withheld**" votes than "**for**" votes in an uncontested election of trustees at a general meeting of Trust Unitholders, such as the Meeting. The Governance and Nominating Committee will consider such a resignation and recommend to the Board whether to accept it. In its deliberations, the Governance and Nominating Committee may consider any stated reasons as to why Trust Unitholders "withheld" votes from the election of the relevant trustee, the effect an applicable resignation resulting from such votes may have on CAPREIT's ability to comply with its Declaration of Trust or applicable securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board, and any other factors that the members of the Governance and Nominating Committee consider relevant. The other trustees would be expected to take into account the decision of the Governance and Nominating Committee and either accept or reject the resignation. The Board shall act on the Governance and Nominating Committee's recommendation within 90 days after the applicable Trust Unitholders' meeting, and CAPREIT shall issue a press release either announcing the resignation or explaining why the Board had not accepted the resignation. The trustee who tendered the resignation would not be part of the decision-making process. The Board must accept the resignation, except in exceptional circumstances.

If a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of Trust Unitholders. Alternatively, it may fill the vacancy in accordance with the Declaration of Trust.

The current term of office of the trustees of CAPREIT will expire at the close of the Meeting. It is proposed that each of the persons whose name appears below be elected as a trustee of CAPREIT to serve until the close of the next annual meeting of Trust Unitholders or until his or her successor is elected or appointed.

The following table sets forth the name and residence of each of the nominees, whether each nominee is an "**independent**" trustee (as that term is defined in National Instrument 52-110 – *Audit Committees ("NI 52-110")* for the purposes of the audit committee (the "**Audit Committee**"), and as that term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices ("NI 58-101")* for all other purposes), their respective principal occupations during the last five (5) years, the nature and extent of their experience in the real estate industry and their current public board memberships, the year each of them became a trustee, and information as to voting and other securities of CAPREIT beneficially owned, controlled, or directed, directly or indirectly, by each of them as at March 29, 2023.

In addition, the following table summarizes the skills possessed by each nominee trustee. The skills outlined below are considered in assessing candidates during the nomination process. Such skills are referred to in identifying any skills gaps. The emphasis placed on any particular skill may change as part of the ongoing assessment of the composition of the Board.

Mississauga, Ontario,
Canada

Trustee since 2021

Independent

Committees:

Audit Committee

Skills:

Real Estate Financing
Acquisitions,
Dispositions and
Mergers and
Acquisitions ("M&A")
Executive Leadership
and Management
Experience
Financial Accounting
and Reporting
Social Responsibility
and Community
Engagement
Equity, Diversity and
Inclusion
Corporate Governance

LORI-ANN BEAUSOLEIL

Lori-Ann Beausoleil, FCPA, FCA (Age: 59) is a retired Partner of PricewaterhouseCoopers LLP ("PwC"), where she held a variety of leadership positions including National Leader – Compliance, Ethics and Governance and Real Estate Advisory Partner. Ms. Beausoleil also served as the National Forensic Services Leader, a member of PwC's Deals Leadership Team, Chief Diversity Officer and the National Leader for PwC's Canadian Real Estate practice. Ms. Beausoleil began her career at Coopers & Lybrand in 1986 and became a partner at PwC in 1999. With 36 years of experience focused in the real estate industry, Ms. Beausoleil has significant risk, audit, finance, regulatory compliance, investigations, governance and internal audit experience working with a variety of real estate corporations and real estate investment trusts. Ms. Beausoleil serves as a trustee/director on the board of Slate Office REIT (TSX:SOT), Metro Inc. (TSX:MRU) and Brookfield Real Estate Income Trust Inc. (a private REIT) where she acts as chair or member of various Board committees. Ms. Beausoleil is a Fellow Chartered Professional Accountant and Fellow Chartered Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

Units, Deferred Units ⁽¹⁾ , and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Votes For: 96.37%	Corporate Director, Strategic Advisor and retired Partner of PwC
3,856	181,193	0.00	Votes Withheld: 3.63%	

Toronto, Ontario,
Canada

Trustee since 2010

Independent

Committees:

Governance and
Nominating Committee
Human Resources and
Compensation
Committee

Skills:

Real Estate Financing
Acquisitions,
Dispositions and M&A
Executive Leadership
and Management
Experience
Financial Accounting and
Reporting
Legal/Tax
Human Capital
Corporate Governance

HAROLD BURKE

Harold Burke, CPA, CA, ICD.D (Age: 76) is the former Senior Vice President of Taxation at Dream Asset Management Corporation, a real estate asset manager and developer, which he joined in July 2008. Mr. Burke has more than 30 years of professional practice in the tax area at PwC, its predecessor, Coopers & Lybrand LLP, and another major Canadian accounting firm. Mr. Burke currently serves as a trustee and Chair of the audit committee of European Residential Real Estate Investment Trust ("ERES") (TSX:ERE.UN) (CAPREIT holds an approximate 65% interest in ERES). Mr. Burke is recognized as a specialist in the area of real estate-related financial services as well as in domestic and international taxation issues. While a senior partner at PwC, Mr. Burke advised a diverse domestic and foreign clientele many of which were public, private and institutional, on a variety of matters including mergers and acquisitions, capital markets financing and investment structuring. Mr. Burke is a Chartered Professional Accountant and holds the Institute of Corporate Directors, Director Designation (ICD.D) from the Institute of Corporate Directors.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Votes For: 98.92%	Consultant and former Senior Vice President of Taxation, Dream Asset Management Corporation
35,676	1,676,422	0.02	Votes Withheld: 1.08%	

Toronto, Ontario,
Canada

Chair of the Board
Trustee since 2017

Independent

Committees:

None

Skills:

Property Development,
Planning and
Construction
Property and Asset
Management
Executive Leadership
and Management
Experience
Human Capital
Energy Management
and/or Climate-related
Risk
Social Responsibility
and Community
Engagement
Equity, Diversity
and Inclusion

GINA PARVANEH CODY

Dr. Gina Parvaneh Cody (Age: 66) holds a Masters and a Doctorate in Building Engineering from Concordia University in Montreal. Dr. Cody is the first woman in Canada to be granted a Doctorate in Building Engineering. Dr. Cody has more than 30 years of professional practice in the private sector as a professional engineer, corporate executive and principal of a national engineering firm. Dr. Cody has provided professional engineering services to some of Canada's largest real estate investment trusts ("**REITs**"), financial institutions, builders and developers. Dr. Cody retired in 2016 as the Executive Chair of CCI Group Inc. Under Dr. Cody's tenure, CCI was recognized as one of Canada's Best Managed Companies, through Canada's leading business awards program. In 2010 and 2011, Dr. Cody was named one of Canada's Top Women Entrepreneurs by Profit Magazine. In 2020, Dr. Cody was named one of the Top 25 Women of Influence in Canada. Dr. Cody is the benefactor and namesake of the Gina Cody School of Engineering and Computer Science at Concordia University in Montreal, Canada. It is the first engineering faculty in Canada, and one of the first internationally, named after a woman. Dr. Cody is a member of the Order of Montreal and Order of Canada. Dr. Cody is the Chair of the board of ERES (TSX:ERE.UN) (CAPREIT holds an approximate 65% interest in ERES) and a director of Sienna Senior Living Inc. (TSX:SIA.TO).

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Votes For: 96.03%	Corporate Director
45,090	2,118,779	0.03	Votes Withheld: 3.97%	

Newmarket, Ontario,
Canada

Trustee since 2019

Non-Independent

Committees:

None

Skills:

Property and Asset
Management
Acquisitions,
Dispositions and M&A
Executive Leadership
and Management
Experience
Financial Accounting
and Reporting
Human Capital
Government Relations
Social Responsibility
and Community
Engagement

MARK KENNEY

Mark Kenney (Age: 55) joined CAPREIT in 1998 and is the President, Chief Executive Officer and member of its Board of Trustees. Prior to this appointment, Mr. Kenney held the position of Chief Operating Officer of CAPREIT. Mr. Kenney is also the Chief Executive Officer and a trustee of ERES (TSX:ERE.UN) (CAPREIT holds an approximate 65% interest in ERES). Mr. Kenney has over 30 years of experience in the multi-family sector, having worked previously at Realstar Management Partnership, Greenwin Property Management and Tridel Group of Companies. Mr. Kenney is a frequent contributor to BNN Bloomberg. Mr. Kenney is currently the Co-Chair of the REALPAC Apartment Owners Committee and was appointed to the board of REALPAC in 2022. Mr. Kenney has held prior positions as director and as Chair of the Federation of Rental Providers of Ontario from 2009 to 2017, as well as the director of the Greater Toronto Apartment Association from 1998 to 2009. Mr. Kenney is a former non-executive director of Irish Residential Properties REIT plc (Euronext Dublin: IRES). Mr. Kenney holds a Bachelor of Economics degree from Carleton University.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Votes For: 99.65%	President, Chief Executive Officer and former Chief Operating Officer of CAPREIT, Chief Executive Officer of ERES
476,513	22,391,346	0.28	Votes Withheld: 0.35%	

Dollard-des-Ormeaux,
Quebec, Canada

Trustee since 2022

Independent

Committees:

Audit Committee

Investment Committee

Skills:

Real Estate Financing
Acquisitions,
Dispositions and M&A
Executive Leadership
and Management
Experience
Financial Accounting
and Reporting
Legal/Tax
Oversight of Information
Technology and/or
Cybersecurity
Corporate Governance

GERVAIS LEVASSEUR

Gervais Levasseur (Age: 64) is an executive with more than 35 years experience in the real estate industry and extensive involvement in corporate strategy. Mr. Levasseur has spent most of his career at Ivanhoé Cambridge, an international real estate investment, development and management firm and subsidiary of the Caisse de dépôt et placement du Québec. Since 2015, after departing Ivanhoé Cambridge, he has been an independent strategic planning and management consultant. As a result of a merger with other real estate companies, in 2010 Ivanhoe Cambridge became an investor and manager of industrial and logistics, residential, office and retail properties with a presence in 20 countries. During his tenure at Ivanhoé Cambridge, Mr. Levasseur was Executive Vice-President and Chief Financial Officer from 1992 to 2014. His main responsibilities included financial strategy and planning, treasury and finance, valuation and financial analysis, and financial reporting, taxation and management information systems. Mr. Levasseur began his career at KPMG Canada, after which he went on to serve as Chief Accountant and Controller at CN Real Estate and then as Controller at SNC-Lavalin. Mr. Levasseur has served on the Board of Directors Real Estate of the Fonds de solidarité FTQ, a major development capital fund since 2018. Among his responsibilities as a director, Mr. Levasseur serves as the Chair of the Audit Committee. Mr. Levasseur is a trustee of ERES (TSX:ERE.UN) (CAPREIT holds an approximate 65% interest in ERES). Mr. Levasseur earned an accounting degree from HEC Montréal and holds the designation of CPA, CA from the Ordre des comptables professionnels agréés (CPA) du Québec.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%		
530	24,905	0.00	Not Applicable	Consultant and Corporate Director

Toronto, Ontario,
Canada

Trustee since 2022

Independent

Committees:

Audit Committee
Governance and
Nominating Committee
Human Resources and
Compensation
Committee

Skills:

Real Estate Financing
Property Development,
Planning and
Construction
Property and Asset
Management
Acquisitions,
Dispositions and M&A
Executive Leadership
and Management
Experience
Human Capital
Corporate Governance

KEN SILVER

Ken Silver (Age: 64) has more than 30 years of experience in retail and commercial real estate, and in the retail industry. Mr. Silver was President and Chief Executive Officer of CT Real Estate Investment Trust (“**CT REIT**”) (TSX:CRT.UN) from CT REIT’s initial public offering in 2013 until his retirement on May 31, 2022. Previously, Mr. Silver was SVP, Corporate Strategy and Real Estate for Canadian Tire Corporation Limited and President, Canadian Tire Real Estate Limited. Mr. Silver is under contract until June 2023 to provide advisory services to CT REIT. Mr. Silver was appointed to the Board of Governors of York University in 2018 and serves on the Investment and Land and Property Committees of the university. Mr. Silver has previously served on the boards of CT REIT, the Real Property Association of Canada, Build Toronto and Eva’s Initiatives for Homeless Youth. Mr. Silver holds a Bachelor of Arts (Honours) degree from Queen’s University, a Master of Business Administration degree from McGill University and has completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Not Applicable	Corporate Director and former President and CEO of CT Real Estate Investment Trust
530	24,905	0.00		

Westmount, Quebec,
Canada

Trustee since 2023

Independent

Committees:

Governance and
Nominating Committee
Human Resources and
Compensation
Committee

Skills:

Executive Leadership
and Management
Experience
Legal/Tax
Human Capital
Government Relations
Social Responsibility and
Community
Engagement
Equity, Diversity and
Inclusion

JENNIFER STODDART

Jennifer Stoddart (Age: 74) is a strategic advisor in the Privacy and Cybersecurity Group at Fasken LLP, where she advises on privacy matters. Ms. Stoddart was the Privacy Commissioner of Canada from 2003 to 2013. Previously, Ms. Stoddart was the Chair of the Commission d'accès à l'information du Québec from 2000 to 2003. Ms. Stoddart has also held positions on the Human Rights Commissions of Canada and Québec. Ms. Stoddart was named an Officer of the Order of Canada "for her international leadership in privacy rights and for her exemplary public service as the Privacy Commissioner of Canada". The Québec Bar has recognized her with the distinction of Advocatus Emeritus and the Christine Tourigny Award of Merit, and the Université du Québec à Montréal awarded her the Prix Reconnaissance for her commitment to Canadians' privacy rights. Ms. Stoddart has twice been named as one of the Top 25 most influential lawyers in the justice system and legal professions in Canada by Canadian Lawyer magazine. In addition, Ms. Stoddart has received honorary doctorates from the University of Ottawa and McGill University. Ms. Stoddart has been a member of the Committee on the responsible conduct of research, reporting to the Chief Scientist of Québec, a member of the board of directors of Génome Québec and a Visiting Scholar at the Centre of Genomics and Policy of the McGill University Faculty of Medicine. In 2018, Ms. Stoddart was named Honorary Colonel of the 34th Combat Engineer Regiment. Ms. Stoddart has been a mentor with the Women's Executive Network (WXN), an organization that focuses on empowering women and creating positive social change. Ms. Stoddart has contributed to the McGill University law faculty mentorship program. Ms. Stoddart is also the co-author of the book Quebec Women: A History.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Not Applicable	Strategic Advisor at Fasken LLP
0	0	0.00		

Toronto, Ontario,
Canada

Trustee since 2013

Independent

Committees:

Governance and
Nominating Committee

Human Resources and
Compensation
Committee

Investment Committee

Skills:

Executive Leadership
and Management
Experience

Human Capital

Government Relations

Energy Management
and/or Climate-related
Risk

Social Responsibility and

Community Engagement

Equity, Diversity and
Inclusion

Corporate Governance

ELAINE TODRES

Elaine Todres, ICD.D (Age: 73) has had a distinguished career in government, the not-for-profit sector and the volunteer community. After having completed a doctorate in Political Science at the University of Pittsburgh, Dr. Todres joined the civil service of Ontario where she ultimately served as a Deputy Minister for 10 years. Her portfolios ranged from Human Resources and the Civil Service Commission, culture and cultural industries, telecommunications, tourism, Solicitor General, the corrections system and emergency response. In 1997, Dr. Todres became the President of the Baycrest Centre Foundation where she stayed for three years, completing a capital campaign for the new Apotex Centre – Jewish Home for the Aged. Dr. Todres is the Chief Executive Officer of Todres Leadership Counsel, a boutique consultancy practice specializing in governance, strategy, leadership, and organizational transformation. Dr. Todres has served on many community and hospital boards, including as chair of Women's College Hospital Foundation. Dr. Todres served as director of The Northern Trust Company, Canada from August 2005 to February 2014. Dr. Todres is a Gold Medalist in Economics and Political Science from the University of Winnipeg. Dr. Todres was awarded the National Woman of Achievement Award of Hadassah Wizo of Canada, the Gold Medal from the Canadian Centre for Human Rights and Race Relations, and the President's Award from the Canadian Public Personnel Management Association. Dr. Todres is a noted speaker on diversity, inclusion and governance. Dr. Todres holds the Institute of Corporate Directors, Director Designation (ICD.D) from the Institute of Corporate Directors.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Principal Occupations during preceding five years
#	\$	%	Votes For: 98.91%	Chief Executive Officer of Todres Leadership Counsel (a consultancy company)
39,319	1,847,586	0.02	Votes Withheld: 1.09%	

Montreal, Quebec,
Canada

Trustee since 2020

Independent

Committees:

Governance and
Nominating Committee
Human Resources and
Compensation
Committee
Investment Committee

Skills:

Real Estate Financing
Property Development,
Planning and
Construction
Property and Asset
Management
Acquisitions,
Dispositions and M&A
Executive Leadership
and Management
Experience
Human Capital
Corporate Governance

RENÉ TREMBLAY

René Tremblay (Age: 68) has over 40 years of experience in the real estate industry, having been involved in international investment and development for 25 years in numerous countries, including Brazil, Poland, France, Scotland, Spain, China, South Korea, Mexico, Germany, Canada, Luxembourg, Russia, Turkey and the United States. From 2010 to 2017, Mr. Tremblay was the President of Taubman Asia, part of Taubman Centers, a leader in the shopping center industry, where he was responsible for driving Taubman's shopping center expansion in the Asia-Pacific Region. Mr. Tremblay currently serves on the board of Cogir Real Estate and the International Council of Shopping Centers. Mr. Tremblay's prior board experience includes serving as chair of the board of trustees of Cominar REIT and as chair of the real estate group of Caisse de dépôt et placement du Québec - one of the largest diversified real estate portfolios in the world. Mr. Tremblay also served as worldwide chairman of the International Council of Shopping Centers from 2007 to 2008.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as of March 29, 2023 ⁽³⁾			Voting Results at the 2022 Annual Meeting of Trust Unitholders	Voting Results at the 2022 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.72%	Corporate Director and former President of Taubman Asia
10,891	511,768	0.01	Votes Withheld: 0.28%	

Notes:

- (1) Deferred Units (as defined in "Trustee Compensation - Deferred Unit Plan") are issued under the DUP (as defined below); see "Deferred Unit Plan".
- (2) RURs (as defined in "Description of Equity Based Incentive Plans - Active Plans - RUR Plan") are issued under the RUR Plan, and vest on the third anniversary of the grant date; see "Significant Terms of Executive Employment Agreements".
- (3) Individual trustees have furnished information as to Units, Deferred Units, and, in the case of Mr. Kenney, RURs, beneficially owned, controlled, or directed, directly or indirectly, by him. The column entitled "#" indicates the number of such interests beneficially owned, controlled, or directed, directly or indirectly, by each nominee; the column entitled "\$" indicates the estimated market value of such interests beneficially owned, controlled, or directed, directly or indirectly, by each nominee, as determined by multiplying the number of such interests beneficially owned, controlled, or directed, directly or indirectly, by each nominee by the closing price of the Units on the Toronto Stock Exchange (the "TSX") on March 29, 2023; and the column entitled "%" indicates, as a percentage of the issued and outstanding Units of CAPREIT, the number of the interests beneficially owned, controlled, or directed, directly or indirectly, by each nominee. Percentages represent, as a percentage of the aggregate of the issued and outstanding Units and Special Voting Units of CAPREIT, the number of Units beneficially owned, controlled, or directed, directly or indirectly, by each trustee.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of CAPREIT, none of the persons proposed for election as trustees (a) are, as at the date hereof, or have been, within the 10 years before the date of this Circular, a director, trustee, chief executive officer, or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the person was acting in the capacity as director, trustee, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer, (b) are, as at the date of this Circular, or have been within 10 years before the date of this Circular, a director, trustee, or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (c) have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of that person.

Penalties and Sanctions

To the knowledge of CAPREIT, none of the persons proposed for election as trustee of CAPREIT nor any personal holding company owned or controlled by any of them (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed trustee.

Personal Bankruptcies

To the knowledge of CAPREIT, in the last 10 years, none of the persons proposed for election as trustees of CAPREIT nor any personal holding company owned or controlled by any of them, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold their assets or the assets of their holding companies.

2. Appointment of Auditor

Following the annual meeting and special meeting of Trust Unitholders held on June 1, 2022, CAPREIT completed a comprehensive external audit request for proposal (“**RFP**”) process and sought submissions from the “Big 4” audit service firms to act as CAPREIT’s external auditor. The RFP process was initiated due to PricewaterhouseCoopers LLP’s (“**PwC**”) long period of tenure as the auditor of CAPREIT, consistent with CAPREIT’s intention to establish a process whereby external audit services are put out for tender on a periodic basis (formalized by the subsequent adoption of an

auditor term policy under the new Governance Guidelines), and an interest among the Board and management to evaluate potential alternatives. In connection with the RFP process, a selection committee (the “**Selection Committee**”) comprised of trustees was formed to review external audit services as part of CAPREIT’s continued commitment to good governance. The Selection Committee met with management on multiple occasions during the fourth quarter of 2022 to determine the necessary criteria to be met by CAPREIT’s external auditor, the objectives, and desired outcomes of the process, as well as the procedures to be followed to ensure the selection process was efficient, effective, fair, open and transparent. The Selection Committee invited four audit service firms to submit a proposal based on their satisfaction of the initial criteria, including firm size, independence, and ability to provide the required services. The Selection Committee then conducted a robust review of the proposals submitted based on various criteria including, but not limited to, audit quality, real estate experience and corporate and cultural fit. In addition to this review, the Selection Committee held a broad and structured session with each audit service firm that submitted a proposal to discuss the engagement, and to ensure each was given the best chance possible of putting forward a credible proposal for the external audit services. As result of the Selection Committee’s review process, and after a careful review of the proposals received and due consideration of relevant factors, the Audit Committee recommended to the Board the appointment of Ernst & Young LLP (“EY”) as the auditor of CAPREIT effective May 15, 2023.

The Board requested the resignation of PwC as the auditor of CAPREIT effective May 15, 2023, and appointed EY to fill the vacancy as the auditor of CAPREIT. Additional documents related to the change of auditor, being the Change of Auditor Notice and the acknowledgments of that notice by EY and PwC, are set out in Appendix “2” to this Circular.

The Board proposes to nominate EY as the auditor of CAPREIT to hold office until the close of the next annual meeting of the Trust Unitholders and to authorize the trustees to fix the remuneration of the auditor. At the Meeting, Trust Unitholders will be asked to consider, and if thought advisable, approve the following resolution:

“**BE IT RESOLVED** that the appointment of the auditor, Ernst & Young LLP, is hereby approved and confirmed.”

The persons named in the form of proxy intend to vote at the Meeting in favour of this resolution, unless the Trust Unitholder has specified in the form of proxy that such Trust Unitholder’s Trust Units are to be withheld from voting on the resolution.

3. Say-On-Pay Non-Binding Advisory Vote

Background

The Board believes that Trust Unitholders should have the opportunity to fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions. Detailed disclosure of CAPREIT’s executive compensation program can be found in this Circular under the heading “**Compensation Discussion & Analysis**”.

The Board has decided that Trust Unitholders should have the opportunity to vote on CAPREIT's approach to executive compensation. This non-binding advisory vote ("**Say-on-Pay**") forms an important part of the ongoing process of engagement between Trust Unitholders and the Board on executive compensation. CAPREIT will disclose the results of the vote as part of its report on voting results for the Meeting.

Objective

Say-on-Pay gives Trust Unitholders a formal opportunity to consider the disclosed philosophy and objectives of the executive compensation policies and provide their views through an annual non-binding advisory vote.

Approval Required

At the Meeting, Trust Unitholders will be asked to consider, and if thought advisable, approve the following advisory resolution (the "**Say-on-Pay Resolution**") accepting CAPREIT's approach to executive compensation as disclosed in this Circular:

"BE IT RESOLVED that on an advisory basis, and not to diminish the role and responsibilities of the Board, the Trust Unitholders accept the Board's approach to executive compensation disclosed in CAPREIT's management information circular dated April 12, 2023, under the heading "**Compensation Discussion & Analysis**"."

Approval of the Say-on-Pay Resolution will require that it be passed by a majority of the votes cast by Trust Unitholders thereon in person and by proxy. As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies and decisions and in determining whether there is a need to increase their engagement with Trust Unitholders on compensation and related matters. In addition, pursuant to the corporate governance guidelines published by independent proxy-voting advisory firms, in the event that the Say-on-Pay Resolution does not receive sufficient support of at least 80% of the votes cast, the Board will consult with Trust Unitholders to understand their concerns and will review CAPREIT's approach to compensation in the context of those concerns. The Board will prepare a report based on such consultation and review and explain any resulting changes made or to be made to executive compensation or an explanation of why no changes will be made. CAPREIT will disclose the Board's report within six months of the Meeting and in any event, not later than the next management information circular.

Trust Unitholders who intend to vote against the Say-on-Pay Resolution or have concerns with CAPREIT's approach to executive compensation are encouraged to contact the Board to discuss their concerns in advance of the Meeting. See "**General**" for information on how to contact the Board.

The persons named in the form of proxy intend to vote at the Meeting in favour of this resolution, unless the Trust Unitholder has specified in the form of proxy that such Trust Unitholder's Trust Units are to be voted against the resolution.

2022 VOTING RESULTS

In addition to the election of the trustees, the following matters were voted on at the 2022 annual meeting of Trust Unitholders held on June 1, 2022. Each of the matters voted on is more fully described in CAPREIT's 2022 management information circular dated April 13, 2022.

Resolution	Votes For		Votes Against	
	Total	%	Total	%
Appointment of Auditor	103,970,115	86.79%	15,825,876	13.21%
Advisory Say-on-Pay Resolution	113,166,745	94.81%	6,196,944	5.19%
Amendments to Increase the Maximum Number of Units Issuable Under Equity Incentive Plans	118,631,084	99.39%	732,605	0.61%
Approval of the Amended and Restated Deferred Unit Plan	116,802,872	97.85%	2,560,817	2.15%
Approval of the Amended and Restated Employee Unit Purchase Plan	118,774,193	99.51%	589,496	0.49%
Approval of the Amended and Restated Restricted Unit Rights Plan	118,230,531	99.05%	1,113,158	0.95%
Reconfirmation of Unitholders' Rights Plan Agreement	116,336,400	97.46%	3,027,289	2.54%
Amendments to Declaration of Trust	119,146,377	99.82%	217,312	0.18%

The voting results for the election of trustees at the 2022 annual meeting of Trust Unitholders held on June 1, 2022 is reported in the description of the applicable nominee on pages 17-25 of this Circular.

COMPENSATION DISCUSSION & ANALYSIS

Year in Review/Executive Summary

CAPREIT continued to achieve its key financial and strategic objectives throughout 2022, with solid portfolio growth, strong operating performance, an increase in NFFO, and a conservative NFFO payout ratio, and maintained a strong and flexible financial position.

In 2022, CAPREIT further enhanced the scale of its Canadian property portfolio with the acquisition of 1,181 suites and sites in Canada, for a total purchase price of \$517.4 million. With these acquisitions CAPREIT's total Canadian property portfolio rose to 59,686 suites and sites as of December 31, 2022, with a fair value of approximately \$14.4 billion.

In 2022, CAPREIT also enhanced the quality of its Canadian property portfolio with strategic dispositions of value-add properties, which included 1,128 suites located in Ontario for a total sale price of \$346.2 million.

Portfolio Performance

- Operating Revenues — Annual operating revenues increased by 7.9% to \$1.0 billion, compared to December 31, 2021, due to the contributions from acquisitions and increased monthly rents on the same property residential suite portfolio.
- Net Average Monthly Rents — Net average monthly rents for properties owned as at December 31, 2021 and not disposed of or held for sale increased by 4.3% to \$1,195 as at December 31, 2022 compared to \$1,146 from last year. As at December 31, 2022, overall occupancy increased to 98.3% compared to 98.1% for December 31, 2021.
- Net Operating Income (“NOI”) — Annual NOI increased by 6.6% to \$650.4 million for the year ended December 31, 2022, compared to last year. On a same property portfolio basis, same property NOI increased by 1.9% to \$591.8 million for the year ended December 31, 2022, compared to last year. NOI is a key indicator of operating performance in the real estate industry and of CAPREIT’s performance. NOI is comprised of all rental revenues and other related ancillary income generated at the property level, less (i) related direct costs such as realty taxes, utilities, repairs and maintenance costs, on-site wages and salaries, insurance costs, and expected credit losses, and (ii) an appropriate allocation of overhead costs.
- NOI margin on a same property portfolio basis was 64.8% compared to 65.7% last year.

Operating Performance

- NFFO for the year ended December 31, 2022, increased by 1.2% to \$407.0 million compared to \$402.2 million in 2021, generating a NFFO payout ratio of 62.1%, compared to 61.0% in 2021. NFFO is the key measure of CAPREIT’s operating performance. Management considers NFFO to be a better year-over-year comparator of performance than FFO as it excludes the effect of certain items that are not indicative of CAPREIT’s medium and/or long-term performance. These items include reorganization, senior management termination and retirement costs, costs relating to transactions that were not completed, mortgage fair value adjustments, net of mortgage settlement costs on dispositions, mortgage prepayment costs and amortization of losses on certain hedging instruments previously settled and paid.

Liquidity and Leverage

- Debt to Gross Book Value — Total debt to gross book value as at December 31, 2022 was conservative at 39.4% compared to 36.1% as at December 31, 2021.
- Debt Financings and Mortgage Renewals — CAPREIT achieved its debt financing and mortgage refinancing targets for 2022. Mortgage refinancings (excluding acquisition

financings) totaled \$879.3 million in 2022, consisting of renewals of existing mortgages of \$517.6 million and additional top up financings of \$361.7 million. New financings (excluding acquisition financings) were completed at a weighted average stated interest rate of 3.36%.

- Interest and Debt Coverage — Interest coverage and debt service coverage ratios of 3.7 and 1.9 times, respectively, were achieved in 2022 compared to 4.0 and 2.0 times, respectively in 2021.

The Human Resources and Compensation Committee

The Declaration of Trust requires the creation of a Human Resources and Compensation Committee (the “**Human Resources and Compensation Committee**”), consisting of at least three (3) trustees, to review the compensation offered to trustees and officers of CAPREIT. All of the members of the Human Resources and Compensation Committee are unrelated and “independent” (as that term is defined in NI 58-101). As of March 29, 2023, the Human Resources and Compensation Committee of CAPREIT consisted of the following five (5) trustees: Harold Burke, Ken Silver, Jennifer Stoddart, Elaine Todres, René Tremblay. Elaine Todres serves as Chair of the Human Resources and Compensation Committee.

The Human Resources and Compensation Committee assists the Board in fulfilling its governance responsibilities for CAPREIT’s human resources and compensation principles and policies. As part of its mandate, the Human Resources and Compensation Committee reviews CAPREIT’s compensation principles and policies annually and reports to the Board on CAPREIT’s executive officer and trustee compensation. The Human Resources and Compensation Committee has specific responsibilities relating to: structuring and reviewing compensation plans; the administration of CAPREIT’s compensation plans; and reviewing CAPREIT’s human resources strategic framework and disclosure relating to compensation. For more information on the responsibilities, powers and operations of the Human Resources and Compensation Committee, please see below “**Statement of Governance Practices – Committees of Trustees – Human Resources and Compensation Committee**” and “**Statement of Governance Practices – Position Descriptions – Human Resources and Compensation Committee**”.

In 2022, the Human Resources and Compensation Committee:

- reviewed the performance of CAPREIT executives and senior management relative to CAPREIT’s annual and long-term objectives;
- reviewed and made recommendations to the Board on the compensation of trustees and of the President and Chief Executive Officer, Chief Financial Officer and Chief Investment Officer.
- reviewed the succession plan for certain of CAPREIT’s senior executives. CAPREIT’s approach to leadership development focuses on building competencies throughout the organization, identifying high potential employees and preparing those employees to take on senior management positions in the future. CAPREIT’s comprehensive succession planning processes include succession planning for the President and Chief Executive Officer, who annually provides a list of potential successors for the President

and Chief Executive Officer position to the Human Resources and Compensation Committee and discusses each potential candidate. The President and Chief Executive Officer is responsible for the development of succession plans for other senior management. The Human Resources and Compensation Committee and the President and Chief Executive Officer discuss the performance of his direct reports annually, and discuss qualifications required for senior management positions, and the competencies and development considerations for potential successor candidates; and

- provided thought and oversight regarding CAPREIT's long-term human resources strategic plan.

The Human Resources and Compensation Committee meets at least four (4) times per year, or more frequently as required. The Chair reports to the Board on the Human Resources and Compensation Committee's operations at each regularly scheduled Board meeting. The Human Resources and Compensation Committee also reviewed and approved the Compensation Discussion & Analysis included in this Circular. For the purposes of this Circular, the named executive officers (as that term is defined in Form 51-102F6 — *Statement of Executive Compensation*) include Messrs. Kenney, Co, Cryer, and Schonfeldt (each, an "NEO" and together, the "NEOs"). Mr. Cryer ceased to be Chief Financial Officer of CAPREIT effective March 31, 2022.

To better align the interests of management of CAPREIT with the interests of Trust Unitholders, the compensation paid to the NEOs consists of a base salary supplemented by such performance-based incentives as may be determined by the Board. The base salary and the parameters for the performance-based incentives (as determined by the Board from time to time) paid to: (i) Messrs. Kenney, Co and Schonfeldt are governed by the terms of their employment agreements dated March 27, 2019, August 11, 2022 and August 2, 2022 respectively, each as may be amended from time to time, and (ii) Mr. Cryer was governed by the terms of his employment agreement dated March 26, 2018, as was amended from time to time (collectively, the "NEO Contracts") each as more fully described under "**Significant Terms of Executive Employment Agreements**".

The Human Resources and Compensation Committee is directly involved in the negotiation and settlement of the terms of the NEO Contracts. In determining the appropriate terms of the NEO Contracts, the Human Resources and Compensation Committee considers the following objectives:

- (i) retaining executives who are critical to the success of CAPREIT and the enhancement of Trust Unitholder value;
- (ii) providing fair and competitive compensation; and
- (iii) balancing the interests of management and Trust Unitholders of CAPREIT.

The Human Resources and Compensation Committee is granted unrestricted access to information about CAPREIT that is necessary or desirable to fulfill its duties and all trustees, officers, and employees are directed to cooperate as requested by its members. The Human Resources and Compensation Committee has the authority to retain, at CAPREIT's expense, independent compensation consultants or other advisors to assist the Human Resources and Compensation Committee in fulfilling its duties and responsibilities, including the sole authority to retain and to approve any such firm's fees and other retention terms without the prior approval of the Board.

CAPREIT's executives and senior management are precluded from attending Human Resources and Compensation Committee meetings when their compensation is being deliberated.

In addition to their experience as members of the Human Resources and Compensation Committee of CAPREIT, each member of the Human Resources and Compensation Committee has direct experience that is relevant to his or her responsibilities as a member of the Human Resources and Compensation Committee.

Mr. Burke has over 11 years of experience as a senior executive at a large Canadian real estate development and asset management company and over 30 years of experience as a partner at various public accounting firms. During this time, Mr. Burke managed the compensation and performance of the employees reporting to him.

Mr. Silver has over 25 years of experience in senior roles in a public company environment. In preparation for the initial public offering of CT REIT (TSX:CRT.UN) in 2013, Mr. Silver led the design and development of compensation and human resources practices at CT REIT. During his tenure as President and Chief Executive Officer of CT REIT, until his retirement in 2022, Mr. Silver was accountable for all human resources practices, including compensation, organizational development, employee engagement and succession planning.

Ms. Stoddart has had a long career in management positions in both the Quebec and Canadian government, during which time she has gained experience in managing collective bargaining agreements, grievances and arbitrations as well as particular arrangements under Order in Council appointments. As a member of the Quebec Bar, Ms. Stoddart managed a human rights complaint system, gaining insight into the discriminatory power dynamics of the workplace, rental accommodation and other venues. Ms. Stoddart was extensively involved in addressing pay equity issues in both the Canadian and Quebec governments prior to 2000. As the current Honorary Colonel of the 34th Combat Engineering Regiment, based in Montreal, Ms. Stoddart is involved in the necessary behaviour changes in the Canadian Armed Forces, affecting the career aspirations of women and minorities.

Dr. Todres has over 30 years of experience in governance and human resources in both the public and private sectors. As president of Todres Leadership Counsel, Dr. Todres consults regularly to boards and senior management on matters relating to governance and human resources strategy. Dr. Todres' was Deputy Minister of Human Resources and was the Chair of the Civil Service Commission for the Government of Ontario, where she was responsible for all human resources practices, including compensation, policy, pension bargaining and talent management for a workforce of approximately 150,000 employees.

Mr. Tremblay has 20 years of experience serving as Chief Executive Officer or President of large companies. During his tenure as Chief Executive Officer of one of the largest private real estate companies in the world, Mr. Tremblay was responsible for managing the compensation of approximately 1000 employees and the company was consistently recognized as one of the 50 Best Employers in Canada by Aon Hewitt. Mr. Tremblay has also served as a member of the committee responsible for human resources and compensation of certain private and public company boards.

As part of their role, each member of the Human Resources and Compensation Committee has had access to relevant information regarding compensation, governance, and applicable market practices,

including access to independent compensation consultants and other experts from time to time, to give them the tools required to make decisions relating to the suitability of CAPREIT's compensation policies and practices.

Compensation Policy/Objectives of CAPREIT's Executive Compensation Program

The Human Resources and Compensation Committee from time to time retains and receives the benefit of the advice of independent and qualified executive compensation consultants in connection with its negotiation of the NEO Contracts.

The executive compensation programs (as more fully described below), in the Human Resources and Compensation Committee's view, provide executives with an appropriate and competitively balanced mix of guaranteed cash (base salary) and performance-based (short-term cash-based and long-term equity-based) incentive compensation. CAPREIT's compensation programs are designed to achieve the following objectives:

- attract, retain and motivate highly qualified executive officers, while at the same time promoting a greater alignment of interests between such executive officers and Trust Unitholders;
- provide a reward for the achievement of CAPREIT's annual and long-term strategic and financial and non-financial objectives;
- provide competitive compensation aligned with those companies in which CAPREIT competes with for talent;
- differentiate compensation to provide recognition and reward individual executive officer's performance, responsibilities, experience, skill, value and contribution to CAPREIT; and
- discourage excessive risk-taking behaviour that could have a material adverse effect on CAPREIT.

Short and long-term incentive awards are determined by the achievement of annual specified non-financial performance objectives and the ability of CAPREIT to meet targeted financial performance levels established for each financial year. Certain incentive awards are paid in cash. If the NEO is eligible and elects to participate in the long-term equity incentive compensation plans of CAPREIT, they will receive a combination of cash and applicable awards.

The following discussion of executive compensation pertains to the NEOs.

Elements of Executive Compensation

The elements of executive compensation and their associated reward structure are described in the table below:

Compensation Element	How it is Paid	What it is Designed to Reward
Base Salary	Cash	- Determined by assessment of the executive's performance - Rewards skills, knowledge and experience - Reflects the level of responsibility and the expected contribution of the executive
Annual Incentive (Bonus)	Cash (following financial year end)	- Rewards financial and strategic achievement as set out in CAPREIT's annual business plan - Rewards individual contribution to CAPREIT's overall performance, as well as the achievement of company-wide and departmental objectives - Award is generally based on how CAPREIT, its employees and the executive performed against pre-determined objectives
RUR Plan	RURs settled in Units upon vesting	- Rewards contribution to the long-term performance of CAPREIT - Rewards individual contribution to CAPREIT's overall performance, as well as the achievement of company-wide and departmental objectives - Aligns RUR Participants' interests with those of Trust Unitholders and provides additional incentive for RUR Participants to increase Trust Unitholder value by increasing long-term equity participation - Award is generally based on how CAPREIT, its employees and the RUR Participant performed against pre-determined objectives
Other Elements of Compensation		
Executive RRSP	Cash	- Executive RRSP - Award equal to a maximum of 5% of the respective executive's base salary, subject to RRSP limits, other than with respect to Mr. Kenney who is entitled to his full annual RRSP contribution - Award is intended to provide a portion of the respective executive's retirement savings
Perquisites	Cash	- Automobile allowance - Other health benefits consistent with those of all other employees and comparable to peer organizations
EUPP	Units	- An EUPP Participant is entitled to acquire a number of Units up to a maximum of 10% of his or her respective annual base salary through payroll deductions - EUPP Participants receive an additional amount equal to 20% of the Units purchased pursuant to the EUPP, which amount is automatically paid in the form of additional Units at the time of the purchase of Units

Unit Ownership Requirement

CAPREIT encourages trustees and executive officers of CAPREIT to own equity in CAPREIT recognizing the importance of aligning their financial interests with the interests of CAPREIT while also enabling them to share in the long-term growth and success of CAPREIT. Accordingly, trustees and CAPREIT's executive officers are required to comply with CAPREIT's minimum unit ownership guidelines, as measured on an annual basis based on the closing price of the Units on the TSX on the date measured, which require:

- (a) all trustees (other than the President and Chief Executive Officer of CAPREIT) to own or acquire, over a maximum period of five years from the date of such trustee's appointment, such number of Units (which may include Deferred Units for purposes of calculating whether a trustee has met the minimum unit ownership guidelines) having a value equal to three times his or her annual retainer (including cash and equity);
- (b) the President and Chief Executive Officer of CAPREIT to own or acquire, over a maximum period of five years from the date of his or her appointment, such number of Units (which may include RURs for purposes of calculating whether the President and Chief Executive Officer has met the minimum unit ownership guidelines) having a value equal to five times his or her annual base salary;
- (c) the President and Chief Executive Officer of CAPREIT to hold such number of Units having a value equal to five times his or her annual base salary for a period of one year following his or her departure from CAPREIT; and
- (d) all other senior management of CAPREIT to own or acquire, over a maximum period of five years from the date of their appointment, such number of Units (which may include RURs for purposes of calculating whether a member of senior management has met the minimum unit ownership guidelines) having a value equal to (i) in the case of NEOs (other than the President and Chief Executive Officer of CAPREIT), three times his or her annual base salary and (ii) in the case of other officers (vice presidents and above), two times his or her annual base salary.

In the event that the trustees' annual retainer is increased, the Board has determined that each trustee, to the extent required, shall be granted an additional one-year transition period, from the date the annual retainer is increased, to own or acquire such number of additional Units (which may include Deferred Units) to meet the thresholds under these guidelines.

If a trustee's, the President and Chief Executive Officer's or any other senior management's unit ownership falls below the minimum guidelines due to a decline in the unit price of Units, the Board may, in its discretion, grant such person a transition period to own or acquire such number of additional Units (which may include Deferred Units or RURs, as applicable) to meet the thresholds under these guidelines.

The following table summarizes the number of Units and RURs beneficially owned, controlled, or directed, directly or indirectly, as of March 29, 2023, by each NEO of CAPREIT, the dollar value of such interests, the percentage of such interests as a percentage of CAPREIT's issued and outstanding Units, and each NEO's Unit ownership as a multiple of his annual base salary.

Name of Executive Officer	Number of Units and RURs ⁽¹⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly ⁽²⁾	Dollar Value of Units and RURs ⁽¹⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly ⁽³⁾ (\$)	Units and RURs ⁽¹⁾ Beneficially Owned, Controlled, or Directed, Directly or Indirectly, as a Percentage of Outstanding Units ⁽⁴⁾ (%)	Actual Multiple of Base Salary	Meet or Exceeded Suggested Ownership Guidelines?
MARK KENNEY President and Chief Executive Officer	Units: 279,598 RURs: 196,915 Total: 476,513	Units: \$13,138,310 RURs: \$9,253,036 Total: \$22,391,346	Units: 0.16% RURs: 0.12% Total: 0.28%	26.27 times	yes
STEPHEN CO ⁽⁵⁾ Chief Financial Officer	Units: 4,404 RURs: 20,856 Total: 25,260	Units: \$206,944 RURs: \$980,032 Total: \$1,186,976	Units: 0.00% RURs: 0.01% Total: 0.01%	3.65 times	yes
JULIAN SCHONFELDT ⁽⁶⁾ Chief Investment Officer	Units: 0 RURs: 11,540 Total: 11,540	Units: \$0 RURs: \$542,265 Total: \$542,265	Units: 0.00% RURs: 0.01% Total: 0.01%	1.32 times	no
SCOTT CRYER ⁽⁷⁾ Former Chief Financial Officer	Units: N/A RURs: N/A Total: N/A	Units: N/A RURs: N/A Total: N/A	Units: N/A RURs: N/A Total: N/A	N/A	N/A
TOTAL	513,313	\$24,120,586	0.30%		

Notes:

- (1) RURs vest on the third anniversary of the grant date.
- (2) Individual executive officers have furnished information as to Units and RURs beneficially owned, controlled, or directed, directly or indirectly, by them. See **"Outstanding Unit-based Awards"**.
- (3) Dollar amounts represent the estimated market value of Units and RURs (vested or unvested) beneficially owned, controlled, or directed, directly or indirectly, by each NEO, as determined by multiplying the number of Units beneficially owned, controlled, or directed, directly or indirectly, by such NEO as of March 29, 2023, by the closing price of the Units on the TSX on such date.
- (4) Percentages represent, as a percentage of the aggregate of the issued and outstanding Units and Special Voting Units, the number of Units and RURs, beneficially owned, controlled, or directed, directly or indirectly.
- (5) Mr. Co was appointed Interim Chief Financial Officer on April 1, 2022, and subsequently appointed Chief Financial Officer on August 11, 2022.
- (6) Mr. Schonfeldt was appointed Chief Investment Officer on August 2, 2022 and is in the process of meeting his ownership requirement.
- (7) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022. Prior to leaving, Mr. Cryer had 37,145 RURs that were subsequently settled and converted to Units on a one-for-one basis. As of March 31, 2022, the estimated market value of the Units held by Mr. Cryer was \$1,992,829 based on the closing price of the Units on the TSX on such date.

Targeted Pay Positioning and Mix

CAPREIT's executive compensation mix (the proportion of base salary and short and long-term incentive awards) is designed to reflect the relative impact of the executive's role on CAPREIT's performance and considers how the compensation mix aligns with long-term Trust Unitholder value creation.

Annual Performance Awards

The maximum annual incentive compensation (bonus) level for the President and Chief Executive Officer is one hundred fifty percent (150%) of base salary and for each of the Chief Financial Officer and Chief Investment Officer is one hundred twenty percent (120%) of base salary.

In light of the achievements of CAPREIT, as set out in the section entitled "**Year In Review/Executive Summary**" and the individual executive performance reviews (in which executives achieved their individual functional, company-wide, and departmental objectives, as applicable), CAPREIT paid out annual incentives to the NEOs, excluding Mr. Cryer who ceased to be employed by CAPREIT on March 31, 2022.

Annual incentive compensation for each NEO in the 2022 financial year was determined based upon fifty-five percent (55%) financial and forty-five percent (45%) non-financial measures.

Performance Measurement Category	Specific Measures
Financial	NFFO per Unit
Non-Financial	- Human Resources and Compensation Committee/President and Chief Executive Officer assessment of NEO performance and individual objectives - Company-wide objectives regarding employee engagement

Financial Component

The financial component of the NEOs annual incentive compensation is based on the financial performance of CAPREIT, as measured by the actual percentage growth in the retrospective three-year average NFFO per Unit (the "**NFFO per Unit Growth Rate**"), achieved against a pre-determined scale, based on targets set by the Human Resources and Compensation Committee. For 2022, such financial component was weighted at fifty-five percent (55%) of the NEOs annual incentive compensation potential.

For the year ended December 31, 2022, the Human Resources and Compensation Committee set the payout scale for the financial component of the annual incentive compensation potential for each of Mr. Kenney, Mr. Co, Mr. Schonfeldt and Mr. Cryer as follows:

Three-Year Average NFFO per Unit Growth (% against Target)	Annual Incentive Compensation Payout ⁽¹⁾ (%)			
	Mr. Kenney	Mr. Co	Mr. Schonfeldt	Mr. Cryer
4.0% and Higher	150 %	120%	120%	120%
2.0 to 3.99%	130% - 149%	110% - 119%	110% - 119%	110% - 119%
0.0 to 1.99%	100% - 129%	100% - 109%	100% - 109%	100% - 109%
-0.01 to -1.0%	90% - 99%	90% - 99%	90% - 99%	90% - 99%
-1.01 to -2.0%	80% - 89%	80% - 89%	80% - 89%	80% - 89%
-2.01 to -3.0%	70% - 79%	70% - 79%	70% - 79%	70% - 79%
-3.01 to -4.0%	60% - 69%	60% - 69%	60% - 69%	60% - 69%
-4.01% and Below	0%	0%	0%	0%

Note:

- (1) This component of the annual incentive payout is determined by financial measures and is based on a percentage of base salary and weighted as to fifty-five percent (55%) of the overall annual incentive compensation entitlement for each of the NEOs.

The financial component of the annual incentive compensation potential for (i) Mr. Kenney is graduated between zero percent (0%) to a maximum of one hundred fifty percent (150%); (ii) Mr. Co and Mr. Schonfeldt are graduated between zero percent (0%) to a maximum of one hundred twenty percent (120%); and (iii) Mr. Cryer was graduated between zero percent (0%) to a maximum of one hundred twenty percent (120%), based on the NFFO Per Unit Growth Rate. As set out in the chart above, payment of the financial component of the annual incentive compensation is based on a range of the NFFO Per Unit Growth Rate, from minus four percent (-4.0%) to four percent (4.0%), with a NFFO Per Unit Growth Rate below minus four percent (-4.0%) resulting in no annual incentive compensation based on the financial measure being payable to the NEOs.

The measure of the NFFO Per Unit Growth Rate against the above thresholds are weighted at fifty percent (50%) for the results of the most recently completed financial year and twenty-five percent (25%) for the results of each of the two previously completed financial years. The Human Resources and Compensation Committee believes that linking a three-year outlook to the financial component averages out external market fluctuations and encourages NEOs to consider both the short and long-term implications of their decisions and actions creating greater long-term alignment with Trust Unitholders' interests.

The NFFO per Unit growth measured against the target set by the Board for the 2020, 2021, and 2022 years is as follows:

	Target NFFO per Unit	Actual NFFO per Unit	Actual Above Target
2020	\$2.198	\$2.273	3.41%
2021	\$2.200	\$2.318	5.36%
2022	\$2.279	\$2.334	2.41%
Weighted Average Growth Rate	N/A	N/A	3.40%

For the year ended December 31, 2022, CAPREIT achieved a NFFO Per Unit Growth Rate, weighted as described above, equal to 3.40% above the targets set by the Board for the relevant three-year period. This achievement translated into payment for the financial component of the annual incentive compensation plan to Mr. Kenney, Mr. Co, and Mr. Schonfeldt in an amount equal to one hundred and forty-four percent (144%) and to Mr. Co, and Mr. Schonfeldt in an amount equal to one hundred and seventeen percent (117%), respectively of the amount payable (one hundred percent (100%)) where the target growth rates are exceeded.

CAPREIT calculates NFFO by excluding from FFO the effects of certain items that are not indicative of CAPREIT's medium and/or long-term performance, in order to facilitate better comparability to the prior year. NFFO is a non-IFRS measure which CAPREIT believes is a key evaluator of its operating performance. NFFO is calculated by excluding from FFO reorganization, senior management termination and retirement costs, costs relating to transactions that were not completed, mortgage prepayment costs and amortization of losses on certain hedging instruments previously settled and paid.

Non-Financial Components

Personal Performance

One of the non-financial components of annual incentive compensation for all NEOs is based on performance against specific personal goals and objectives established for each of the NEOs at the beginning of the year, based on the President and Chief Executive Officer's recommendations and subject to the trustees' approval. For 2022, the personal performance assessment for the NEOs was weighted at thirty-five percent (35%) of the annual incentive compensation potential.

The following goals and objectives were used to determine the personal performance non-financial incentive component for each NEO in 2022:

NEO	Personal Performance Goals and Objectives
MARK KENNEY President and Chief Executive Officer	- Continue to build brand awareness for CAPREIT and ERES by expanding the Investor Relations Program. In addition, incorporate CAPREIT's ESG strategy into the Investor Relations Program. - Bring forward an optimization strategy for CAPREIT's European investments. - Continue to review the capital allocation strategy, including the Canadian MHC portfolio expansion. - Continue to execute on Elevation 2023 plans to examine organizational structures and alignment to ensure CAPREIT is successful in its current and future state. - Continue to define and develop a resilient Executive/C-Suite Team that meets succession requirements and continues to build CAPREIT for the future. - Continue to build Succession Plans for key leaders within the organization. - Continue to refine the current strategic plan for Board input and work with the Board to roll out considerations identified in the strategic plan. - Continue to provide tactical and strategic support to the Chair of the Board. - Continue to provide leadership and political outreach within the multi-family industry.
STEPHEN CO Chief Financial Officer	- Work closely with the Compliance Team on Finance and Accounting Controls. - Provide strategic support to the Chief Executive Officer and Executive Team by deploying data analytic insights for informed decision making. - Continue to develop, grow, recruit and retain talent within the Finance and Accounting team. - Work collaboratively with the Project team to execute on Elevation 2023 projects that have been defined on the Finance & Accounting Roadmap, including the enterprise-wide digitization initiatives. - Identify areas of risk and escalate to the Chief Executive Officer and Executive Team for complete awareness and transparency. - Work with the Senior Leaders to incorporate CAPREIT's ESG strategy into the budgeting process.
JULIAN SCHONFELDT ⁽¹⁾ Chief Investment Officer	Not applicable.
SCOTT CRYER ⁽²⁾ Former Chief Financial Officer	Not applicable.

Notes:

- (1) Mr. Schonfeldt was appointed Chief Investment Officer on August 2, 2022, a position which did not have any 2022 objectives.
- (2) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022. His objectives were transferred to the current Chief Financial Officer, Mr. Co.

At the end of the year, each NEO's personal performance was assessed by the Board. Personal performance is measured against seven qualitative descriptions ranging from exceptional to improvement required. The personal performance non-financial component of the annual incentive compensation for each NEO was payable as follows in 2022:

Personal Performance Assessment	Annual Incentive Compensation Payout ⁽¹⁾ (%)			
	Mr. Kenney	Mr. Co	Mr. Schonfeldt	Mr. Cryer
Exceptional	150%	120%	120%	120%
Outstanding Performance	140%	115%	115%	115%
Exceeds Expectations	130%	110%	110%	110%
Meeting All Expectations	120%	100%	100%	100%
Meeting Most Expectations	100%	75%	75%	75%
Progressing	50%	50%	50%	50%
Improvement Required	0%	0%	0%	0%

Note:

- (1) This component of the annual incentive payout is determined by personal measures and is based on a percentage of base salary and weighted as to thirty-five percent (35%) of the overall annual incentive compensation entitlement for each of the NEOs. For 2022, Mr. Kenney and Mr. Co received Exceptional and Outstanding Performance assessments, respectively. As there were no set objectives for Mr. Schonfeldt, he received an assessment of Meeting All Expectations based on his performance since joining CAPREIT. Mr. Cryer ceased to be Chief Financial Officer March 31, 2022.

Employee Engagement

One of the non-financial measures for 2022 for the NEOs is based on the employee engagement score achieved for the previous financial year. CAPREIT strongly believes that consistently working toward creating an engaged workforce is key to a successful organization. As a result, CAPREIT has been supporting and measuring employee engagement since 2010 through an annual employee engagement survey, conducted by Kincentric since 2021. For 2022, the employee engagement score was weighted at ten percent (10%) of the annual incentive compensation potential for the NEOs.

The result of the annual employee engagement survey conducted by Kincentric was used to determine the employee engagement non-financial component for each of the NEOs in 2022 as follows:

Employee Engagement Score	Annual Incentive Compensation Payout ⁽¹⁾ (%)			
	Mr. Kenney	Mr. Co	Mr. Schonfeldt	Mr. Cryer
90% and Higher	150%	120%	120%	120%
85 to 89.99%	140% - 148%	115% - 119%	115% - 119%	115% - 119%
80 to 84.99%	130% - 138%	110% - 114%	110% - 114%	110% - 114%
75 to 79.99%	120% - 128%	100% - 108%	100% - 108%	100% - 108%
70 to 74.99%	50% - 100%	50% - 90%	50% - 90%	50% - 90%
69.99% and Below	0%	0%	0%	0%

Note:

- (1) This component of the annual incentive payout is determined by employee engagement and is based on a percentage of base salary and weighted as to ten percent (10%) of the overall annual incentive compensation entitlement for each of the NEOs.

The employee engagement score element of the non-financial component of the annual incentive compensation potential for the NEOs is graduated between fifty percent (50%) to a maximum of one hundred and fifty percent (150%) as per the table above based upon an employee engagement score of seventy percent (70%) and ninety percent (90%), respectively, with an employee engagement score below seventy percent (70%) resulting in no employee engagement component of the annual incentive compensation potential being payable to the NEOs. The overall company-wide engagement score is used for Mr. Kenney and the averaged departmental engagement scores for the departments under Mr. Co's direct responsibility were used for Mr. Co. For 2022, Mr. Kenney and Mr. Co received 120% and 104% respectively. Since Mr. Schonfeldt was not employed by CAPREIT at the time of the engagement survey, the overall company-wide engagement score was used for Mr. Schonfeldt instead of the averaged departmental engagement scores that would normally have been used.

Calculation of Financial and Non-Financial Components

The Human Resources and Compensation Committee arrives at a formulaic award for each NEO, by calculating each of the financial and non-financial performance measures independently, as applicable to each NEO, with the ability of each measure to be over or under achieved, subject to an overall maximum annual incentive compensation level of one hundred fifty percent (150%) for Mr. Kenney and one hundred twenty percent (120%) for Mr. Co, and Mr. Schonfeldt. The Board may, in consultation with the President and Chief Executive Officer, use its discretion to increase or decrease the payout for certain NEOs, as deemed appropriate in the circumstances.

Long-Term Incentive Awards

Long-term incentive awards for NEOs are granted annually at the discretion of the Human Resources and Compensation Committee, which determines the individual award based on the NEO's personal performance, the achievement of company-wide and departmental objectives, and the achievement of CAPREIT's targeted financial performance levels, as established by the Human Resources and Compensation Committee. Long-term incentive awards for NEOs are governed by the terms of their NEO Contracts. Please refer to the section entitled "**Significant Terms of Executive Employment Agreements**" for the details of the long-term incentive award arrangements related to the NEO Contracts.

With regard to long-term compensation awards made in respect of the year ended 2022, grants of RURs were awarded based on the same financial and non-financial performance measures as described above under the heading "**Annual Incentive Awards**". No RURs were awarded to Mr. Cryer for the year ended 2022, as he ceased to be Chief Financial Officer on March 31, 2022.

The table below shows all RURs granted to each of the NEOs in respect of the 2022 financial year:

Name	Number of RURs	Total Value (\$)	Last Day of Grant Period
MARK KENNEY President and Chief Executive Officer	41,667 1,947 ⁽²⁾	2,050,000 ⁽¹⁾ 105,724 ⁽³⁾	March 2, 2026 February 26, 2025
STEPHEN CO Chief Financial Officer	7,012 295 ⁽²⁾	345,000 ⁽¹⁾ 16,000 ⁽³⁾	March 2, 2026 February 26, 2025
JULIAN SCHONFELDT Chief Investment Officer	4,675 ⁽⁴⁾ N/A	230,000 ⁽¹⁾⁽⁴⁾ N/A	March 2, 2026 N/A
SCOTT CRYER Former Chief Financial Officer	N/A N/A	N/A N/A	N/A N/A

Notes:

- (1) Based on a per Unit price of \$49.20 determined in accordance with the RUR Plan. Amounts are rounded to the nearest whole RUR.
- (2) Represents additional RURs granted under the RUR Plan to Mr. Kenney and Mr. Co in consideration of their agreement to extend the settlement date of RURs granted to each of them in February 2019.
- (3) Based on a per Unit price of \$54.29 determined in accordance with the RUR Plan. Amounts are rounded to the nearest whole RUR.
- (4) Represents RURs granted in relation to 2022 performance and excludes the 6,755 RURs granted to Mr. Schonfeldt on September 6, 2022 as a signing bonus.

Executive Compensation Recovery Policy

On February 22, 2023, the Board adopted a revised executive compensation recovery policy. Under this policy, which applies to the NEOs, the Board may: (a) cancel or clawback all or any part of unvested, unexercised, unsettled or other unpaid incentive-based compensation; (b) require that the NEO return or repay to CAPREIT, or reimburse CAPREIT, all or part of the after-tax amount of any gain on the exercise or settlement of any incentive-based compensation; and/or (c) seek recovery from such NEO of all or part of the incentive-based compensation awarded to and received by the NEO where:

- (a) CAPREIT restates previously issued financial statements (other than a restatement caused by a change in applicable accounting rules or interpretations) and the fraud, theft, embezzlement, other serious misconduct or negligence of the NEO directly caused or contributed, in whole or in part, to the restatement (a “**Restatement Event**”); or
- (b) a NEO has engaged in fraud, theft, embezzlement or other serious misconduct, irrespective of whether there was a restatement of previously issued financial statements (a “**Violation Event**” and together with Restatement Event, a “**Triggering Event**”).

The policy applies to “incentive-based compensation” that is paid or awarded after the effective date of the policy, being February 22, 2023, and within the three years preceding the discovery of the Triggering Event. Incentive-based compensation includes all bonuses and other incentive

compensation that is paid, awarded or vested based in whole or in part on the attainment of financial results in any form, including cash or in equity, whether vested or unvested.

Each NEO is bound by the executive compensation recovery policy based on the terms of their respective NEO Contract, which are further described below. See “**Significant Terms of Executive Employment Agreements**”.

New Actions/Decisions or Policies

In 2022, in accordance with the RUR Plan (as defined below), the Human Resources and Compensation Committee extended the settlement date by three (3) years of RURs (as defined below) granted in 2019 (the “**2019 RUR Grant**”) for purposes of further aligning the long-term interests of RUR Participants and Trust Unitholders by facilitating the continued holding of the 2019 RUR Grant. In consideration of their long-term commitment to CAPREIT, additional RURs were granted to those participants who agreed to extend the settlement date of their 2019 RUR Grant from March 11, 2022, to March 11, 2025, equal to twenty percent (20%) of the original value of their 2019 RUR Grant.

In 2023, in accordance with the RUR Plan, the Human Resources and Compensation Committee extended the settlement date by three (3) years of RURs (as defined below) granted in 2020 (the “**2020 RUR Grant**”) for purposes of further aligning the long-term interests of RUR Participants and Trust Unitholders by facilitating the continued holding of the 2020 RUR Grant. In consideration of their long-term commitment to CAPREIT, additional RURs were granted to those participants who agreed to extend the settlement date of their 2020 RUR Grant from March 10, 2023, to March 16, 2026, equal to twenty percent (20%) of the original value of their 2020 RUR Grant.

In 2022, in accordance with the RUR Plan, the Human Resources and Compensation Committee extended the settlement date to a mutually agreed upon future date following March 11, 2022 for: (a) RURs granted in 2016 (the “**2016 RUR Grant**”) (for which, the settlement date had previously been extended by 3 years from March 11 2019 to March 11, 2022) and (b) for additional RURs granted in 2019 to RUR Participants who had agreed to extend the settlement date of their 2016 RUR Grant by three (3) years.

In 2023, in accordance with the RUR Plan, the Human Resources and Compensation Committee extended the settlement date to a mutually agreed upon future date following March 10, 2023 for: (a) RURs granted in 2017 (the “**2017 RUR Grant**”) (for which, the settlement date had previously been extended by 3 years from March 10, 2020 to March 10, 2023) and (b) for additional RURs granted in 2020 to RUR Participants who had agreed to extend the settlement date of their 2017 RUR Grant by three (3) years.

In 2022, the Board approved a change in the trustee annual compensation retainer from \$85,000 to \$170,000. In connection with the change in trustee compensation, certain amendments were made to the DUP (as defined below), including an amendment to remove certain obligations of CAPREIT to annually match the number of Deferred Units a DUP Participant (as defined below) elected to receive thereunder. See “**Trustee Compensation - Deferred Unit Plan**”.

Other than the foregoing, CAPREIT did not take any new actions, or make any decisions or policies after the recently completed fiscal year that could affect the understanding of the NEOs' compensation for the most recently completed fiscal year. CAPREIT is currently engaging Mercer to complete an extensive review of the NEO compensation programs to ensure alignment with CAPREIT's strategy and market best practices.

Risk Analysis

The Board has the overall responsibility for the oversight of CAPREIT's risk management policies and practices. The Human Resources and Compensation Committee provides oversight of, and makes recommendations to the Board with respect to, risk management and mitigation in connection with its review and approval of CAPREIT's compensation policies and practices. On an annual basis or more frequently as required, the Human Resources and Compensation Committee, in conjunction with the Board, reviews CAPREIT's compensation policies and practices to determine whether they may encourage excessive or inappropriate risk that would be reasonably likely to have a material adverse effect on CAPREIT. The trustees discuss risks associated with short-term decisions that may be made by the NEOs, and the possibility of such decisions having an effect on results, which form the performance-based elements of NEO compensation. CAPREIT's compensation program is designed to motivate and reward executives who take appropriate business risks in support of CAPREIT's goals.

The trustees established compensation practices which mitigate such risks by: (i) benchmarking performance-based compensation against NFFO, as it adjusts for non-recurring or unusual items that can affect short-term results, and is a better indicator of CAPREIT's long-term financial condition; (ii) tying both the short-term incentive (cash) bonus and long-term incentive (equity) bonus, to CAPREIT's financial performance and to the NEO's individual performance, as well as company-wide and departmental objectives; (iii) by capping the maximum amount of incentive bonus a NEO may receive, subject only to the Human Resources and Compensation Committee's discretion; and (iv) by adopting the claw-back policy (described above) for the NEOs.

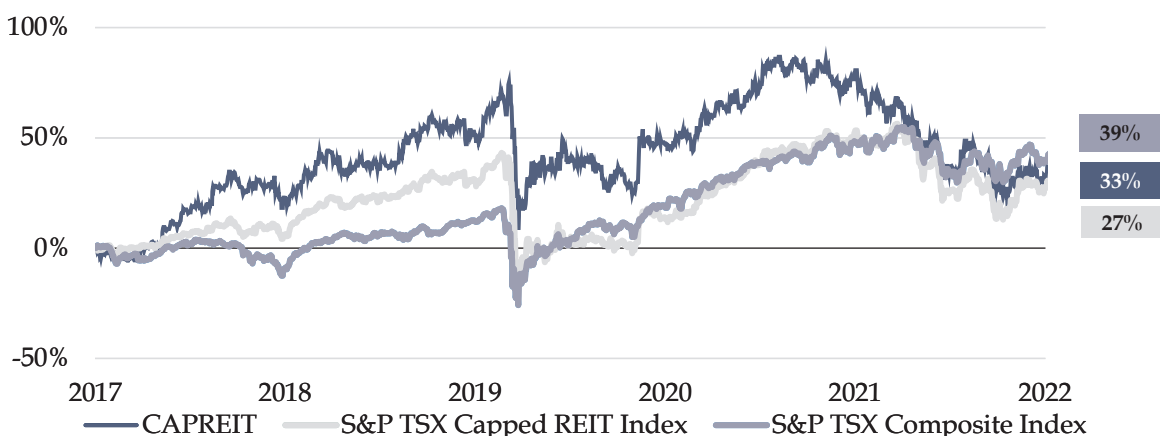
In considering the implications of the risks associated with CAPREIT's compensation policies and practices, the Human Resources and Compensation Committee has not identified risks arising from CAPREIT's compensation policies and practices that are reasonably likely to have a material adverse effect on CAPREIT.

Pursuant to CAPREIT's Insider Trading Policy, all Reporting Insiders (as defined under applicable securities laws), which includes the trustees and NEOs, are not permitted to enter into any transaction that has the effect of offsetting the economic value of any direct or indirect interest of such Reporting Insider in securities of CAPREIT. This includes the purchase of financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to such Reporting Insiders as compensation or otherwise held directly or indirectly by such Reporting Insiders.

In addition, in the view of the Human Resources and Compensation Committee, the structure and nature of trustees and executive compensation, including the manner in which Unit-based awards are granted, vested and paid-out under the applicable long-term incentive plans, is designed to reduce the need to hedge or offset any potential decrease in the price of CAPREIT's Units and is adequate to ensure that the interests of the trustees and NEOs are adequately aligned with those of CAPREIT generally.

Performance Graph

The following graph compares the total cumulative Unitholder return for \$100 invested in Units on December 31, 2017 with the cumulative total return of the TSX Composite Index and the TSX Capped REIT Index during the five (5) most recently completed financial years of CAPREIT.



The aggregate total compensation for the NEOs and the total compensation of the NEOs as a percentage of NFFO for the five (5) years ended December 31, 2022, and as a percentage of market capitalization for the five (5) years ended December 31, 2022, are shown below:

	2018	2019	2020	2021	2022
Total Compensation of the NEOs (in \$ thousands) ⁽¹⁾	\$3,461	\$5,109	\$5,810	\$6,257 ⁽²⁾	\$8,197 ⁽³⁾
NFFO (in \$ thousands)	\$289,335	\$339,121	\$388,958	\$402,194	\$406,977
Total Compensation of the NEOs as a percentage of NFFO	1.20%	1.51%	1.49%	1.56%	2.01%
Total Compensation of the NEOs as a percentage of market capitalization (as at December 31 of each year)	0.05%	0.06%	0.07%	0.06%	0.11%

Notes:

- (1) Total compensation is calculated in the same manner as in the Summary Compensation Table and includes the NEOs for each respective year.
- (2) The calculations for 2021 include one-time termination payments of \$937,767 made to Jonathan Fleischer, who ceased to be Executive Vice President of CAPREIT on June 23, 2021.
- (3) The calculations for 2022 include one-time termination payments of \$1,863,859 made to Scott Cryer, who ceased to be Chief Financial Officer of CAPREIT on March 31, 2022.

Compensation for CAPREIT's NEOs is not linked directly to Total Unitholders Return ("TUR") and, as such, does not necessarily move in line with relative TUR performance. In addition, TUR performance does not always adequately reflect CAPREIT's investment or operating strategy or the achievement by CAPREIT of its objectives, which include maintaining a strong balance sheet,

maintaining sustainable and predictable distributions to Unitholders, a conservative financing strategy, and a long-term approach to real estate investment. It is the view of CAPREIT that compensation delivered to the NEOs versus performance, as measured by NFFO, is a more meaningful illustration of CAPREIT's pay for performance policy than TUR. As a result, CAPREIT's NEO compensation is heavily linked to the success of CAPREIT's generation of NFFO for Unitholders.

SUMMARY COMPENSATION TABLE

The following table sets forth a summary of the compensation earned by each NEO of CAPREIT in 2022. For comparison purposes, the compensation information from 2020 and 2021 for each NEO is set out below in the summary compensation table.

	Year	Salary (\$)	Unit-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
MARK KENNEY President and Chief Executive Officer	2022	820,000	2,155,724 ⁽⁴⁾	1,178,340 ⁽⁷⁾	-	83,759 ⁽¹⁰⁾	4,237,823
	2021	820,087	2,150,062 ⁽⁵⁾	1,210,320 ⁽⁸⁾	-	88,449 ⁽¹¹⁾	4,268,918
	2020	828,084	1,694,323 ⁽⁶⁾	1,185,610 ⁽⁹⁾	-	82,484 ⁽¹²⁾	3,790,501
STEPHEN CO ⁽¹⁾ Chief Financial Officer	2022	273,494	361,000 ⁽⁴⁾	345,000 ⁽⁷⁾	-	34,381 ⁽¹⁰⁾	1,013,875
	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
JULIAN SCHONFELDT ⁽²⁾ Chief Investment Officer	2022	167,692	547,827 ⁽⁴⁾	230,000 ⁽⁷⁾	-	8,554 ⁽¹⁰⁾	954,073
	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
SCOTT CRYER ⁽³⁾ Former Chief Financial Officer	2022	90,586	-	- ⁽⁷⁾	-	1,900,670 ⁽¹⁰⁾	1,991,256
	2021	368,039	60,738 ⁽⁵⁾	345,552 ⁽⁸⁾	-	52,137 ⁽¹¹⁾	826,466
	2020	372,506	393,198 ⁽⁶⁾	324,838 ⁽⁹⁾	-	49,563 ⁽¹²⁾	1,140,105

Notes:

- (1) Mr. Co was appointed Interim Chief Financial Officer on April 1, 2022 and subsequently appointed Chief Financial Officer on August 11, 2022.
- (2) Mr. Schonfeldt was appointed Chief Investment Officer on August 2, 2022.
- (3) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022.
- (4) Represents 41,667 RURs issued to Mr. Kenney, 7,012 RURs issued to Mr. Co and 4,675 RURs issued to Mr. Schonfeldt on March 2, 2023 in respect of the 2022 financial year. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to grant of \$49.20. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$48.80. Represents also an additional 6,755 RURs issued to Mr. Schonfeldt on September 6, 2022 as a signing bonus for a value of \$317,827. Represents also an additional 1,947 RURs issued to Mr. Kenney for a value of \$105,724 and an additional 295 RURs issued to Mr.

Co for a value of \$16,000 on February 25, 2022. These additional RURs were granted to Mr. Kenney and Mr. Co as they agreed to extend the settlement date of the 2019 RUR Grant. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$53.63. See “**Compensation Discussion & Analysis – New Actions/Decisions or Policies**”.

- (5) Represents 36,923 RURs issued to Mr. Kenney on February 22, 2022. RURs were not granted to Mr. Cryer in 2022, in respect of the 2021 financial year, due to him ceasing to be employed by CAPREIT in 2022. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to grant of \$55.52. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$54.90. Represents also an additional 2,028 RURs issued to Mr. Kenney for a value of \$100,062 and an additional 1,231 RURs issued to Mr. Cryer for a value of \$60,738 on February 26, 2021. These additional RURs were granted to Mr. Kenney and Mr. Cryer as they agreed to extend the settlement date of the 2018 RUR Grant. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$51.04. See “**Compensation Discussion & Analysis – New Actions/Decisions or Policies**”.
- (6) Represents 31,752 RURs issued to Mr. Kenney and 6,446 RURs issued to Mr. Cryer on February 22, 2021. In accordance with the RUR Plan, the grant date fair value of the Units is based on the weighted average price of the Units on the TSX for the five trading days prior to grant of \$50.39. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$48.90. Represents also an additional 1,599 RURs issued to Mr. Kenney for a value of \$94,323 and an additional 1,159 RURs issued to Mr. Cryer for a value of \$68,360 on February 26, 2020. These additional RURs were granted to Mr. Kenney and Mr. Cryer as they agreed to extend the settlement date of the 2017 RUR Grant. The accounting fair value for financial statement purposes is determined based on the closing prices of the Units on the TSX on the date of grant of \$57.79. See “**Compensation Discussion & Analysis – New Actions/Decisions or Policies**”.
- (7) This bonus was earned in respect of the 2022 financial year and paid in February 2023.
- (8) This bonus was earned in respect of the 2021 financial year and paid in February 2022.
- (9) This bonus was earned in respect of the 2020 financial year and paid in February 2021.
- (10) Represents the total value of perquisites, including car allowance of \$18,000 and Executive RRSP contribution of \$41,000 for Mr. Kenney. Represents the total value of perquisites, including car allowance of \$14,308, and Executive RRSP contribution of \$11,000 for Mr. Co. Represents the total value of perquisites, including car allowance of \$7,546 for Mr. Schonfeldt. Represents the total value of perquisites, including car allowance of \$4,431, and Executive RRSP contribution of \$18,400 for Mr. Cryer. In addition, termination payments made to Mr. Cryer are included in the amount of \$1,863,859. This also includes the taxable portion of the additional Units received by each NEO, as applicable, from CAPREIT pursuant to the 20% match under the EUPP and insurance premiums paid by CAPREIT in respect of life insurance for each NEO, which amounts for 2022 were immaterial.
- (11) Represents the total value of perquisites, including car allowance of \$18,000 and Executive RRSP contribution of \$40,000 for Mr. Kenney. Represents the total value of perquisites, including car allowance of \$18,000, and Executive RRSP contribution of \$17,947 for Mr. Cryer. This also includes the taxable portion of the additional Units received by each NEO, as applicable, from CAPREIT pursuant to the 20% match under the EUPP and insurance premiums paid by CAPREIT in respect of life insurance for each NEO, which amounts for 2021 were immaterial.
- (12) Represents the total value of perquisites, including car allowance of \$18,692 and Executive RRSP contribution of \$35,000 for Mr. Kenney. Represents the total value of perquisites, including car allowance of \$18,692, and Executive RRSP contribution of \$17,509 for Mr. Cryer. This also includes the taxable portion of the additional Units received by each NEO, as applicable, from CAPREIT pursuant to the 20% match under the EUPP and insurance premiums paid by CAPREIT in respect of life insurance for each NEO, which amounts for 2020 were immaterial.

SUMMARY CHIEF EXECUTIVE OFFICER COMPENSATION LOOKBACK TABLE

The following table sets forth a summary of the compensation earned by the Chief Executive Officer of CAPREIT in 2022 in relation to the maximum potential compensation for the Chief Executive Officer. For comparison purposes, the compensation information from 2020 and 2021 is set out below in the summary Chief Executive Officer compensation lookback table.

	Year	Salary (\$)	Unit-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)	Chief Executive Officer Maximum Potential Compensation (\$)
				Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
MARK KENNEY	2022	820,000	2,155,724	1,178,340	-	83,759	4,237,823	4,290,912
President and Chief Executive Officer	2021	820,087	2,150,062	1,210,320	-	88,449	4,268,918	4,293,588
	2020	828,084	1,694,323	1,185,610	-	82,484	3,790,501	3,813,559

Narrative Discussion

Significant Terms of Executive Employment Agreements

The NEO Contracts provide for an annual review of base salaries. All capitalized terms used in this section and not otherwise defined shall have the meanings ascribed thereto in the NEO Contracts. The NEO Contract between CAPREIT and Mr. Cryer terminated on March 31, 2022.

Long-term incentive awards for NEOs are governed by the terms of the plans unless otherwise stipulated in the terms of their NEO Contracts. The Human Resources and Compensation Committee bases its determinations with respect to bonus entitlements and eligibility under CAPREIT's long-term incentive plans on the achievement of targeted annual performance levels. See "**Annual Performance Awards**" and "**Elements of Executive Compensation**".

As used below, a "**change of control**" is broadly defined to contemplate circumstances where a person or group of persons acting jointly or in concert acquire beneficial ownership or control of more than fifty percent (50%) of the outstanding Units or votes attaching thereto and includes the acquisition by a person or group of persons acting jointly or in concert of all of the assets of CAPREIT or its subsidiaries.

The significant terms of each NEO Contract are summarized below.

	Mr. Kenney NEO Contract	Messrs. Co and Schonfeldt NEO Contract
Term	Indefinite	Indefinite
Termination without cause, with notice	- CAPREIT may terminate Mr. Kenney's NEO Contract without cause by giving written notice to such effect to the executive, and providing the executive with a working notice period, or pay in lieu thereof, in any combination, of thirty (30) months (the "Executive Notice Period"). - During the Executive Notice Period, Mr. Kenney shall receive an amount equal to his base salary, plus the average annual bonus awarded to the executive in respect of the two (2) best of the five (5) most recent calendar years preceding the date the notice of termination is received and Mr. Cryer shall receive an amount equal to his base salary, plus the average annual bonus awarded to the executive in respect of the two (2) most recent calendar years preceding the date the notice of termination is received (the "Termination Payments"). - Any RURs or long-term incentives/equity granted to Mr. Kenney or successor incentive securities that may be introduced by CAPREIT from time to time, but have not yet vested, shall be accelerated and vest upon Mr. Kenney's last day of employment with CAPREIT.	- CAPREIT may terminate Messrs. Co and Schonfeldt's NEO Contracts without cause by giving written notice to such effect to the executive, and providing the executive with a working notice period, or pay in lieu thereof, in any combination, (i) twelve (12) months if the executive's employment is terminated on or before his first anniversary of employment with CAPREIT; (ii) eighteen (18) months if the executive's employment is terminated after his first anniversary but before his second anniversary of employment with CAPREIT; (iii) twenty-four (24) months if the executive's employment is terminated after his second anniversary but before his third anniversary of employment with CAPREIT; (iv) thirty (30) months if the executive's employment is terminated after his third anniversary of employment with CAPREIT (the "Notice Period"). - During the Notice Period, the executive shall receive an amount equal to his base salary, plus the average annual bonus awarded to the executive in respect of the two (2) most recent calendar years preceding the date the notice of termination is received (the "Termination Payments").
Termination without cause, without notice	- In lieu of the Executive Notice Period, CAPREIT may elect to immediately terminate Mr. Kenney's NEO Contract upon payment to the executive of a lump sum equal to the total Termination Payments. - At the option of the executive, any lump sum payment payable may be paid in instalments until the full amount is paid.	- In lieu of the Notice Period, CAPREIT may elect to immediately terminate Messrs. Co and Schonfeldt's NEO Contracts upon payment to the executive of a lump sum equal to the total Termination Payments. - At the option of the executive, any lump sum payment payable may be paid in instalments until the full amount is paid.

	Mr. Kenney NEO Contract	Messrs. Co and Schonfeldt NEO Contract
Resignation by executive	- In the event Mr. Kenney delivers a notice of resignation (the “Notice of Resignation”), he will be entitled to receive, over a twenty-four (24) month period payable in quarterly instalments, an amount equal to the sum of: (i) twenty-four (24) months of the amount paid or payable as base salary at the time the Notice of Resignation is provided; plus (ii) either (x) a bonus equal to the sum of his two best annual bonuses in respect of the five (5) calendar years preceding the date the Notice of Resignation was delivered, or (y) if at least two (2) bonus payments have not yet been received, 150% of his base salary. - Any RURs or long-term incentives or equity granted to Mr. Kenney, but not yet vested, shall be accelerated and vest upon the last day of employment with CAPREIT.	Three (3) months’ notice of the executive’s resignation must be given to CAPREIT. After such time, CAPREIT shall have no further obligations under Messrs. Co and Schonfeldt’s NEO Contracts or CAPREIT’s employee benefit plans.
Termination in the event of a change of control	- Mr. Kenney may elect to terminate his NEO Contract, for any reason, exercisable for a period of six (6) months following the date of the change of control (the “Change of Control Election”), which termination shall be effective thirty (30) days after the date that the executive services notice of such election. - Mr. Kenney is entitled to receive a severance payment in the amount equal to the Termination Payments. - If Mr. Kenney elects to terminate his NEO Contract pursuant to the Change of Control Election, any RURs or long-term incentives granted to the executive, but not yet vested, shall be accelerated and vest upon the executive’s last day of employment with CAPREIT.	- Messrs. Co and Schonfeldt may elect to terminate their respective NEO Contract, for any reason, exercisable for a period of six (6) months following the date of the change of control (the “Change of Control Election”), which termination shall be effective thirty (30) days after the date that the executive services notice of such election. - Mr. Co is entitled to receive a severance payment in the amount equal to three (3) times the sum of: (i) his base salary paid during the previous twelve (12) months, plus (ii) the average bonus awarded to the executive during the previous two (2) years, as well as maintenance of benefits for a period of thirty-six (36) months from the date of termination. - Mr. Schonfeldt is entitled to receive a severance payment in the amount equal to two (2) times the sum of: (i) his base salary paid during the previous twelve (12) months, plus (ii) the average bonus awarded to the executive during the previous two (2) years, as well as maintenance of benefits for a period of twenty-four (24) months from the date of termination. - If Messrs. Co or Schonfeldt elects to terminate their NEO Contract pursuant to the Change of Control Election, any RURs or long-term incentives granted to them, but not yet vested, shall be accelerated and vest upon the executive’s last day of employment with CAPREIT.

	Mr. Kenney NEO Contract	Messrs. Co and Schonfeldt NEO Contract
Non-Competition, Non-Solicitation and Confidentiality	Each NEO Contract contains certain customary non-competition, non-solicitation and confidentiality provisions in favour of CAPREIT.	Each NEO Contract contains certain customary non-competition, non-solicitation and confidentiality provisions in favour of CAPREIT.

Executive Registered Retirement Savings Plan

CAPREIT has established an Executive Registered Retirement Savings Plan (the “**ERRSP**”) for key senior management. The ERRSP contributions for the year are equal to five percent (5%) of the executive’s base salary, subject to applicable *Income Tax Act* (Canada) limitations. However, there are no guarantees that contributions will be made in any particular year or that any contributions which are made will equal any specific amount. Without limiting the generality of the foregoing, the making of contributions or the level thereof in any given year may depend on CAPREIT’s and/or individual, company-wide, or departmental performance in that year. The ERRSP is intended to assist participants in generating long-term capital appreciation for the executives’ retirement income and, as such, is not designed to provide short-term compensation. Accordingly, in the event that while still employed by CAPREIT, an executive withdraws any assets from his or her ERRSP account, CAPREIT will make no further contributions to the ERRSP on the executive’s behalf. A resumption of ERRSP contributions on the executive’s behalf in such circumstances will only be possible if there is a specific subsequent decision to such effect by the President and Chief Executive Officer of CAPREIT.

Under his NEO Contract, Mr. Kenney is entitled to receive the maximum amount allowable to be contributed under the *Income Tax Act* (Canada) to his registered retirement savings plan.

INCENTIVE PLAN AWARDS

Outstanding Unit-based Awards

The following table sets forth a summary of the Unit-based awards for each NEO outstanding as at December 31, 2022.

Name	Unit Based Awards		
	Number of Units That Have Not Vested (#)	Market or Payout Value of Unit-Based Awards That Have Not Vested ⁽¹⁾ (\$)	Market or Payout Value of Vested Unit- Based Awards Not Paid Out or Distributed ⁽¹⁾ (\$)
MARK KENNEY President and Chief Executive Officer	102,856	4,389,894	1,944,714
STEPHEN CO Chief Financial Officer	7,883	336,459	232,692
JULIAN SCHONFELDT Chief Investment Officer	6,813	290,779	-
SCOTT CRYER Former Chief Financial Officer ⁽²⁾	N/A	N/A	N/A

Notes:

- (1) Value based on the closing price of Units on the TSX on December 31, 2022.
- (2) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Unit-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
MARK KENNEY President and Chief Executive Officer	818,765	1,178,340
STEPHEN CO Chief Financial Officer	106,571	345,000
JULIAN SCHONFELDT Chief Investment Officer	-	230,000
SCOTT CRYER⁽²⁾ Former Chief Financial Officer	1,236,436	-

Notes:

- (1) Represents 15,220, 1,985 and 9,089 RUR grant units which vested in February 2022 for Mr. Kenney, Mr. Co and Mr. Cryer, respectively and 13,927 RUR grant units which vested for Mr. Cryer upon termination March 31, 2022.
- (2) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022.

Narrative Discussion

Equity Based Incentive Plans

The following table provides a brief description of CAPREIT's amended and restated restricted unit rights plan (the "**RUR Plan**"), which is its key long-term equity incentive plan through which long-term incentive compensation will be awarded and is available to certain officers and employees of CAPREIT and its designated affiliates (the "**RUR Participants**"). A more fulsome description of each of CAPREIT's equity incentive plans follows.

Compensation Component	Incentive Type	Applies To	Period	Other Provisions
RUR Plan	RURs settled in Units upon vesting.	Officers and employees of CAPREIT as well as any affiliate (as such term is defined in the <i>Securities Act</i> (Ontario)) of CAPREIT that may be designated.	Subject to certain exceptions, RURs (and Distribution RURs (as defined below)) vest in the entirety on the third anniversary of each grant date. RUR Participants may be entitled to defer settlement of vested RURs (and Distribution RURs). Unvested RURs and Distribution RURs accrued thereon are forfeited in the event of termination for cause.	On each distribution date, CAPREIT accumulates and accrues for the benefit of RUR Participants such number of Distribution RURs economically equivalent to the aggregate value of the distribution that the RUR Participant would have received had the RUR Participant held the Units represented by all such RURs and Distribution RURs at the distribution date. Subject to the terms of a NEO Contract, if an RUR Participant ceases to be employed by reason of retirement or termination without cause on a date prior to vesting such unvested RURs, and any Distribution RURs credited in respect thereof, shall vest on a <i>pro rata</i> basis after the first anniversary of the grant date based on the number of years since the original grant. In the event of death or disability of an RUR Participant or if there is a change of control, vesting may be accelerated. The Human Resources and Compensation Committee retains the discretionary authority to accelerate vesting.

Description of Equity Based Incentive Plans

Active Plans

The following is a summary of CAPREIT's RUR Plan and amended and restated employee unit purchase plan (the "**EUPP**", together with the RUR Plan and the DUP (as defined below), the "**Plans**") as at the date of this Circular and is qualified entirely by the full text of each Plan which can be accessed on SEDAR under CAPREIT's profile at www.sedar.com.

RUR Plan

CAPREIT has established the RUR Plan as the primary plan through which long-term incentive compensation will be awarded. The Human Resources and Compensation Committee of the Board may award restricted unit rights (“**RURs**”) under the RUR Plan, subject to the attainment of specified performance objectives to the RUR Participants. The purpose of the RUR Plan is to provide the RUR Participants with additional incentives, to encourage ownership of Units by RUR Participants, and to encourage RUR Participants to remain employed by CAPREIT or its subsidiaries through the issuance of RURs which, upon vesting, are settled in Units (each RUR is settled for one (1) Unit).

The RURs awarded to RUR Participants vest on the third anniversary of the award, unless otherwise determined by the Human Resources and Compensation Committee. All vested RURs credited to the RUR Participant, including any Distribution RURs (as defined below), are settled by the issuance of fully-paid Units to the RUR Participant.

Under no circumstances shall RURs be considered Units or entitle a RUR Participant to any Trust Unitholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation.

The maximum number of Units issuable to Insiders (as such term is defined in the RUR Plan) under the RUR Plan, or when combined with any other Unit incentive compensation plans, at any time, may not exceed ten percent (10%) of the Units issued and outstanding. The maximum number of Units which may be issued to Insiders under the RUR Plan, or when combined with any other Unit incentive compensation plans, within any one (1) year period, may not exceed ten percent (10%) of the Units issued and outstanding.

The RURs earn notional distributions in respect of each distribution paid on RURs commencing from the grant date. Such notional distributions are used to calculate additional RURs (“**Distribution RURs**”), which are accrued for the benefit of the RUR Participants. The Distribution RURs are credited to the RUR Participants only when the underlying RURs upon which the Distribution RURs are earned become vested. Subject to certain exceptions, RURs granted under the RUR Plan (and Distribution RURs accrued thereon) vest in their entirety on the third anniversary of each grant date. Unvested RURs (and Distribution RURs accrued thereon) are fully forfeitable unless and until such RURs become vested. Subject to the terms of a NEO Contract, if a RUR Participant is terminated for cause or resigns, unvested RURs (and Distribution RURs) accrued thereon will be forfeited. See “**Significant Terms of Executive Employment Agreements**”.

In the event of a change of control, subject to the terms of any employment agreement, if an RUR Participant is terminated without cause during the two (2) year period following the change of control, or an RUR Participant who is an officer terminates their employment agreement for “good reason” to the extent provided for in such RUR Participant’s employment agreement, the RUR Participant shall receive, in full settlement of each unvested RUR, the number of Units that would have been issued to the participant on the expiry of the applicable vesting period (including Units for any Distribution RURs accrued but not yet credited). In the event of a change of control, if the acquirer does not provide a substituted plan or adopt the RUR Plan, an RUR Participant shall receive, in full settlement of each unvested RUR (including Distribution RURs), the number of Units that would have been issued to the RUR Participant on the expiry of the applicable vesting period. There is no automatic acceleration of vesting of unvested RURs under the RUR Plan simply arising because of the change of control.

However, if the Board deems it advisable to do so in connection with a proposed change of control, the Board may (without the consent of RUR Participants) take such steps with respect to outstanding RURs and make such amendments to the RUR Plan as it deems necessary or advisable in connection with the change of control. A “change of control” is broadly defined to contemplate the circumstances where a person or group of persons acting jointly or in concert acquire beneficial ownership or control of more than fifty percent (50%) of the outstanding Units or votes attaching thereto or of all or substantially all of the assets of CAPREIT or its subsidiaries, and includes a takeover.

In the event of a retirement or termination without cause before the first anniversary of any grant date, any RURs granted to an RUR Participant on such grant date shall remain unvested and forfeited as of such date of retirement or termination, as applicable, and the RUR Participant shall not be entitled to any compensation for loss of any benefit under the RUR Plan. If an RUR Participant retires or is terminated without cause after the first anniversary of the grant date but before the second anniversary of the grant date, one-third (1/3) of the RURs granted on such grant date shall vest as of such date of retirement or termination, as applicable, and the remainder of the RURs granted on such grant date shall remain unvested and forfeited. If an RUR Participant retires or is terminated on or after the second anniversary of any grant date but before the last day of the vesting period, two-thirds (2/3) of the RURs granted on such grant date shall vest as of such date of retirement or termination, as applicable, and the remainder of the RURs granted on such grant date shall remain unvested and forfeited as of such date of retirement or termination, as applicable, and such RUR Participant shall not be entitled to any compensation for loss of any benefit under the RUR Plan. Notwithstanding the foregoing, the Human Resources and Compensation Committee may, in its sole discretion, determine that in the event of the retirement or termination without cause of an RUR Participant, vesting of unvested RURs (including for greater certainty any Distribution RURs accrued but not yet credited to the RUR Participant) may be accelerated in whole or in part.

In the event of a death or disability before the last day of any vesting period, all RURs granted to an RUR Participant in respect of such vesting period (including for any greater certainty Distribution RURs accrued but not yet credited to the RUR Participant) shall vest.

Subject to the provisions of any change in control or employment agreement and the terms and conditions upon which the award was made, in the event an RUR Participant’s employment is terminated for cause before the last day of any vesting period, all RURs granted in respect of such vesting period (including for greater certainty any Distribution RURs accrued but not yet credited to the RUR Participant) shall remain unvested and forfeited as of such date of termination and the RUR Participant shall not be entitled to any compensation for loss of any benefit under the RUR Plan.

In the event of the resignation before the last day of any vesting period, all RURs granted to an RUR Participant in respect of such vesting period (including for greater certainty all Distribution RURs) will remain unvested and forfeited as of such resignation date and such RUR Participant shall not be entitled to any compensation for loss of any benefit under the RUR Plan. Notwithstanding the foregoing, the Human Resources and Compensation Committee may, in its sole discretion, determine that in the event an RUR Participant resigns as an employee before the last day of any vesting period, vesting of unvested RURs (including for greater certainty any Distribution RURs accrued but not yet credited) may be accelerated in whole or in part.

Other than as provided in the RUR Plan, the rights or interests of a RUR Participant under the RUR Plan may not be assigned or transferred in any way, except to the extent that certain rights may pass to a

beneficiary or legal representative upon the death of such RUR Participant, by will or by the laws of succession and distribution or otherwise required by law.

The trustees may, from time to time, subject to applicable securities laws and requisite regulatory or other approvals, amend, suspend or terminate the RUR Plan, in whole or in part, without Trust Unitholder or RUR Participant approval, except in certain limited circumstances: (i) amendments to increase the aggregate number of Units reserved for issuance under all of CAPREIT's equity incentive plans; (ii) amendments to extend eligibility to participate in the RUR Plan; (iii) amendments to the definition of Market Price under the RUR Plan; (iv) amendments which may permit equity-based awards granted under the RUR Plan to be transferable or assignable other than for normal estate settlement purposes; (v) amendments that modify the amendment provision of the RUR Plan itself; and (vi) amendments required to be approved by Trust Unitholders under applicable law (including rules of the TSX). The trustees may amend the RUR Plan without Trust Unitholder approval, including but not limited to: (i) amendments of a housekeeping nature; (ii) the addition or change to the vesting provisions of a RUR or the RUR Plan; (iii) a change to the termination provisions of a RUR or the RUR Plan; (iv) amendments to reflect changes to applicable securities law; and (v) amendments to ensure RURs granted under the RUR Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a RUR Participant may from time to time be subject. However, if any such amendment materially adversely affects the rights of a RUR Participant with respect to a grant of RURs, that RUR Participant's written consent is required.

On June 1, 2022, Trust Unitholders approved certain amendments to the RUR Plan, including but not limited to: (i) changes to the method of settlement of RURs in the event of a change in control; and (ii) changes to provide for CAPREIT's right to satisfy applicable withholding taxes and other required deductions in any manner necessary.

As at December 31, 2022, 394,763 RURs have been issued and are outstanding under the RUR Plan to RUR Participants; the Units issuable under such grants constitute 0.2% of CAPREIT's currently outstanding Units.

CAPREIT's annual burn rate of the RURs granted under the RUR Plan was 0.05% in fiscal 2020, 0.07% in fiscal 2021, and 0.06% in fiscal 2022. The burn rate is subject to change from time to time, and is calculated by dividing the number of RURs granted under the RUR Plan during the relevant fiscal year by the weighted average number of securities of CAPREIT outstanding for the applicable fiscal year.

Units issued or issuable under the RUR Plan are included in the 11,500,000 limit on the number of Units issuable under the Plans.

The foregoing summary of the RUR Plan is qualified entirely by the full text of the RUR Plan which is available on SEDAR under CAPREIT's profile at www.sedar.com and was filed on June 3, 2022.

Employee Unit Purchase Plan

CAPREIT has adopted the EUPP which is available to certain full-time employees and senior officers of CAPREIT. The purpose of the EUPP is to advance the interests of CAPREIT and Trust Unitholders by facilitating and encouraging employees and senior officers of CAPREIT and its subsidiaries to purchase Units. Under the terms of the EUPP, each EUPP Participant is entitled to acquire a number of Units up to a maximum of ten percent (10%) of his or her respective annual salary from payroll

deductions. A EUPP Participant may not assign, transfer, or dispose of his or her interest in the EUPP. Units issuable under the EUPP will be issued at the weighted average trading price of the Units on the TSX for the five (5) trading days immediately preceding the date of issue.

In addition, all EUPP Participants receive an additional number of Units equal to twenty percent (20%) of the Units purchased pursuant to the EUPP, which amount is automatically paid in the form of additional Units at the time of purchase of Units.

No Units of CAPREIT shall be issued under the EUPP if such issuance would result in the majority of the Units to be allocated under the EUPP being or becoming issuable to Insiders (as such term is defined in the EUPP) or if the EUPP, together with all other previously established or proposed Unit incentive compensation plans, could result, at any time in: (i) the issuance to Insiders, within a one (1) year period, of a number of Units exceeding ten percent (10%) of the outstanding issue; (ii) the issuance to Insiders, at any time, of a number of Units exceeding ten percent (10%) of the outstanding issue; or (iii) the number of Units which may be issued or reserved for issuance, within a one (1) year period, under the EUPP and any other Unit incentive compensation plans to any single employee exceeding five percent (5%) of the outstanding issue.

Disentitlement under the EUPP occurs where an EUPP Participant voluntarily retires or resigns or is terminated before “**Normal Retirement**” (means retirement coincident with or the next day following such EUPP Participant attaining the age of sixty-five (65), or such earlier time as agreed to). On the occurrence of an Event of Disentitlement (as defined in the EUPP), (i) if an EUPP Participant has any outstanding subscriptions under the EUPP, such subscriptions will be automatically cancelled and the EUPP Participant’s contributions (as of the date of the cancellation) will be returned to such EUPP Participant by CAPREIT. And (ii) any Units held on behalf of the EUPP Participant under the EUPP and any cash held in an RRSP and a Tax-Free Savings Account (“**TFSA**”) account of the EUPP Participant will be transferred to or in accordance with such EUPP Participant’s directions. Further, if at the end of any calendar year, an EUPP Participant has not contributed his or her portion of his or her salary during the calendar year, the EUPP Participant may be required to terminate his or her participation in the EUPP. Upon termination, all funds and Units held on behalf of such EUPP Participant under the EUPP will be withdrawn. Upon the death or permanent disability of an EUPP Participant, or in the event of an EUPP Participant’s Normal Retirement, such EUPP Participant immediately ceases to be eligible to participate in the EUPP.

In the event of a change of control, as described in the EUPP, the Board may determine the manner in which all Units subject to the terms of the EUPP shall be treated.

The EUPP can be amended by the Board, subject to applicable law, without Trust Unitholder approval, except in certain limited circumstances, which include: (i) amendments to increase the number of Units reserved for issuance under the EUPP, including an increase in the fixed maximum number of Units, or a change from a fixed maximum number of Units to a fixed maximum percentage; (ii) amendments to reduce the Purchase Price (as defined in the EUPP) of a Unit that has been previously granted, except in limited circumstances; (iii) amendments for the purpose of extending eligibility to participate in the EUPP; (iv) amendments for the purpose of permitting Units purchased or rights or interests acquired under the EUPP to be transferred or assigned other than in accordance with the terms of the EUPP; (v) amendments that modify the amendment provision of the EUPP itself; (vi) amendments to increase the insider participation limits under the EUPP; and (vii) amendments required to be approved by Trust Unitholders under applicable law (including rules of the TSX). Examples of the types of

amendments that the trustees could make without Trust Unitholder approval, include amendments of a housekeeping nature, provided that no amendment to the EUPP shall divest any EUPP Participant of his or her entitlement to his or her Units or of any rights an EUPP Participant may have in respect of the Units or have the effect of altering the terms of any outstanding right of an EUPP Participant without the prior written consent of the EUPP Participant, and provided further that any required regulatory or Trust Unitholders approvals, as applicable, are received prior to the issuance of any Units under the provisions of the amended form of the EUPP.

On June 1, 2022, Trust Unitholders approved certain amendments to the EUPP, including but not limited to changes to the amendment provision of the EUPP to require Trust Unitholder approval for amendments to: (i) reduce the purchase price of a Unit that has been previously granted (including a reduction in the number of Units issued as additional Units under the EUPP); (ii) increase the insider participation limit; and (iii) amend the amendment provisions of the EUPP.

As at December 31, 2022, 575,880 Units have been issued under the EUPP, constituting 0.3% of CAPREIT's currently outstanding Units.

CAPREIT's annual burn rate of the Units granted under the EUPP was 0.03% in fiscal 2020, 0.03% in fiscal 2021, and 0.04% in fiscal 2022. The burn rate is subject to change from time to time, and is calculated by dividing the number of Units granted under the EUPP during the relevant fiscal year by the weighted average number of securities of CAPREIT outstanding for the applicable fiscal year.

Units issuable under the EUPP are included in the 11,500,000 limit on the number of Units issuable under the Plans.

The foregoing summary of the EUPP is qualified entirely by the full text of the EUPP which is available on SEDAR under CAPREIT's profile at www.sedar.com and was filed on June 3, 2022.

Deferred Unit Plan

Please refer to “**Trustee Compensation – Deferred Unit Plan**” for a description of CAPREIT's DUP.

Former Plans

Unit Option Plan

Effective February 23, 2022, the Board terminated CAPREIT's unit option plan (the “**Unit Option Plan**”). Since 2017, the Board's policy has been not to award any options under the Unit Option Plan. No options were exercised during the 2022 financial year. As of each of December 31, 2022 and the date of termination of the Unit Option Plan, no options remained outstanding and unexercised.

PENSION PLAN BENEFITS

CAPREIT has not established a defined benefit plan or a defined contribution plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table provides a brief description of CAPREIT's termination provisions by compensation program as they relate to the NEOs.

Plan	Death, Retirement or Resignation	Termination With Cause	Termination Without Cause	Termination Without Cause Following a Change-In-Control
Base Salary	No longer eligible effective date of death, retirement, or resignation. For Mr. Kenney's retirement benefit, see " Compensation Discussion and Analysis – Elements of Executive Compensation ".	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (for amounts, see " Significant Terms of Executive Employment Agreements ").	Eligible for severance or lump sum severance payment (for amounts, see " Significant Terms of Executive Employment Agreements ").
Annual Incentive (Bonus)	Receive pro-rated payment based on proportion of financial year completed as of the date of death or retirement. For Mr. Kenney's retirement benefit, see " Compensation Discussion and Analysis – Elements of Executive Compensation ".	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (for amounts, see " Significant Terms of Executive Employment Agreements ").	Eligible for severance or lump sum severance payment (for amounts, see " Significant Terms of Executive Employment Agreements ").
RUR Plan	In the event of death or disability, vesting of RURs shall be accelerated; in the event of retirement, <i>pro rata</i> vesting of RURs occurs subsequent to the first anniversary of the grant date; in the event of resignation, no vesting of unvested RURs occurs, other than with respect to Mr. Kenney, who is entitled to automatic vesting. The Board or the Human Resources and Compensation Committee, as applicable, retains discretion to accelerate vesting, see " Description of Equity Based Incentive Plans – RUR Plan ".	Subject to the provisions of any change in control or employment agreement between CAPREIT and the RUR Participant, no vesting of unvested RURs occurs, see " Description of Equity Based Incentive Plans – RUR Plan ".	<i>Pro rata</i> vesting of RURs occurs subsequent to the first anniversary of the grant date, other than with respect to Mr. Kenney who is entitled to automatic acceleration of vesting. The Board or the Human Resources and Compensation Committee, as applicable, retains discretion to accelerate vesting, see " Description of Equity Based Incentive Plans – RUR Plan ".	There is no automatic acceleration of vesting of unvested RURs under the RUR Plan simply arising because of a change of control. Vesting of unvested RURs will be accelerated in the event of a change of control: (i) if the acquirer does not provide a substituted plan or adopt the RUR Plan, (ii) if the RUR Participant is terminated without cause within two years of the change of control, or (iii) if the RUR Participant who is an officer of CAPREIT terminates their employment agreement for "good reason", see " Description of Equity Based Incentive Plans – RUR Plan ". Under the terms of Messrs. Kenney, Co and Schonfeldt's employment agreements, if such executive elects to terminate his employment within six (6) months of a change of control, vesting of RURs is accelerated.

Plan	Death, Retirement or Resignation	Termination With Cause	Termination Without Cause	Termination Without Cause Following a Change-In-Control
Benefits	No longer eligible effective date of death, retirement, or resignation.	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (for amounts, see “ Significant Terms of Executive Employment Agreements ”).	Eligible for severance or lump sum severance payment (for amounts, see “ Significant Terms of Executive Employment Agreements ”).
Perquisites	No longer eligible effective date of death, retirement, or resignation.	No longer eligible effective date of termination.	Eligible for severance or lump sum severance payment (for amounts, see “ Significant Terms of Executive Employment Agreements ”).	Eligible for severance or lump sum severance payment (for amounts, see “ Significant Terms of Executive Employment Agreements ”).

The following table provides details pertaining to the estimated incremental payments from CAPREIT to each of the NEOs under the termination scenarios, assuming termination on December 31, 2022.

Name	Death or Retirement (\$)	Termination With Cause (\$)	Termination Without Cause (\$) ⁽¹⁾	Termination Without Cause Following a Change-In-Control (\$) ⁽¹⁾
MARK KENNEY President and Chief Executive Officer ⁽²⁾	820,000 Death or 4,028,660 Retirement/ Resignation	Nil	5,230,465	5,230,465
STEPHEN CO Chief Financial Officer	300,000	Nil	1,525,010	1,830,012
JULIAN SCHONFELDT Chief Investment Officer	400,000	Nil	686,626	1,373,252
SCOTT CRYER ⁽³⁾ Former Chief Financial Officer	N/A	Nil	1,863,859	N/A

Notes:

- (1) Includes benefits premiums and car allowance.
- (2) For Mr. Kenney’s additional entitlements under his NEO Contract dated March 27, 2019, please refer to “**Significant Terms of Executive Employment Agreements**”.
- (3) Mr. Cryer ceased to be Chief Financial Officer on March 31, 2022. The calculated amount reflects the compensation received by Mr. Cryer pursuant to the termination of his NEO Contract.

Each of the NEO Contracts provides defined termination provisions. Please refer to the section entitled “**Significant Terms of Executive Employment Agreements**” for the details of the NEO termination provisions.

Each of the NEO Contracts contains certain customary non-competition, non-solicitation, and confidentiality provisions in favour of CAPREIT.

TRUSTEE COMPENSATION

Trustee Compensation Table for 2022

Name	Fees Earned (\$)	Unit-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
LORI-ANN BEAUSOLEIL	87,813	95,625	-	-	-	183,438
HAROLD BURKE	85,938	74,375	-	-	-	160,313
GINA PARVANEH CODY	79,121	170,000	-	-	-	249,121
MARK KENNEY	-	-	-	-	-	-
GERVAIS LEVASSEUR ⁽²⁾	-	22,174	-	-	-	22,174
POONAM PURI ⁽³⁾	12,704	145,516	-	-	-	158,220
JAMIE SCHWARTZ ⁽⁴⁾	74,375	85,000	-	-	-	159,375
KEN SILVER ⁽⁵⁾	-	22,174	-	-	-	22,174
MICHAEL STEIN ⁽⁶⁾	41,758	71,456	-	-	-	113,214
JENNIFER STODDART ⁽⁷⁾	-	-	-	-	-	-
ELAINE TODRES	99,375	85,000	-	-	-	184,375
RENÉ TREMBLAY	24,796	170,000	-	-	-	194,796
TOTAL	505,880	941,320	-	-	-	1,447,200

Notes:

- (1) Represents 3,780 Deferred Units issued each to Dr. Cody and Mr. Tremblay, 3,200 Deferred Units to Ms. Puri, 1,890 Deferred Units issued each to Dr. Todres and Mr. Schwartz, 1,695 Deferred Units to Mr. Burke, 1,374 Deferred Units to Mr. Stein, 526 Deferred Units issued each to Mr. Silver and Mr. Levasseur, and 2,086 Deferred Units to Ms. Beausoleil. The number of Deferred Units issued is determined by dividing the dollar amount by the market price (as defined in the DUP) of the Units on the grant date.
- (2) Mr. Levasseur was appointed to the Board effective November 14, 2022.
- (3) Ms. Puri ceased to be a trustee on November 8, 2022.
- (4) Mr. Schwartz ceased to be a trustee on February 22, 2023.
- (5) Mr. Silver was appointed to the Board effective November 14, 2022.
- (6) Mr. Stein ceased to be a trustee on June 1, 2022.
- (7) Ms. Stoddart was appointed to the Board effective February 27, 2023.

Narrative Discussion

The Human Resources and Compensation Committee reviews trustee compensation annually and recommends any modifications to trustee compensation to the Board for approval. The trustee compensation policy is to compensate trustees at the median of its peers.

During the first quarter of 2022, each non-executive trustee was entitled to elect to receive up to one hundred percent (100%) of his or her Board compensation (equating up to \$85,000), in the form of Deferred Units (as defined below), in lieu of cash, which such amount shall be matched by CAPREIT. Effective April 1, 2022, trustees received a flat annual retainer from CAPREIT per the schedule below. Trustees are reimbursed for their reasonable out-of-pocket expenses incurred in acting as trustees. Pursuant to the DUP, effective April 1, 2022, each non-executive trustee in 2022 was required to elect to receive between fifty percent (50%) and one hundred percent (100%) of his or her Board compensation (totaling \$170,000), in the form of Deferred Units (as defined below), and the balance in cash, with no matching component for the Deferred Units. As such, no matter which percentage they elect, their total Board compensation was \$170,000. In addition, effective April 1, 2022, a Vice-Chair position was added with an annual retainer of \$50,000. This position was held by Dr. Cody from April 1, 2022 until June 1, 2022 when she became the Chair. The Vice-Chair position is vacant, and, at this time, there is no current intention to fill the vacancy.

The following table provides a description of the current 2022 trustee fee schedule.

Compensation Element	Compensation Value (\$)
Member Annual Retainer	\$170,000
Chair Annual Retainer (premium)	\$100,000
Vice-Chair Annual Retainer (premium)	\$50,000
Audit Committee, Investment Committee, Human Resources and Compensation Committee, and Governance and Nominating Committee Chair (premium)	\$25,000

Currently, CAPREIT does not have a retirement policy for trustees.

Unit Ownership Requirements

The Board has instituted a requirement that all trustees (other than the President and Chief Executive Officer of CAPREIT who is subject to separate unit ownership requirements) own or acquire, over a maximum period of five years from the date of such trustee's appointment, such number of Units (which may include Deferred Units) having a value equal to three times his or her Member Annual Retainer (including cash and equity).

In the event that the trustees' Member Annual Retainer is increased, the Board has determined that each trustee, to the extent required, shall be granted an additional one-year transition period, from the date the Member Annual Retainer is increased, to own or acquire such number of additional Units (which may include Deferred Units) to meet the thresholds under these guidelines.

If a trustee's unit ownership falls below the minimum guidelines due to a decline in the unit price of Units, the Board may, in its discretion, grant such trustee a transition period to own or acquire such

number of additional Units (which may include Deferred Units) to meet the thresholds under these guidelines.

The following table summarizes the number of Units and Deferred Units owned by each trustee as at March 29, 2023, and whether each trustee (other than the Chief Executive Officer and President of CAPREIT) has met or exceeded the ownership guidelines established by the Board.

Name of Trustee	Number of Units Beneficially Owned, Controlled, or Directed, Directly or Indirectly ⁽¹⁾ (#)	Number of Units allocated from DUP/RUR	Total Number of Units, including Deferred Units	Dollar Value of Units Beneficially Owned, Controlled, or Directed, Directly or Indirectly and Deferred Units ⁽²⁾ (\$)	Actual Multiple of Member Annual Retainer or Base Salary, as applicable ⁽³⁾	Met or Exceeded Ownership Guidelines?
LORI-ANN BEAUSOLEIL ⁽⁴⁾	0	3,856	3,856	\$ 181,193	1.07 times Member Annual Retainer	no
HAROLD BURKE	0	35,676	35,676	\$ 1,676,422	9.86 times Member Annual Retainer	yes
GINA PARVANEH CODY	23,000	22,090	45,090	\$ 2,118,779	12.46 times Member Annual Retainer	yes
MARK KENNEY ⁽⁵⁾	279,598	196,915	476,513	\$ 22,391,346	26.27 times Base Salary	yes
GERVAIS LEVASSEUR ⁽⁶⁾	0	530	530	\$ 24,905	0.15 times Member Annual Retainer	no
KEN SILVER ⁽⁷⁾	0	530	530	\$ 24,905	0.15 times Member Annual Retainer	no
JENNIFER STODDART ⁽⁸⁾	0	0	0	\$ 0	0.0 times Member Annual Retainer	no
ELAINE TODRES	3,000	36,319	39,319	\$ 1,847,586	10.87 times Member Annual Retainer	yes
RENÉ TREMBLAY	0	10,891	10,891	\$ 511,768	3.01 times Member Annual Retainer	yes

Notes:

- (1) Individual trustees have furnished information as to Units beneficially owned, controlled, or directed, directly or indirectly, by them.
- (2) Dollar amounts represent the estimated market value of Units beneficially owned by each trustee, as determined by multiplying the number of Units beneficially owned by such trustee as of March 29, 2023, by the closing price of the Units on the TSX on such date.
- (3) Trustees are required to own or acquire such number of Units or Deferred Units (and RURs in the case of Mr. Kenney) having a value equal to 3 times their member annual retainer or base salary, as applicable.
- (4) Ms. Beausoleil was appointed to the Board on June 2, 2021, and is in the process of meeting her ownership requirement.
- (5) For disclosure on the unit ownership guidelines established by the Board in respect of Mr. Kenney, see “**Compensation Discussion & Analysis – Unit Ownership Requirement**”.

- (6) Mr. Levasseur was appointed to the Board effective November 14, 2022, and is in the process of meeting his ownership requirement.
- (7) Mr. Silver was appointed to the Board effective November 14, 2022, and is in the process of meeting his ownership requirement.
- (8) Ms. Stoddart was appointed to the Board effective February 27, 2023, and is in the process of meeting her ownership requirement.

Deferred Unit Plan

The following is a summary of CAPREIT's amended and restated deferred unit plan (the "**DUP**") and is qualified entirely by the full text of the DUP, which can be accessed on SEDAR under CAPREIT's profile at www.sedar.com.

Overview

In 2008, CAPREIT established the DUP, which has been amended and restated from time to time, most recently on June 1, 2022, which is available to non-executive trustees of CAPREIT. The purpose of the DUP is to promote a greater alignment of interests between the non-executive trustees of CAPREIT and the Trust Unitholders of CAPREIT.

Effective April 1, 2022, and for the year ended December 31, 2022, each DUP Participant (meaning a person who was, on the applicable Election Date (as defined in the DUP), a non-executive trustee) was required to elect to be paid between fifty percent (50%) and one hundred percent (100%) (the "**Elected Percentage**") of his or her Board compensation (such product being herein referred to as the "**Elected Amount**"), in the form of deferred units ("**Deferred Units**"), in lieu of cash, on a dollar-for-dollar basis. Deferred Units are ascribed a value on each Award Date (as defined in the DUP) equal to the Market Value (as defined in the DUP) on such dates.

DUP Participants may not change their Elected Percentage or terminate their DUP participation during the calendar year. Under no circumstances shall Deferred Units be considered Units or entitle a DUP Participant to any Trust Unitholder rights, including, without limitation, voting rights, distribution entitlements, or rights on liquidation. Deferred Units are settled (i) upon a DUP Participant electing to withdraw up to twenty percent (20%) of the Deferred Units credited to his or her Deferred Unit account and redeem them for Units at any one time or from time to time in any five-year period (a "**Redemption Period**") or (ii) upon a DUP Participant ceasing to be a trustee, at which time all of such DUP Participant's Deferred Units are settled. The Redemption Period commences on the date the Deferred Units are first credited to a DUP Participant's Deferred Unit account and expires on the fifth anniversary thereof; with each subsequent Redemption Period occurring in five-year increments thereafter. In the event that a DUP Participant does not elect to withdraw up to a total of twenty percent (20%) of the Deferred Units credited to his or her Deferred Unit account and redeem them for Units during a Redemption Period, the remaining balance of up to twenty percent (20%) of the Deferred Units credited to his or her Deferred Unit account at the end of such Redemption Period shall be carried forward to the next Redemption Period. Upon issuance of such Units, the redeemed Deferred Units will be cancelled.

For the year ended December 31, 2022, the number of Deferred Units (including fractional Deferred Units) to be credited to a DUP Participant as of any particular Award Date pursuant to the DUP are to be calculated by dividing: (i) the amount calculated by dividing the dollar amount of the DUP Participant's Elected Amount by four; by (ii) the Market Value of a Unit on the Award Date (as defined in the DUP).

Whenever cash distributions are paid on the Units, additional Deferred Units are credited to the DUP Participant's Deferred Unit account. The number of such additional Deferred Units are calculated by dividing: (i) the amount determined by multiplying: (a) the number of Deferred Units in such DUP Participant's Deferred Unit account on the record date for the payment of such distribution by (b) the distribution paid per Unit; by (ii) the Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two (2) decimal places.

As at December 31, 2022, 121,279 Deferred Units have been issued and are outstanding under the DUP Plan to DUP Participants; the Units issuable under such grants constitute 0.1% of CAPREIT's currently outstanding Units.

CAPREIT's annual burn rate of the Deferred Units granted under the DUP was 0.01% in fiscal 2020, 0.01% in fiscal 2021, and 0.01% in fiscal 2022. The burn rate is subject to change from time to time and is calculated by dividing the number of Deferred Units granted under the DUP during the relevant fiscal year by the weighted average number of securities of CAPREIT outstanding for the applicable fiscal year.

In no event may the rights or interests of a DUP Participant under the DUP be assigned, encumbered, pledged, transferred, or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a DUP Participant, by will or by the laws of succession and distribution.

The DUP may be amended by the Board, subject to applicable law, without Trust Unitholder approval, except in certain limited circumstances, which are substantially similar to those listed in the RUR Plan, as described above. Such amendments to the DUP that the trustees may make without Trust Unitholder approval, include, but are not limited to: (i) minor changes of a house-keeping nature; (ii) amendments which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the DUP; (iii) amendments as the Board in their discretion deem necessary or desirable as a result of changes in the taxation laws from time to time; and (iv) a change to or the addition of any vesting provisions of Deferred Units issued pursuant to the DUP.

Effective April 1, 2022, the trustees made certain amendments to the DUP to: (i) delete the definition of "Eligible Person" and replace any reference to an "Eligible Person" with a "Participant"; (ii) require each DUP Participant to participate in the DUP, (iii) make changes to the "Elected Percentage" definition (Section 5.01) to modify the percentage of total compensation a DUP Participant may elect to be satisfied in Deferred Units; and (iv) delete certain obligations of CAPREIT to match the number of Deferred Units that each DUP Participant elected to receive annually (collectively, referred to as the "**April 2022 DUP Amendments**"). On June 1, 2022, Trust Unitholders approved certain additional amendments to the DUP, including but not limited to: (i) the addition of a \$150,000 individual limit (the "**NET Participation Limit**") on the value of awards a non-executive trustee may be granted under the Plans per annum (excluding any awards issued in lieu of a trustee's Board compensation on a dollar-for-dollar basis at the same initial value as the Board compensation surrendered in exchange thereof); (ii) the replacement in the DUP of the 0.5% aggregate limit on issuances to non-employee trustees with the NET Participation Limit; (iii) changes to the amendment provisions of the DUP to require Trust Unitholder approval for amendments to (A) permit the issuance of Deferred Units to participants on a discretionary basis, and (B) increase the non-executive trustee participation limits; and (iv) changes to the settlement provisions of the DUP to provide for the payment of any applicable withholding taxes, including by way of a broker assisted "cashless exercise" pursuant to which a

broker may sell certain of the Units otherwise deliverable upon settlement of Deferred Units and deliver an amount equal to the applicable withholding taxes to CAPREIT (collectively, referred to as the “**June 2022 DUP Amendments**” and together with the April 2022 DUP Amendments, the “**2022 DUP Amendments**”).

During the year ended December 31, 2022, no amendments were made to the DUP other than the 2022 DUP Amendments. The above discussion of the DUP is qualified in its entirety by the text of the DUP, the full text of which is available on SEDAR under CAPREIT’s profile at www.sedar.com and was filed on June 3, 2022.

Deferred Unit Plan Summary Table

The following table summarizes the number of Deferred Units allocated to each trustee under the DUP as at December 31, 2022 and the associated dollar value. Such Deferred Units are included in the 11,500,000 limit on Units which may be issued under the Plans; provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of CAPREIT pursuant to outstanding Deferred Units, together with the number of Units reserved for issuance to such persons pursuant to the other equity incentive plans, exceed ten percent (10%) of the then outstanding Units, as calculated immediately prior to the issuance in question; (ii) the number of Units issued to insiders of CAPREIT pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to the other equity incentive plans, within any one (1) year period, shall not exceed ten percent (10%) of the then outstanding Units; and (iii) no DUP Participant shall be issued Deferred Units which would result in a non-executive trustee being granted total annual awards under all of the CAPREIT’s equity incentive plans, including the DUP, with a value greater than the NET Participation Limit; provided that, Deferred Units awarded to non-executive trustees pursuant to the DUP in place of their Board compensation will not be included in the calculation of the NET Participation Limit as long as such Units are granted on a dollar-for-dollar basis at the same initial value as the Board compensation surrendered in exchange thereof.

Name of Trustee	Number of Deferred Units Allocated from Deferred Compensation (#) ⁽¹⁾	Number of Deferred Units Allocated from Distributions (#) ⁽¹⁾	Dollar Value of Deferred Units (\$) ⁽²⁾
LORI-ANN BEAUSOLEIL	3,741	86	163,336
HAROLD BURKE	26,042	9,363	1,511,085
GINA PARVANEH CODY	20,249	1,673	935,631
MARK KENNEY	N/A	N/A	N/A
GERVAIS LEVASSEUR ⁽³⁾	526	-	22,450
POONAM PURI ⁽⁴⁾	N/A	N/A	N/A
JAMIE SCHWARTZ ⁽⁵⁾	11,335	887	521,635
KEN SILVER ⁽⁶⁾	526	-	22,450
MICHAEL STEIN ⁽⁷⁾	N/A	N/A	N/A
JENNIFER STODDART ⁽⁸⁾	N/A	N/A	N/A
ELAINE TODRES	30,206	5,837	1,538,315
RENÉ TREMBLAY	10,391	417	461,285
TOTAL	103,016	18,263	5,176,187

Notes:

- (1) Amounts are rounded to nearest whole Deferred Unit.
- (2) Dollar amounts represent the estimated market value of Deferred Units beneficially owned by each trustee, as determined by multiplying the number of Deferred Units beneficially owned by such trustee as of December 31, 2022, by the closing price of the Units on the TSX on such date.
- (3) Mr. Levasseur was appointed to the Board effective November 14, 2022.
- (4) Ms. Puri ceased to be a trustee on November 8, 2022. Upon ceasing to be a trustee, Ms. Puri was issued 12,087 Deferred Units, comprised of 11,545 allocated from Deferred Compensation and 542 allocated from Distributions.
- (5) Mr. Schwartz ceased to be a trustee on February 22, 2023.
- (6) Mr. Silver was appointed to the Board effective November 14, 2022.
- (7) Mr. Stein ceased to be a trustee on June 1, 2022. Upon ceasing to be a trustee, Mr. Stein was issued 88,406 Deferred Units, comprised of 65,823 allocated from Deferred Compensation and 22,583 allocated from Distributions.
- (8) Ms. Stoddart was appointed to the Board effective February 27, 2023.

Outstanding Unit-based Awards

The following table sets forth Deferred Units issued in previous years to trustees as of December 31, 2022.

Name	Unit-Based Awards		
	Number of Units That Have Not Vested (#)	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed ⁽¹⁾ (\$)
LORI-ANN BEAUSOLEIL	-	-	163,336
HAROLD BURKE	-	-	1,511,085
GINA PARVANEH CODY	-	-	935,631
MARK KENNEY	-	-	-
GERVAIS LEVASSEUR ⁽²⁾	-	-	22,450
POONAM PURI ⁽³⁾	-	-	-
JAMIE SCHWARTZ ⁽⁴⁾	-	-	521,635
KEN SILVER ⁽⁵⁾	-	-	22,450
MICHAEL STEIN ⁽⁶⁾	-	-	-
JENNIFER STODDART ⁽⁷⁾	-	-	-
ELAINE TODRES	-	-	1,538,315
RENÉ TREMBLAY	-	-	461,285

Notes:

- (1) Value based on closing price of the Units on the TSX on December 31, 2022.
- (2) Mr. Levasseur was appointed to the Board effective November 14, 2022.
- (3) Ms. Puri ceased to be a trustee on November 8, 2022.
- (4) Mr. Schwartz ceased to be a trustee on February 22, 2023.
- (5) Mr. Silver was appointed to the Board effective November 14, 2022.
- (6) Mr. Stein ceased to be a trustee on June 1, 2022.
- (7) Ms. Stoddart was appointed to the Board effective February 27, 2023.

Narrative Discussion

The above-mentioned units were issued pursuant to CAPREIT's DUP (see "Deferred Unit Plan").

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

There is no indebtedness incurred to CAPREIT by any of its trustees or executive officers.

STATEMENT OF GOVERNANCE PRACTICES

General

The Board strongly believes that sound corporate governance is essential to produce maximum benefits to those individuals and institutions that have invested in Units. Effective June 30, 2005, the CSA adopted National Policy 58-201 – Corporate Governance Guidelines (the “**Policy**”) and NI 58-101 (together with the Policy, the “**CSA Governance Rules**”). The CSA Governance Rules have replaced the fourteen (14) corporate governance guidelines of the TSX and require that CAPREIT set out the mandated disclosure required under NI 58-101, with reference to the “**best practices**” set out in the Policy. In accordance with the CSA Governance Rules, the following is a summary of the governance practices of CAPREIT.

To comply with these various standards and achieve best practices, CAPREIT has adopted comprehensive corporate governance policies and procedures. CAPREIT’s key policies and documents include the following:

- Board Mandate
- Governance Guidelines
- Code of Business Ethics and Conduct
- Audit Committee Charter
- Governance and Nominating Committee Charter
- Human Resources and Compensation Committee Charter
- Investment Committee Charter
- Position descriptions for the Chair and Chair of each Board committee
- Ethics Reporting Policy
- Anti-Corruption, Anti-Bribery, Gifting and Entertainment Policy
- Disclosure Policy
- Diversity, Refreshment and Renewal Policy
- Insider Trading Policy
- Majority Voting Policy
- Unitholder Engagement Policy

The trustees of CAPREIT believe that CAPREIT’s governance practices are substantially in compliance with the CSA Governance Rules.

Board of Trustees

Composition

The Board currently consists of nine (9) trustees. As of March 29, 2023, the trustees were: Lori-Ann Beausoleil, Harold Burke, Gina Parvaneh Cody, Mark Kenney, Gervais Levasseur, Ken Silver, Jennifer Stoddart, Elaine Todres and René Tremblay. Effective June 1, 2022, Gina Parvaneh Cody was appointed to the position of Chair of the Board. This year, nine (9) candidates have been nominated for election to the Board. Ken Silver, Gervais Levasseur and Jennifer Stoddart were appointed by the trustees to the Board effective November 14, 2022, November 14, 2022 and February 27, 2023, respectively, in accordance with the Declaration of Trust. The remaining trustees were elected at the 2022 annual and special meeting.

Independent and Non-Independent Trustees

Pursuant to NI 52-110, an independent trustee is one who has no direct or indirect material relationship with CAPREIT which could, in the view of the Board, reasonably interfere with a trustee's independent judgment. The trustees have determined that, following the Meeting, eight (8) of the trustees, constituting a majority of the Board, will be independent under the CSA Governance Rules. Mark Kenney is considered not to be independent.

Interlocking Directorships

The Board is conscious of governance principles and best practices relating to interlocking directorships (i.e. where at least two trustees of CAPREIT sit together on at least one other public company board). While the Board has not adopted a formal policy restricting interlocking directorships, it does believe disclosure of other board memberships is important. Given that trustees have a variety of business interests, trustees are required to disclose to the Board or any applicable committee thereof, any real or perceived conflict in relation to any matter or proposed matter to be considered and in such circumstances, it is the policy of the Board that such trustees excuse themselves from all deliberations on such matters. The Board acknowledges that certain trustees may serve simultaneously on the board of another public entity as a nominee of CAPREIT.

Pursuant to its rights under an investor rights agreement with respect to ERES, CAPREIT has appointed trustees Harold Burke, Gina Parvaneh Cody, and, with effect from April 4, 2023, Gervais Levasseur as its nominees to be trustees of ERES.

On April 4, 2023, Gina Parvaneh Cody was appointed Chair of the board of ERES. On March 31, 2023, Mark Kenney was appointed Chief Executive Officer and a trustee of ERES.

As of the date of this Circular, other than the interlocks noted above, there are no common public board memberships involving the trustees of CAPREIT.

Trustee Skills Matrix

The skills matrix below summarizes the skills possessed by each individual who is proposed for election as a trustee at the Meeting. The skills outlined in the skills matrix below are considered in assessing candidates during the nomination process. Such skills are referred to in identifying any skills gaps. The emphasis placed on any particular skill may change as part of the ongoing assessment of the composition of the Board.

Skill	Beausoleil	Burke	Cody	Kenney	Levasseur	Silver	Stoddart	Todres	Tremblay
<i>Real Estate Specific Skills</i>									
Real Estate Financing	✓	✓			✓	✓			✓
Property Development, Planning and Construction			✓			✓			✓
Property and Asset Management			✓	✓		✓			✓
Acquisitions, Dispositions and M&A	✓	✓		✓	✓	✓			✓
<i>General Business Competencies</i>									
Executive Leadership and Management Experience	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Accounting and Reporting	✓	✓		✓	✓				
Legal/Tax		✓			✓		✓		
Human Capital		✓	✓	✓		✓	✓	✓	✓
Oversight of Information Technology and/or Cybersecurity					✓				
Government Relations				✓			✓	✓	
<i>Environmental, Social & Governance (ESG) Competencies</i>									
Energy Management and/or Climate-related Risk			✓					✓	
Social Responsibility and Community Engagement	✓		✓	✓			✓	✓	
Equity, Diversity and Inclusion	✓		✓				✓	✓	
Corporate Governance	✓	✓			✓	✓		✓	✓

Service on other Boards

Trustees may serve on the boards of other public entities so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. In this regard, the Board has determined that:

- (a) Non-executive trustees may serve simultaneously on the board of no more than three public entities (including the Board);
- (b) Trustees serving in an executive position at CAPREIT may serve simultaneously on the board of no more than two public entities (including the Board); and
- (c) Trustees serving in an executive position at a public entity other than CAPREIT or may serve simultaneously on the board of no more than two public entities (including the Board).

The Board recognizes that there may be circumstances in which it is appropriate to make an exception to the policy; however, any exception to the policy shall require the approval of the Governance and Nominating Committee. Trustees must advise the Chair in advance of accepting an invitation to serve on the board of another public entity. For these purposes and for greater certainty, subject to the discretion reserved by the Governance and Nominating Committee to determine otherwise in the particular circumstances, the Board has determined that accepting of a retainer, position or appointment with a competitor of CAPREIT will generally be considered a conflict of interest and shall not be permitted.

Other Board Memberships

The following table sets out the names of each other reporting issuer, and the exchange upon which the securities of that reporting issuer are listed, for which each of the current trustees of CAPREIT serves as a trustee or director as of the date of this Circular:

Name of Trustees	Name of Reporting Issuer of which Trustee is a director or trustee and position	Exchange
LORI-ANN BEAUSOLEIL	Metro Inc., Director	TSX
	Slate Office Real Estate Investment Trust, Trustee	TSX
HAROLD BURKE	ERES, Trustee	TSX
GINA PARVANEH CODY	ERES, Chair ⁽¹⁾	TSX
	Sienna Senior Living Inc., Director	TSX
MARK KENNEY	ERES, Trustee ⁽²⁾	TSX
GERVAIS LEVASSEUR	ERES, Trustee ⁽³⁾	TSX

Note:

- (1) Dr. Cody was appointed as Chair of the board of ERES on April 4, 2023. Dr. Cody was a trustee of ERES prior to being appointed Chair of the board of ERES.
- (2) Mr. Kenney was appointed as a trustee of ERES on March 31, 2023.
- (3) Mr. Levasseur was appointed as a trustee of ERES on April 4, 2023.

As of the date of this Circular, the Governance and Nominating Committee has determined that (i) no interlocking board or committee membership existed that could be expected to impact the ability of

interlocking trustees to act independently from each other and (ii) the outside public company trustee or director appointments held by CAPREIT's trustees do not adversely impact the ability of such trustees to devote sufficient time, effort, and energy to CAPREIT in order to be effective representatives of Trust Unitholders' interests.

Meetings of Trustees

The following table shows meeting attendance records for all trustees in 2022:

Name of Trustee	Board ⁽¹⁾	Audit Committee ⁽¹⁾	Governance and Nominating Committee ⁽¹⁾	Human Resources and Compensation Committee ⁽¹⁾	Investment Committee ⁽¹⁾
LORI-ANN BEAUSOLEIL	15/16	7/7	N/A	N/A	N/A
HAROLD BURKE ⁽²⁾	16/16	2/2	8/8	2/2	N/A
GINA PARVANEH CODY ⁽³⁾	16/16	N/A	1/1	1/1	2/2
MARK KENNEY	16/16	N/A	N/A	N/A	N/A
GERVAIS LEVASSEUR ⁽⁴⁾	1/1	1/1	N/A	N/A	2/2
POONAM PURI ⁽⁵⁾	14/15	6/6	3/3	N/A	N/A
JAMIE SCHWARTZ ⁽⁶⁾	16/16	7/7	N/A	2/2	11/11
KEN SILVER ⁽⁷⁾	1/1	1/1	2/2	N/A	N/A
MICHAEL STEIN ⁽⁸⁾	9/9	N/A	N/A	N/A	N/A
JENNIFER STODDART ⁽⁹⁾	N/A	N/A	N/A	N/A	N/A
ELAINE TODRES ⁽¹⁰⁾	16/16	N/A	5/5	4/4	11/11
RENÉ TREMBLAY ⁽¹¹⁾	15/16	N/A	7/7	4/4	11/11

Notes:

- (1) For Board and Committee meetings, attendance is expressed as the number of meetings attended out of the number that each trustee was eligible to attend based on the date the trustee was appointed to or retired from the Board or Committee, as applicable.
- (2) Mr. Burke ceased to be a member of the Audit Committee on March 31, 2022 and joined the Human Resources and Compensation Committee as a member on June 1, 2022.
- (3) In connection with Dr. Cody's appointment as Vice-Chair of the Board on March 31, 2022, Dr. Cody ceased to be a member of the Governance and Nominating Committee, Human Resources and Compensation Committee and Investment Committee.
- (4) Mr. Levasseur was appointed to the Board effective November 14, 2022.
- (5) Ms. Puri ceased to be a member of the Governance and Nominating Committee on October 3, 2022 and ceased to be a trustee on November 8, 2022.
- (6) Mr. Schwartz ceased to be a member of the Human Resources and Compensation Committee on June 1, 2022. Mr. Schwartz ceased to be a trustee on February 22, 2023.
- (7) Mr. Silver was appointed to the Board effective November 14, 2022.
- (8) Mr. Stein ceased to be a trustee on June 1, 2022.
- (9) Ms. Stoddart was appointed to the Board effective February 27, 2023.
- (10) Dr. Todres joined the Governance and Nominating Committee as a member on October 3, 2022.
- (11) Mr. Tremblay joined the Governance and Nominating Committee as a member on March 31, 2022.

Meetings of Independent Trustees

The independent trustees hold regularly-scheduled meetings without the attendance of non-independent trustees and management at the end of each meeting of the Board and at each quarterly meeting of the Audit Committee, Human Resources and Compensation Committee, and Governance

and Nominating Committee. The Chair of the Audit Committee, Human Resources and Compensation Committee, and Governance and Nominating Committee conducts such committees' respective *in camera* sessions. For the Board, the Chair conducts the *in camera* sessions without the presence of management or non-independent trustees.

During 2022, the Audit Committee, Human Resources and Compensation Committee and Governance and Nominating Committee held *in camera* sessions without the presence of management or non-independent trustees at each quarterly meeting of the trustees.

Declaration of Trust

Pursuant to the Declaration of Trust, the Board has assumed responsibility for the stewardship of CAPREIT and has been granted the necessary powers to carry out its responsibilities. The trustees' responsibilities include:

- (i) the development and adoption of CAPREIT's strategic planning process;
- (ii) the identification of the principal risks associated with the business of CAPREIT and the implementation of appropriate systems to manage these risks;
- (iii) the appointment and evaluation of senior management;
- (iv) overseeing the communications policy of CAPREIT;
- (v) ensuring the integrity of CAPREIT's internal controls and management information systems;
- (vi) the creation of position descriptions for the Board and for the President and Chief Executive Officer;
- (vii) the implementation of structures and procedures which ensure the Board can function independently of management;
- (viii) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual trustees;
- (ix) reviewing the adequacy and form of compensation of trustees and ensuring it realistically reflects the responsibilities and risks involved in being a trustee; and
- (x) assessing its responsibilities and performance under its mandate.

The Board approves strategic plans of CAPREIT (taking into account the risks and opportunities of CAPREIT's business) and makes major policy decisions. It devotes time at several meetings each year to review major strategic initiatives to ensure that the proposed actions are in accordance with the objectives of Trust Unitholders. Prior to the beginning of each fiscal year, management presents its financial plan and its objectives for the upcoming year in the context of the approved strategic plan. On a quarterly basis, management reports to the Board on progress against CAPREIT's current year's goals and analyzes financial results against the financial plan.

Committees of Trustees

To assist the trustees in fulfilling their governance responsibilities, the trustees have formed four (4) committees, each of which is composed of at least a majority of independent, unrelated trustees: the Audit Committee, Human Resources and Compensation Committee, the Governance and Nominating Committee, and the investment committee (the “**Investment Committee**”).

Audit Committee

The Declaration of Trust requires the creation of an Audit Committee, consisting of at least three (3) trustees, to review the consolidated financial statements of CAPREIT. The terms of reference for the Audit Committee require that all members be unrelated and financially literate (as defined in NI 52-110). All members of the Audit Committee are independent and financially literate, as those terms are defined in NI 52-110.

As of March 29, 2023, the Audit Committee of CAPREIT consists of the following three (3) trustees: Lori-Ann Beausoleil, Gervais Levasseur, and Ken Silver. Ms. Beausoleil serves as Chair of the Audit Committee, and in accordance with the Audit Committee Charter.

For further information regarding the Audit Committee, please see Sections 14.2, 14.7 and Appendix “A” of CAPREIT’s annual information form dated March 27, 2023 (the “**Annual Information Form**”), which can be accessed on SEDAR under CAPREIT’s profile at www.sedar.com.

The Audit Committee has the primary function of assisting the Board in fulfilling its audit oversight responsibilities. The committee fulfills its responsibilities by monitoring the quality and integrity of CAPREIT’s financial reporting and related disclosures; specific elements of risk management (including financial risk management); and the performance of internal and external audit processes.

The Audit Committee Charter is reviewed annually and its mandate and procedures are either confirmed by the Board or amended as a result of the information received by the Board in the annual evaluation of the Board and each committee’s performance. See “**Assessments**”.

During the year ended December 31, 2022, the Audit Committee met seven (7) times.

Human Resources and Compensation Committee

The Declaration of Trust requires the creation of a Human Resources and Compensation Committee, consisting of at least three (3) trustees, to review the matters relating to human resources, including the compensation of trustees and officers of the CAPREIT. All of the members of the Human Resources and Compensation Committee must at all times be independent (as that term is defined in NI 58-101) and free from any relationship that, in the opinion of the Board of CAPREIT, would interfere with the exercise of his or her independent judgment as a member of the Human Resources and Compensation Committee. Each member of the Human Resources and Compensation Committee should possess (or should acquire within a reasonable period of time after appointment) human resources literacy, meaning an understanding of compensation theory and practice, personnel management and development, succession planning and executive development, as determined by the Human Resources and Compensation Committee.

The Human Resources and Compensation Committee has the primary function of assisting the Board in fulfilling its human resources and compensation oversight responsibilities. The committee has specific responsibilities relating to structuring and reviewing compensation plans; administering CAPREIT's compensation plans; reviewing CAPREIT's human resources strategic framework; and reviewing disclosure relating to compensation. For a more detailed discussion of the Human Resources and Compensation Committee's role in executive compensation, see the "**Compensation Discussion & Analysis – Human Resources and Compensation Committee**" discussion above.

As of March 29, 2023, the Human Resources and Compensation Committee of CAPREIT consists of the following five (5) trustees: Harold Burke, Ken Silver, Jennifer Stoddart, Elaine Todres, and René Tremblay. Elaine Todres serves as Chair of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee is composed entirely of independent trustees.

The Human Resources and Compensation Committee Charter is reviewed annually and its mandate and procedures are either confirmed by the Board or amended as a result of the information received by the Board in the annual evaluation of the Board and each committee's performance. See "**Assessments**".

During the year ended December 31, 2022, the Human Resources and Compensation Committee met four (4) times.

Governance and Nominating Committee

The Declaration of Trust requires the creation of a Governance and Nominating Committee, consisting of at least three (3) trustees, to review the governance of CAPREIT. All of the members of the Governance and Nominating Committee must at all times be independent (as that term is defined in NI 58-101) and free from any relationship that, in the opinion of the Board of CAPREIT, would interfere with the exercise of his or her independent judgment as a member of the Governance and Nominating Committee, and each of whom should be familiar with corporate governance practices.

The Governance and Nominating Committee has the primary function of assisting the Board in fulfilling its corporate governance oversight responsibilities. The committee has specific responsibilities relating to reviewing CAPREIT's governance framework; assessing the composition and performance of the Board, its committees, and individual trustees; proposing new nominees for appointment to the Board; orienting new trustees; and providing continuing education for existing trustees.

As of March 29, 2023, the Governance and Nominating Committee of CAPREIT consists of the following five (5) trustees: Harold Burke, Ken Silver, Jennifer Stoddart, Elaine Todres, and René Tremblay. René Tremblay serves as Chair of the Governance and Nominating Committee. The Governance and Nominating Committee is composed entirely of independent trustees.

The Governance and Nominating Committee Charter is reviewed annually and its mandate and procedures are either confirmed by the Board or amended as a result of the information received by the Board in the annual evaluation of the Board and each committee's performance. See "**Assessments**".

During the year ended December 31, 2022, the Governance and Nominating Committee met eight (8) times.

Investment Committee

The Declaration of Trust provides that the trustees shall appoint from among their number an Investment Committee consisting of at least three (3) trustees. A majority of the members of the Investment Committee must have had at least five (5) years of substantial experience in the real estate industry. In addition, a majority of the members of the Investment Committee must be independent trustees.

The duties of the Investment Committee are to review investment and disposition proposals of CAPREIT, subject to such authority as the trustees may delegate to the officers of CAPREIT, and to perform such other duties as the trustees may delegate to the Investment Committee pursuant to Article 8 of the Declaration of Trust.

As of March 29, 2023, the Investment Committee of CAPREIT consists of the following three (3) trustees: Gervais Levasseur, Elaine Todres, and René Tremblay. René Tremblay serves as Chair of the Investment Committee.

The Investment Committee Charter is reviewed annually and its mandate and procedures are either confirmed by the Board or amended as a result of the information received by the Board in the annual evaluation of the Board and each committee's performance. See "**Assessments**".

During the year ended December 31, 2022, the Investment Committee met eleven (11) times.

Position Descriptions

Trustees

As part of its responsibility for identifying and recommending candidates to the Board for election and re-election as trustees, the Governance and Nominating Committee has developed certain criteria to facilitate its review of the qualifications of candidates. These outline the desired complement of trustees' skills and characteristics based on CAPREIT's current and anticipated needs under the broad categories of: (a) real estate financing; (b) property development, planning and construction; (c) property and asset management; (d) acquisitions, dispositions and M&A; (e) executive leadership and management experience; (f) financial accounting and reporting; (g) legal/tax; (h) human capital; (i) oversight of information technology and/or cybersecurity; (j) government relations; (k) energy management and/or climate-related risk; (l) social responsibility and community engagement; (m) equity, diversity and inclusion and (n) corporate governance. The Board reviews and, if required, updates these criteria annually to reflect its assessment of the current needs of the Board and the strategic priorities of CAPREIT. Part of this review entails a self-assessment by each existing trustee of his or her skills and qualifications. The Board then identifies any gaps, which assist the Governance and Nominating Committee in its search for new candidates. In considering the nomination of a trustee for re-election to the Board, the Governance and Nominating Committee looks at a number of factors including Board attendance, contribution and feedback from other trustees, reviews and recommendations arising out of trustee effectiveness assessments, and peer-review evaluations.

The Chief Executive Officer

The Board has developed a written position description for the Chief Executive Officer of CAPREIT. The Chief Executive Officer is accountable to the Board for the effective overall management of CAPREIT, and for conformity with policies agreed upon by the Board. The Chief Executive Officer has full responsibility for the day-to-day operations of CAPREIT's business in accordance with its strategic plan, as approved by the Board, and its operating plan and financial budgets (including operating and capital budgets), its financial and risk management strategy and its investment strategy.

The approval of the Board (or appropriate committee) shall be required for all significant decisions outside of the ordinary course of CAPREIT's business, including major financings, acquisitions and dispositions or material departures from CAPREIT's strategic plan or budgets.

The primary accountabilities of the Chief Executive Officer are:

- Developing a long-term strategy and vision for CAPREIT that enhances securityholder value;
- Developing an annual operating plan and financial budget that support CAPREIT's long-term strategy;
- Developing a financial and risk management strategy that supports CAPREIT' long-term strategy;
- Developing an investment strategy that supports CAPREIT' long-term strategy and overseeing the implementation of major mergers, acquisitions and divestitures;
- Fostering a corporate culture that promotes ethical practices and encourages individual integrity;
- Maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels;
- Ensuring that the day-to-day business affairs of CAPREIT are appropriately managed by developing and implementing processes that will ensure the achievement of CAPREIT's financial and operating goals and objectives;
- Formulating and overseeing the implementation of major corporate policies;
- Establishing a strong working relationship with the Board;
- Keeping the Board aware of CAPREIT's performance and events affecting its business, including opportunities in the marketplace and adverse or positive developments;
- Serving as the chief spokesperson for CAPREIT and establishing CAPREIT's stakeholder engagement framework and strategy;

- Ensuring, in cooperation with the Board, that there is an effective succession plan for the Chief Executive Officer position;
- Ensuring that CAPREIT has an effective management team below the level of the Chief Executive Officer, and has an active plan for its development and succession; and
- Ensuring that there is clarity of objectives and focus for all employees and ensuring that there are clear and appropriate standards and measures of performance.

The mandate is reviewed by the Human Resources and Compensation Committee and considered by the Board for approval each year.

Chair of the Board

The Board has also developed a written position description for the Chair of the Board. The Chair, who is appointed by the Board on annual basis at the first meeting of the Board following the annual meeting of Trust Unitholders each year, is responsible for the effective functioning of the Board, his or her primary responsibility being to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under his or her mandate. The Chair serves for a term expiring following the next annual meeting of Trust Unitholders, or until a successor is appointed or he or she resigns.

The mandate of the Chair of the Board sets out the Chair's key responsibilities. The Chair of the Board is required to establish procedures to govern the Board's work and ensure the Board's full discharge of its duties, including:

- providing overall leadership to enhance the effectiveness and performance of the Board, the committees of the Board, and individual trustees of the Board;
- fostering ethical and responsible decision making by the Board, the committees of the Board, and individual trustees of the Board;
- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Board meetings;
- providing appropriate information from management to enable the Board and committees to exercise their accountabilities;
- ensuring that items requiring Board/committee approval are appropriately tabled;
- ensuring that the duties and responsibilities of the committees of the Board are carried out in accordance with the charters of such committees;
- assisting the committees of the Board in bringing their recommendations forward to the Board for consideration;
- ensuring proper flow of information to the Board and reviewing adequacy and timing of documentary materials in support of management's proposals;

- creating a cooperative atmosphere where individual trustees of the Board are encouraged to openly discuss, debate, and question matters requiring their attention in a constructive and productive fashion;
- ensuring that the independent trustees of the Board meet in a separate *in camera* session, as deemed necessary or advisable by the Board;
- ensuring that external advisors retained or to be retained by the Board are appropriately qualified and independent; and
- ensuring that the Board has access to members of senior management as may be required by the Board.

The Chair of the Board is also mandated to ensure the Board meets according to its regular schedule and otherwise as required; chair every Board meeting and encourage free and open discussion at meetings; chair every meeting of Trust Unitholders and respond to such questions as are put to the Chair of the Board of trustees at any such meeting; receive notices and materials for all committee meetings and attend all such meetings whenever possible; together with the Governance and Nominating Committee, identify guidelines for the selection of, and evaluation of performance of, the trustees; act as liaison between the Board and management; and carry out other duties as requested by the Board as a whole, depending on need and circumstances.

The mandate of the Chair is reviewed and considered annually by the Governance and Nominating Committee which recommends changes, if any, to the Board for approval each year.

Board Committee Chairs

Position descriptions for the Chairs of the Audit Committee, the Human Resources and Compensation Committee, the Governance and Nominating Committee, and the Investment Committee have also been approved by the respective committees and the Board, which set out their key responsibilities. Each Chair will work with its respective committee and management to ensure, to the greatest extent possible, effective functioning of the committee or board.

Audit Committee

The Chair of the Audit Committee is appointed by the Board on annual basis at the first meeting of the Board following the annual meeting of Trust Unitholders. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full committee membership.

The Charter of the Audit Committee and the position description for the Chair sets out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Audit Committee, is required to establish procedures to govern the Audit Committee's work and works with the Audit Committee and management to ensure, to the greatest extent possible, the Audit Committee's full discharge of its duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Audit Committee meetings;

- obtaining appropriate information from management to enable the Audit Committee to exercise their duties;
- in advance of each scheduled Audit Committee meeting receiving and reviewing a draft of the financial statements and management's discussion and analysis and meeting with management and such other members of the Audit Committee who wish to participate to provide their comments;
- working with the Audit Committee and management to ensure, to the greatest extent possible, that all items requiring Audit Committee approval or Audit Committee recommendations to the Board are appropriately tabled;
- working with the Audit Committee and management to ensure, to the greatest extent possible, proper flow of information to the Audit Committee and reviewing adequacy and timing of required documentary materials;
- working with the Audit Committee and management to ensure, to the greatest extent possible, that external advisors retained or to be retained by the Audit Committee are appropriately qualified and independent;
- working with the Audit Committee and management to ensure, to the greatest extent possible, that the Audit Committee has access to such members of senior management as may be required;
- working with the Audit Committee and management to ensure, to the greatest extent possible, an open and frank relationship between the Audit Committee and the internal and external auditors;
- from time to time, and in advance of each scheduled Audit Committee meeting, meeting with the internal auditor and the external auditor, with such other members of the Audit Committee who wish to participate, to review and discuss their respective reporting;
- working with the Audit Committee to oversee and manage the internal auditor and support the independence of the internal auditor; and
- supporting the independence of the external auditor from management.

The Chair of the Audit Committee is also mandated to discuss as necessary with the Chair of the Governance and Nominating Committee the skills, experience, and talents required for the Audit Committee on an ongoing basis; chair every meeting of the Audit Committee and encourage a free and open discussion at the meetings; report to the Board on behalf of the Audit Committee; attend every meeting of Trust Unitholders and respond to such questions from Trust Unitholders as may be put to the Chair of the Audit Committee; and carry out other duties as requested by the Board, depending on need and circumstances.

The mandate of the Chair of the Audit Committee is reviewed and considered annually by the Governance and Nominating Committee which recommends changes, if any, to the Board for approval each year.

For further information regarding the Audit Committee, please see Sections 14.2, 14.7, and Appendix “A” of the Annual Information Form, which can be accessed on SEDAR under CAPREIT’s profile at www.sedar.com.

Human Resources and Compensation Committee

The Chair of the Human Resources and Compensation Committee is elected by the Board on an annual basis at the first meeting of the Board following the annual meeting of Trust Unitholders. Unless a Chair is elected by the full Board, the members of the Human Resources and Compensation Committee may designate a Chair by majority vote of the full committee membership.

The Chair serves for a term expiring following the next annual meeting of Trust Unitholders, or until a successor is appointed or the Chair resigns.

The Charter of the Human Resources and Compensation Committee and the position description for the Chair sets out the Chair’s key responsibilities. The Chair, being responsible for the effective functioning of the Human Resources and Compensation Committee, is required to establish procedures to govern the Human Resources and Compensation Committee’s work and ensure the Human Resources and Compensation Committee’s full discharge of its duties, including:

- providing leadership to enable the Human Resources and Compensation Committee to effectively carry out its duties and responsibilities as described in the charter of the Human Resources and Compensation Committee, and as may otherwise be appropriate;
- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Human Resources and Compensation Committee meetings;
- providing appropriate information from management to enable the Human Resources and Compensation Committee to exercise their accountabilities;
- ensuring the Human Resources and Compensation Committee meets as necessary or appropriate to fulfill its mandate;
- ensuring that all items requiring Human Resources and Compensation Committee approval or Human Resources and Compensation Committee recommendations to the Board are appropriately tabled;
- ensuring proper flow of information to the Human Resources and Compensation Committee and reviewing adequacy and timing of documentary materials in support of management’s proposals;

- overseeing the assessment of the performance of the Human Resources and Compensation Committee;
- ensuring that external advisors retained or to be retained by the Human Resources and Compensation Committee are appropriately qualified and independent; and
- ensuring that the Human Resources and Compensation Committee has access to such members of senior management as may be required by the Board.

The mandate of the Chair of the Human Resources and Compensation Committee is reviewed and considered annually by the Governance and Nominating Committee which recommends changes, if any, to the Board for approval each year.

Governance and Nominating Committee

The Chair of the Governance and Nominating Committee is elected by the Board on an annual basis at the first meeting of the Board following the annual meeting of Trust Unitholders. Unless a Chair is elected by the full Board, the members of the Governance and Nominating Committee may designate a Chair by majority vote of the full committee membership.

The Chair serves for a term expiring following the next annual meeting of Trust Unitholders, or until a successor is appointed or the Chair resigns.

The Charter of the Governance and Nominating Committee and the position description for the Chair sets out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Governance and Nominating Committee, is required to establish procedures to govern the Governance and Nominating Committee's work and ensure the Governance and Nominating Committee's full discharge of its duties, including:

- providing leadership to enable the Governance and Nominating Committee to effectively carry out its duties and responsibilities as described in the charter of the Governance and Nominating Committee, and as may otherwise be appropriate;
- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Governance and Nominating Committee meetings;
- providing appropriate information from management to enable the Governance and Nominating Committee to exercise their accountabilities;
- ensuring the Governance and Nominating Committee meets as necessary or appropriate to fulfill its mandate;
- ensuring that all items requiring Governance and Nominating Committee approval or Governance and Nominating Committee recommendations to the Board are appropriately tabled;

- ensuring proper flow of information to the Governance and Nominating Committee and reviewing adequacy and timing of documentary materials in support of management's proposals;
- overseeing the assessment of the performance of the Governance and Nominating Committee;
- ensuring that external advisors retained or to be retained by the Governance and Nominating Committee are appropriately qualified and independent; and
- ensuring that the Governance and Nominating Committee has access to such members of senior management as may be required by the Board.

The mandate of the Chair of the Governance and Nominating Committee is reviewed and considered annually by the Governance and Nominating Committee which recommends changes, if any, to the Board for approval each year.

Investment Committee

The Chair of the Investment Committee is appointed by the Board on an annual basis following the annual meeting of Trust Unitholders. Unless a Chair is elected by the full Board, the members of the Investment Committee may designate a Chair by majority vote of the full Investment Committee membership.

The Charter of the Investment Committee and the position description for the Chair set out the Chair's key responsibilities. The Chair, being responsible for the effective functioning of the Investment Committee, is required to establish procedures to govern the Investment Committee's work and ensure the Investment Committee's full discharge of duties, including:

- collaborating with the President and Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Investment Committee meetings;
- providing appropriate information from management to enable the Investment Committee to exercise its accountabilities;
- ensuring that all items requiring Investment Committee approval or Investment Committee recommendations to the Board are appropriately tabled;
- ensuring proper flow of information to the Investment Committee and reviewing adequacy and timing of documentary materials; and
- ensuring that the Investment Committee has access to such members of senior management as may be required by the Investment Committee.

The Chair of the Investment Committee is also mandated to provide leadership to enable the Investment Committee to act effectively in carrying out its duties and responsibilities as described in the Investment Committee charter and as otherwise may be appropriate; ensure that there is an effective relationship between management and the members of the Investment Committee; ensure

that external advisors retained by the Investment Committee are appropriately qualified and independent; Chair every meeting of the Investment Committee and encourage free and open discussion at meetings of the Investment Committee; report to the Board on behalf of the Investment Committee; attend every meeting of Trust Unitholders and respond to such questions from Trust Unitholders as may be put to the Chair of the Investment Committee; carry out other duties as requested by the Board, depending on need and circumstances; and ensure that the conduct of the Investment Committee provides adequate time for serious discussion of relevant issues.

The mandate of the Chair of the Investment Committee is reviewed and considered annually by the Governance and Nominating Committee which recommends changes, if any, to the Board for approval each year.

Orientation and Continuing Education

New Trustees

CAPREIT ensures that new trustees have a general understanding of both the business of CAPREIT and the roles and responsibilities of the Board and its committees.

New trustees are invited to meet with the Chair of the Board, as well as with each member of senior management. To further provide a comprehensive understanding of both the underlying principles governing CAPREIT's operations as well as the role of the Board and its committees, new trustees are provided with documents material to CAPREIT, including CAPREIT's Annual Information Form, Declaration of Trust, Management Information Circular, committee charters, business policies including the disclosure policy, as well as historical financial statements.

In addition, new trustees are invited to tour part of CAPREIT's portfolio in order to familiarize themselves with CAPREIT's operations, property management, and a segment of the property portfolio. This tour also provides new trustees with an opportunity to ask any questions they may have regarding the nature and operations of the business and the implementation of CAPREIT's business strategy.

Ongoing Education

In addition, CAPREIT provides trustees with ongoing education and information sessions to ensure that they remain current with respect to CAPREIT's financial condition, operations, current trends, and other matters related to the advancement of the success of CAPREIT and the implementation of CAPREIT's long-term strategies.

As part of its formal trustee education program, CAPREIT provides trustees with the following education:

- At each quarterly meeting of the Board, the President and Chief Executive Officer and the Chief Financial Officer make a detailed presentation to the Board with respect to CAPREIT's operating performance and financial results. The President and Chief Executive Officer also provides a comprehensive review of CAPREIT's current and foreseeable opportunities and challenges, market conditions, and market trends.

- To educate the trustees on the operations of CAPREIT, members of CAPREIT's management make presentations to the Board on operational strategy and initiatives, including a review of the competitive environment for acquisitions, dispositions, and development activity, local market trends, and CAPREIT's performance relative to its peers.
- To educate the trustees on the growth and development of CAPREIT employees, members of the human resources department meet with the Human Resources and Compensation Committee and the Board regularly to present on strategy and initiatives in leadership, education, and training.
- At each quarterly meeting of the Board, the Executive Vice President, Risk & Compliance provides an update on the progress of the enterprise risk management program and compliance program at CAPREIT. Included in the update is a review of risks faced by the CAPREIT, together with any mitigating factors.
- Every year, the Board meets for a strategy session which may include members of management and/or industry experts.
- At each quarterly meeting of the Board, the President and Chief Executive Officer, and from time to time certain members of senior management, update the Board on the status of the implementation of the strategic plan for that year.
- Internal education on topics affecting CAPREIT, including changes to applicable legislation, compensation disclosure requirements, governance practices, environmental regulations, and accounting standards, are provided on an ongoing basis.
- Where possible, trustees participate in property tours with senior management on a periodic basis.

In addition, in 2022, trustees participated in the following:

Who Participated	Who Presented	Education Activity
Certain Trustees	Adjunct Lecturer at Stanford University	Indigenous Speakers Series: “Indigenous Peoples in the Corporate Sector and Housing”
Full Board	Former Chief Financial Officer	At-the-market (ATM) Equity Programs
Full Board	Management (Human Resources and ESG) & ESG Consultant	ESG Targets
Elaine Todres	Institute of Corporate Directors (ICD)	Board Oversight and Climate Change
Full Board	Management	Tax Implications of Development
Full Board	Government Relations Consultant	Government Relations
Full Board	SVP, Tax and Government Relations	Tax Impact of Disposition Program
Full Board	Climate Consultant	Climate Maturity Assessment
Full Board	EVP, Technology and Director, Information Security	Cybersecurity
Members of Governance and Nominating Committee, Chair of the Board and Chief Executive Officer	Legal Counsel	2022 Corporate Governance Update
Members of the Human Resources Compensation Committee, Chair of the Board and Chief Executive Officer	Compensation Consultant	Presentation on Compensation Trends

Mr. Burke and Dr. Todres have completed their Director Education Programs at the Rotman School of Management and carry the ICD.D designation.

Board Oversight of Risk Management

Pursuant to the Declaration of Trust, the Board is responsible for identifying the principal risks of the business and ensuring these risks are being appropriately managed. The Board regularly discusses with management CAPREIT’s policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures, and the steps management has taken to monitor and control any exposure resulting from such risks.

To assist the Board in identifying the principal risks faced by CAPREIT, the Board receives quarterly presentations from management assessing principal risks and risk mitigation, including presentations on the testing of the accuracy of CAPREIT’s continuous disclosure documents. The following principal risks have been identified for consideration by the Board:

- impact of public health crises on CAPREIT’s business and human resources, including the impact on revenues and human capital;

- economic conditions that could adversely affect CAPREIT's financial performance, including lack of affordable housing and price inflation;
- significant changes in federal and provincial laws and regulations and municipal laws, regulations, work orders, and code violations;
- volatility of real property valuations and its impact on leverage;
- changes in the interest rate environment;
- foreign currency risk;
- taxation-related risk;
- climate-related risk;
- catastrophic events;
- litigation risk;
- liquidity and unit price volatility;
- inability to effectively manage the continued growth of CAPREIT;
- ineffective succession planning of senior leadership;
- inability to maintain the debt profile required by CAPREIT for operations;
- non-compliance with CAPREIT's debt covenants;
- non-compliance with specified investment flow-through (SIFT) legislation;
- occurrence of a significant cybersecurity breach or privacy breach;
- inability to effectively manage CAPREIT's technology infrastructure and information technology risks;
- risks related to system availability and security from third party incursions;
- ineffective data governance and management;
- material breach of CAPREIT's Code of Business Ethics and Conduct or other material policies or procedures;
- environmental risks and inability to provide a safe and healthy environment at CAPREIT's properties and worksites;
- inability to effectively respond to a significant crisis or business disruption in accordance with CAPREIT's business continuity plan and/or disaster recovery plan;

- inability to maximize the effectiveness of CAPREIT's human capital and attract new human capital;
- inability to attract and retain tenants and provide a positive tenant experience;
- reputational risk associated with tenant activism;
- inability to execute CAPREIT's ESG strategy and roadmap, including our sustainability programs;
- ineffective controls relating to document review, signing and approval processes; and
- ineffective and/or inefficient vendor and procurement management processes.

ESG Oversight

The Board oversees and monitors CAPREIT's policies and practices related to its ESG program, including management of climate-related risks and opportunities, and alignment of the ESG strategy with CAPREIT's overall business strategy. The Audit Committee, the Human Resources and Compensation Committee, the Governance and Nominating Committee, and the Investment Committee have responsibilities related to ESG laid out in their respective charters, as detailed below.

Pursuant to the Board's mandate, the Board shall oversee and monitor CAPREIT's policies and practices related to its Environmental, Social, and Governance ("ESG") program, including management of climate-related risks and opportunities and alignment of the ESG strategy with CAPREIT's overall business strategy. The Board shall satisfy itself that CAPREIT has developed and implemented appropriate ESG standards in the conduct of its operations. At least annually, the Board shall review CAPREIT's ESG reporting and verify compliance with any applicable legal and regulatory requirements related to ESG disclosure.

Pursuant to the charter of the Audit Committee, the members of the Audit Committee must satisfy themselves that adequate procedures and controls are in place for the review of metrics, key performance indicators, and other quantitative data included in CAPREIT's public disclosure relating to environmental, social, and governance reporting.

Pursuant to the charter of the Human Resources and Compensation Committee, the Human Resources and Compensation Committee is responsible to periodically review CAPREIT's policies and programs in place related to human resources planning, leadership and career development, diversity, equity and inclusion, health and safety, and succession planning for executives, and, where appropriate, ensure such policies and programs are consistent with CAPREIT's overall business plan and strategy, including its ESG strategy as it relates to human capital and corporate culture.

Pursuant to the charter of the Governance and Nominating Committee, the Governance and Nominating Committee shall review CAPREIT's Diversity, Refreshment and Renewal Policy at least annually and take into consideration the Diversity, Refreshment and Renewal Policy when establishing qualifications for potential trustees and officers. In addition, the charter provides that the Governance and Nominating Committee shall review, on a periodic basis, CAPREIT's governance practices in relation to its ESG program, including assessing and making recommendations regarding

the Board's level of ESG education and expertise, and shall review CAPREIT's public disclosure related to its ESG policies and practices.

Pursuant to the charter of the Investment Committee, the Investment Committee shall review all proposed investments prior to approval for alignment with CAPREIT's ESG program and strategy.

The Board has appointed Elaine Todres as the ESG liaison between the Board and CAPREIT's senior management. Ms. Todres is actively engaged in the evolution of CAPREIT's ESG strategy as a member of the CAPREIT management ESG committee.

In addition, the Board skills matrix was amended in February 2023 to include various ESG-related skills including energy management and/or climate-related risk; social responsibility and community engagement; equity, diversity and inclusion and corporate governance. See the Board skills matrix under "**Board of Trustees – Composition**" for a summary of ESG-related skills possessed by each individual who is proposed for election as a trustee at the Meeting.

CAPREIT's Chief People, Culture and Brand Officer has direct authority over ESG at the executive level and directs CAPREIT's internal ESG team which includes a director and a manager. The director of ESG ensures CAPREIT's ESG strategy is translated into an implementation roadmap and departmental action plans and budgets. The director also supports internal and external sustainability reporting, including disclosures such as the Global Real Estate Sustainability Benchmark ("**GRESB**") and CAPREIT's annual ESG report (the "**ESG Report**").

To ensure the Board and management have, or have access to, the competencies needed to engage on climate matters, CAPREIT conducted two substantial climate related trainings/workshops in 2022 focusing on carbon reduction and Task Force on Climate-related Financial Disclosures' ("**TCFD**") reporting exclusively for the Board, executives and senior managers with support from external ESG experts. The ESG team provided quarterly updates to the Board and management in 2022 and will be expanding their process to include quarterly updates with each committee of the Board in 2023, thus enabling Board-level awareness of ESG/climate change-related matters at CAPREIT.

CAPREIT continues to review and refine its multi-year ESG strategy and roadmap. The ESG strategy is aligned with CAPREIT's vision of being the best place to Live, Work, and Invest. CAPREIT's overarching commitments include ensuring that our buildings and services meet the highest standards and make a positive contribution to the community, fostering a culture where diversity, equity and inclusion is foundational and where extraordinary talent seeks to expand their skill sets and develop their careers, and integrating ESG into all aspects of CAPREIT's business supported by strong governance and ESG/climate performance metrics and disclosures. The ESG strategy and roadmap are supported by the Board and all levels of the organization contribute to the implementation of the strategy and achievement of deliverables. This strategy and roadmap allow CAPREIT to better demonstrate its environmental responsibility, attract and retain the best people in the business in which it operates, build strong relationships with its residents and the communities in which they live, adopt best practice programs in governance, and maintain open and transparent communication with its investors. Please see CAPREIT's ESG Report for more information on CAPREIT's ESG strategy, its commitments and priority areas, and its plan to move forward.

CAPREIT focuses on several ESG-specific deliverables. Through building in-house ESG subject matter expertise, CAPREIT empowers its people to be advocates and enablers of ESG transparency and

performance, to develop and monitor cross-functional policies, carry out ongoing stakeholder engagements, establish frameworks, platforms and practices to deliver investment-grade data, identify and monitor its progress, and build standardized and comprehensive ESG disclosures. In support of CAPREIT's ongoing commitment to ESG integration and performance, management continues to support submission to the GRESB, the results of which will inform future cycles of improvement and the evolution of CAPREIT's strategy going forward. In addition to CAPREIT's commitment to releasing annual ESG Reports aligned to leading global standards (e.g., the Global Reporting Initiative and the Sustainability Accounting Standards Board), management is moving ahead with enhancing CAPREIT's climate-related disclosures in 2023. CAPREIT will be focusing attention on developing alignment with the TCFD recommendations in its ESG Report and will add climate-related information throughout its public disclosures.

Information Security

Pursuant to the Board's Mandate, included at Appendix 1 of this Circular, the Board has oversight over information security. Accordingly, in order to fulfill this oversight responsibility, each quarter the Board reviews reports provided by management on any significant privacy breach, or information or cyber security related events, that could impact CAPREIT's business or operations. In addition, annually, the Board reviews reports provided by management on CAPREIT's information and cyber security program, including a review of the key policies and procedures, the investment in information security, and reporting on training completed by CAPREIT employees. In addition, CAPREIT's Executive Vice President, Technology meets with the Board and the Audit Committee to brief them on CAPREIT's cybersecurity control environment. Access to CAPREIT's confidential information, including personal information, is controlled through physical measures (e.g. locked offices and secure storage locations, alarm monitoring, cameras), administrative measures (e.g. data minimization, data retention policies, data destruction practices, and audits) and IT security measures (e.g. multi-factor authentication, firewalls, antivirus, intrusion detection, and encryption). Cybersecurity personnel and third-party consultants are engaged, where required, to assist with assessing the IT environment and cyber risks. Annually, CAPREIT engages industry-leading third-parties to assess and/or challenge its cybersecurity defenses. In 2022, an adversarial red team assessment was undertaken. CAPREIT employees receive regular awareness training on cybersecurity, privacy, and data protection. In the past three years, CAPREIT has not experienced a material information security breach. CAPREIT maintains cybersecurity insurance coverage.

The Board skills matrix was amended in February 2023 to include oversight of information technology and/or cybersecurity as a key skill. Mr. Levasseur currently possesses this skill. In addition, Ms. Stoddart has significant experience advising on privacy and cybersecurity breaches.

Nomination of Trustees

CAPREIT has a Governance and Nominating Committee with nominating responsibilities. However, the full Board retains the discretion to select nominees and fill vacancies. The Governance and Nominating Committee is required, as necessary or appropriate, to establish qualifications for trustees and procedures for identifying possible nominees who meet these criteria. In doing so, it should (i) consider the Diversity, Refreshment and Renewal Policy, the desired competencies and skills, and the appropriate size of the Board, (ii) analyze the current skills and competencies of the Board, as well as

the needs of the Board, when vacancies arise on the Board, and (iii) identify and recommend nominees who meet such needs. For the Governance and Nominating Committee to recommend an individual for Board membership, candidates should be assessed on their individual qualifications, diversity, experience, and expertise, and should exhibit the highest degree of integrity, professionalism, values, and independent judgment. The Governance and Nominating Committee believes that nominees for the Board should possess established skill sets, including but not limited to management and executive leadership experience, corporate governance, financial accounting, real estate, information technology, climate-related risk management and diversity and inclusion.

The Governance and Nominating Committee also has the responsibility of recommending the resignation or removal of trustees or officers, where their current or past conduct is or has been improper or reasonably likely to adversely affect the assets or reputation of CAPREIT.

The Governance and Nominating Committee is composed entirely of independent trustees.

Ethical Business Conduct

Effective February 22, 2023, the Governance and Nominating Committee updated its code of business ethics and conduct (the “**Code of Business Ethics and Conduct**”). The Code of Business Ethics and Conduct applies to CAPREIT, its subsidiaries and to their officers, trustees, directors, employees and contract employees.

The principles outlined in the Code of Business Ethics and Conduct are intended to:

- (i) establish a minimum standard of conduct by which all officers, trustees, directors, employees and contract employees are expected to abide;
- (ii) protect the interests of CAPREIT and its stakeholders, including employees, residents, and investors;
- (iii) maintain CAPREIT’s reputation of doing what is right; and
- (iv) facilitate mechanisms for open communication by CAPREIT officers, trustees, directors, employees and contract employees regarding how CAPREIT complies with legal and regulatory obligations, and how business is conducted generally.

The Code of Business Ethics and Conduct addresses a range of topics, including honesty and integrity, following the letter and spirit of the law, how to avoid and address conflicts of interest, workplace behaviour, anti-bribery, anti-corruption, confidentiality, privacy and protecting CAPREIT’s assets, disclosure controls and internal controls, and, most importantly, the obligation of CAPREIT officers, trustees, directors, employee and contract employees to speak up about any concerns or violations of CAPREIT’s principles.

The Governance and Nominating Committee reviews the Code of Business Ethics and Conduct annually, along with the process for socializing and ensuring compliance with it. The Governance and Nominating Committee monitors compliance with the Code of Business Ethics and Conduct, with assistance from the Compliance and Ethics Department, through comprehensive record keeping and reporting from management.

The Code of Business Ethics and Conduct, in addition to CAPREIT's Declaration of Trust, requires that if any officers, trustees, directors, employees and contract employees of CAPREIT is a party to a proposed or existing material contract or transaction with CAPREIT or has a material interest in, a person who is a party to a proposed or existing material contract or transaction with CAPREIT, they must promptly disclose such conflict of interest in writing to the Compliance and Ethics Department, or, for trustees and executive officers, disclosure must be made to the Governance and Nominating Committee. Except in limited circumstances, a trustee who has a conflict of interest may not vote on any resolution to approve such a contract or transaction.

The trustees, as part of their mandate, are responsible for satisfying themselves as to the integrity of the Chief Executive Officer and other executives, and that the Chief Executive Officer and other executives create a culture of integrity throughout CAPREIT's organization.

Any changes to the Code of Business Ethics and Conduct are considered by the Board for approval. The Code of Business Ethics and Conduct is available on CAPREIT's website at <https://ir.capreit.ca> and is available on SEDAR under CAPREIT's profile at www.sedar.com.

Compensation

The Human Resources and Compensation Committee reviews and recommends, for Board approval, CAPREIT's trustee compensation policy and practices. The Human Resources and Compensation Committee considers many factors, including whether the compensation fairly reflects the responsibilities and risks involved. The Human Resources and Compensation Committee may retain an independent external consultant to provide data and advice to the Human Resources and Compensation Committee on the appropriateness of its trustee compensation policy and levels, particularly in light of the number of meetings and amount of time required to be spent by the trustees to fulfill their Board and committee obligations. See "**Compensation Discussion & Analysis**" above for further information.

Assessments

The Board has a formal process in place for the annual evaluation and review of its own performance and that of its committees and its trustees. The Board delegated this function to the Governance and Nominating Committee which, under its Charter, is required to conduct an annual assessment of the effectiveness of the trustees and the Board as a whole. The Governance and Nominating Committee may retain an external consultant to assist in conducting this assessment.

The assessment process for the 2022 financial year was completed in February 2023. In connection with this assessment, the trustees participated in a review process overseen by the Chair of the Governance and Nominating Committee to assess the performance of the Board and its committees, which included a trustee self-assessment and peer review evaluation. The trustees complete questionnaires to assist in reviewing their own and each other's performance, as well as the performance of the Board and its committees, against their mandate and other criteria. The questionnaires covered a range of dimensions such as board skills, board strategy, board integrity, board structure, and board committees. The data obtained from the questionnaires, and any individual interviews which the Chair of the Governance and Nominating Committee may conduct, were compiled. The assessment culminates in a formal report by the Chair of the Governance and Nominating Committee and to the full Board. The Chair of the Governance and Nominating Committee discussed the report with the

trustees and highlighted any improvement opportunities to facilitate the greater functioning of the Board and its committees. Overall, the results of the assessment process for the 2022 financial year indicated that the Board and its committees are continuing to function effectively, and the Board and its committees were led by experienced trustees who dedicate the time required to properly fulfill their roles and responsibilities.

Trustee Term Limits and Other Mechanisms of Board Renewal

The Board values diversity of thought and experience along with industry expertise and institutional knowledge, as among the key factors to the successful functioning of the Board. Given the nature and size of CAPREIT's business and its industry, the Board has determined that its commitment to board diversity, refreshment and renewal is best addressed through a qualitative analysis of the skills, expertise, perspectives and experience required for the Board from time to time, as set out in the Board skills matrix. See "**Board Skills - Composition**".

As such, the Board has not adopted strict term limits for trustees and will support board refreshment through the other mechanisms designed to address the needs of CAPREIT. Diversity and Board renewal will be supported through other mechanisms, including the Diversity, Refreshment and Renewal Policy (as explained below), designed to address the needs of CAPREIT.

Diversity, Refreshment and Renewal Policy

CAPREIT has adopted a Diversity, Refreshment and Renewal Policy in order to ensure that the Board is comprised of highly talented and experienced individuals, having regard to the need to foster and promote diversity among board members. CAPREIT's Diversity, Refreshment and Renewal Policy stipulates that a truly diverse Board will include and make good use of differences in skills, regional and industry experience, geographic knowledge and location, as well as gender, ethnicity, age, national origin, disability, sexual orientation, and other factors which reflect the diversity of CAPREIT's stakeholders, including customers and employees and the changing demographics of the communities in which CAPREIT operates.

Pursuant to the terms of the Diversity, Refreshment and Renewal Policy, the Governance and Nominating Committee shall, in considering candidates for nomination to the Board,:

- consider individuals who are highly qualified, based on their talents, experience, functional expertise, personal skills, character, and qualities, having regard to CAPREIT's current and future plans and objectives, as well as anticipated regulatory and market developments;
- have due regard for the need to identify and promote individuals who are reflective of the diversity recognized in the Diversity, Refreshment and Renewal Policy for nomination for election to the Board; and
- consider the level of representation of men, women and racially and/or ethnically diverse trustees on the Board when making recommendations for nominees to the Board and in general with regard to succession planning for the Board.

CAPREIT's Governance and Nominating Committee ensures that the Diversity, Refreshment and Renewal Policy is effectively implemented by:

- completing annual evaluations and assessments of individual board members, as well as board committees and the Board as a whole, to identify strengths and areas for improvement;
- developing and maintaining a trustee skills matrix that identifies the skills, experience, and expertise required for the Board, along with potential areas for growth and improvement, with regard to the future needs of CAPREIT based on its strategic plans;
- developing measures designed to ensure that the nominee recruitment and identification processes are appropriate in terms of depth and scope to foster identification and progression of diverse candidates, and to ensure that qualified female and racially and/or ethnically diverse candidates are considered to fill any needs on the Board; and
- if deemed appropriate in the circumstances, engage qualified independent external advisors to assist the Governance and Nominating Committee and the Board in conducting searches for candidates that align with the goals of the Diversity, Refreshment and Renewal Policy, as noted above. Any search firm engaged to assist in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates reflecting the goals and commitments set out in the Diversity, Refreshment and Renewal Policy.

The Diversity, Refreshment and Renewal Policy was updated in February 2023. CAPREIT will track the annual and cumulative progress of CAPREIT in achieving the objectives of the Diversity, Refreshment and Renewal Policy in 2023 and beyond. The Governance and Nominating Committee will measure the effectiveness of the Diversity, Refreshment and Renewal Policy on an annual basis by considering whether the Board is composed of appropriately qualified people with a broad range of expertise relevant to CAPREIT's business.

A copy of CAPREIT's Diversity, Refreshment and Renewal Policy is available on CAPREIT's website at <https://ir.capreit.ca>. CAPREIT reserves the right, at its absolute discretion, to change the Diversity, Refreshment and Renewal Policy from time to time as it considers necessary.

Commitment to Diversity in Executive Officer Appointments

In appointing executive officers to the management team, CAPREIT considers the level of representation of women in executive officer positions. In filling any executive officer appointments, CAPREIT takes into account the following factors:

- the competencies and skills the executive team, as a whole, should possess;
- the competencies, skills, and personal and other diverse qualities the existing executive officers possess; and

- the competencies, skills, and personal and other diverse qualities required for new executive officers in order to add value to CAPREIT in light of opportunities and risks facing CAPREIT.

CAPREIT's Targets Regarding Diversity on the Board and in Executive Officer Positions

In furtherance of CAPREIT's commitment to maintaining a diverse Board, the Board has established a target such that 30% of the trustees on the Board will be women or men. In furtherance of the specific commitment to racial and/or ethnic diversity, the Board has established a target that at least one trustee on the Board will be racially and/or ethnically diverse.

CAPREIT is also committed to ensuring that diversity and inclusion is reflected in senior management positions. As such, the Human Resources and Compensation Committee has regard to the need to foster and promote diversity among members of the executive and senior management teams with respect to attributes such as gender, ethnicity, age, national origin, disability, sexual orientation, and other factors as identified in the Diversity, Refreshment and Renewal Policy or that may be representative of the changing demographics of the communities in which CAPREIT operates.

	Target Representation for Women		Specific Date for Achievement	Progress in Achieving Target
	Number	%		
Board of trustees	N/A	30%	None	The target has been achieved. Women represented 33.33% of trustees as of December 31, 2022 and 44.44% as of March 29, 2023
Executive Officer Positions	N/A	N/A	N/A	N/A
	Target Representation for Racial and/or Ethnic Diversity		Specific Date for Achievement	Progress in Achieving Target
	Number	%		
Board of trustees	1	N/A	None	This target has been met.
Executive Officer Positions	N/A	N/A	N/A	N/A

Diversity on the Board and in Executive Officer Positions

CAPREIT believes that having a mix of trustees and executive officers who are from varied backgrounds and who bring a diverse range of perspectives and insights fosters enhanced decision-making and promotes better corporate governance.

The following table summarizes CAPREIT's diversity on the Board and in senior executive management (Vice President and above) positions at CAPREIT and CAPREIT's major subsidiaries (as that term is defined in National Instrument 55-104 – *Insider Reporting Requirements and Reporting Exemptions*), excluding ERES, as of December 31, 2022. In addition, 44.44% of the trustees on the Board are bilingual in English and French.

	Diversity Statistics	
	Number	%
Women on the Board	3	33.33%
Women in senior executive management	7	35.00%
Trustees who self-identify as Indigenous Peoples (First Nations, Métis and Inuit)	0	0.00%
Senior executive management who self-identify as Indigenous Peoples (First Nations, Métis and Inuit)	0	0.00%
Trustees who self-identify as a member of a visible minority	2	22.22%
Senior executive management who self-identify as a member of a visible minority	9	45.00%
Trustees who self-identify as a person with a disability	0	0.00%
Senior executive management who self-identify as a person with a disability	0	0.00%
Trustees who self-identify as a member of two or more designated groups	2	22.22%
Senior executive management who self-identify as a member of two or more designated groups	2	10.00%

INDEMNIFICATION OF TRUSTEES AND OFFICERS

CAPREIT indemnifies the trustees, directors and officers against certain losses arising from allegation against them in their capacity for certain acts, errors, or omissions, as such. CAPREIT maintains management liability insurance for its trustees, directors and officers. The policy provides insurance for trustees, directors and officers of CAPREIT in respect of certain losses arising from claims against them for certain of their acts, errors, or omissions in their capacities as trustees, directors or officers. CAPREIT is also reimbursed by the management liability insurance against loss arising out of any payment for which it is required or permitted by law to make to trustees, directors or officers in respect of such claims and for direct securities claims against the company. For the policy period ended March 31, 2023, the policy limit for such management liability insurance coverage applicable to CAPREIT and its trustees, directors and officers was \$65 million per annual aggregate with a \$250,000 deductible. The premium (excluding applicable taxes) paid by CAPREIT for the period ending March 31, 2023 was \$273,065.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than the election of trustees, none of the trustees or executive officers of CAPREIT who have been a trustee or executive officer since the commencement of CAPREIT's last financial year, nominees for election as trustees of CAPREIT, or associate or affiliate of any of the foregoing have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting.

INFORMATION ON CAPREIT'S AUDITOR

The Board accepted PwC's resignation as CAPREIT's auditor effective May 15, 2023. For the year ended December 31, 2022, PwC has advised that they are independent with respect to CAPREIT within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

EY has advised that they are independent with respect to CAPREIT within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

The Audit Committee is directly responsible for recommending the appointment of the external auditor and for the compensation and oversight of the external auditor.

As part of this function, the Audit Committee is responsible for evaluating and monitoring the external auditor's qualifications, performance and independence, as well as assessing the appropriateness of the audit fees. This includes implementation and assessment of controls and other procedures designed to ensure auditor independence, such as mandatory audit partner rotation and limits on auditor tenure. In furtherance of these goals, subject to the Audit Committee's assessment and evaluation of the external auditor at the relevant time, including the risks and benefits of having a long-tenured auditor, it is the goal of CAPREIT that the external audit services be put out to tender not less frequently than every ten (10) years, with the maximum term of the external auditor generally to be fifteen (15) years.

The following chart summarizes the fees for services provided by the auditor to CAPREIT, excluding ERES, for the fiscal years 2022 and 2021.

Nature of Fees	2022	2021
Audit fees: Includes fees billed for audit and review services in respect of the annual and quarterly consolidated financial statements and other regulatory filings.	\$1,391,311	\$966,272
Audit-related fees: Includes fees billed for services related to consultations regarding financial accounting and reporting standards not classified as audit, prospectuses filed during the respective years, and other compliance related matters not included under "Audit fees".	\$205,374	\$182,704
Tax-related fees:		
• Compliance. Includes fees billed for tax compliance and the review of tax returns.	\$201,713	\$230,633
• Consulting. Includes tax fees billed for tax planning and tax advisory services.	\$117,645	\$329,540
All other fees: Includes fees billed for all other services other than those presented in the categories of audit fees, audit-related fees and tax fees, including other advisory services.	\$-	\$-
Total	\$1,916,043	\$1,709,149

The Audit Committee considered and agreed that the above fees are compatible with maintaining the independence of CAPREIT's auditor. Further, the Audit Committee determined that, in order to ensure the continued independence of the auditor, only limited non-audit related services will be provided to CAPREIT by CAPREIT's external auditor and in such case, only with the prior approval of the Audit Committee.

GENERAL

The consolidated financial statements of CAPREIT for the financial year ended December 31, 2022, together with the report of the auditor thereon, will be presented to Trust Unitholders at the Meeting for their consideration.

Open dialogue with Trust Unitholders is a key priority for the Board, and Trust Unitholders are encouraged to provide feedback. To this end, the Board has adopted a formal unitholder engagement policy, which reinforces the commitment to regular and constructive communication and engagement with Trust Unitholders and speaks to how this commitment is fulfilled and how executive management and the Board may be contacted about perspectives or concerns. The policy is available at: <https://ir.capreit.ca>.

Board of Trustees: Trust Unitholders can write directly to the Chair of the Board at: gcody@crbod.net. The Chair of the Board meets with Trust Unitholders upon request.

Management: The President and Chief Executive Officer and the executive team meet regularly with financial analysts and institutional investors.

Investor Relations: Our Investor Relations group is responsible for maintaining communications with the investing public. Investor Relations staff are available to Trust Unitholders by email at: ir@capreit.net.

Events: The President and Chief Executive Officer and the executive team regularly attend and speak at industry events.

Live Broadcasts: Quarterly earnings calls with analysts are broadcast live and are archived on our Investor Relations website at: <https://ir.capreit.ca>.

ADDITIONAL INFORMATION

Additional information relating to CAPREIT is available on SEDAR under CAPREIT's profile at www.sedar.com. Trust Unitholders may contact the Chief Financial Officer of CAPREIT at (416) 306-3009 to request copies of CAPREIT's consolidated financial statements and management's discussion and analysis.

Financial information is provided in CAPREIT's comparative consolidated financial statements and management's discussion and analysis for its most recently completed financial year which are available on SEDAR under CAPREIT's profile at www.sedar.com.

APPROVAL OF TRUSTEES

The contents and the sending of this Circular have been approved by the trustees of CAPREIT.

DATED at Toronto this 12th day of April 2023.

On behalf of the trustees of

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

(Signed) MARK KENNEY

President and Chief Executive Officer

APPENDIX 1: BOARD MANDATE

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

BOARD MANDATE

1. Purpose

The amended and restated declaration of trust dated June 1, 2022 (as may be amended from time to time, the “**Declaration of Trust**”) for Canadian Apartment Properties Real Estate Investment Trust (“**CAPREIT**”) stipulates that the trustees (the “**Trustees**”) of CAPREIT have power, control and authority over the assets of CAPREIT and over the affairs of CAPREIT. The objectives of CAPREIT are contained in CAPREIT’s Declaration of Trust. In achieving these objectives, the Trustees are subject to the investment guidelines and operating policies set out in the Declaration of Trust. For purposes of this Mandate, “CAPREIT” refers to Canadian Apartment Properties Real Estate Investment Trust together with its subsidiaries and controlled entities.

2. Procedure and Organization

The operations of CAPREIT are subject to the control of the Trustees and the Declaration of Trust. The Trustees may delegate any of their powers to committees of Trustees and allow any person to operate the real properties of CAPREIT. The Trustees, however, retain all other responsibilities and duties to themselves including appointing officers of CAPREIT, constituting committees of the Trustees and those other responsibilities and duties that the Trustees cannot delegate as expressly set out in the Declaration of Trust.

3. Duties and Responsibilities

As noted above, the Trustees are responsible for the stewardship of CAPREIT. In fulfilling their responsibilities and duties, the Trustees shall exercise their power and carry out their functions honestly, in good faith and in the best interests of CAPREIT and its unitholders and in connection therewith they must exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Trustees’ principal responsibilities and duties fall into a number of categories which are outlined below.

Declaration of Trust

The Trustees shall be responsible for exercising their powers or taking whatever actions as may be necessary or desirable in order to carry out the provisions of the Declaration of Trust and ensuring that the exercise of such powers or taking of such actions is not inconsistent with the provisions of the Declaration of Trust.

Strategic Planning

Strategic Plans and Objectives

At least annually, the board of Trustees of CAPREIT (the “**Board**”) shall review and, if advisable, adopt and approve a strategic planning process and a strategic plan for CAPREIT. In discharging this

responsibility, the Board shall review the plan in light of management's assessment of CAPREIT's broad strategic objectives and values, emerging trends, the competitive environment, the opportunities for the business of CAPREIT, risk issues, CAPREIT's environmental, social and governance (ESG) program and significant business practices and products. In this regard, the Board will:

- (i) Approve long-term strategies;
- (ii) Review and approve, on an annual basis if appropriate, management's strategic and operational plans so that they are consistent with long-term goals;
- (iii) Review and approve CAPREIT's financial objectives, plans and actions;
- (iv) Approve significant acquisitions, sales of assets or units, and material financing arrangements;
- (v) Review and approve CAPREIT's distribution policy and approve the timing and payment of distributions;
- (vi) Set targets and budgets against which to measure executive performance and the performance of CAPREIT;
- (vii) Satisfy itself of the appropriateness of all executive and colleague compensation matters and that a portion of executive compensation is linked appropriately to the performance of CAPREIT; and
- (viii) Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management.

Business and Capital Plans

At least annually, the Board shall review and, if advisable, approve CAPREIT's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

Monitoring and Assessment Criteria

At least annually, the Board shall review management's implementation of CAPREIT's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans and shall, from time to time, determine the appropriate criteria against which to evaluate performance, and set strategic goals and objectives within this context.

Environmental, Social and Governance

The Board shall oversee and monitor CAPREIT's policies and practices related to its ESG program, including management of climate-related risks and opportunities, and alignment of the ESG strategy with CAPREIT's overall business strategy. The Board will satisfy itself that CAPREIT has developed and implemented appropriate ESG standards in the conduct of its operations. At least annually, the

Board shall review CAPREIT's ESG report and verify compliance with any applicable legal and regulatory requirements related to ESG disclosure.

Risk Management

General

At least annually, the Board shall review reports provided by management of principal risks associated with CAPREIT's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

Verification of Controls

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management. The Board shall continuously oversee CAPREIT's financial reporting and disclosure obligations in accordance with applicable law, approve CAPREIT's financial statements, management's discussion and analysis and related releases, and oversee CAPREIT's compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures.

Information Security

At least quarterly, the Board shall review reports provided by management on any significant privacy breach, or information or cyber security related events, that could impact CAPREIT's business or operations. At least annually, the Board shall review reports provided by management on CAPREIT's information and cyber security program, including a review of the key policies and procedures, the investment in information security, and reporting on training completed by CAPREIT employees.

Oversight of Management

General

At least annually, the Board shall review CAPREIT's approach to executive compensation and Trustee compensation and assessment.

Succession Review

At least annually, the Board shall review the succession plans of CAPREIT for the Chair, Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons. The Board may delegate succession planning to a committee to consider CAPREIT's succession plans in greater detail and report to the Board as necessary.

Integrity of Senior Management

The Board shall, to the extent feasible, oversee senior management and satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of CAPREIT and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout CAPREIT.

Corporate Governance

General

At least annually, the Board shall review CAPREIT's approach to corporate governance.

Trustee Independence

At least annually, the Board shall review Trustee independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

Ethics Reporting

The Board has adopted a written Code of Business Ethics and Conduct (the "**Code**") applicable to Trustees, officers and employees of CAPREIT. At least annually, the Board shall review compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review any complaints received under the Code.

Board Mandate Review

Periodically, at least every five years, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Communications

General

The Board has adopted a Disclosure Policy for CAPREIT. The Board shall review CAPREIT's Disclosure Policy on an annual basis, including measures for receiving feedback from CAPREIT's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to CAPREIT's Disclosure Policy.

Unitholders

CAPREIT shall endeavor to keep its unitholders informed of its progress through disclosures required by applicable securities laws, including annual and interim financial statements and periodic press releases. The Board has adopted a Unitholder Engagement Policy. Trustees and management shall be available to meet with CAPREIT's unitholders at the annual meeting and respond to questions at that time, and to engage with unitholders in accordance with the Unitholder Engagement Policy.

4. Composition

Each Trustee must have an understanding of CAPREIT's principal operational and financial objectives, plans and strategies, and financial position and performance. Trustees who experience a significant change in their personal circumstances that are reasonably likely to affect the performance of their duties as Trustees are expected to advise the Chair of the Board.

Chair of the Board

The Chair of the Board shall be an independent Trustee, unless the Board determines that it is inappropriate to require the Chair to be independent. If the Board determines that it would be inappropriate to require the Chair of the Board to be independent, then the independent Trustees shall select from among their number a Trustee who will act as “Lead Trustee” and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Trustee if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties.

Residency

A majority of the Trustees must be persons who are resident in Canada for purposes of the *Income Tax Act* (Canada) and the regulations thereunder, as replaced or amended from time to time. Trustees who propose to become non-residents of Canada shall advise the Board as soon as reasonably practicable.

5. Committees of the Board

The Board has established the Audit Committee, the Governance and Nominating Committee, the Human Resources and Compensation Committee and the Investment Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

Committee Mandates

The Board shall approve mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Board, which shall consider any proposed changes.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee’s mandate.

6. Meetings

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any Trustee may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting. Meetings of the Board shall be conducted in accordance with CAPREIT’s Declaration of Trust.

Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent Trustees and members of management are not present.

Trustees' Responsibilities

Each Trustee is expected to attend all meetings of the Board and any committee of which he or she is a member. Trustees will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of CAPREIT. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of CAPREIT. CAPREIT shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards

Trustees may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Trustees must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

7. Trustee Development and Evaluation

Each new Trustee shall participate in an initial orientation program to be established by the Board and each Trustee shall participate in CAPREIT's continuing trustee development programs to be coordinated by the Governance and Nominating Committee. At least annually, the Board shall review CAPREIT's initial orientation program and continuing trustee development programs.

At least annually, the Board's performance and effectiveness as a whole, the committees of CAPREIT, and the skills, contribution and qualification of individual Trustees will be assessed by the Governance and Nominating Committee.

8. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of CAPREIT. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of CAPREIT's Declaration of Trust, it is not intended to establish any legally binding obligations.

Approved on November 1, 2022.

APPENDIX 2: CHANGE OF AUDITOR

NOTICE OF CHANGE OF AUDITOR

TO: PricewaterhouseCoopers LLP, Chartered Professional Accountants

AND TO: Ernst & Young LLP, Chartered Professional Accountants

AND TO: Ontario Securities Commission
Autorité des marchés financiers
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Superintendent of Securities, Newfoundland and Labrador
Nova Scotia Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Nunavut
Office of the Superintendent of Securities, Northwest Territories
Office of the Superintendent of Securities, Yukon

In accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”), CAPREIT hereby provides notice of a change of the auditor of CAPREIT and confirms that:

1. On January 20, 2023, PricewaterhouseCoopers LLP, Chartered Professional Accountants (the “**Former Auditor**”) was asked by CAPREIT to resign as auditor of CAPREIT, effective May 15, 2023, to facilitate the appointment of Ernst & Young LLP, Chartered Professional Accountants (the “**Successor Auditor**”).
2. On January 20, 2023, the board of trustees of CAPREIT (the “**Board**”) approved the appointment of Ernst & Young LLP, Chartered Professional Accountants (the “**Successor Auditor**”), as the successor auditor of CAPREIT, in place of the Former Auditor, effective May 15, 2023.
3. The resignation of the Former Auditor and the appointment of the Successor Auditor, in each case effective as of May 15, 2023, were considered and recommended for approval by the audit committee of CAPREIT and considered and approved by the Board.
4. There were no modifications of opinion by the Former Auditor in the Former Auditor’s reports on CAPREIT’s consolidated financial statements for the two most recently completed fiscal years nor for any period subsequent thereto for which an audit report was issued and preceding the date hereof.
5. There were no “reportable events” as such term is defined in NI 51-102.

DATED as of the 23rd day of January, 2023.

**CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST**

(signed) Stephen Co

Name: Stephen Co
Title: Chief Financial Officer



Ernst & Young LLP
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100 Adelaide Street West, PO Box 1
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Tel: +1 416 864 1234
Fax: +1 416 864 1174
ey.com

Ontario Securities Commission
Autorité des marchés financiers
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Superintendent of Securities, Newfoundland and
Labrador
Nova Scotia Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Prince Edward Island
Office of the Superintendent of Securities, Nunavut
Office of the Superintendent of Securities, Northwest Territories
Office of the Superintendent of Securities, Yukon

January 27, 2023

Dear Sirs/Mesdames:

**Re: Canadian Apartment Properties Real Estate Investment Trust
Change of Auditor Notice Dated January 23, 2023**

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with the information contained in the Notice pertaining to our firm.

Very truly yours,

(signed) Ernst & Young LLP

cc. The Board of Trustees



January 26, 2023

To: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities (Prince Edward Island)
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities Nunavut

We have read the statements made by Canadian Apartment Properties Real Estate Investment Trust in the attached copy of change of auditor notice dated January 23, 2023, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated January 23, 2023.

Yours very truly,

(signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2 T: +1 416
863 1133, F: +1 416 365 8215, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.